As confidentially submitted to the United States Securities and Exchange Commission on August 12, 2021.
This draft registration statement has not been publicly filed with the United States Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Solaredge Holdings Limited*

(Exact Name of Registrant as Specified in its Charter)

Not Applicable
(Translation of Registrant's Name into English)

Cyprus	**7370**	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

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Anna Maria Lena Court, Flat 201
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Telephone: +357 22 418 200
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities

Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. 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 7(a)(2)(B) of the Securities Act. ☐

† 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.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered(1)	Proposed Maximum Aggregate Offering Price(2)(3)	Amount of Registration Fee
Ordinary shares, par value $ per share	**$**	**$**

(1) American depositary shares ("ADSs") issuable upon deposit of the ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each ADS represents one ordinary share.

(2) Includes ordinary shares that are issuable upon the exercise of the underwriters' option to purchase additional ADSs.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

* Prior to the completion of this offering, Solaredge Holdings Limited will be converted from a private limited company incorporated in Cyprus into a public limited company incorporated in Cyprus, and we will change our corporate name from Solaredge Holdings Limited pursuant to a special resolution at a general meeting of the shareholders to Cian PLC. The legal effect of the conversion of Solaredge Holdings Limited under Cypriot law will be limited to the change of legal form.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION

Dated , 2021

Solaredge Holdings Limited

American Depositary Shares

Representing Ordinary Shares

This is the initial public offering of Solaredge Holdings Limited. We are offering American Depositary Shares ("ADSs") and certain of our existing shareholders (the "Selling Shareholders") are offering ADSs, with each ADS representing one ordinary share. We will not receive any proceeds from the sale of ADSs by the Selling Shareholders. Prior to this offering, there has been no public market for our ordinary shares or ADSs. We currently expect the initial public offering price to be between $ and $ per ADS.

We intend to apply to list our ADSs on under the symbol "CIAN."

We are a "controlled company" under the corporate governance rules of . See "*Management—Controlled Company Exemption*."

We are both an "emerging growth company" and a "foreign private issuer" under applicable U.S. Securities and Exchange Commission rules and will be eligible for reduced public company disclosure requirements. See "*Prospectus Summary—Implications of Being an 'Emerging Growth Company' and a 'Foreign Private Issuer*.'"

Investing in our ADSs involves risks. See "Risk Factors" beginning on page 14.

	Initial public offering price	Underwriting discounts and commissions[(1)]	Proceeds, before expenses, to us	Proceeds, before expenses, to the Selling Shareholders
Per ADS	$	$	$	$
Total	$	$	$	$

(1) We refer you to "*Underwriters (Conflict of Interest)*" for additional information regarding underwriting compensation.

To the extent that the underwriters sell more than ADSs, the underwriters have a 30-day option to purchase up to an additional ADSs from us and an additional ADSs from the Selling Shareholders, each at the initial public offering price, less underwriting discounts and commissions.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ADSs to purchasers against payment on , 2021.

Morgan Stanley Goldman Sachs International J.P. Morgan

BofA Securities RenCap

Prospectus dated , 2021

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registratio Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities, and neither we nor the Selling Sh these securities in any state where the offer or sale is not permitted.

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Neither we, the Selling Shareholders, nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus outside the United States.

We are incorporated in Cyprus, and a majority of our outstanding securities are owned by non-U.S. residents. Under the rules of the U.S. Securities and Exchange Commission (the "SEC"), we are currently eligible for treatment as a "foreign private issuer." As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Neither we, the Selling Shareholders nor the underwriters have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus, any amendment or supplement to this prospectus, or in any free writing prospectus we have prepared, and neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information others may give you. Neither we, the Selling Shareholders nor the underwriters are making an offer to sell, or seeking offers to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date on the cover page of this prospectus, regardless of the time of delivery of this prospectus or the sale of ADSs. Our business, financial condition, results of operations and prospects may have changed since the date on the cover page of this prospectus.

ABOUT THIS PROSPECTUS

We have historically conducted our business through iRealtor LLC, a Russian limited liability company ("iRealtor"). iRealtor is a wholly owned subsidiary of Mimons Investments Limited, which in turn is a wholly owned subsidiary of the issuer, Solaredge Holdings Limited, a private company with limited liability under the laws of Cyprus. On February 5, 2021, we acquired N1.RU LLC ("N1" and, together with its subsidiaries, the "N1 Group"), a real estate-focused classifieds business that primarily operates in regional cities in Russia, such as Novosibirsk, Ekaterinburg and Omsk (the "N1 Acquisition").

Except where the context otherwise requires or where otherwise indicated, the terms "Cian," the "Company," the "Cian Group", the "Group," "we," "us," "our," "our company" and "our business" refer to Solaredge Holdings Limited, in each case together with its consolidated subsidiaries as a consolidated entity, and the term "Solaredge" or the "Issuer" refers to Solaredge Holdings Limited as a standalone company.

MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data in this prospectus from our own internal estimates and research as well as from publicly available information, industry and general publications and research, surveys and studies conducted by third parties, such as SimilarWeb ("SimilarWeb") and the other third parties stated below.

There are a number of market studies that address either specific market segments, or regional markets, within our industry. However, given the rapid changes in our industry and the markets in which we operate, no industry research that is generally available covers all of the digital real estate classifieds and adjacent market trends we view as key to understanding our industry and our place in Russia, in particular. We believe that it is important that we maintain as broad a view on industry developments as possible. To assist us in formulating our business plan and in anticipation of this offering, we commissioned Frost & Sullivan, a third party market research company, to conduct an independent study of the digital real estate classifieds landscape in Russia, including an overview of macroeconomic, real estate and digital real estate classifieds market dynamics and their evolution over time, an analysis of underlying market trends and potential growth factors, an assessment of the current competitive landscape and other relevant topics, and prepare us a report dated   , 2021, titled "Real Estate Advertising Market in Russia" (the "Frost & Sullivan Report").

In connection with the preparation of the Frost & Sullivan Report, we furnished Frost & Sullivan with certain historical information about our company and some data available on the competitive environment. Frost & Sullivan, in conjunction with third-party experts with extensive experience in the Russian real estate classifieds business, conducted research in preparation of the report, including a study of market reports prepared by other parties, interviews and a study of a broad range of secondary sources including other market reports, association and trade press publications, other databases and other sources. We used the data contained in the Frost & Sullivan Report to assist us in describing the nature of our industry and our position in it. Such information is included in this prospectus in reliance on Frost & Sullivan's authority as an expert in such matters. See "*Experts.*"

Due to the evolving nature of our industry and competitors, we believe that it is difficult for any market participant, including us, to provide a precise data on the market or our industry. However, we believe that the market and industry data we present in this prospectus provide accurate estimates of the market and our place in it. Industry publications and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this prospectus.

TRADEMARKS, SERVICE MARKS AND TRADENAMES

We have proprietary rights to trademarks used in this prospectus that are important to our business, many of which are registered under applicable intellectual property laws.

Solely for convenience, the trademarks, service marks, logos and trade names referred to in this prospectus are without the ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names. This prospectus contains additional trademarks, service marks and trade names of others, which are the property of their respective owners. All trademarks, service marks and trade names appearing in this prospectus are, to our knowledge, the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We report under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”). Our financial statements included in this prospectus are presented in rubles and, unless otherwise specified, all monetary amounts are in rubles. All references in this prospectus to “₽,” “rubles” or “RUB” mean Russian rubles, all references to “$,” “dollars” or “USD” mean U.S. dollars and all references to “€,” “euro” or “EUR” mean euro, unless otherwise noted.

N1’s audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020 have been prepared in accordance with IFRS.

Unaudited Pro Forma Condensed Combined Financial Information

This prospectus presents the unaudited pro forma condensed combined statement of profit and loss and other comprehensive income of the Cian Group for the year ended December 31, 2020. The unaudited pro forma condensed combined financial information is based upon the historical consolidated financial information of the Cian Group and the N1 Group, after giving effect to the N1 Acquisition for the period indicated. The unaudited pro forma condensed combined statement of profit and loss and other comprehensive income for the year ended December 31, 2020 combines the Cian Group’s and the N1 Group’s historical consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2020 and gives effect to the N1 Acquisition as if it occurred on January 1, 2020, the first day of the fiscal year ended December 31, 2020.

The historical financial information has been adjusted to give pro forma effect for transaction accounting adjustments for the N1 Acquisition. The unaudited pro forma condensed combined financial information does not reflect the costs of any integration activities, possible or pending asset dispositions, the benefits that may result from realization of future cost savings from operating efficiencies or revenue synergies that may result from the N1 Acquisition and, accordingly, do not attempt to predict or suggest future results.

The unaudited pro forma condensed combined financial information should be read in conjunction with the financial statements included elsewhere in this prospectus.

Non-IFRS Financial Measures

Certain parts of this prospectus contain non-IFRS financial measures, including Adjusted EBITDA, Core Business Adjusted EBITDA for Moscow and the Moscow region, Adjusted EBITDA Margin and Core Business Adjusted EBITDA Margin for Moscow and the Moscow region. The non-IFRS financial measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with IFRS and may be different from similarly titled non-IFRS measures used by other companies. See “*Selected Consolidated Historical Financial and Other Data*” for reconciliation of non-IFRS financial measures to the nearest IFRS measures.

Key Performance Indicators

Throughout this prospectus, we provide a number of key performance indicators used by our management and often used by competitors in our industry. These and other key performance indicators are discussed in more detail in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” We define certain terms used in this prospectus as follows:

“*Average UMV (Unique Monthly Visitors)*” means the average number of users and customers visiting our platform (websites and mobile application) per month in a particular period, excluding bots, based on Google Analytics data. Average UMV for a particular period is calculated by aggregating the UMV for each month within such period and dividing by the number of months. For 2020, 2019, 2018 and their respective semi-annual periods, Average UMV is calculated based on Google Analytics data; for the first half of 2021, Average UMV is calculated as a sum of Average UMV for the Cian Group (excluding the N1 Group) based on Google Analytics data and Average UMV for the N1 Group based on Yandex.Metrica data.

We calculate UMV using cookies and count the first time a computer or mobile device with a unique IP address accesses our platform during a month. If an individual accesses our platform using different IP addresses within a given month, the first access by each such IP address is counted as a separate unique visitor.

"*Listings*" means the daily average number of real estate listings posted on our platform by agents and individual sellers for a particular period.

"*Leads to agents and individual sellers*" means the number of times our users clicked to "show" a customer's phone number on our platform or sent chat messages to agents or property sellers through our platform in a month, calculated as a monthly average for a particular period.

"*Paying accounts*" means the number of registered accounts, which were debited at least once during a month for placing a paid listing on our platform or purchasing any value-added services, calculated as a monthly average for a particular period.

We calculate the number of paying accounts to include both individual accounts and master accounts, but excluding subordinated accounts, which can be created under one master account by the real estate agencies for their individual agents as part of our virtual agency offering. For further descriptions of individual accounts, master accounts and subordinated accounts, see "*Business — Core Classifieds Business — Products and Services We Offer to Customers*."

"*Average revenue per paying account*" is calculated as listing revenue in the secondary residential and commercial real estate verticals divided (i) by the number of paying accounts for the corresponding period and (ii) by the number of months during the period.

"*Leads to developers*" means the number of paid target calls, lasting 30 seconds or longer, made through our platform by home searchers to real estate developers, for a particular period.

"*Average revenue per lead to developers*" is calculated as lead generation revenue for a period divided by the number of leads (to developers) during such period.

All key performance indicators and other data contained in this prospectus exclude the N1 Group data, unless stated otherwise.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all the information that may be important to you before deciding to invest in our ADSs, and we urge you to read this entire prospectus carefully, including the "*Risk Factors*," "*Business*" *and* "*Management's Discussion and Analysis of Financial Condition and Results of Operations* " *sections and our audited consolidated financial statements and unaudited interim condensed consolidated financial statements, including the notes thereto, included in this prospectus, before deciding to invest in our ADSs*.

Overview

We are a leading online real estate classifieds platform in the large, underpenetrated and growing Russian real estate classifieds market, ranking among the top ten most popular online real estate classifieds globally, based on the April 2021 traffic data available at SimilarWeb (including Google Analytics estimates for Cian). Since our founding in 2001, we have become the most recognized and trusted real estate classifieds brand in the most populous Russian regions, according to the Frost & Sullivan Report, and have expanded our business beyond online real estate classifieds listings to offer additional products and services, which turn real estate searches and transactions into a seamless, transparent and efficient experience. Our mission is to use technology and deep insights into the real estate market in Russia to help people on the journey to their perfect new place to live or work.

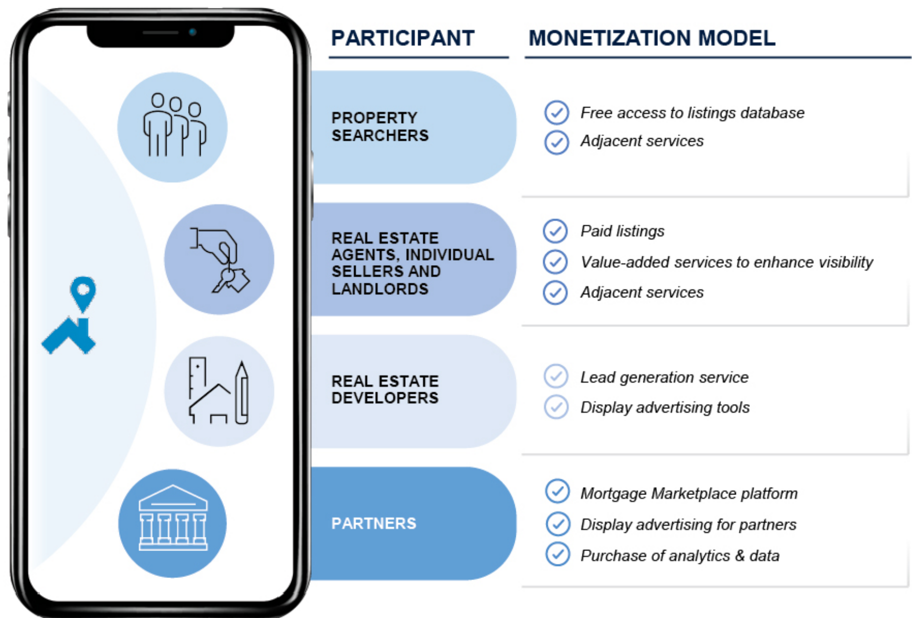
We operate in the Russian real estate market, which, according to the Frost & Sullivan Report, represented approximately USD 238 billion in 2020 and is only starting to digitalize. Being at the forefront of this digitalization trend and, as we believe, being one of the major driving forces behind it, we see an immediately addressable market opportunity of approximately USD 6 billion (in 2020, based on the Frost & Sullivan Report), which comprises real estate agents' commissions, developers' advertising budgets as well as adjacent markets, including mortgage advertising and digital services facilitating transactions. Our core online real estate classifieds market is projected to grow at a compound annual growth rate ("CAGR") of approximately 27% between 2021 and 2025, according to the Frost & Sullivan Report.

Our networked real estate platform connects millions of our users, the real estate buyers and renters, to millions of high-quality real estate listings of all types — residential and commercial, primary and secondary, urban and suburban, for both sale and rent. By offering a unique combination of products, services and insights, we have become a premier destination for our users as well as tens of thousands of our customers, real estate agents, developers, private sellers, landlords and other partners. Our platform aims to provide an end-to-end experience for our customers and users and help them address multiple pain points on their journey to a successful real estate transaction. We strive for our platform to encompass all stages of such journey, from finding the right property and the right buyer or renter, to financing the purchase and ensuring transaction certainty, while allowing participants to transact with ease and efficiency. We derive our revenue:

- In our Core Business segment, from listing fees in the secondary residential and commercial real estate verticals and lead generation fees in the primary residential real estate vertical, as well as fees for listing value-added services, such as premium and highlighted listings and listing auctions, and other value-added services. In June 2020, we introduced a new subscription-based model for customers, which allows our customers to purchase a monthly subscription with us and combine a number of listings with value-added services, improving efficiency for them and stickiness and monetization for us. For more details, see "*—Our Real Estate Platform—Core Classifieds Business —Products and Services We Offer to Customers—Subscription Model*." In the first half of 2021, the average share of listings under the subscription model amounted to approximately 41%, as compared to approximately 26% in the second half of 2020. We also charge fees for providing advertising tools through our platform for various parties, primarily real estate developers and banks, which we refer to as our display advertising revenue.
- In our Adjacent Services segment, from fees charged to our customers, users and partners, such as banks and other service providers for real estate transactions, for services that facilitate more efficient real estate transactions and provide valuable market insights, such as our information analytical services.

Our users can search our property listings free of charge via our mobile applications and our mobile and desktop websites. They can also benefit from a broad scope of adjacent services that we offer, such as real estate valuation and access to a choice of real estate financing options.

Our Networked Platform Connects Multiple Participants



Our networked platform model and our trusted brand have allowed us to achieve the leading position by share of leads to real estate agents and individual sellers and by number of listings in four of the most populous Russian regions, consisting of Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk, which together, according to the Frost & Sullivan Report, in 2020, accounted for 65%, 41% and 75% of the primary residential, secondary residential and commercial real estate markets in the country, respectively. In the first half of 2021, we had approximately 2.1 million listings available through our platform (excluding N1) and an average UMV of approximately 20.6 million (including N1). In 2020, we had approximately 2.1 million listings available through our platform and an average UMV of approximately 16.5 million. We believe that the quantity and quality of our listings database, as well as our expanding end-to-end value proposition, attract an increasing number of buyers and renters, which results in more transactions conducted based on expressions of interest and inquiries generated through our platform ("leads"), which in turn attracts more real estate agents, developers and landlords posting more listings. We believe that this powerful network effect has allowed us to continuously solidify our market leadership in our core regions of Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk and will allow us to continue strengthening and expanding our position in other regions.

Development of new products, services and features is an integral part of our business and we have a long and successful track record of disrupting the online real estate classifieds market through innovation. This culture of innovation and over 20 years of relevant experience allowed us to move beyond the pure online real estate classifieds model and become a fully-fledged, networked real estate platform enabled by cutting-edge technology, which creates value for all real estate market participants. In our Core Business segment, we provide advanced features that make connecting our customers and our users through our extensive database of property listings more efficient, such as: for users, AI-powered property search and virtual 3D

property tours; for real estate agents, Pro.Tools which are our advanced lead management toolkit offerings to boost productivity (including call tracking, duplicates and competition notifications, push notification for competition price decreases, detailed lead information and others); and for real estate agencies, enterprise features (including integration tools and tools for the management of marketing costs, performance and employees). To deliver our end-to-end value proposition and make searching and transacting even easier and more seamless for all real estate market participants, we have also created, and are continuing to add, innovative adjacent services, such as Mortgage Marketplace, Agent Finder, Property Valuation, Online Transaction Services, Home Swap and others. We intend to continue staying at the forefront of innovation by developing new solutions that will help our users to find their perfect properties to rent or buy and our customers to sell or rent out their real estate in the most efficient way.

We are a technology-driven platform and are committed to delivering the most efficient and stress-free experience through the use of cutting-edge technology, especially in view of the rapid pace of technological changes in our industry, such as increasing use of mobile devices by all participants in the real estate market and proliferation of new technologies that improve user experience, such as machine learning. We believe that our mobile-first approach, in which we prioritize our users' reliance on our mobile applications and mobile websites, makes finding a new home or office more convenient for our users, increases retention, improves the efficiency and conversion rate of our marketing programs and accelerates the growth of our business. The share of mobile in our average UMV increased to approximately 74.2% in the first half of 2021 from approximately 72.8% in the second half of 2020 and approximately 67.9% in the first half of 2020. Similarly, our share of mobile in leads to agents and individual sellers increased to approximately 69.2% in the first half of 2021 from approximately 64.3% in the second half of 2020 and approximately 63.3% in the first half of 2020.

Our revenue in the year ended December 31, 2020 was RUB 3,972 million, an increase of 10% from RUB 3,607 million in the year ended December 31, 2019. Our loss for the year ended December 31, 2020 was RUB 627 million, a decrease of 22.2% from RUB 806 million in the year ended December 31, 2019. Our Adjusted EBITDA was RUB 181 million for the year ended December 31, 2020 and a negative 376 million for the year ended December 31, 2019. As of December 31, 2020 and 2019, our total indebtedness outstanding under our credit facilities was RUB 728 million and RUB 477 million, respectively. Our results were affected by the measures that we introduced in response to the COVID-19 pandemic, including a temporarily suspension of monetization of our listing services across all regions in April 2020. We reinstated the monetization of our listing services in Moscow, the Moscow region, St. Petersburg and the Leningrad region in July 2020, while the monetization in most other regions remains temporarily suspended and its potential reintroduction is being assessed on a region-by-region basis. We believe that we are already seeing the positive effects of these measures in some of the regions in which we reverted back to the paid model, which is illustrated by an increased number of paid listings as compared to pre-COVID-19 levels. We believe that we are well-positioned to successfully leverage our scale, expertise and experience to continue growing our business and achieve profitability margins enjoyed by our best-in-class international peers.

Recent Developments

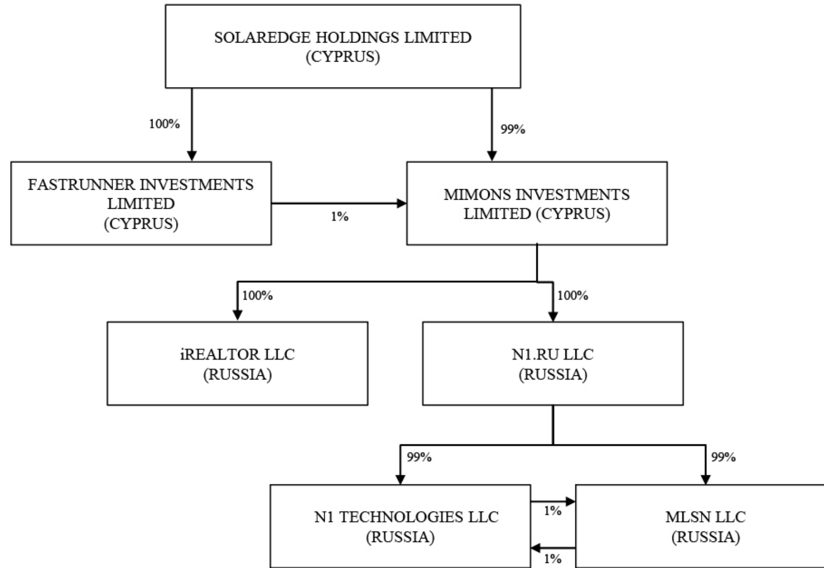
Corporate Information

We were incorporated in Cyprus on July 7, 2017 under the Cyprus Companies Law, Cap. 113. Our registered office is located at 64 Agiou Georgiou Makri, Anna Maria Lena Court, Flat 201, 6037, Larnaca, Cyprus. Our principal executive office is located at Elektrozavodskaya Ulitsa, 27, Building 8 Moscow, 107023, Russia. The telephone number at this address is +7 (800) 555 3218. Our website address is www.cian.ru. The information contained on, or that can be accessed through, our website is not a part of, and shall not be incorporated by reference into, this prospectus. We have included our website for inactive textual reference purposes only.

Prior to the completion of this offering, Solaredge Holdings Limited will be converted from a private limited company incorporated in Cyprus into a public limited company incorporated in Cyprus, and we will change our corporate name from Solaredge Holdings Limited, pursuant to a special resolution at a general meeting of the shareholders, to Cian PLC. The legal effect of the conversion of Solaredge Holdings Limited under Cypriot law will be limited to the change of legal form.

The following diagram illustrates our corporate structure following the completion of this offering:

Cian PLC (formerly Solaredge Holdings Limited)
(Cyprus)



Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under the "*Risk Factors*" section of this prospectus in deciding whether to invest in our ADSs. Among these important risks are the following:

- our lack of historic profitability and any potential inability to achieve or maintain profitability;
- our ability to maintain our leading market positions, particularly in Moscow, St. Petersburg and certain other regions, and our ability to achieve and maintain leading market position in certain other regions;
- our ability to compete effectively with existing and new industry players in the Russian real estate classifieds market;
- any potential failure to adapt to any substantial shift in real estate transactions from, or demand for services in, certain Russian geographic markets;
- any downturns in the Russian real estate market and general economic conditions in Russia;
- any effect on our operations due to cancellation of, or any changes to, the Russian mortgage subsidy program;
- further widespread impacts of the COVID-19 pandemic, or other public health crises, natural disasters or other catastrophic events which may limit our ability to conduct business as normal;
- our ability to establish and maintain important relationships with our customers and certain other parties;
- our ability to successfully implement our strategy;

- our ability to develop and implement new initiatives and to expand our presence in certain regional markets;
- the implementation of our subscription-based model may not materialize as expected;
- any negative effects resulting from updates or changes in search engine algorithms, other traffic-generating arrangements or adjacent products;
- any failure to establish and maintain proper and effective internal control over financial reporting;
- any failure to remediate existing deficiencies we have identified in our internal controls over financial reporting, including our information technology general controls; and
- any new or existing government regulation in the area of data privacy, data protection or other areas.

Implications of Being an “Emerging Growth Company” and a “Foreign Private Issuer”

We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the “JOBS Act”). As such, we are eligible, for up to five years, to take advantage of certain exemptions from various reporting requirements that are applicable to other publicly traded entities that are not emerging growth companies. These exemptions include:

- the ability to present more limited financial data, including presenting only two years of audited financial statements and only two years of selected financial data in the registration statement on Form F-1 of which this prospectus is a part;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (“PCAOB”) regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- not being required to submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay,” “say-on-frequency” and “say-on-golden parachutes;” and
- not being required to disclose certain executive compensation related items, such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer’s compensation to median employee compensation.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering or such earlier time that we are no longer an emerging growth company. As a result, we do not know if some investors will find our ADSs less attractive. The result may be a less active trading market for our ADSs, and the price of our ADSs may become more volatile.

We will remain an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion; (ii) the last day of the fiscal year following the fifth anniversary of the date of this offering; (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ADSs that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1 billion in non-convertible debt securities during any three-year period.

Upon consummation of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;

- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specific information, or current reports on Form 8-K, upon the occurrence of specified significant events.

Foreign private issuers, like emerging growth companies, are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosure required of public companies that are neither an emerging growth company nor a foreign private issuer.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We are required to determine our status as a foreign private issuer on an annual basis at the end of our second fiscal quarter. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies:

- the majority of our executive officers or directors are U.S. citizens or residents;
- more than 50% of our assets are located in the United States; or
- our business is administered principally in the United States.

Status as a "Controlled Company"

Upon the completion of this offering, our shareholders, Ronder Investment Limited, Speedtime Trading Limited and Onlypiece Trading Limited, investment vehicles associated with Elbrus Capital, will collectively own ordinary shares, representing % of the voting power of our issued and outstanding shares (or ordinary shares representing % of the voting power of our issued and outstanding shares if the underwriters exercise their option to purchase additional ADSs in full), and will have the right to appoint a majority of our directors. As a result, we will remain a "controlled company" within the meaning of the listing rules and therefore we are eligible for, and, in the event we no longer qualify as a foreign private issuer, we intend to rely on, certain exemptions from the corporate governance listing requirements, of . See "*Management—Controlled Company Exemption*."

The Offering

ADSs offered by us	ADSs, each representing one ordinary share.
ADSs offered by the Selling Shareholders	ADSs, each representing one ordinary share.
Ordinary shares to be outstanding after this offering	ordinary shares (ordinary shares if the underwriters exercise their option to purchase additional ordinary shares from us and the Selling Shareholders in full).
Option to purchase additional ADSs	We and the Selling Shareholders have granted the underwriters an option to purchase up to additional ADSs from us and an additional ADSs from the Selling Shareholders within 30 days of the date of this prospectus.
American Depositary Shares	The underwriters will deliver ADSs representing our ordinary shares. Each ADS represents one ordinary share. As an ADS holder, we will not treat you as one of our shareholders. The depositary, (the “depositary”), will be the holder of the ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement. You may surrender your ADSs and withdraw the underlying ordinary shares as provided, and pursuant to the limitations set forth in the deposit agreement. The depositary will charge you fees for, among other items, any such surrender for the purpose of withdrawal. As described in the deposit agreement, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs, you agree to be bound by the terms of the deposit agreement then in effect. To better understand the terms of the ADSs, you should carefully read the “*Description of American Depositary Shares*” section of this prospectus. You should also read the deposit agreement, which is an exhibit to the registration statement of which this prospectus forms a part.
Depositary	
Custodian	
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $ million, assuming an initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of ADSs by the Selling Shareholders. We intend to use the net proceeds from this offering to fund the growth and expansion of our business and other general corporate purposes. See “*Use of Proceeds*.”
Lock-up	We, the Selling Shareholders, our executive officers, board members and certain other shareholders have agreed, subject to limited exceptions, not to offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract

	to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the ordinary shares or such other securities for a period of days after the date of this prospectus, subject to certain exceptions, without the prior written consent of Morgan Stanley & Co. LLC, Goldman Sachs International, and J.P. Morgan Securities LLC, BofA Securities, Inc. and Renaissance Securities (Cyprus) Limited as representatives on behalf of the underwriters. The ADSs of certain of our affiliates will only be able to be resold pursuant to the requirements of Rule 144. See "*Shares and ADSs Eligible for Future Sale*" for a more detailed description of the restrictions on selling our ADSs after this offering.
Dividend policy	We have not declared or paid cash dividends on our ordinary shares in recent years. In the medium term, we intend to retain all available liquidity sources and future earnings, if any, to fund the development and growth of our business. Any future determination to declare cash dividends would be subject to the discretion of our board of directors and would depend on various factors, including our strategy, results of operations, financial condition, cash flow, working capital requirements, our capital expenditures, applicable provisions of our articles of association, restrictions that may be imposed by applicable law or our credit facilities, and other factors deemed relevant by our board of directors. Further, the terms of certain of our outstanding borrowings restrict our ability to pay dividends or make distributions on our ordinary shares without consent of a lender, and we may enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends or make distributions on our ordinary shares. See "*Dividend Policy*."
Risk factors	See "*Risk Factors*" and the other information included in this prospectus for a discussion of factors you should consider before deciding to invest in our ADSs.
Conflicts of Interest	An investment vehicle associated with The Goldman Sachs Group, Inc., the parent of Goldman Sachs International, an underwriter in this offering, and Goldman Sachs & Co LLC, its agent in this offering, beneficially owns 13.63% of our outstanding ordinary shares in the aggregate immediately prior to this offering. In addition, such investment vehicle will be a selling shareholder in this offering and will receive 5% or more of the net offering proceeds. Because of such ownership interests and receipt of net offering proceeds, this offering will be made in compliance with the applicable provisions of FINRA Rule 5121. Rule 5121 requires that a "qualified independent underwriter" meeting certain standards participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto. will act as a "qualified independent underwriter" within the

	meaning of Rule 5121 in connection with this offering. Further, as required by Rule 5121, Goldman Sachs & Co. LLC will not confirm sales of the ADSs to any account over which it exercises discretionary authority without the prior written approval of the customer. See "*Underwriting (Conflicts of Interest)*" for more information.
Pre-emptive rights	Under the law of Cyprus, existing holders of shares in Cypriot public companies are entitled to pre-emptive rights on the issue of new shares in that company (if shares are issued for cash consideration). Our shareholders intend to authorize the disapplication of pre-emptive rights for a period of years from the date of the completion of this offering. See "*Description of Share Capital and Articles of Association—Pre-emptive Rights*."
Listing	We intend to apply to list our ADSs on under the symbol "CIAN." We also intend to apply for the approval of the Moscow Exchange ("MOEX") in relation to the listing and admission of the ADSs to trading on MOEX under the symbol "CIAN".

The number of our ordinary shares to be outstanding after this offering is based on ordinary shares outstanding as of , 2021 and excludes:

- ordinary shares issuable upon the exercise of share options outstanding as of , 2021 at a weighted average exercise price of $ per share; and
- ordinary shares reserved for future issuance under our employee share option programs as described in "*Management — Long-Term Incentive Plans.*"

Unless otherwise indicated, all information contained in this prospectus assumes or gives effect to:

- no exercise of the outstanding options described above after , 2021;
- no exercise by the underwriters of their option to purchase additional ADSs in this offering; and
- an initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER OPERATING DATA

We prepare our consolidated financial statements in accordance with IFRS as issued by the IASB. The following summary consolidated statements of profit or loss and other comprehensive income, consolidated statements of financial position and consolidated statements of cash flows as of and for the years ended December 31, 2020 and 2019 are derived from our audited consolidated financial statements for the years ended December 31, 2020 and 2019, included elsewhere in this prospectus.

Our historical results are not necessarily indicative of the results that may be expected for any periods in the future. You should read this summary data together with our financial statements and related notes beginning on page F-1 of this prospectus, as well as the sections of this prospectus titled "*Selected Consolidated Historical Financial and Other Data,* " "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the other financial information included elsewhere in this prospectus.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year Ended December 31,	
	2020	2019
	(RUB in million, except share and per share data)	
Revenue	**3,972**	**3,607**
Operating expenses		
Marketing expenses	(1,697)	(2,159)
Employee-related expenses	(2,208)	(1,385)
IT expenses	(264)	(289)
Depreciation and amortization	(200)	(169)
Other operating expenses	(180)	(217)
Goodwill impairment	—	(256)
Total operating expenses	**(4,549)**	**(4,475)**
Operating loss	**(577)**	**(868)**
Finance costs	(72)	(38)
Finance income	11	7
Foreign currency exchange loss, net	(1)	(3)
Loss before income tax	**(639)**	**(902)**
Income tax benefit	12	96
Loss for the year	**(627)**	**(806)**
Total comprehensive loss for the year	**(627)**	**(806)**
Loss per share, RUB in thousands		
Basic and diluted loss per share attributable to ordinary equity holders of the parent	**(209.0)**	**(268.7)**
Basic and diluted weighted average number of ordinary shares	3,000	3,000

Consolidated Statements of Financial Position

	As of December 31,	
	2020	2019
	(RUB in million)	
Total non-current assets	659	638
Total current assets	711	328
Total assets	**1,370**	**966**
Total equity	**(872)**	**(245)**
Total non-current liabilities	741	576
Total current liabilities	1,501	635
Total liabilities	**2,242**	**1,211**

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
	(RUB in million)	
Net cash generated from (used in) operating activities	230	(361)
Net cash used in investing activities	(109)	(130)
Net cash generated from financing activities	182	539
Cash and cash equivalents at the beginning of the period	**148**	**103**
Cash and cash equivalents at the end of the period	**449**	**148**

Segment Data[(1)]

	Year Ended December 31,	
	2020	2019
	(RUB in million, unless stated otherwise)	
Core Business Adjusted EBITDA	532	(193)
Core Business Adjusted EBITDA Margin	14%	(5)%
Adjacent Services Adjusted EBITDA	(499)	(299)

(1) Core Business Adjusted EBITDA and Adjacent Services Adjusted EBITDA presented in the table below are our segment measures of profit or loss and, therefore, are not considered non-IFRS financial measures. The sum of Core Business Adjusted EBITDA and Adjacent Services Adjusted EBITDA differs from Adjusted EBITDA because Core Business Adjusted EBITDA and Adjacent Services Adjusted EBITDA include adjustments for lease-related amortization and interest, capitalized development costs, and operating expense related to software licenses. For further details on our segmentation, see Note 5 to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Non-IFRS Measures[(1)]

	Year Ended December 31,	
	2020	2019
	(RUB in million, unless stated otherwise)	
Adjusted EBITDA	181	(376)
Adjusted EBITDA Margin	4.6%	(10.4)%
Core Business Adjusted EBITDA for Moscow and the Moscow region	1,766	1,539
Core Business Adjusted EBITDA Margin for Moscow and the Moscow region	58.9%	57.0%

(1) See the definitions and reconciliations of the non-IFRS measures to the applicable IFRS measures in "*Selected Consolidated Historical Financial and Other Data—Non-IFRS Measures*." Also see the discussions in "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Indicators of Operating and Financial Performance*."

Other Data[1]:

	Six Months Ended June 30,		Year Ended December 31,	
	2021	2020	2020	2019
Average UMV[1] (in millions)	20.6	15.2	16.5	13.4
Listings[2] (in millions)	2.1	2.0	2.1	1.9
Thereof: Moscow and the Moscow region	0.3	0.4	0.4	0.4
Thereof: Other regions	1.8	1.6	1.8	1.5
Leads to agents and individual sellers [3] (in millions)	8.5	6.5	8.0	6.9
Paying accounts[4] (in thousands)	99.2	85.1	88.6	96.7
Thereof: Moscow and the Moscow region	59.2	49.5	54.9	58.1
Thereof: Other regions	42.1	38.6	36.2	42.9
Average revenue per paying account[5] (in RUB)	1,134	827	632	619
Thereof: Moscow and the Moscow region	1,660	1,131	897	877
Thereof: Other regions	510	429	292	307
Leads to developers[6] (in thousands)	113.8	103.9	244.8	179.6
Average revenue per lead to developers [7] (in RUB)	5,238	3,915	4,046	3,470

(1) See the definitions average UMV, listings, leads to agents and individual sellers, paying accounts, average revenue per paying account, leads to developers and average revenue per lead to developers in "*Presentation of Financial and Other Information*" and "*Selected Consolidated Historical Financial and Other Data—Other Data*."

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF THE CIAN GROUP

The unaudited pro forma condensed combined financial information is based upon the historical consolidated financial information of the Cian Group and N1, after giving effect to the N1 Acquisition for the period indicated. The unaudited pro forma condensed combined statement of profit and loss and other comprehensive income for the year ended December 31, 2020 combines the Cian Group's and the N1 Group's historical consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2020 and gives effect to the N1 Acquisition as if it occurred on January 1, 2020, the first day of the fiscal year ended December 31, 2020.

The historical financial information has been adjusted to give pro forma effect for transaction accounting adjustments for the N1 Acquisition. The unaudited pro forma condensed combined financial information does not reflect the costs of any integration activities, possible or pending asset dispositions, the benefits that may result from realization of future cost savings from operating efficiencies or revenue synergies that may result from the N1 Acquisition and, accordingly, do not attempt to predict or suggest future results.

The unaudited pro forma condensed combined financial information should be read in conjunction with the financial statements included elsewhere in this prospectus.

	Cian Group (Historical)	N1 Group (Historical)	Transaction Accounting Adjustments	Notes[1]	Unaudited Pro Forma Combined
			(RUB in million)		
Revenue	**3,972**	**563**	**—**		**4,535**
Operating expenses:					
Marketing expenses	(1,697)	(214)	—		(1,911)
Employee-related expenses	(2,208)	(171)	—		(2,379)
IT expenses	(264)	(29)	—		(293)
Depreciation and amortization	(200)	(24)	(85)	3a	(309)
Other operating expenses	(180)	(54)	—		(234)
Total operating expenses	**(4,549)**	**(492)**	(85)		**(5,126)**
Operating (loss) / profit	**(577)**	**71**	(85)		**(591)**
Finance costs	(72)	(3)	—		(75)
Finance income	11	1	—		12
Foreign currency exchange (loss) / gain, net	(1)	3	—		2
(Loss) / profit before income tax	**(639)**	**72**	(85)		**(652)**
Income tax benefit / (expense)	12	(14)	11	3b	9
(Loss) / profit for the year	**(627)**	**58**	(74)		**(643)**

(1) See section 3 "Pro Forma Adjustments" in "*Unaudited Pro Forma Condensed Combined Financial Information.*"

RISK FACTORS

You should carefully consider the risks described below before making an investment decision. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our ADSs could decline due to any of these risks, and you may lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus.

Risks Related to Our Business and Industry

We have incurred operating losses in the past and may never achieve or maintain profitability.

We incurred a loss of RUB 806 million and RUB 627 million in the years ended December 31, 2019 and 2020, respectively. We will need to generate and sustain increased revenue levels or decrease our expenses going forward to achieve profitability, and there can be no assurance that we will be successful in doing so, or that we will be able to maintain or increase profitability once achieved. We expect to continue the development and expansion of our business and anticipate additional costs in connection with legal, accounting and other administrative expenses related to operating as a public company. These expenses may prove higher than we anticipate, and we may not succeed in increasing our revenue sufficiently to offset the expenses associated with such development and operations as a public company. While our revenue has grown in recent years, if our revenue declines or fails to grow at a rate sufficient to offset increases in our operating expenses, we will not be able to achieve or maintain profitability in future periods. We cannot ensure that we will achieve profitability in the future or that, if we become profitable, we will be able to sustain or increase profitability.

Our path to profitability greatly depends on us maintaining our leading market positions, particularly in Moscow, St. Petersburg and certain other regions, and achieving and maintaining leading market positions in certain other cities and regions.

We own and operate a leading online real estate classifieds platform available primarily via our websites “Cian.ru” and “N1.ru” and via our Cian and N1 mobile applications. Through this platform, we offer (i) an opportunity to post real estate listings and to use our value-added services for both professional and private listing customers, which include real estate agents, real estate developers, individual sellers and renters (all referred to as “customers”); (ii) an opportunity to search real estate listings and to use our additional paid and free services for professional and private end-users visiting our platform (referred to as “users”) and (iii) additional services, such as advertisement placement, for third parties, such as banks and other service providers for real estate transactions.

We believe that holding a leading position in an online real estate classifieds market significantly enhances our platform’s value proposition for our customers and users, as a high number of quality listings by customers attracts more users, helping to generate more leads for the customers, which, in turn, attracts more customers. As a result of these strong network effects, a market leader in this industry typically may benefit from operating leverage and greater potential opportunities to monetize its platform.

According to the Frost & Sullivan Report, we currently have a leading position among online real estate classifieds platforms in the most populous Russian regions, including Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk, based on (i) the share of leads to real estate agents and individual sellers (data for the first quarter of 2021; data for Ekaterinburg and Novosibirsk includes the N1 Group) and also (ii) the number of residential listings for purchases and for rent (excluding short term rentals) (as of April 1, 2021; data for Ekaterinburg and Novosibirsk includes the N1 Group). For further details, including definition and calculation of the number of leads, see “*Presentation of Financial and Other information—Key Performance Indicators*.” In line with our strategy, we also aim to achieve and maintain leading market positions in other regions, see “*Business—Strategy—Continued expansion into Russian regions via organic growth and select M&A opportunities*.”

Achieving or maintaining leading market positions is not guaranteed. A decline in the number or quality of listings on our platform for any reason may render our platform less attractive to our users, which, in turn, may decrease the number of visitors to our platform and leads we generate for our customers. Average UMV is one of the key metrics of our platform traffic and our user engagement. Our average UMV consistently grew to 20.6 million in the first half of 2021 (including N1) from 16.5 million in 2020 and 10.3 million in 2018. If our average UMV stagnates or declines, it may have a significant negative effect on the development of our platform, our ability to generate leads to our customers and partners and, consequently, our business, results of operations, financial condition and prospects.

There is a general lack of exclusivity in the online real estate classifieds market, which allows the same property to be listed on multiple competing platforms simultaneously. Other platforms may offer superior interfaces, better overall experiences, or competitive features that we may not possess. As a result of user churn due to these and other factors, such other platforms may become more attractive than ours for both customers and users due to their superior effectiveness in terms of number of users and, as a result, lead generation, as well as number of listings. If we are unable to maintain our current leading market positions, in particular, our leading market positions in Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk, and if we are unable to achieve and maintain leading market positions in certain other regions, it could have a material adverse effect on our business, results of operations, financial condition and prospects.

The online classifieds market is competitive, and we may fail to compete effectively with existing and new industry players, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We operate in a competitive market that is characterized by the network effect, in which a high number of customers' listings attracts user traffic, and higher traffic typically results in more leads for our customers, which, in turn, attracts more listings and advertising. Our ability to attract customers depends on a variety of factors, including the number and quality of our listings, reliability of our websites and mobile applications and user-friendly interface, the scope of our value-added service offerings as well as our marketing efforts. If we are unable to meet our customer and user demand, we may lose them to our competitors. Our current or future competitors may be able to better position themselves and it may be difficult for us to accurately assess or predict our future competitive environment and competitive threats that we may face.

We face competition from a variety of digital market players and, in the case of the primary real estate market, from offline advertising media, all of which provide platforms and advertising space to customers. Our key competitors are other vertical classifieds platforms (i.e. platforms specializing in a single category of classifieds), which focus on real estate classifieds, and horizontal classifieds platforms (i.e. generalist online classifieds platforms that offer listings across various product categories, including real estate). Vertical classifieds platforms operating in Russia include DomClick, Yandex.Nedvizhimost and Square Meter. Horizontal classifieds platforms include companies like Avito and Youla. Some of these platforms are owned by large Russian banking groups, such as DomClick, which is owned by Sberbank, and Square Meter, which is owned by VTB. Others are backed by large internet companies, such as Yandex.Nedvizhimost, which is owned by Yandex, one of the largest internet companies in Russia, Youla is a classifieds platform of Mail.ru Group, while Avito is majority-owned by the international internet conglomerate Naspers. These platforms may enjoy additional competitive advantages, such as greater financial, technical, human and other resources. For example, Yandex continues to invest in its real estate classified services and recently, as part of Yandex.Nedvizhimost, launched Yandex.Arenda, which is a separate service facilitating long-term rentals. Competition against companies that also operate major internet search engines, such as Yandex, is particularly exacerbated by our reliance on paid search advertising to help direct users to our sites, since internet companies and aggregators that own real estate platforms could potentially divert users to other online classifieds platforms. See also "—*Our business could be negatively affected by updates or changes in search engine algorithms and pricing model*."

Furthermore, we may also face competition from platforms that offer short-term rentals, such as Airbnb and Booking.com, if these platforms begin placing greater emphasis on more comprehensive real estate offerings that appeal to our current users. We may also face competition from new entrants into the online real estate classifieds market. For example, recently Ozon, one of the largest Russian e-commerce

platforms, announced a launch of its real estate marketplace in partnership with a real estate developer. Additionally, in organizing their real estate search, users may choose to participate in grassroots or community-based initiatives that are increasingly being organized on horizontal classifieds platforms and through social media, such as Facebook and VKontakte.

Some of the real estate agents or real estate developers in Russia may also form associations and establish their own real estate platforms and advertising channels, including through social media. In addition, we also compete with regional and local players. Given Russia's large geographical coverage, our competitors operating on regional and local levels may enjoy certain competitive advantages, including greater brand recognition, stronger presence in a particular region and understanding of the local market and local demands, more favorable pricing alternatives and lower operating costs.

There can be no assurance that we will be able to compete successfully against other companies that provide similar services in the competitive environment in which we operate. If we are not able to compete effectively, it could result in us having to make changes to our strategy and business model, and it could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are heavily dependent on our brands and reputation.

Our success depends in large part on our "Cian" and "N1" brand family. In the markets where we are a market leader, our brands are particularly important as they benefit from, and are reinforced by, the network effects of our market-leading positions. According to the Frost & Sullivan Report, our "Cian" brand enjoys market-leading brand awareness in Moscow and St. Petersburg, while our "N1" brand has a strong recognition in numerous regional markets, such as Ekaterinburg and Novosibirsk. However, our brands are also important in the markets where we are working to build our brand recognition and brand awareness.

Awareness and perceived quality and differentiation of our brands are critical aspects of our efforts to attract and expand the number of our customers and users. For example, it may be easier for our competition from horizontal platforms, such as Avito, to leverage their broader platform and build stronger brand awareness in the online real estate classifieds market. Furthermore, some of our competitors, particularly those owned by large Russian banking groups, such as DomClick, may benefit from larger marketing budgets and other resources in promoting their brand. See "—*The online classifieds market is competitive, and we may fail to compete effectively with existing and new industry players, which could have a material adverse effect on our business, results of operations, financial condition and prospects.*" If we fail to maintain, protect or enhance our brands, we may not be able to increase our prices if and as planned, or we may be required to increase our marketing or sales efforts, which could be costly or prove unsuccessful in avoiding customer and user churn.

Our reputation depends on the accuracy, completeness and timeliness of the listings information that we provide, although the accuracy and completeness of this data is often outside of our control. Furthermore, any events that cause our customers and users to believe that we have failed to maintain high standards of integrity, service, security and quality could affect our brand image or lead to negative publicity about the security, integrity or quality of our platform, which may damage our reputation or lead to loss of trust among our customers and users. We are susceptible to others damaging the reputation of our brands by, for example, posting low-quality listings, such as fraudulent or replicated listings, inappropriate content or inaccurate information on our platform. Such incidents may result in adverse publicity and harm our reputation and brands.

Furthermore, our brands and reputation also depend on our ability to maintain effective customer service, which requires significant personnel expense and which, if not managed properly, could significantly impact our profitability. If we are unable to properly manage or train our customer service representatives, it could compromise our ability to effectively handle our customers' needs.

If we are unable to protect and maintain our brand recognition and reputation, or if we are required to make significant investments to protect our brands from competition or a deterioration in customer and user perception, we may experience a decline in demand for our services or an increase in operating costs, which, in turn, could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business is concentrated in certain geographic markets. Our failure to adapt to any substantial shift in real estate transactions from, or demand for services in, these markets to other markets in Russia could adversely affect our financial performance.

For the year ended December 31, 2020, Moscow and the Moscow region accounted for 78% of our Core Business segment revenue. Historically we also have held a strong market position in St. Petersburg and the Leningrad region. Local and regional conditions in Moscow, St. Petersburg and their respective regions may differ significantly from prevailing conditions in other parts of Russia. Accordingly, events that adversely affect demand for, and sales and rental prices of, real estate in these markets may disproportionately and adversely affect our business, financial condition and results of operations. Any downturn in demand or prices in any of our largest markets, particularly if we are unable to proportionately increase revenue from our other markets, could adversely affect growth of our revenue and market share or otherwise harm our business.

Our top geographic markets are primarily major metropolitan areas, such as Moscow, St. Petersburg, Ekaterinburg and Novosibirsk, where real estate prices, transaction volumes and competition are generally higher than in the majority of other geographic markets in Russia. If, in the future, people migrate to cities outside of the major metropolitan areas due to lower home prices or other factors, including as a result of the novel coronavirus disease (“COVID-19”) pandemic, and if this migration continues to take place over the long term, the relative percentage of residential housing transactions may shift away from the markets where we have historically generated most of our revenue. Our inability to effectively adapt to any general market trends or shifts could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be significantly impacted by the health of the Russian real estate market and may be negatively affected by downturns in this industry and general economic conditions.

The success of our business depends, directly and indirectly, on the health of the Russian real estate market, which is affected, in part, by general economic conditions and other factors beyond our control. A number of macroeconomic factors could adversely affect demand for real estate, resulting in falling prices and decrease in our customer and user activities, including:

- slow economic growth or recessionary conditions;
- the ongoing and future impact of the COVID-19 pandemic on the real estate market, including real estate buying, renting, selling, financing and shopping trends as well as any actions taken by governmental authorities in response to the pandemic;
- increased levels of unemployment and/or slowly growing or declining wages;
- increased interest rates;
- weak credit markets;
- inflationary conditions;
- value declines or illiquidity in residential and/or commercial real estate;
- overall conditions in the real estate market, including macroeconomic shifts in demand, and increases in costs for property owners, such as property taxes, fees and insurance costs;
- low levels of user confidence in the Russian economy and/or the Russian real estate industry;
- adverse changes in local or regional economic conditions in the markets that we serve, particularly Moscow, St. Petersburg and their respective regions, and the regional Russian markets into which we are expanding;
- increased mortgage rates or down payment requirements and/or restrictions on mortgage financing availability;
- newly enacted and any potential future national, regional or local legislative actions that would affect the residential real estate industry generally or in our key markets, including (i) actions that could increase the tax liability arising from buying, selling or owning real estate, (ii) actions that would

change the way real estate commissions are negotiated, calculated or paid and (iii) potential reforms that negatively affect to the mortgage market;

- volatility and general declines in the stock market; and/or
- war, terrorism, political uncertainty, natural disasters, inclement weather, health epidemics or pandemics, acts of God and other events that disrupt local, regional or national real estate markets.

Our inability to effectively adapt to economic downturns could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be unable to adapt to structural changes in the real estate market in Russia prompted by decreased reliance on real estate market professionals due to technological innovation or changes in our users' preferences or government intervention.

We derive the majority of our listing revenue from listings and related value-added services for customers that are real estate market professionals, including primarily real estate agencies. Our current monetization strategy differs significantly for our professional customers and our customers who are individual sellers and renters. Unlike professional customers, individual sellers and renters typically only list the real estate that they own, which results in a very limited amount of listings from one particular customer. We consider these customers to be important for the depth of our listing base (and, as a result, attractiveness to users) and, in the majority of regions, we allow individual sellers and renters to post their listings free of charge, as we currently focus our monetization strategy on professional customers. If our users' preferences change such that they choose to be less reliant on the services of real estate professionals, such as agents, if the business of real estate professionals is disrupted by technological innovation or other factors or becomes obsolete for other reasons, as has been the case in various industries over the last few decades, our professional customers may significantly reduce their listings on our platform. Thus, if we are unable to respond to such structural change in an efficient manner by adjusting our approach to our customers and our monetization strategy or otherwise, it could have a material adverse effect on our business, results of operation, financial condition and prospects. For further details, see "*—Technological changes may disrupt our business or the markets in which we operate and if we cannot keep pace our business could be harmed*."

Furthermore, any structural intervention by the Russian government, including any potential governmental support for any aspects of real estate business or online classifieds businesses in Russia, could create uncertainly and have a significant impact on the competitive dynamics. For example, the Russian government may support shifting real estate transactions online by opening access to government registry databases to real estate classifieds platforms or other similar providers. It remains unclear as to what extent, if at all, the Russian government may provide such access and, if so, who may receive such access and what the conditions may be for such access. In addition, if the Russian government decides to mandate any single entity that will be responsible for online real estate transactions in Russia generally, it may also significantly impact the market dynamics and our market share. If the government intervenes in the real estate market in manner adverse to us or in favor of our competitors, it could have a material adverse effect on our business, results of operation, financial condition and prospects.

Our business and results of operations may be affected by the cancellation of, or any changes to, the Russian mortgage subsidy program.

We generate a significant part of our revenue from the lead generation services for real estate developers. Therefore, our revenues and results of operations are significantly affected by the availability of mortgage financing and lower interest rates, which typically increase the demand for the primary real estate and, consequently, are important factors affecting the leads generated for the real estate developers through our platform. In April 2020, the Russian government instituted a mortgage subsidy program intended to support the construction sector of the economy by offering subsidized mortgages. Under this program, the government compensates participating banks for lowering their interest rates on mortgages for primary real estate. The program has had a strong positive effect on consumer demand for real estate purchases and, accordingly, the sales of real estate developers and their demand for our services. Our lead generation revenue, which is driven by primary real estate developers, increased by 59.6% in 2020. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors*

Affecting Our Results of Operations—Macroeconomic Environment and the Russian Property Market. " Off the back of this strong underlying real estate market, we were able to increase our fees charged for generated leads. We believe that our competitive pricing allowed us to increase our fees without losing our developers base. In order to maintain our competitive advantages, we may not be able to increase our lead generation fees in the future, which will result in a revenue growing at a slower pace or declining.

In July 2021, the mortgage subsidy program was extended until July 2022 on amended terms, including increase of the mortgage interest rate ceiling from 6.5% to 7.0% and decrease of the maximum subsidized mortgage size from up to RUB 12 million for Moscow, the Moscow region, St. Petersburg and the Leningrad region (and RUB 6 million for other regions) to up to RUB 3 million across all regions. If the program is cancelled or further amended in an adverse manner, the demand for primary real estate may significantly decrease, which in turn may affect our revenue generated from the leads to real estate developers.

Furthermore, there are currently various other governmental support programs in the real estate market designed to help real estate development and mortgage uptake by, among others, families, those living in the Russian Far East, and rural communities. We believe that such programs have also impacted the Russian real estate market and its competitive dynamics. We believe that their cancellation, or any significant changes to such programs, could also have a material adverse effect on our business, results of operation, financial condition and prospects.

The COVID-19 pandemic and other public health crises, natural disasters or other catastrophic events may significantly limit our ability to conduct business as normal, disrupt our business operations and materially affect our financial condition.

The COVID-19 pandemic had a significant impact on the economies of most countries, including Russia. The pandemic has resulted in numerous deaths, and the governments of more than 80 countries across the world, including Russia, introduced measures aimed at preventing the further spread of COVID-19, including, among others, travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, quarantines and the imposition of both local and more widespread "work from home" measures. For example, in March 2020, to slow the spread of COVID-19, the Russian government imposed a country-wide lockdown, introducing several "non-working weeks," bans on public events, closures of public places, border controls and travel and other restrictions. More recently, in June 2021, the spread of COVID-19 sharply increased in Moscow and numerous other Russian regions and the governmental authorities introduced a number of recommendations and restrictions.

The COVID-19 pandemic, its broad impact and preventive measures taken to contain or mitigate the pandemic have had, and are likely to continue to have, significant negative effects on the Russian and global economy, employment levels, employee productivity, residential and commercial real estate and financial markets. This, in turn, has and may increasingly have a negative impact on our customers and users, their ability to effectuate real estate transactions, and in turn, our profitability and ability to operate our business.

In 2020, in response to the COVID-19 pandemic, we introduced several measures to address its effects on our business and customer and user base. Specifically, to support this base in these unprecedented circumstances, from April 2020, we temporarily suspended monetization of our listing services across all cities and regions, including Moscow, the Moscow region, St. Petersburg and the Leningrad region. The monetization of our listing services in Moscow, the Moscow region, St. Petersburg and the Leningrad region was reinstated in July 2020, with certain discounts being introduced in the third quarter of 2020. Our listings monetization in most other regions remains temporarily suspended and its potential reintroduction is being assessed on a region-by-region basis. We believe that this suspension in monetization of our listing services was one of the main drivers of a 4.0% decrease in our listing revenue in 2020. Furthermore, during the outbreak, we instituted a work-from-home policy for our employees, suspended a significant part of our marketing and advertising activities, particularly offline marketing and advertising, reduced discretionary spending, paused hiring for non-critical roles, restricted employee travel and switched to virtual meetings. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Macroeconomic Environment and the Russian Property Market and the Impact of the COVID-19 Pandemic.*" Should the COVID-19 pandemic continue to intensify or should any other global health crises or epidemics arise, we may need to re-introduce

these or more severe measures to mitigate the potential adverse consequences for our business operations and our customers' and users' financial condition.

The full extent to which the COVID-19 pandemic may impact our financial results, including as a result of its possible impact on the economy, is not certain. The real estate industry is affected by all of the factors that affect the economy in general, and the commercial real estate market was among the hardest hit by the pandemic. There continue to be significant uncertainties associated with the COVID-19 pandemic, including the severity of the disease, its potential variants, the duration of the outbreak and the timing of vaccine rollouts. If the outbreak lasts for a prolonged period in the regions in which we operate, the economy could suffer substantially from the measures and restrictions taken to combat the virus, which would in turn have an adverse impact on the general real estate industry as well as the real estate advertising industry, including our business. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section.

Furthermore, we operate in all key metropolitan areas in Russia, including Moscow, St. Petersburg, Ekaterinburg and Novosibirsk and our operations and customer and user base are vulnerable to natural disasters and other catastrophic events. Although the majority of our workforce has temporarily shifted to a remote work environment due to the COVID-19 pandemic, we maintain large employee populations in Moscow and St. Petersburg. An earthquake or other natural disaster or catastrophic event in any of these cities could disrupt our engineering, sales and operations teams as well as equipment critical to the operation of our business. Similarly, a significant natural disaster or other catastrophic event in any major Russian city could negatively impact a large number of our real estate customers and users and cause a decrease in our revenue or traffic.

Our systems and operations, and the systems and operations of other participants in the real estate industry, continue to be impacted by the COVID-19 pandemic and are further vulnerable to interruptions by natural disasters, public health crises and other catastrophic events such as pandemics, earthquakes, hurricanes, fires, floods, power losses, telecommunication failures, cyber-attacks, wars, civil unrests, terrorist attacks and similar events.

If we are unable to develop adequate business continuity and disaster recovery plans to ensure that our business continues to operate during and after a disaster or catastrophic event, and successfully execute on those plans in the event of a disaster, catastrophic event or other emergency, it could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may fail to establish and maintain important relationships with our customers and certain other parties.

Our ability to attract customers and users to our platform depends, to a large degree, on the quantity and the quality of listings and adjacent services. As part of our operations, we aim to establish and maintain relationships with a number of customers, such as large real estate agencies and real estate developers. For further details relating risks to our relationships with real estate developers, see "*—Our business and results of operations may be affected by the cancellation of, or any changes to, the Russian mortgage subsidy program*." In addition, the development of certain new initiatives, such as Mortgage Marketplace, may depend on our ability to establish and maintain strong relationships with certain third parties, such as the leading Russian banks, real estate developers and other real estate professionals and service providers for real estate transactions.

Generally most of our arrangements with customers are short-term, typically for a period of days or on a month-to-month basis. These arrangements may also be terminated with limited notice or cause. We may not succeed in retaining existing customer relationships and customers' spending, or capturing a greater share of such relationships or spending, if we are unable to convince our customers of the effectiveness and superiority of our products and services as compared to alternatives. The loss of a significant portion of our existing customer relationships, any potential changes to our rights to use or to timely access our customer and user data, our inability to continue to add new customers or changes to the way real estate information is shared, may lead to a decline in the quantity of our listings and result in us covering a smaller universe of properties. This could markedly reduce customer confidence in our products and services and cause customers to go elsewhere for real estate listings and information. In addition, we continually evaluate

and utilize various pricing and value delivery strategies to better align our revenue opportunities with the growth in our platform usage. Future changes to our pricing or monetization methodologies may cause our customers to reduce or end their engagements with us, see "*—The implementation of our subscription model may not materialize as expected*." Any of the above could have a material adverse effect on our business, results of operations, financial condition and prospects.

The real estate developers market in Russia is concentrated and therefore we, to a certain extent, depend on our continued relationship with a number of large real estate developers. In recent years, there has also been a shift of the developers' advertising budgets from offline to online advertising (for further details, see "*Industry—Russian Real Estate Advertising Market*") and our ability to capitalize on this trend, as well as our ability to increase lead generation revenue depend on our ability to retain and enhance our relationships with large real estate developers. If the real estate developers terminate or substantially reduce their business with us or, if in order to retain our business with the real estate developers, we have to change our monetization policy, this could have a material adverse effect on our business, results of operation, financial condition and prospects.

Furthermore, if our customers or other third parties reduce or end their advertising spending with us, our business could be harmed. Our business depends in part on revenue generated through advertising sales to real estate agents, real estate developers and other real estate professionals and service providers for real estate transactions. Our ability to generate advertising revenue depends on a number of factors, including how successfully we can offer an attractive return on investment to our real estate partners for their advertising spending with us and our ability to continue to develop our advertising products and services to increase adoption by and engagement with our real estate partners. Future changes to our pricing for advertising services or product and service offerings may cause real estate partners to reduce or end their advertising with us. If our real estate partners reduce or end their advertising spending with us, or if we are unable to effectively manage pricing, it could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business could be negatively affected by updates or changes in search engine algorithms and pricing model.

We rely on internet search engines, such as Google and Yandex, including through the purchase of sales and marketing-related keywords and the indexing of our web pages, to generate a significant portion of the traffic to our platform. Search engines frequently update and change the algorithms that determine the placement and display of results of a customer's or user's search. There is a risk that search engines may sometimes do so in a manner that may favors particular content, including their own. For example, in April 2021, the Federal Antimonopoly Service of Russia ("FAS") began an investigation into Yandex's promotion of its own services in the search results, which allegedly lead to a discriminatory effect on listing providers, including real estate classifieds platforms.

If a major search engine updates or changes its algorithms in a manner that negatively affects the placement of our platform in the search results, or if competitive dynamics impact the costs or effectiveness of search engine marketing or other traffic-generating arrangements in a negative manner, it could have a material adverse effect on our business, results of operations, financial condition and prospects. See also "*— The online classifieds market is competitive, and we may fail to compete effectively with existing and new industry players, which could have a material adverse effect on our business, results of operations, financial condition and prospects.*"

In addition, a certain amount of traffic is directed to our websites through participation in pay-per-click and display advertising campaigns on search engines, such as Google and Yandex. Pricing and operating dynamics for these traffic sources can change rapidly, both technically and competitively, and any increases in prices by search engines could have a material adverse effect on our business, results of operations, financial condition and prospects.

Technological changes may disrupt our business or the markets in which we operate and if we cannot keep pace our business could be harmed.

The online classifieds market has been constantly and rapidly evolving, with frequent technological changes, new product and service introductions, evolving industry standards, changing customers' needs

and the entrance of new market players. The dynamics and future developments of the online classifieds market, and specifically the online real estate classifieds market, depend on a variety of factors, most of which are outside our control. Our expectations with respect to technological and market changes may prove inaccurate, and we may fail to timely identify or execute appropriate product or service development targets. Innovation cycles are increasingly fast paced and require constant investment.

To remain competitive, we must continue to enhance and improve the interface, functionality and features of our platform. These efforts may require us to develop internally, license or acquire increasingly complex technologies. In addition, some of our competitors are continually introducing new products, services and technologies, which may require us to update or modify our own technology to keep pace. As an example of technological change, we believe the industry is currently experiencing an ongoing transition of real estate transactional execution, including paperwork, online to streamline the transaction process. See also "— *We may be unable to adapt to structural changes in the real estate market in Russia prompted by decreased reliance on real estate market professionals due to technological innovation or changes in our users' preferences or government intervention*." As such, we believe that our ability to meet the necessary technological and regulatory requirements, including our ability to get access to the necessary governmental databases, and offer our customers and users access to such services and seamlessly implement such services on our platform would be critical to the future development of our business. If we fail to offer our customers new technological solutions in accordance with market trends or if we fail to launch innovative products in time and ahead of our competitors, we may lose our competitive edge and our market share, which may adversely affect financial condition or results of operations.

We depend heavily on our ability to drive and to adapt to technological changes and innovation. Developing and integrating new services and technologies into our existing businesses could be expensive and time consuming. Furthermore, such new features, functions and services may not achieve market acceptance or serve to enhance our brand loyalty. Any failure to innovate, or to respond quickly and effectively to technological or other advances, emerging industry standards or business models, could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our continued growth depends on our ability to successfully implement our strategy, which is subject to a variety of risks and uncertainties.

Our strategy includes the following key elements: (i) enhancement of monetization in secondary and commercial real estate verticals, (ii) online penetration growth in the primary real estate vertical as developers shift marketing online, (iii) continued expansion into the Russian regions through organic growth and selective acquisitions and (iv) development of an end-to-end platform, comprising new business lines and new service offerings. For further details, see "*Business—Our Strategy.*" There is no assurance that we will be able to implement and successfully manage our strategy or that this strategy will be effective or profitable. For instance, our ability to enhance monetization in the secondary and commercial real estate verticals, as well as online penetration growth in the primary real estate vertical depends on growth and further expansion of our value-added services as well as development of new services and offerings. We may fail to successfully develop and introduce new services and offerings which may result in higher churn and lower than expected growth rates. See also "—*We may devote significant costs and management time to the implementation of new initiatives, including development of new business lines and new service offerings, as well as certain strategic regional expansion efforts, with no guarantee of success*." Our ability to continue to expand into the Russian regions through organic growth and selective acquisitions depends on our ability to compete effectively with existing competitors and new entrants, to achieve the business synergies with acquired business and to respond to users and customer demands in particular regions.

In addition, our strategies have required us in the past, and will require us in the future, to devote financial and operational assets and management time to their execution. Our success depends on our ability to appropriately manage our expenses as we invest in our strategic development. If we are not able to execute our strategy successfully, or if our investments in strategy execution do not yield significant returns, our business may not grow as anticipated, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may devote significant costs and management time to the implementation of new initiatives, including development of new business lines and new service offerings, as well as certain strategic regional expansion efforts, with no guarantee of success.

The industries for residential and commercial real estate transaction services, technology, information platforms and advertising are dynamic, and the expectations and behaviors of customers and users shift constantly and rapidly.

Our success depends on our continued effort to introduce new initiatives, including development of new business lines and new service offerings. As a result, we must continually invest significant resources into research and development, including hiring of relevant personnel, in order to improve the attractiveness and comprehensiveness of our products and services and adapt to changes in technology and customer and user preferences. It is costly to introduce new initiatives and they may fail to achieve the targeted financial results and other performance indicators. Our new initiatives, including launching of new businesses lines that have not been tested on the Russian market, may fail to attract or engage our customers or users, and may reduce confidence in our products and services, negatively impact the quality of our brands, expose us to increased market or legal risks, subject us to new laws and regulations or otherwise harm our business. We may have to expend significant time and resources before we find a product's market fit, or fail to find it altogether, in which case we may lose the money and time spent.

Furthermore, in order to expand our platform as part of our strategy, we may attempt to expand our presence in certain regional markets in Russia through organic growth and selective acquisitions. We may be unable to reach and maintain the desired market share in these regional markets, and we may fail in our efforts to monetize such expansion efforts.

If we are unable to provide products and services that are sought after by our customers and users on devices they prefer, then they may become dissatisfied and use competitors' mobile applications, websites, products and services. If we are unable to successfully innovate, we may be unable to retain our current customers and users or attract additional ones, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

The implementation of our subscription model may not materialize as expected.

Historically, our pricing model has primarily focused on selling listings to real estate professionals on our platform on a pay-per-listing, or listing package, basis. Under this arrangement, our customers may take down their listings to avoid additional spending anytime they believe the listings may not be generating sufficient views, for example during weekends or holiday periods. In order to improve our operating results, stimulate our revenue growth and maintain a robust listing base, in June 2020, we introduced a new subscription-based model for customers, which allows our customers to list their property for a monthly fee. Under this model, the customers have little economic incentive to take down listings during periods of lower user traffic, as these listings were already prepaid. In addition, we introduced special discount systems within the subscription-based model that incentivize our customers to use our subscription-based model. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Changes in Our Pricing Models, Monetization Strategy and Penetration of our Value-Added Services*."

While we aim to incentivize customer migration to the subscription-based model by offering various customer discounts, there is no guarantee that our subscription model will develop as expected. In particular, the introduction of this new model may develop slower than expected, and the implementation of the model may not be successful across all regions and across all customer groups. Our current or potential customers may determine that there is no compelling business justification for subscription to our listing services and may choose to stay or shift back to our pay-per-listing model or to choose our competitors' services instead. We may be required to modify our subscription model, for example, by adjusting prices or included services, or abandon it altogether, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we fail to establish and maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Ensuring that we have adequate internal controls over financial reporting in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to

be frequently re-evaluated. Our internal controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the International Financial Reporting Standards. In connection with the offering, we began the process of documenting, reviewing, and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act, which will require annual management assessment of the effectiveness of our internal control over financial reporting. We have begun recruiting additional finance and accounting personnel with certain skill sets that we will need as a public company. If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may be unable to produce timely and accurate financial statements.

Implementing any appropriate changes to our internal controls may distract our officers and employees, entail substantial costs to modify our existing processes, and take significant time to complete. These changes may, however, prove ineffective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have identified significant deficiencies in our internal controls over financial reporting, including our information technology general controls. If we are unable to remediate these deficiencies, or if other deficiencies or material weaknesses are identified, we may not be able to report our financial results accurately, prevent fraud or file our periodic reports as a public company in a timely manner.

Prior to this offering, we have been a private company with limited accounting and financial reporting personnel and other resources with which we address our internal controls over financial reporting. In the course of preparing our consolidated financial statements as of and for the years ended December 31, 2020 and 2019, we identified certain significant deficiencies in our internal control environment. A “significant deficiency” is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those responsible for oversight of the company’s financial reporting. In particular, in the course of preparing our financial statements for the years ended December 31, 2020 and 2019, we identified certain significant deficiencies in our internal control environment, including deficiencies relating to (i) insufficient segregation of duties and controls over change management in our IT systems and (ii) insufficient controls over access management controls over access management in our IT systems.

To remedy our identified significant deficiencies, we are in the process of adopting several measures intended to improve our internal controls over financial reporting, including: (i) reviewing and formalizing the change management process; (ii) introducing segregation of duties throughout the change management process; (iii) implementing a full software development lifecycle procedure including testing and change approval; (iv) ensuring the storage of the evidences of related control procedures; and (v) implementing a formal access management process ensuring appropriate approval procedure for changes in access rights and permissions.

However, implementation of these measures may not fully address the significant deficiencies identified in our internal controls over financial reporting, and we cannot assure that we will be successful in remediating the significant deficiencies. Our failure to correct the significant deficiencies or our failure to discover and address any other deficiencies or potential material weaknesses could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

Management’s initial certification under Section 404 is expected to be required with our second annual report on Form 20-F. In support of such certifications, we will be required to make significant changes and enhancements, including hiring personnel with relevant experience in necessary functions. In addition, once we cease to be an “emerging growth company”, as defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements

differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation. As a result, we anticipate investing significant resources to enhance and maintain our financial controls, reporting system and procedures over the coming years.

While documenting and testing our internal control procedures, and in order to satisfy the future requirements of Section 404, we may identify other deficiencies or potential weaknesses in our internal controls over financial reporting. If we fail to maintain the adequacy of our internal controls over financial reporting, as these standards are modified, supplemented or amended, from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404.

Generally, if we fail to achieve and maintain an effective internal control environment, it could result in material misstatements in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our businesses, financial condition, results of operations and prospects, as well as the trading price of our issued equity instruments, including our ADSs, may be materially and adversely affected. Additionally, ineffective internal controls over financial reporting could expose us to increased risk of fraud or misuse of corporate assets, and subject us to potential delisting from the stock exchange, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

We may make acquisitions, divestments and investments, which could result in operating difficulties, and other harmful consequences.

From time to time, we may evaluate a wide array of potential strategic opportunities, including acquisitions, divestments and investments. Potential successful growth through acquisitions is dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms and ultimately complete such acquisitions, and integrate acquired entities, including taking steps to retain key personnel of the acquisition targets. There can be no assurance that acquisition opportunities will be available on acceptable terms or at all, or that we will be able to obtain necessary financing or regulatory approvals to complete the potential acquisitions.

The acquisitions may not result in the intended benefits to our business, and we may not successfully evaluate or utilize the acquired products, technology or personnel, or accurately forecast the financial impact of an acquisition transaction. The process of integrating an acquired company, business or technology could create unforeseen operating difficulties and expenditures. The areas where we face risks include, among others: diversion of management time and focus from business operations to acquisition integration tasks; customer and industry acceptance of products and services offered by the acquired company; implementation or remediation of controls, procedures and policies at the acquired company; coordination of product, engineering, and sales and marketing functions; retention of employees from the acquired company; liability for activities of the acquired company before the acquisition; litigation or other claims arising in connection with the acquired company; and impairment charges associated with goodwill and other acquired intangible assets.

For example, in February 2021, as part of our regional strategic expansion efforts, we acquired the N1 Group. While the N1 Acquisition is complete, we are still in the process of integrating the N1 Group into our business, which is subject to a number of risks, including undiscovered liabilities, lack of synergies and complications in the integration process. For specific risks related thereto, see "*—Risks Related to the N1 Acquisition.*"

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities, and could have a material adverse effect on our business, results of operations, financial condition and prospects.

We engage in certain de minimis activities relating to Crimea, and these activities could impede our ability to raise funding in international capital markets and subject us to liability for noncompliance relating to various trade and economic sanctions laws and regulations.

In response to certain geopolitical tensions, a number of countries, including the United States, the European Union, the United Kingdom and Canada, imposed a variety of trade and economic sanctions

aimed at Russia as well as certain individuals and entities within Russia and Ukraine. See "— *Deterioration of Russia's relations with other countries and adoption, maintenance and expansion of international embargo, economic or other sanctions against Russia could negatively affect the Russian economy and our business, financial condition and results of operations*." In December 2014, the President of the United States issued Executive Order Number 13685, which established a region-specific embargo under U.S. law for the Crimea region. Among other things, this embargo generally prohibits U.S. persons and U.S. companies from engaging in investments in the Crimea region and most import or export trade in goods and services with parties in the Crimea region. Pursuant to Executive Order Number 13685, the Office of Foreign Assets Control (OFAC) has also placed parties operating in the Crimea region on the Specially Designated Nationals and Blocked Persons List ("SDN List"). U.S. persons and U.S. companies are generally prohibited from engaging in most transactions or dealings with parties on the SDN List. Non-U.S. persons and companies may be designated on the SDN List if they engage in significant transactions with persons designated on the SDN List under U.S. sanctions programs with respect to Russia. The European Union and the United Kingdom have also imposed broad-based sanctions targeting Crimea, including prohibitions on acquiring any new, or extending any existing participation in ownership of, real estate located in Crimea or Sevastopol. Although we have no facilities, assets or employees located in Crimea, customers and clients located in this region have access to our platform. Currently, less than one percent of our revenue comes from the Crimea region. While we believe that the current United States, EU and U.K. sanctions do not preclude us from conducting our current business and do not create a material risk of application of any sanctions to us, new sanctions imposed by the United States and certain EU member states or other countries may restrict certain of our operations in the future.

To the extent applicable, existing and new or expanded future sanctions may negatively impact our revenue and profitability, and could impede our ability to effectively manage our legal entities and operations or raise funding from international financial institutions or the international capital markets. Although we take steps to comply with applicable laws and regulations, our failure to successfully comply with applicable sanctions may expose us to negative legal and business consequences, including civil or criminal penalties, government investigations and reputational harm.

We depend upon retaining and attracting current and prospective highly skilled executives and other personnel, and a loss of these persons or our culture could adversely affect our market position and business.

Our business depends on the efforts and talents of motivated and experienced executives and other highly skilled employees, including particularly software engineers and other IT personnel, marketing professionals and sales staff. We need to attract, develop, motivate and retain highly qualified and skilled employees, and any failure to do so could materially adversely affect our business, financial condition and results of operations. Likewise, the failure to maintain our business culture of innovation and achievement, particularly as we become a public company, could constitute a significant obstacle in our future hiring initiatives of highly skilled and motivated employees and executives.

The loss of any of our senior management or key employees could materially impact our ability to execute our business plan and strategy, and we may not be able to find adequate replacements in a timely manner. The market for highly skilled senior management or other key employees is limited. We also do not currently maintain insurance coverage for loss of key management. Our hiring potential is significantly dependent on our reputation and publicity, including any media coverage of this offering. If we do not succeed in attracting well-qualified executives and other employees or retaining and motivating existing executives and other employees, it could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our fraud detection processes and information security systems may not successfully detect all fraudulent activity by third parties aimed at our employees or customers, which could adversely affect our reputation and business results.

Third-party actors have attempted in the past, and may attempt in the future, to conduct fraudulent activity by engaging with our customers by, for example, posting fake real estate listings on our sites and attempting to solicit personal information or money from customers, and by engaging with our employees by, for example, making fake requests for transfer of funds or sensitive information. Though we have

sophisticated fraud detection processes and have taken other measures to identify fraudulent activity on our mobile applications, websites and internal systems, we may not be able to detect and prevent all such activity. Similarly, the third parties we use to effectuate these transactions may fail to maintain adequate controls or systems to detect and prevent fraudulent activity. Persistent or pervasive fraudulent activity may cause our customers and users to lose trust in us and decrease or terminate their usage of our services, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be subject to claims, suits, government investigations and other proceedings that may result in adverse outcomes.

We are, from time to time, involved in, or may in the future be subject to, claims, suits, government investigations and proceedings arising from our business, including actions with respect to intellectual property, privacy, consumer protection, information security, real estate, data protection or law enforcement matters, tax matters, labor and employment and commercial claims, as well as actions involving content generated by our customers. Such claims, suits, government investigations and proceedings are inherently uncertain, and their results cannot be predicted. Regardless of the outcome, any such legal proceedings can have an adverse impact on us because of legal costs, diversion of management time and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties or sanctions, as well as judgments, consent decrees or orders preventing us from offering certain features, functionalities, services or requiring a change in our business practices or technologies, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are exposed to the risk of violations of anti-corruption laws, anti-money laundering laws, and other similar laws and regulations.

We operate and conduct business in Russia, where there may be a heightened risk of fraud, money laundering, bribery and corruption. We have policies and procedures designed to assist in compliance with applicable laws and regulations and we may be subject to the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”) and the U.K. Bribery Act 2010 (the “Bribery Act”). The FCPA prohibits providing, offering, promising or authorizing, directly or indirectly, anything of value to government officials, political parties or political candidates for the purposes of obtaining or retaining business or securing any improper business advantage. The provisions of the Bribery Act extend beyond bribery of government officials and create offences in relation to commercial bribery. These provisions are more stringent than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties. In particular, the Bribery Act (unlike the FCPA) does not require proof of corrupt intent to be established in relation to bribery of a public official and also creates offences for being bribed as well as bribing another person. Furthermore, unlike the vicarious liability regime under the FCPA, whereby corporate entities can be liable for the acts of their employees, the Bribery Act also includes an offense applicable to corporate entities and partnerships, which carry on part of their business in the U.K. and fail to prevent bribery, which can take place anywhere in the world, by persons who perform services for or on behalf of them, subject to a defense of having adequate procedures in place to prevent the bribery from occurring. This offence can render parties criminally liable for the acts of their agents, joint venture, or commercial partners even if done without their knowledge, thereby making the Bribery Act even more expansive than the FCPA.

While we maintain internal compliance policies and procedures designed to provide reasonable assurance that we, our employees, distributors and other intermediaries comply with the anti-corruption laws to which we are subject, we cannot provide any assurances that these policies and procedures will be followed at all times or effectively detect and prevent all violations of the applicable laws and every instance of fraud, money laundering, bribery and corruption. We can provide no assurances that violations of applicable anti-bribery or money laundering laws, including the FCPA or the Bribery Act will not occur. As a result, we could be subject to potential civil or criminal penalties under relevant applicable laws. In addition, such violations could also negatively impact our reputation, and consequently, could have a material adverse effect on our business, results of operations, financial condition and prospects.

Some of our potential losses may not be covered by insurance, and we may not be able to obtain or maintain adequate insurance coverage.

The insurance industry in Russia is not yet fully developed, and many forms of insurance protection common in more developed countries are not yet fully available or are not available on comparable or commercially acceptable terms. Accordingly, while we hold certain mandatory types of insurance policies in Russia, we do not currently maintain insurance coverage for business interruption, property damage or loss of key management personnel. We do not hold insurance policies to cover for any losses resulting from counterparty and credit risks or fraudulent transactions. There are also certain losses, including losses from certain security breaches, litigation, regulatory action, and others, for which we may not be insured because it may not be deemed economically feasible or prudent to do so, among other reasons. We also do not generally maintain separate funds or otherwise set aside reserves for most types of business-related risks. Accordingly, our lack of insurance coverage or reserves with respect to business-related risks may expose us to substantial losses, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Related to the N1 Acquisition

The N1 Group may have liabilities that are not known, probable or estimable at this time.

As a result of the N1 Acquisition, the N1 Group became our subsidiary, and we remain subject to all of its liabilities. See "*Business—N1 SPA*." There could be unasserted claims or assessments that we failed or were unable to discover or identify in the course of performing due diligence investigations of the N1 Group. In addition, there may be liabilities that are neither probable nor estimable at this time that may become probable or estimable in the future. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our financial results. We may learn additional information about the N1 Group that adversely affects us, such as unknown, unasserted or contingent liabilities and issues relating to compliance with applicable laws.

Without limitation to the generality of the foregoing, the N1 Group is subject to various rules, regulations, laws and other legal requirements, enforced by governments, regulatory agencies and other public authorities. Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by the N1 Group or any of the N1 Group's directors, officers, employees or agents could have a significant impact on the N1 Group's business and reputation and could subject the N1 Group to, among other things, fines and penalties and criminal, civil and administrative legal sanctions, including potential restrictions or limitations on services, resulting in reduced revenue and profits. Such misconduct could include the failure to comply with regulations prohibiting bribery, control over financial reporting, money laundering, breaches of economic sanctions and any other applicable laws or regulations. Any such instances, individually or in the aggregate, could have a material adverse effect on our business, results of operations, financial condition and prospects.

The synergies attributable to the N1 Acquisition may vary from expectations.

We are currently in the process of integrating the N1 Group's business, in particular, we are aligning operational structures and migrating its divisions under the control of Cian Group's management. We also aim to set up a listing algorithm, which would post listings simultaneously on both the Cian and N1 websites and mobile applications once posted on any one of them. We are planning to maintain N1 website and mobile application in the mid-term for the convenience of N1's users. Although we expect substantial synergies between our businesses, we may fail to realize the anticipated benefits and expected synergies from the N1 Acquisition and our business, financial condition, results of operations and prospects may be materially adversely affected.

The success of the N1 Acquisition will depend, in significant part, on our ability to successfully manage the acquired business, grow the revenue of the combined company and realize the anticipated strategic benefits and expected synergies from the combination. The integration process, to the extent the two businesses are to be integrated, could take longer than anticipated and could result in the loss of key employees, the disruption of each company's ongoing businesses, tax costs or inefficiencies or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could

adversely affect our ability to maintain relationships with customers, employees or other third parties, or our ability to achieve the anticipated benefits of the N1 Acquisition and could harm our financial performance.

We believe that combining the Cian and N1 businesses will allow the Group to benefit from the advantages of joined platforms and systems. However, achieving these goals requires realization of the targeted cost synergies expected from the N1 Acquisition. These anticipated benefits of the transaction, including any operating, technological, strategic and revenue opportunities, may not be realized fully, or at all, or may take longer to realize than expected.

We have performed an inspection of assets to be acquired, which we believe to be generally consistent with industry practices. However, the accuracy of our assessments of the assets and our estimates are inherently uncertain. If problems are identified after the closing of the N1 Acquisition, the sale and purchase agreement provides for limited recourse against the sellers. If we are not able to achieve these objectives and realize the anticipated benefits and synergies expected from the N1 Acquisition within the anticipated timing or at all, our business, financial condition, results of operations and prospects may be materially adversely affected.

Any integration and transition associated with the N1 Acquisition, together with the resulting increased scale, may affect our internal control over financial reporting and ability to effectively and timely report financial results.

While we do not anticipate fully integrating the N1 Group’s business with Cian’s business, at least within the first few years following the closing of the transaction, the additional scale of the combined company’s operations, together with the complexity of any integration efforts, including changes to or implementation of critical information technology systems, may adversely affect our ability to report financial results on a timely basis. In addition, we may have to train new employees and third-party vendors. Due to the complexity of the N1 Acquisition, we cannot be certain that any changes to our internal control over financial reporting will be effective for any period or on an ongoing basis. If we are unable to accurately report our financial results in a timely manner or are unable to assert that our internal controls over financial reporting are effective, our business, financial condition, results of operations and prospects, and the market perception thereof, may be materially adversely affected.

Our actual results of operations may differ materially from the Unaudited Pro Forma Condensed Combined Financial Information included in this prospectus.

The unaudited pro forma condensed combined financial information included in this prospectus is presented for illustrative purposes only and is not necessarily indicative of what our actual results of operations would have been had the N1 Acquisition and this offering been completed on the dates indicated. The unaudited pro forma condensed combined financial information has been derived from the audited historical financial statements of Cian and the N1 Group. The assets and liabilities of N1 have been estimated using assumptions that our management believes are reasonable utilizing information currently available. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. In addition, the assumptions used in preparing the unaudited pro forma condensed combined financial information may not prove to be accurate, and other factors may adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Our Technology and Intellectual Property

The integrity of customer and user information stored by us, or the effectiveness of our platforms or systems in general, may be compromised, which may damage our reputation and brand and lead to a loss in customer and user confidence and the demand for our products and services.

Our brand and reputation depend upon our handling our customers’ and users’ information safely, as well as our ability to provide a safe online platform for their real estate needs. Our services involve the storage, transmission and processing of customer and user information, some of which may be private and sensitive, such as names, addresses, contact details and financial account information. Any security breaches and administrative or technical failures could expose us to a risk of data loss or exposure, including with respect

to user and employee data, as well as loss of intellectual property and other confidential business information, which could result in potential significant losses and litigation as well as significant reputational harm.

Similarly to other website and mobile application providers, our websites and mobile applications and other IT systems are vulnerable to computer viruses, break-ins, phishing attacks, attempts to overload our servers with denial-of-service or other cyber-security attacks or threats and similar disruptions, any of which could lead to loss of critical data, availability or the unauthorized disclosure or use of personal or other confidential information. Further, outside parties may attempt to fraudulently induce our employees, officers, directors, customer or users to disclose sensitive information in order to gain access to our or their information, and our information technology and infrastructure may be vulnerable to attacks by hackers or breaches due to error, malfeasance or other disruptions. For example, hackers could steal customer or user profile passwords and manipulate information about such customers or users on our system, or about objects listed by customers on our platform. As the volume of data we publish increases, and potential threats to data quality become more complex, the risk of harm to our data integrity also increases. Furthermore, any change in the general perception of data privacy and data security may negatively impact our customers' and users' willingness to use our services.

We engage third-party vendors to process and store certain customer information, some of which may be private or include personally identifiable information. We also depend on vendors to host some of the systems and infrastructure used to provide our services. See "*—Any significant disruption in the service of our websites or mobile applications could damage our business, reputation and brand*." If our vendors fail to maintain adequate information security systems and our systems or our customers' or users' information is compromised, our business, results of operations and financial condition could be harmed.

Any significant disruption in the service of our websites or mobile applications could damage our business, reputation and brand.

Reliable performance of our network infrastructure and our platform is critical to our brand, reputation and our ability to attract customers and users and deliver quality products and services. Neither we, nor any third-party service providers, may fully prevent downtime or outages with respect to our critical infrastructure, including those caused by events or catastrophic occurrences, such as earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses, or similar events. See "*— Risks Related to Our Business and Industry—The COVID-19 pandemic and other public health crises, natural disasters or other catastrophic events may significantly limit our ability to conduct business as normal, disrupt our business operations and materially affect our financial condition.*" Any downtime of our websites or mobile applications, or failure in maintaining and keeping the information on our websites or mobile applications up to date, for any reason, may damage our reputation and lead to a loss of customers or users. For example, in November 2019, we experienced downtime of our "Cian.ru" website and mobile application for approximately seven hours, which resulted in reputational damage as well as various compensations paid to our customers in the form of free services and discounts.

Furthermore, we rely on a number of third-party service providers to support essential functions of our business. For example, we store a significant amount of information about our customers, real estate partners, employees, and business on third-party data storage and cloud services, and we rely on these third-party service providers to provide services on a timely and effective basis. Additionally, we rely on telecommunication operators, payment service providers, such as YooMoney, servicers such as Yandex.Maps to display listings on the map view, and other third parties for the key aspects of maintaining our operations and providing our services to our customers and users. Our influence over these third parties is limited and any failure by any of our third-party service providers to perform as expected or as required by contract could result in significant disruptions and costs to our operations.

We do not carry business interruption insurance sufficient to compensate us for potentially significant losses, including potential harm to the future growth of our business, which may result from interruptions in our service as a result of any system failures. Any errors, defects, disruptions or other performance problems with our services could be further exacerbated as a result of the COVID-19 pandemic. All or any of the above factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be unable to secure intellectual property protection for all of our technology, enforce our intellectual property rights, or protect our other proprietary business information.

Our success and ability to compete depends in part on our intellectual property and our other proprietary business information. To protect our proprietary rights, we plan to rely on trademark, copyright and patent law, trade-secret protection and contractual provisions and restrictions. However, we may be unable, or may have historically been unable, to uniformly include the necessary intellectual property protections in contractual agreements with our employees, independent contractors, customers, users or third parties, or secure intellectual property protection for all of our technology, or the steps we take to enforce our intellectual property rights may be inadequate. Furthermore, we may also be unable to protect our proprietary business information from misappropriation.

If we are unable to secure intellectual property rights, our competitors could use our intellectual property to market offerings similar to ours, and we would have no recourse to enjoin or stop their actions. Additionally, any of our intellectual property rights may be challenged by others and invalidated through administrative processes or litigation. Moreover, even where we may have secured our intellectual property rights, others may infringe on our intellectual property, and we may be unable to successfully enforce our rights against such infringers because we may be unaware of the infringement or our legal actions may not be successful. Finally, others may misappropriate our proprietary business information, and we may be unaware of the misappropriation or unable to enforce our legal rights in a cost-effective manner. If any of these events were to occur, our ability to compete effectively would be impaired.

Intellectual property disputes are costly to defend and could harm our business, results of operations, financial condition and reputation.

From time to time, we may face allegations that we have infringed on trademarks, copyrights, patents and other intellectual property rights of third parties. As we grow our business, we expect that we will continue to be subject to intellectual property claims and allegations. Patent and other intellectual property disputes or litigation may be protracted and expensive, and their results may be difficult to predict and may require us to stop offering certain services or features, purchase licenses that may be expensive to procure or modify our services. In addition, patent or other intellectual property disputes or litigation may result in significant settlement costs. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may use open source software in a manner that could be harmful to our business.

We use open source software in connection with our technology and services. The original developers of the open source code provide no warranties on such code. Moreover, some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. The use of such open source code may ultimately require us to replace certain code used in connection with our services, pay a royalty to use some open source code or discontinue certain services.

From time to time, we may be subject to claims brought against companies that incorporate open source software into their products or services, claiming ownership of, or demanding release of, the source code, the open source software and/or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, and we may be required to purchase a costly license or remove open source software, devote additional research and development resources to changing our services, make certain source code for our proprietary technology generally available, or waive certain of our intellectual property rights, any of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

In order to protect our technologies and strategic business and operations information, we rely in part on confidentiality agreements with our employees, independent contractors, and certain other third parties.

These agreements may not be enough to fully mitigate the possibility of inadvertent or intentional disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in an event of unauthorized disclosure of confidential information. The loss of trade secret protection could make it easier for third parties to compete with our services by copying functionality. Others may independently discover our trade secrets and proprietary information, and in such cases, we could not assert any trade secret rights against such parties.

Further, if our employees, contractors or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Any changes in, or unfavorable interpretations of, intellectual property laws may compromise our ability to enforce our trade secret and intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection of our trade secrets or other proprietary information could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may not be able to halt the operations of websites that aggregate or misappropriate our data.

From time to time, third parties have misappropriated our data through website scraping, robots or other means, and aggregated this data on their websites with data from other companies. In addition, “copycat” websites may attempt to imitate our brand and the functionality of our website. When we have become aware of such websites, we have employed technological or legal measures in an attempt to halt their operations. We may not be able, however, to detect all such websites in a timely manner and, even if we could, technological and legal measures may be insufficient to halt their operations. In some cases, our available remedies may not be adequate to protect us against the impact of the operation of such websites. In addition, if such activity creates confusion among customers or real estate partners, our brands and business could be harmed. Regardless of whether we can successfully enforce our rights against the operators of these websites, any measures that we may take could require us to expend significant financial or other resources, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Related to Our Financial Position

Covenants under our existing credit facilities, specifically the Facility Agreement, limit our operational flexibility, and a covenant breach or default could materially and adversely affect our business, financial condition or results of operations.

As of December 31, 2020, we had an outstanding loan balance of RUB 728 million under the syndicated credit facility agreement (the “Facility Agreement”) with AO Raiffeisenbank (“Raiffeisenbank”) as the Original Lender, the Facility Agent, and the Pledge Manager, and PAO Rosbank (“Rosbank”) as the Original Lender, for further details see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Credit Facilities*.” The Facility Agreement contains covenants customary for credit facilities of this type, including maintenance covenants and incurrence covenants relating to debt incurrence, liens, restricted payments, asset sales, transactions with affiliates, and mergers or sales of all or substantially all of our assets, as well as the customary provisions regarding events of default.

Specifically, the Facility Agreement contains certain maintenance covenants, which are tested on a quarterly, semi-annual and annual basis, including with respect to revenue, net assets, EBITDA, EBITDA and advertising expenses and current liquidity ratio (as defined and calculated pursuant to the definitions set out in the Facility Agreement). On December 31, 2020, iRealtor LLC breached the maintenance covenants under the Facility Agreement in relation to its net assets and EBITDA and advertising expenses and, in May 2021, we obtained a waiver from AO Raiffeisenbank as the Facility Agent with respect to this breach of covenants. However, since the waiver was obtained after the reporting date, the non-current portion of the loans was reclassified into the short-term portion as of December 31, 2020. Also, as of June 30, 2021, iRealtor LLC technically breached the maintenance covenant under the Facility Agreement requiring that its net assets calculated in accordance with the RAS must be positive as of the end of each semi-annual period and the covenant that requires that its current liquidity ratio must be at least 1.5:1 as of the end of each quarter. On June 30, 2021, iRealtor LLC received waivers from Raiffeisenbank in relation to these technical

breaches. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Credit Facilities*."

Any potential future breaches of covenants may result in defaults, even if we satisfy our payment obligations to the respective obligee. We may not be able to comply with these covenants in the future, which could result in the declaration of an event of default and cause us to be unable to borrow under the Facility Agreement or result in the acceleration of the maturity of indebtedness outstanding under the Facility Agreement, which would require us to pay all outstanding amounts. In addition, the Facility Agreement is collateralized with, among others, pledges of 100% of shares in Fastrunner Investments Limited, 100% of shares in Mimons Investments Limited, 51% of shares in our key operating subsidiary, iRealtor LLC, pledges of rights to the software, trademarks, and rights under the license agreements. We face a risk of losing these assets, if, in case of an event of default, the lenders decide to enforce the pledges. If the maturity of any indebtedness we incur is accelerated, we may not have sufficient funds available for repayment or we may not have the ability to borrow or obtain sufficient funds to replace the accelerated indebtedness on terms acceptable to us or at all. Our failure to repay such indebtedness could result in the foreclosing on all or a portion of our assets and force us to curtail, or even to cease, our operations.

We may need to raise additional funds to finance our future capital needs, and we may not be able to raise additional funds on terms acceptable to us, or at all.

Growing and operating our business, including through the development of new and enhanced services, may require significant cash outlays and capital expenditures. If cash on hand, cash generated from operations and cash equivalents and investment balances are not sufficient to meet our cash and liquidity needs, we may need to seek additional capital, and we may not be able to raise the necessary cash on terms acceptable to us, or at all. The financing arrangements we pursue or assume may require us to grant certain rights, take certain actions, or agree to certain restrictions that could negatively impact our business.

Furthermore, market volatility resulting from the COVID-19 pandemic and the related Russian and global economic impact and other factors could also adversely impact our ability to access funds as and when needed. If additional capital is not available on terms acceptable to us or at all, we may need to modify, delay, limit or terminate our business plans, which would harm our ability to grow our operations and could have a material adverse effect on our business, results of operations, financial condition and prospects.

We rely on assumptions, estimates and business data to calculate our key performance indicators and other business metrics such as the average UMV, listings, leads to agents and individual sellers, paying accounts, average revenue per paying account, leads to developers and average revenue per lead to developers and real or perceived inaccuracies in these metrics may harm our reputation and negatively affect our business.

Certain of our performance metrics are calculated using third party applications or internal company data that have not been independently verified. While these numbers are based on what we believe to be reasonable calculations for the applicable periods of measurement, there are inherent challenges in measuring such information. For example, our average UMV shows the average number of users and customers visiting our platform (websites and mobile application) per month in a particular period, excluding bots. This metric has its limitations because if users or customers access our platform through a website and a mobile application, they are counted twice and it does not allow us to track how many individual visitors are accessing our platform.

We regularly review and may adjust our processes for calculating our performance metrics to improve accuracy. Our measurements of certain metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. If real estate professionals, our customers, users, investors or financing sources do not perceive our average UMV, listings, leads to agents and individual sellers, paying accounts, average revenue per paying account, leads to developers and average revenue per lead to developers to be accurate representations of our customers and user engagement, or if we discover material inaccuracies in our key performance indicators, our reputation may be harmed, and real estate professionals and advertisers may be less willing to allocate their resources to our products and services, while investors or financing sources may be less willing to invest in or trade our ADSs, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Relating to the Regulatory Environment

Existing and evolving government regulation in the area of data privacy and data protection could adversely affect our business.

We collect, process, store and transmit large amounts of data, including confidential, sensitive, proprietary, business and personal information. The effectiveness of our technology and platform, and our ability to offer our services to our customers and users rely on the processing, protection and security of data. Our collection and use of this data for targeted advertisements, data analytics and outreach communications might raise privacy and data protection concerns that could negatively impact the demand for our services. We use third-party technology and systems for encryption, employee email and other functions.

Processing of customer and user data is subject to certain requirements and restrictions in Russia. In accordance with Russian law, personal data are defined as any information relating, directly or indirectly, to an identified or identifiable individual. Under Russian law, we must obtain consent in order to process an individual's personal data. Furthermore, Russian law generally requires companies to use certified encryption and other technical means to protect personal data. An entity which, separately or jointly with other entities, arranges or carries out personal data processing, as well as determines the purposes of personal data processing, scope of personal data to be processed and actions (operations) performed on personal data, is defined as a data operator (data controller). We are registered as a data operator and, therefore, are required comply with certain regulatory requirements. For example, while we store some of our data on the cloud platforms located abroad, we continuously monitor that this is done in accordance with the Russian law requirements and we conduct the key processing actions for collection of personal data of Russian citizens using Russian databases. We are also required to conduct certain types of processing of personal data of Russian citizens (when gathering such personal data) with the use of Russian databases (this obligation is referred to the "Russian data localization rules"). For further information on the applicable regulatory framework, see "*Regulations—Privacy and Personal Data Protection Regulation*."

The Russian Federal Service for Supervision of Information Technologies and Communications ("Roskomnadzor"), as the main Russian data protection authority, among its other functions, ensures compliance with the data protection legislation and conducts scheduled and unscheduled audits to ensure such compliance, maintains the registers of personal data operators, infringers of personal data processing requirements and blocked websites, initiates legal proceedings in cases of violations, and imposes fines or other penalties. Roskomnadzor may require us to improve our data-related policies and security measures, which may adversely affect our ability to manage our business or make it costlier to do so. If audits by Roskomnadzor result in a determination that we fail to comply with data-related legislation or Russian data localization rules, we could experience financial losses, our reputation may be harmed, and we could be restricted from providing certain types of services until we comply with the relevant requirements. Failure to comply with the data privacy laws may lead to civil and administrative liability and, in extreme cases, criminal liability may follow for individuals (Russia does not have the notion of criminal liability of legal entities). Such liability may take the form of fines, or, in extreme cases, suspension of activities and/or blocking of our resources for access from the territory of Russia. The size of fines for violations of the Russian data privacy rules is being constantly increased by the Russian legislature (currently the maximum fine for violation of Russian data localization requirements is RUB 18 million (equivalent to approximately US $0.24 million as of August 10, 2021)). Persons processing personal data in violation of the rules are also obliged to terminate or procure the termination of any wrongful processing of personal data.

We may also be subject to data protection laws in other jurisdictions where our customers and users may access our platform. Such data protection laws may require significant compliance efforts and, if we are unable to fully comply, could result in liability. For example, in 2016, the European Union adopted the General Data Protection Regulation ("GDPR"), which became effective in May 2018. The GDPR generally applies extraterritorially and imposes stringent requirements for controllers and processors of personal data. Non-compliance with the GDPR is subject to significant penalties, including fines of up to the greater of €20 million or 4% of total worldwide revenue, and injunctions on processing of personal data. Other jurisdictions are similarly introducing or enhancing privacy and data security laws, rules and regulations, which could increase our compliance costs and risks associated with non-compliance.

Additionally, we are subject to laws, rules and regulations regarding cross-border transfers of personal data, including laws relating to transfer of personal data outside the European Economic Area ("EEA"). We rely on transfer mechanisms that are considered to be permitted under these laws, including the EU Standard Contractual Clauses, however if such laws are amended and we cannot rely on existing mechanisms for cross-border transfer of data, transfer of such data to and from certain jurisdictions may be restricted.

We use cookies and other related technologies that assist us in improving the customer and user experience and personalizing our services that ultimately benefit various groups of our customers and users through behavioral targeting, which makes our services more customized and our advertising more relevant. We cannot be certain as to whether our practices are compliant with the requirements of applicable data protection legislation in Russia and abroad, and such laws could be interpreted and applied in a manner that is not consistent with our current data protection practices. We also record customer and user calls to improve our services. We do so subject to prior notification of the fact that the call will be recorded and, if individuals proceed with the call, they are deemed to have accepted such practice. Information so recorded may be subject to specific rules (such as privacy of communications), whose processing and transfer by IT companies is subject to additional restrictions, which are broadly defined and may be inconsistently applied in Russia.

If we were found to be subject to, and in violation of any privacy, data protection or data security laws or regulations, our business may be materially and adversely impacted and we would likely have to change our business practices and potentially our service portfolio. These laws and regulations could impose significant costs on us and could make it more difficult for us to use our current technology. Furthermore, if these requirements and restrictions are amended, interpreted or applied in a manner not consistent with current practice, we could face fines or orders requiring that we change our operating practices, and our business, prospects, financial condition and results of operations could be materially and adversely affected. In extreme cases, the relevant data protection authorities may block access to our websites or suspend our activities.

In addition, we may be required to disclose personal data pursuant to demands from government agencies, including from law enforcement agencies, intelligence agencies and state and municipal regulators in the course of audits, as a requirement for obtaining or maintaining any licenses or permits, which we may require to operate out business in the future. Any such disclosure may result in a failure, or perceived failure, by us to comply with privacy and data protection policies, notices, laws, rules, and regulations (including due to conflicts of laws), could result in proceedings or actions against us in the same or other jurisdictions, and could have an adverse impact on our reputation.

We operate in a rapidly evolving environment of increasing regulatory complexity and failure to comply with existing or new rules and regulations or to obtain and maintain required licenses or authorizations, could materially and adversely affect our business, financial condition, results of operations and development prospects.

We are subject to, or affected by, a variety of laws and regulations, including laws regarding real estate, data protection, competition, the internet, labor and taxation. Actual or alleged failure to comply with one or more of these laws or regulations could result in administrative or legal proceedings, fines, third party damage actions and other penalties, which in turn could harm our reputation. Changes to such laws or regulations, or the interpretation thereof, or the adoption of new laws and regulations, are extremely difficult for us to predict and may place additional financial or other burdens on, or otherwise negatively impact our business, thereby increasing the cost or reducing the profitability of our services, limiting the scope of our offering or affecting the competitive landscape generally. In addition, Russian authorities have the right to conduct periodic tax, labor or other inspections of our operations and properties. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards, the issuance and renewal of licenses, approvals, authorizations and permits and in monitoring licensees' compliance with the terms thereof. If authorities choose to enforce specific interpretations of the applicable legislation that differ from ours, we may be found to be in violation and subject to penalties or other liabilities. In addition, government authorities may claim unpaid taxes and impose fines if certain of our contracts with independent contractors are reclassified as employee contracts.

As with other technology companies around the world, we are operating in an increasingly uncertain and challenging environment, in part due to increased scrutiny from governmental authorities. We are also subject to evolving regulation of dissemination of information on the internet. In particular, in recent years, the Russian authorities have adopted a series of laws aimed at regulating the technology and internet sectors.

For example, in July 2016, the Federal Law No. 374-FZ, also known as the "Yarovaya Law" (the "Yarovaya Law") amending, among others, the Federal Law No. 149 FZ dated July 27, 2006 "On Information, Information Technology and Data Protection", as amended (the "Law on Information") entered into force. The Yarovaya Law requires the arrangers of information distribution by means of internet to store metadata (information confirming the fact of receipt, transmission, delivery and/or processing of text messages, pictures or other communications) for a period of one year and the contents of communications, including text messages, pictures or other communications for a period of six months. Although messaging is not the primary aim of our platform, our customers and users can exchange electronic messages (e.g., users can send messages to real estate agents and post messages on the forum). In order to comply with the Yarovaya Law, we store the metadata of all electronic communications, the contents of all electronic communications and the communicating parties' details on Russia-based servers as required by the applicable regulation. Furthermore, on February 13, 2020, the Ministry of Digital Development, Communications and Mass Media of the Russian Federation announced that it commenced working on draft amendments to the Law on Information, which is aimed at unifying the approach to big data processing. We are still assessing the expected impact that the contemplated draft amendments may have on our businesses and the expected timing for the amendments' adoption. For further information on applicable requirements set out by the Law on Information, see "*Regulations—Internet Regulation*."

Additionally, the Federal Law No. 90-FZ dated May 1, 2019 "On certain amendments to the Federal Law "On Communications" and the Federal Law "On Information, Information Technology and Data Protection" (the "Sovereign Internet Law") imposes a number of obligations on entities having autonomous system numbers (these numbers are defined as unique identifiers of the autonomous systems, "ASN", which in turn, are systems of IP-networks and routers that adhere to a common routing policy and to which several IP-addresses can be assigned (the "Internet Providers")). The Internet Providers are required to, among other things, install certain software and hardware to determine IP addresses, take part in practical trainings arranged by the Russian authorities and provide necessary assistance to the Russian investigative authorities.

Additional recent legislation has introduced a system of information and website blocking measures both to prevent and stop copyright and related rights infringements and to prevent dissemination of illegal information. The regulations generally require a request from a governmental authority to take down allegedly infringing or illegal information prior to blocking of a particular website. However, in some cases, access to such information can be blocked without notification or prior judicial scrutiny. If information of the above-mentioned types of information is posted on our platform and we fail to identify and delete it in a timely manner, our websites might be blocked and our business may be materially adversely affected.

On May 19, 2021, a draft law was submitted to the State Duma that is aimed at establishing a centralized operator responsible for measuring the total audience of certain websites. In particular, the amendments, if enacted, will apply to, among others, digital mass media, audiovisual services as well as news aggregators, which will be required to assist the operator in measuring its audiences by installing special software or providing certain information requested by the operator. According to the draft law, a full list of websites subject to this procedure shall be published by Roskomnadzor and is not limited by any criteria. It is still difficult to assess the applicability of the draft amendments to online classified platforms and the impact that they may have on our business and operations, to the extent they will apply to us.

Furthermore, our continued success will substantially depend upon our ability to introduce new initiatives, projects and features. See "*Risks Related to Our Business and Industry—We may devote significant costs and management time to the implementation of new initiatives, including development of new business lines and new service offerings, as well as certain strategic regional expansion efforts, with no guarantee of success*." Some of those initiatives may require us to obtain licenses or permits. We cannot assure you that we will be able to secure or, if secured, renew, any licenses or permits on terms acceptable to us. If we fail to

obtain the necessary licenses or permits, we may lose our customers and users and market share and our development and growth prospects may suffer.

If the Russian government were to apply existing limitations on foreign ownership to our business, or impose new limitations on foreign ownership of internet businesses in Russia, it could materially adversely affect our business.

Over the past few years, Russian legislators have introduced a number of laws and regulations restricting foreign ownership and control of companies involved in certain strategically important activities in Russia, as well as companies that are classified as "mass media" businesses. For example, in 2016, an amendment to the Russian mass media law came into force that reduced the permitted level of foreign ownership in companies that hold Russian mass media registrations. The amendment limited the ownership and control, direct or indirect, of Russian mass media entities by non-Russian entities and individuals to 20%. In order to bring its ownership structure in compliance with new mass media regulation, a Russian non-state broadcaster listed on Nasdaq at the time when new mass media regulation came into force, had to sell its operating business in Russia and apply for a delisting from Nasdaq thereafter.

Currently, technology, the internet and online advertising are not industries specifically covered by legislation restricting foreign ownership. However, from time to time, proposals have been considered by the Russian government and the State Duma, the lower house of the Russian Parliament, which, if adopted, would impose foreign ownership or control restrictions on certain large technology or internet companies. For example, in 2018 draft legislation that would restrict foreign ownership of news aggregators was introduced. Although, to date, activities on our platform do not meet the criteria of news aggregators provided by the Law on Information, there can be no assurance that our platform will be not deemed to be a news aggregator in the future. The draft legislation is broadly worded and if adopted and applied to activities on our platform, we may be required to restructure or otherwise adapt our operations or corporate structure to comply with such restrictions. At this time, we cannot anticipate whether the draft legislation will be adopted or, if it is adopted, whether such restrictions will be applied to us.

Furthermore, in 2019, certain Russian legislators proposed a draft law which was aimed at restricting foreign ownership in information resources of significant importance for the Russian information and communication infrastructure (potentially including a broad range of activities related to processing of personal data of customers and users located within Russia). The proposal was withdrawn in November 2019 following criticism from the business community. In December 2020, a draft law was submitted to the State Duma that is aimed at prohibiting foreign ownership in excess of 20% in Russian audiovisual services, including online video streaming services. If similar legislation applicable to our online classified business were to be proposed or adopted, we may be required to restructure or business or otherwise adapt our operations or corporate structure to comply with such restrictions, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

The FAS could determine that we hold a dominant position in our markets, which would result in limitations on our operational flexibility and may adversely affect our business, financial condition and results of operations.

The Russian anti-monopoly authorities impose various requirements on companies that occupy a dominant position in their markets. The Russian Federal Law No. 135-FZ "On Protection of Competition" dated July 26, 2006, as amended, (the "Competition Law") establishes certain restrictions on activities of such companies. When determining market dominance, the FAS needs to identify and define the relevant market, in which the entity in question operates. There are numerous aspects to be taken into account when making this determination, including the interchangeability or substitutability of the services for the user, their pricing and intended use, and the calculation of market shares of companies operating in this market. Different approaches may be applied in this respect by the FAS and market participants. In a number of court cases, Russian courts have found concerted actions where competitors acted in a similar way within the same period of time, although, arguably, there have been legitimate economic reasons for such behavior and the behavior was not aimed at restriction of competition.

Although, to date, we have only received routine inquiries from the FAS, we have not engaged with the FAS to define our market position. We believe that our operations are in compliance with Russian anti-monopoly regulations. If the FAS were to conclude that we hold a dominant position in one or more of the

markets in which we operate, it could result in heightened scrutiny of our business and industry, limit our ability to complete future acquisitions or require us to pre-clear any substantial changes to our standard agreements with our customers, other partners and the authorities. In addition, if we were to decline to conclude a contract with a third party, this could, in certain circumstances, be regarded as an abuse of a dominant market position. Any abuse of a dominant market position could lead to administrative penalties and the imposition of fines linked to our revenue.

In addition, in 2019, the FAS publicized draft amendments to the Competition Law, known as the “5th Antimonopoly Pack.” The 5th Antimonopoly Pack is still under discussion between the government authorities and has not yet been submitted to the Russian Parliament. As currently drafted, the 5th Antimonopoly Pack gives the FAS authority to regulate digital platforms (i.e., internet infrastructure for interaction of sellers and buyers). Dominance of a digital platform will be determined on the basis of the so-called “network effect” criterion, or the situation where the increasing number of the registered customers and users of this network adds value to this network, including to the goods and services available at such network. A digital platform will be deemed to have a dominant position if its market share exceeds 35% and network effects enable it to affect the general terms of trade in a certain product in the relevant market, push other businesses out of the market or impede access to the market for other businesses.

Russian anti-monopoly authorities have also been known to determine that a market player has been in violation of antitrust laws solely on the basis of circumstantial evidence pointing to its anti-competitive behavior without any written or oral evidence to support this. Any abuse of a dominant market position could lead to administrative penalties and the imposition of a fine of up to 15% of our annual revenue for the previous year. These limitations and penalties could have a material adverse effect on our business, results of operations, financial condition and prospects.

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

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

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

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

Risks Relating to the Russian Federation

Investing in securities of issuers in emerging markets, such as Russia, generally involves a higher degree of risk than investments in securities of issuers from more developed countries and carries risks that are not typically associated with investing in more mature markets.

Emerging markets, such as Russia, are subject to greater risks than more developed markets, including significant legal, economic, tax and political risks. Investors into businesses operating in the emerging markets should be aware that these markets are subject to greater risk and should note that emerging economies, such as the economies of Russia, are subject to potential instability and any information set out herein may become outdated relatively quickly.

Financial or economic crises, whether global or limited to a single large emerging market country, tend to adversely affect prices in the capital markets of most or all emerging market countries, as investors move their money to more stable, developed markets. Over the past few years, the Russian capital markets have been highly volatile, variably due to the impact of global economic slowdowns, sharp declines in oil prices, deteriorating conditions in the Russian economy itself, the COVID-19 pandemic or international sanctions. As has happened in the past, various adverse factors, such as significant ruble depreciation; capital outflows; worsening of various economic indicators; geopolitical disputes, such as the crisis in Ukraine and imposition of additional trade and economic sanctions against Russia in connection therewith; or an increase in overall perceived risks associated with investing in emerging economies, could hinder foreign investment in Russia and adversely affect the Russian economy. In addition, during times of economic crises and market volatility, businesses that operate in emerging markets can face severe liquidity constraints, as available funding may often be reduced or withdrawn. Generally, investments in emerging markets are only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and investors are urged to consult with their own legal and financial advisors before making an investment in our ADSs.

Changes in government policy, other government actions and political risks could adversely affect the Group's operations and the value of investments in Russia.

While the political situation in Russia has been relatively stable since 2000, future policy and regulation may be less predictable than in less volatile markets. Any future political instability could result in a worsening of the overall economic situation, including capital flight and a slowdown of investment and business activity. In January 2020, the current Russian President Vladimir Putin proposed a number of constitutional reforms aimed at altering the balance of power between the legislative, executive and judicial branches, and introducing certain other changes to the Constitution of Russia. In addition, further amendments were proposed in March 2020, under which the previous and/or current President of Russia would be allowed to participate in presidential elections for two terms following the amendment of the Constitution, and previous presidential terms, which had been served or started prior to these amendments becoming effective, would not be accounted for. The amendments were approved in a nationwide vote, and took effect on July 4, 2020. The impact of these amendments, plus other relevant political steps and actions on the political, economic, social, regulatory and business landscape in Russia could take time to become fully evident and cannot be predicted with significant amount of certainty.

Future changes in the Russian Government, the State Duma or the presidency, major policy shifts or eventual lack of consensus between the president, the Russian Government, Russia's parliament and powerful economic groups could lead to political instability. Shifts in governmental policy and regulation in the Russian Federation are less predictable than in many Western countries, and could disrupt political, economic, social, regulatory and business processes and environments.

Russian authorities have been reported to sometimes apply policies selectively and arbitrarily, including through withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions, asset freezes, seizures or confiscations, regulatory measures, and civil actions. Federal and local governmental entities have, in the past, used common defects in share issuances and registration as pretexts for court claims and other demands to invalidate such issuances and registrations and/or to void transactions, which may be seen as being influenced by political or business considerations. Some observers have noted that takeovers of major private sector companies by state-controlled companies following tax, environmental and other challenges in recent years may reflect a shift in official policy in favor of state control at the expense of individual or private ownership, at least where large and important enterprises are concerned. This has, in turn, resulted in significant fluctuations in the market price of Russian securities and had a negative impact on foreign investments in the Russian economy, over and above any recent general market dislocations. Any similar actions by the Russian authorities which result in a further negative effect on investor confidence in Russia's business and legal environment could have a further material adverse effect on the Russian securities market and prices of Russian securities or securities issued or backed by Russian entities, including our ADSs.

Deterioration of Russia's relations with other countries and adoption, maintenance and expansion of international embargo, economic or other sanctions against Russia could negatively affect the Russian economy and our business, financial condition and results of operations.

The United States, the European Union and the United Kingdom, as well as other countries, have imposed economic sanctions on certain Russian government officials, private individuals and Russian

companies, as well as "sectoral" sanctions affecting specified types of transactions with named participants in certain industries, including named Russian financial state-owned institutions, and sanctions that prohibit most commercial activities of U.S. and EU persons in Crimea and Sevastopol.

On August 2, 2017, the U.S. enacted the Countering America's Adversaries Through Sanctions Act ("CAATSA") which, inter alia, imposed sanctions against certain Russian entities, and provided for "secondary sanctions" targeting non-U.S. persons who engage in certain activities involving Russia, whereby they may face adverse economic consequences in the form of denial of certain U.S. benefits or the imposition of sanctions. In January 2018, pursuant to CAATSA, the U.S. administration submitted to the U.S. Congress a report on senior Russian political figures, "oligarchs" and "parastatal" entities. The identification of any individuals in the report does not automatically lead to the imposition of new sanctions and it is not possible to predict whether any such identification could have a material adverse effect on the Russian economy or our business. Neither our directors, nor senior management are included in the report.

In August 2018, the U.S. Department of State imposed new sanctions on Russia under the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (the "CBW Act"). In August 2019, following Russia's alleged failure to meet certain conditions under the CBW Act, the U.S. Department of State imposed additional sanctions against Russia, relating to Russian sovereign debt, multilateral lending and export restrictions for dual-use technologies that can be used for chemical and biological warfare. Most recently, on April 15, 2021, President Biden announced an executive order imposing additional sanctions that target 32 entities and officials and, along other measures, prohibit U.S. financial institutions from buying ruble-denominated bonds issued by the Central Bank of Russia, the Ministry of Finance and the National Fund.

Moreover, from time to time, U.S. legislators introduce draft legislation for consideration directed at imposing further sanctions against Russia. These initiatives, if enacted, could affect, among other things, Russian sovereign debt, Russian energy projects and Russian energy and financial sectors and may have an adverse impact on the Russian economy in general and, thus, our operations.

There is significant uncertainty regarding the extent or timing of any potential further economic or trade sanctions or potential easing of such measures. Relations between Russia and the U.S., certain EU members and the U.K. have recently been strained due to a number of issues, including geopolitical confrontations, economic interests and trade wars, as well as Russian internal political and social events, and there can be no assurance that the governments of the U.S., EU., U.K. or other countries will not impose further sanctions against Russia, or specific individuals, entities or sectors of the Russian economy. New tensions in relations between Russia and the U.S., EU, U.K. and other countries, could result in adoption and implementation of these and other new sanctions, which could have a material adverse effect on the Russian economy and on our business, results of operations, financial condition and prospects.

In the ordinary course of business, our companies, like many Russian companies, have routine commercial operations with Russian persons and entities that are currently subject to sectoral sanctions (such as Russian state-owned banks). There can be no assurance that the U.S. government would not view such activities as meeting the criteria for U.S. economic sanctions. In addition, because of the nature of our business, we do not generally identify our customers. Therefore, we are not always able to screen them against the SDN List published by OFAC and other sanctions lists.

Although our transactions and commercial relations with these entities are not legally prohibited by applicable sanctions, and we take steps to comply with applicable laws and regulations, should the sanctions regime with respect to these entities be widened, or should we fail to successfully comply with applicable sanctions, or become subject to sanctions in the future, we may face negative legal and business consequences, including civil or criminal penalties, government investigations and reputational harm. The executive orders authorizing the U.S. sanctions provide that persons may be designated to be in violation if, inter alia, they materially assist, or provide financial, material or technological support for goods or services to, or in support of blocked or designated parties. EU financial sanctions prohibit the direct and indirect provision of funds or economic resources to or for the benefit of sanctioned parties.

Most of our employees, associates and affiliates are not U.S. persons and, therefore, are restricted in dealings with U.S.-sanctioned persons only to the extent those dealings are subject to U.S. jurisdiction.

However, it is possible that existing sanctions regimes may be widened or that new sanctions may be imposed on our counterparties, or that we, our employees, associates or affiliates could become subject to sanctions in the future, which could have a material adverse effect on our business.

If we become a sanctioned person pursuant to U.S., EU or U.K. sanction laws, either as a result of the above activities or through a targeting of a broader segment of the Russian economy, it will have a material adverse impact on our business. For example, we might be unable to conduct business with persons or entities subject to the jurisdiction of the relevant sanctions regimes, including international financial institutions and rating agencies, transact in U.S. dollars, raise funds from international capital markets, acquire equipment from international suppliers or access assets held abroad. Moreover, if we become subject to U.S. or U.K. sanctions, investors subject to the jurisdiction of an applicable sanctions regime may become restricted in their ability to sell, transfer or otherwise deal in or receive payments with respect to our ADSs, which could make our ADSs partially or completely illiquid and have a material adverse effect on their market value. We are also aware of initiatives by U.S. governmental entities and U.S. institutional investors, such as pension funds, to adopt or consider adopting laws, regulations, or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with certain countries, which could limit the liquidity of our ADSs and thereby have an adverse impact on their value. There can be no assurance that the foregoing will not occur or that such occurrence will not have a material adverse effect on the price of our ADSs. Any of the above could have a material adverse impact on our business, financial condition, results of operations or prospects.

New or escalated tensions between Russia and neighboring states or other states could negatively affect the Russian economy.

Over the past several years, Russia has been involved in conflicts, both economic and military, involving neighboring or more distant states. On several occasions, this resulted in deterioration of relations between Russia and other countries, including the United States and various countries in Europe. Many of these jurisdictions are home to financial institutions and corporations that are significant investors in Russia and whose investment strategies and decisions may be affected by such conflicts and by worsening relations between Russia and other countries. The continuing political instability and deteriorating economic conditions in Ukraine, together with the conflict in Eastern Ukraine, have affected relations between Russia and Ukraine. On March 2014, following a public referendum, the Crimean peninsula and the city of Sevastopol were proclaimed as new separate constituents of Russia by the governing authorities of Russia, Crimea and Sevastopol. The events relating to Ukraine and Crimea prompted condemnation by members of the international community, and were strongly opposed by the EU and the United States, with a resulting material negative impact on their relationships with Russia. Tensions between Russia and the EU and between Russia and the U.S. further increased in subsequent years as a result of the conflict in Syria and a host of other issues.

Emergence of new or escalated tensions between Russia and neighboring states or other states could negatively affect the Russian economy. This, in turn, may result in a general lack of confidence among international investors in the region’s economic and political stability and in Russian investments generally. Such lack of confidence may result in reduced liquidity, increased trading volatility and significant declines in the price of listed securities of companies with significant operations in Russia, including our ADSs, and in our inability to raise debt or equity capital in the international capital markets, which may affect our ability to achieve the level of growth to which we aspire.

Economic instability in Russia could adversely affect our business.

We operate only in Russia and a result, our business and results of operations are heavily dependent on the economic conditions in Russia. In the past years, the Russian economy and markets have been subject to abrupt downturns and significant volatility. For example, the Russian economy has been adversely affected by the introduction of sanctions against Russia and the decline of oil prices, which resulted in a decline in GDP of 2.0% in 2015. The impact of the economic downturn on the Russian economy led to, among other things, a reduction in the disposable income of the general population, a crisis of bank liquidity, a significant depreciation of the ruble against the U.S. dollar and Euro and the rise of unemployment. According to the Russian Federal State Statistics Service (“Rosstat”), in 2017, 2018 and 2019, Russia’s GDP

grew by 1.8%, 2.8% and 2.0% in real terms, respectively. However, in 2020, Russia's GDP declined by 3.1%, mostly due to the economic impact of the COVID-19 pandemic and the associated government lockdown measures imposed in response to it.

Moreover, as Russia produces and exports large quantities of crude oil, natural gas, metals and other commodities, its economy is particularly vulnerable to fluctuations in the prices of commodities on the global market. In particular, the Brent Crude oil price suffered a significant decrease during 2014 and 2015. Most recently, oil prices fell again with the price of Brent Crude declining from $45.3 per barrel on March 6, 2020 to $31.43 per barrel on March 9, 2020 and then dropping to $26.53 per barrel on April 20, 2020 as a result of sharply falling demand for oil triggered by the significant slowdown of business activity and a deteriorating global macro outlook caused by the spread of the coronavirus epidemic, while Russia and OPEC for some time were unable to reach an agreement on extended oil production cuts in response to the falling demand. As of August 10, 2021, the Brent Crude oil price recovered to $71.08 per barrel.

The ruble / U.S. dollar exchange rate has also been volatile and amounted to RUB 61.91 per $1.00 and RUB 73.88 per $1.00 as of December 31, 2019 and 2020, respectively. As of August 10, 2021, ruble / U.S. dollar exchange rate amounted to RUB 73.51 per $1.00. While currency volatility has, in the past, led to increased demand for real estate assets as stores of value against prospects of a devaluing ruble, currency weakness also had adverse effect on the Russian economy as a whole due to raising prospects of accelerating inflation (from higher ruble-denominated prices of imports), higher interest rates and poor real incomes dynamics. Based on information published by Rosstat, during 2020, real personal income of the Russian population decreased by approximately 3%. Downturns in household incomes and changes in patterns of user behavior amid the spread of the pandemic may negatively affect user confidence and dissuade or delay people from buying real estate, which may lead to lower real estate prices, reduced transaction volumes and, consequently, decreased demand for our services.

Starting in February 2015, the Central Bank of Russia ("CBR") initiated a period of dovish monetary policy with gradual reductions in key interest rate, which resulted in the declining of the average interest rate on new mortgage loans (from 14.2% in February 2015 to 7.07% as of the date of this prospectus, according to CBR data). However, in March 2021, the CBR began to reverse its monetary policy by gradually increasing the key interest rate, which, in July 2021, was approved at the level of 6.5%. Currently, the increase in the key interest rate has had a limited impact on mortgage interest rates mainly due to the mortgage subsidies program and a high level of competition in the banking market. However, there can be no assurance that the subsidies program will continue to prevent mortgage interest rates from further growth or will be further extended by the government. See also "*—Our business and results of operations may be affected by the cancellation of, or any changes to, the Russian mortgage subsidy program.*" The higher key interest rate environment may increase mortgage interest rates, which may offset the positive effect of the previous CBR policy, result in a decrease of property sales volumes and affect our lead generation revenue.

While a gradual economic recovery in Russia may be possible in 2021, there is a risk that Russia's economy may not grow in the future due to renewed unfavorable economic conditions (both globally and in Russia) and geopolitical factors, COVID-19 infection rates growth or other adverse developments, and this consequently may materially and adversely affect our business, prospects, financial condition and results of operations.

Inflation may increase our costs and exert downward pressure on our operating margins.

Russia has experienced high inflation in the past. Since 2016, inflation in Russia relatively stabilized, and, according to Rosstat, stood at 4.3%, 3.0% and 4.9% in 2018, 2019 and 2020, respectively. In July 2021 the level of inflation amounted to 6.5%, based on Rosstat estimates, mainly as a result of COVID-19 pandemic. A return to high and sustained inflation could lead to market instability, new financial crises, reductions in consumer purchasing power and the erosion of consumer confidence, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Social instability in Russia could increase support for stronger centralized authority, nationalism, political repression or violence and could materially adversely affect our operations.

A decrease in the price of oil, as well as increased unemployment rates, failure by the government and many private enterprises to pay full salaries on a regular basis and failure of salaries and benefits to keep

pace with increasing cost of living led in the past, and could lead in the future, to labor and social unrest in the markets in which we operate. Labor and social unrest may have political, social and economic consequences, such as increased support for stronger of centralized authority; increased nationalism, including restrictions on foreign involvement in the Russian economy; and increased political repressions and violence. An occurrence of any of the foregoing events could restrict our operations and lead to the loss of revenue, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Crime and corruption could disrupt our ability to conduct our business and, thus, materially adversely affect our operations.

The stability, effectiveness, fairness, transparency and strength of government institutions, rule of law and business practices in Russia have been varied and have changed along with political and economic changes over the years. The local and international press have reported on high levels of corruption in Russia, including the bribery of officials for initiating investigations by state agencies, obtaining licenses or other permissions or obtaining the right to supply products or services to state agencies. Press reports have also described instances in which government officials engaged in selective investigations and prosecution to further the commercial interests of certain government officials or certain companies or individuals. Additionally, published reports indicate that a significant number of Russian media regularly publish slanted articles in return for payment. The proliferation of organized or other crime, corruption and other illegal activities that disrupt our ability to effectively conduct our business or any claims that we have been involved in corruption, or illegal activities, even if false, that generate negative publicity could have a material adverse effect on our business, prospects, financial condition and results of operations.

The ongoing development of the Russian legal system and Russian legislation creates an uncertain environment for investment and for business activity.

As Russia continues to develop its legal framework, it may still differ substantially from international standards and the requirements of a modern market economy. The current regulatory environment in Russia may result in inconsistent interpretations, applications and enforcement of the law. Among the possible risks of the current Russian legal system are:

- inconsistencies between and among the constitution, federal and regional laws and subordinate legislation (presidential decrees and governmental, ministerial and local orders, decisions and resolutions) and other acts;
- the lack of judicial and administrative guidance on interpreting certain legislation as well as conflicting interpretations of supreme general jurisdiction and arbitrazh courts;
- the relative inexperience of judges and courts in interpreting certain aspects of legislation;
- the lack of an independent judiciary;
- a high degree of discretion on the part of governmental authorities, which could result in arbitrary actions such as suspension or termination of our licenses;
- the possibility of rapid change in the current legislation, which could create ambiguities in interpretation and potential non-compliance; and
- poorly developed bankruptcy and liquidation procedures and court practices that create possibilities of abuse.

In addition, legislation in Russia may often still have substantial gaps in the regulatory infrastructure. Any of these weaknesses could affect our ability to enforce our rights under our licenses and contracts, or to defend ourselves against claims by others. Moreover, it is possible that regulators, judicial authorities or third parties may challenge our internal procedures and bylaws, as well as our compliance with applicable laws, decrees and regulations.

The Russian banking system remains underdeveloped, the number of creditworthy banks in Russia is limited and another banking crisis could place severe liquidity constraints on our business.

Instability in the Russian banking sector may adversely affect the Russian economy, which may in turn negatively impact our business. Increases in the level of underperforming loans in recent years has generally

weakened the level of capital for banks, which, in turn, may lead them to shrink their loan portfolios, and as a result, debt funding may become less available for individuals and businesses. Recessionary trends in the Russian economy and stricter enforcement by the CBR affected a number of notable Russian banks, which were either acquired, liquidated or taken over for financial rehabilitation by other Russian banks, the Deposit Insurance Agency or the CBR in recent years.

Serious deficiencies, instability or crises in the Russian banking sector, or other problems experienced by Russian banks, including deterioration in their credit portfolios, difficulties in accessing liquidity, meaningful financial losses or reduction of profitability, falling capital ratios, suspension or revocation of their licenses or takeovers for subsequent liquidation or rehabilitation, resulted in the past, and may result in the future, in significant adverse consequences for our market and business. For example, in such circumstances, buyers of real estate or real estate developers may find themselves with reduced access to bank financing, which may reduce their demand, activity and transaction volumes in the real estate market, and, in turn, slow down demand for our services. We also may face forfeiture of, or delays in accessing our cash reserves, withdrawal/transactional limits on our bank accounts or other restrictions being imposed on our business, which could have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, the instability of the Russian banking sector may also impede the development of new products for our Mortgage Marketplace services. Furthermore, as we may seek debt financing from Russian banks in the future, if a banking crisis were to re-occur in Russia, our ability to access such financing may be limited, which in turn could have a material adverse effect on our business, prospects, financial condition and results of operations, and investors may lose some or all of the value of their investment.

The companies incorporated in Russia may be forced into liquidation due to formal non-compliance with certain requirements of Russian law, which could have a material adverse effect on our business, financial condition and results of operations.

Certain provisions of Russian law may allow a court to order liquidation of a Russian legal entity on the basis of its formal non-compliance with certain requirements in connection with its formation or reorganization or during its operation. There were cases in the past in which formal deficiencies in the establishment process of a Russian legal entity or non-compliance with provisions of Russian law have been used by Russian courts as a basis for the liquidation of a legal entity. For example, in Russian corporate law, negative net assets calculated on the basis of the Russian Accounting Standards as of the end of the financial year following the second or any subsequent financial year of a company's operation can serve as a basis for a court to order the liquidation of the company, upon a claim by governmental authorities (if no decision is taken to decrease the charter capital or liquidate the company). Many Russian companies have negative net assets due to very low historical asset values reflected on their Russian balance sheets. However, their solvency (i.e., their ability to pay debts as they come due) is not otherwise adversely affected by such negative net assets. In addition, according to Russian court practice, formal non-compliance with certain requirements that may be remediated by a non-compliant legal entity should not itself serve as a basis for liquidation of such legal entity.

Although iRealtor LLC, our key operating subsidiary, had negative net assets as of December 31, 2020 and December 31, 2019, its net assets as of December 31, 2018 were positive. Under the relevant legislative requirement, a company may be forced into liquidation only after having negative net assets for two consecutive years, however, as this requirement is temporarily not applicable in 2020 due to the COVID-19 pandemic, we believe that we and our subsidiaries are currently fully compliant with the applicable legal requirements and neither we nor iRealtor LLC should be subject to liquidation on such grounds. We expect to take all necessary measures aimed at ensuring that iRealtor LLC has positive net assets by the required time in order to continue to be in compliance with all applicable requirements. However, weaknesses in the Russian legal system create an uncertain legal environment, which makes the decisions of a Russian court or a governmental authority difficult, if not impossible, to predict. If involuntary liquidation were to occur, such liquidation could lead to significant negative consequences to our business and financial condition.

Risks Relating to Russian Taxation

Changes in Russian tax law could adversely affect the Group's business

Generally, Russian taxes that the Group is subject to are substantial and include, among others: corporate income tax, value-added tax ("VAT"), property tax, payroll related insurance payments, other

taxes and duties. The Group is also subject to the liabilities of a tax agent with respect to taxes due from some of its counterparties. Laws related to these taxes and duties, such as the Tax Code of Russia (the "Tax Code"), have been in force for a relatively short period of time in comparison with tax legislation in more developed market economies, and the Russian government's implementation of such legislation is often unclear or inconsistent. Historically, the system of tax collection has been relatively ineffective, resulting in continuous changes being introduced to existing laws and the interpretations thereof.

Although the Russian tax climate and the quality of tax legislation generally improved with the introduction of the Tax Code, the possibility exists that Russia may impose arbitrary and/or onerous taxes and penalties in the future.

Since Russian federal, regional and local tax laws and regulations are subject to frequent change, and since some sections of the Tax Code are comparatively new, interpretation and application of these laws and regulations is often unclear, unstable or non-existent. Differing interpretations of tax regulations may exist both among and within government bodies at the federal, regional and local levels, increasing the number of existing uncertainties and leading, in practice, to the inconsistent enforcement of these tax laws and regulations.

Furthermore, the taxpayers, the Ministry of Finance and the Russian tax authorities often interpret tax laws differently. There can be no assurance that the Russian tax authorities will not take positions contrary to those set out in the private clarification letters issued by the Ministry of Finance to specific taxpayers' queries. In some instances, the Russian tax authorities have applied new interpretations of tax laws retroactively, issued tax claims for periods for which the statute of limitations had expired and reviewed the same tax period several times. During the past several years, the Russian tax authorities have taken more assertive positions in their interpretation of tax legislation, which has led to an increased number of material tax assessments issued by them as a result of tax audits of companies operating in various industries, including the financial industry.

Since taxpayers and the Russian tax authorities often interpret tax laws differently, taxpayers often have to resort to court proceedings to defend their position against the Russian tax authorities. In the absence of binding precedent or consistent court practice, rulings on tax or other related matters by different courts relating to the same or similar circumstances may be inconsistent or contradictory. Clarifications of the Russian tax authorities and the Ministry of Finance may, in practice, be revised by courts in a way that is unfavorable for the taxpayer.

The Russian tax system is, therefore, impeded by the fact that, at times, it continues to be characterized by the inconsistent judgments of local tax authorities. It is, therefore, possible that transactions and activities of the Group that have not been challenged in the past may be challenged in the future.

In 2017, the general anti-avoidance rules were introduced in the Tax Code by Article 54.1 of the Tax Code, which replaced the previously existing rule set by Resolution No. 53 of the Plenum of the Supreme Arbitration Court of the Russian Federation dated October 12, 2006, which defined an unjustified tax benefit mainly by reference to circumstances such as the absence of business purpose or transactions where the form does not match the substance, and which could lead to the disallowance of tax benefits resulting from the transaction or the re-characterization of the transaction for tax purposes.

The Russian Federation, like a number of other countries in the world, is actively involved in implementing measures and policies against tax evasion through the use of low tax jurisdictions as well as aggressive cross-border tax planning structures.

In the framework of such policies and measures, the Tax Code was amended to introduce controlled foreign companies rules and other anti-avoidance instruments including the concept of "beneficial ownership" for tax treaty purposes and the concept of tax residency for legal entities. These changes imposed significant limitations on tax planning. These factors raise the risk of a sudden imposition of arbitrary or onerous taxes on operations in Russia and abroad, and the application of the abovementioned rules may result in the imposition of fines, penalties and enforcement measures, which could have a material adverse effect on the business, financial condition and results of operations of the Group.

The Tax Code has been amended to allow, in certain cases, for judicial recovery of outstanding tax arrears of subsidiary/associated companies from principal (dominant or interest-holding) companies, which follows previous trends in court practice. These amendments and initiatives may have a significant effect on the Group and may expose the Group to additional tax and administrative risks, as well as to extra costs necessary to secure compliance with the new rules. These facts create tax risks for the Group in Russia that may be substantially more significant than typically found in countries with more developed tax systems.

In 2017, country-by-country reporting (the “CbCR”) requirements were introduced in the Tax Code. Introduction of mandatory filing of CbCR is, in general, in line with the Organisation for Economic Co-operation and Development (“OECD”) recommendations within the Base Erosion and Profit Shifting (“BEPS”) initiative. This initiative could potentially give rise to new adjustments and interpretations of the Russian tax law on the basis of international best practice that would cause additional an tax burden for the Group’s business.

On May 1, 2019, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the “MLI”) was ratified by the Russian Federation. Starting in 2021, the MLI could limit tax benefits granted by most double tax treaties to which Russia is a party.

Starting from 2019 the standard VAT rate increased from 18% to 20%

In 2020, the Russian government introduced initiatives related to the increase of withholding tax rates applied to dividends and interest, paid to certain jurisdictions, channeling significant resources from the Russian Federation. The proposals to amend double tax treaties by increasing the withholding tax rate on interest income and dividends to 15% with certain exemptions (currently most Russian double tax treaties provide for a 5%-10% withholding tax on dividends and a 0% withholding tax on interest) were sent, in 2020, to Cyprus, Luxembourg, Malta and the Netherlands. The corresponding amendments to double tax treaties with Cyprus, Malta and Luxembourg were ratified at the end of 2020. Relevant amendments were made to the double tax treaties with Cyprus and Malta and are in effect from January 1, 2021, whereas amendments to the double tax treaty with Luxemburg will come into force on January 1, 2022. Without reaching an agreement with the Netherlands, in May 2021, the State Duma of the Russian Federation passed the law on denunciation of the treaty.

Moreover, there is uncertainty whether and which amendments to the Russian double tax treaties will be made, or whether such or other Russian double tax treaties will eventually be denounced or terminated.

All of the above and other changing conditions create tax risks in Russia that are more significant than those typically found in jurisdictions with more developed tax systems, and complicate tax planning and related business decisions of the Group. In addition, there can be no assurance that the current tax rates will not be increased, that new taxes will not be introduced or that additional sources of revenue or income, or other activities, will not be subject to new taxes or similar charges or fees in the future. There can also be no assurance that the Tax Code will not be changed in the future in a manner that will adversely affect the stability and predictability of the tax system.

It is expected that Russian tax legislation will progressively become more sophisticated. The introduction of new taxes or amendments to current taxation rules may affect the Group’s overall tax efficiency and may result in significant additional tax liabilities. The Group cannot provide holders of the ADSs with any assurance that additional Russian tax exposures will not arise. Such additional tax exposures could have a material adverse effect on the Group’s business, results of operations, financial condition or prospects, and the trading price of the ADSs.

The Group is subject to tax audits by the Russian tax authorities, which may result in additional tax liabilities

Tax returns, together with related documentation, are subject to review and investigation by the tax authorities, which are authorized by Russian law to impose severe fines and penalties. Generally, tax returns remain open and subject to inspection by the tax authorities for a period of three years immediately preceding the year in which the decision to conduct a tax audit is taken. However, the fact that a year has been reviewed by the tax authorities does not prevent any tax returns relating to that year from being reviewed further by the tax authorities during the three-year limitation period. A repeated tax audit may be conducted by a higher-level tax authority as a measure of control over the activities of lower-level tax authorities, or

in connection with the reorganization or liquidation of a taxpayer, or as a result of the filing by such taxpayer of an amended tax return decreasing the tax payable. Therefore, previous tax audits may not preclude subsequent tax claims relating to the audited period. Furthermore, on July 14, 2005, the Constitutional Court of Russia issued a decision allowing the statute of limitations for tax penalties to be extended beyond the three-year term set out in the Tax Code if a court determines that a taxpayer has obstructed or hindered a tax inspection. Moreover, the Tax Code provides for the possibility of an extension of the three-year statute of limitations for tax offences if the taxpayer obstructed the performance of the tax review and this has become an insurmountable obstacle for the tax audit. Because the terms “obstructed,” “hindered” and “insurmountable obstacles” are not specifically defined in Russian law, the Russian tax authorities may attempt to interpret these terms broadly, effectively linking any difficulty experienced by them in the course of their tax audit with obstruction by the taxpayer and use that as a basis to seek additional tax adjustments and penalties beyond the three-year limitation term. Therefore, the statute of limitations is not entirely effective.

Tax audits or inspections may result in additional costs to the Group, in particular if the relevant tax authorities conclude that the Group did not satisfy its tax obligations in any given year. Such audits or inspections may also impose additional burdens on the Group by diverting the attention of management resources. The outcome of these audits or inspections could have a material adverse effect on the Group’s business, results of operations, financial condition or prospects, and the trading price of the ADSs.

Russian transfer pricing rules may adversely affect the Group’s business, financial condition and results of operations

Russian transfer pricing legislation has been in effect since January 1, 2012. The rules are technically elaborate, detailed and, to a certain extent, aligned with the international transfer pricing principles developed by the OECD.

The rules allow the Russian tax authorities to make transfer pricing adjustments and impose additional tax liabilities for transactions which are considered “controlled” for Russian transfer pricing purposes. The list of “controlled” transactions includes transactions performed with non-Russian related companies, certain categories of Russian related companies, non-Russian related companies that are residents in certain offshore zones and cross-border transactions in commodities. The rules have considerably increased the compliance burden for taxpayers compared to the law which was in effect before 2012 due to, *inter alia*, a shifting of the burden of proving market prices from the Russian tax authorities to the taxpayer and obliging the taxpayer to keep specific documentation. Furthermore, the taxpayers are obliged to notify the Russian tax authorities of “controlled” transactions. Although the transfer pricing rules are supposed to be in line with international transfer pricing principles developed by the OECD, there are certain significant differences with respect to how these principles are reflected in the local rules. Special transfer pricing rules apply to transactions with securities and derivatives. It is difficult to evaluate what effect transfer pricing rules may have on the Group.

Since the Russian transfer pricing rules came into force, transactions between affiliated parties have been examined by the Russian tax authorities for compliance with the “arm’s-length principle.” The Tax Code provides that an audit of the proper calculation and payment of taxes in connection with the conclusion of transactions between interdependent persons shall be performed by the Federal Tax Service. However, territorial tax authorities currently try to scrutinize terms and conditions of transactions concluded between related parties for “unjustified tax benefits.” Consequently, due to the uncertainties in the interpretation of Russian transfer pricing legislation, no assurance can be given that the Russian tax authorities will not challenge the Group’s transfer prices or make adjustments which could affect the Group’s tax position unless the Group is able to confirm the use of market prices with respect to “controlled” transactions supported by the appropriate transfer pricing documentation. The imposition of additional tax liabilities under the Russian transfer pricing rules may have a material adverse effect on the Group’s business, results of operations, financial condition or prospects, and the trading price of the ADSs.

The Company may be exposed to taxation in Russia if the Company is treated as having a permanent establishment in Russia

The Tax Code contains the concept of a permanent establishment in Russia as a means for taxing foreign legal entities that carry on regular entrepreneurial activities in Russia beyond preparatory and

auxiliary activities. Russia's double taxation treaties concluded with other countries, including Cyprus (the Agreement between the Russian government and the government of the Republic of Cyprus for the Avoidance of Double Taxation with respect to Taxes on Income and on Capital dated December 5, 1998 (the "Russia-Cyprus Tax Treaty")), where the Company is domiciled, also contain a similar concept. However, the practical application of the concept of a permanent establishment under Russian domestic tax law is not well developed and foreign companies having even limited operations in Russia (which would not normally satisfy the criteria for creating a permanent establishment under international rules), may be at risk of being treated as having a permanent establishment in Russia and, consequently, as liable for Russian taxation.

Although the Company seeks to conduct its affairs so that it is not treated as having a permanent establishment in Russia, no assurance can be given that the Company will not be treated as having such a permanent establishment. If the Company were to be treated as having a permanent establishment in Russia, it would be subject to Russian taxation in a manner broadly similar to the taxation of a Russian legal entity.

Only the amount of the income of a foreign entity that is attributable to its permanent establishment should be subject to taxation in Russia. Pursuant to the transfer pricing rules (discussed above), such amount of income is to be measured based on the functions carried out by a Russian permanent establishment, accepted economic (commercial) risks attributable to such activity and the assets deployed. In order to determine the amount of income of a foreign entity that is attributable to a permanent establishment in Russia, the Russian tax authorities may perform a functional analysis of an activity performed by a foreign entity in the territory of Russia. Nevertheless, the risk still exists that the tax authorities might seek to assess Russian tax on the entire amount of income of a foreign company.

Having a permanent establishment in Russia may lead to other adverse tax implications, including being challenged on a reduced withholding tax rate under an applicable double taxation treaty, and a potential effect on VAT and property tax obligations. There is also a risk that penalties could be imposed by the tax authorities for failure to register a permanent establishment with the Russian tax authorities.

Recent events in Russia suggest that the tax authorities may be becoming more active in seeking to investigate whether, and asserting that, foreign entities operate through a permanent establishment in Russia.

Any such taxes or penalties could have a material adverse effect on the Group's business, financial condition, results of operations or prospects, and the trading price of the ADSs.

It should also be noted that Russian tax legislation has a concept of tax residency for legal entities. According to this concept, foreign legal entities which are managed from Russia are considered tax residents of the Russian Federation. There are certain rules for determining the place of effective management for foreign companies. In particular, a foreign entity is considered to be managed from Russia if such entity and its business meet at least one of the following criteria: (i) its executive body (bodies) regularly acts (act) on its behalf from Russia; or (ii) its senior (management) staff (persons authorized to plan, supervise and manage the undertaking's business, and who are liable therefor) predominantly perform their management functions (that is, making decisions and carrying out other actions relating to the business of the entity falling within the competence of its executive bodies) in Russia. The Group may not rule out the possibility that, as a result of these regulations, certain foreign companies of the Group might be deemed to have become Russian tax residents, subject to all applicable Russian taxes, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects and the trading price of the ADSs.

The Company may encounter difficulties in obtaining lower rates of the Russian withholding income tax envisaged by the Russia-Cyprus Tax Treaty for dividends distributed from the Company's subsidiaries

Dividends paid by a Russian legal entity to a foreign legal entity are generally subject to Russian withholding income tax at a rate of 15%, however, such rate may be reduced pursuant to an applicable double taxation treaty. The Company intends to rely on the Russia-Cyprus Tax Treaty.

On September 8, 2020, the Protocol on Amendments to the Russia-Cyprus Tax Treaty (hereinafter the "Protocol") was signed. According to the Protocol, withholding tax rate in respect of dividend income was increased to 15% (though it provides for a number of exceptions where the lower rate of 5% is envisaged).

The reduced 5% tax rate in respect of dividend income is envisaged for certain categories of income recipients. These include companies that are beneficial owners of dividend income and whose shares are listed on a registered stock exchange, provided that: (a) such company's free float represents at least 15% of its voting shares, and (b) such company directly holds, and, on the day of payment of the dividends, has held for 365 days, at least 15% of the capital of the company paying the dividends.

In February 2021, the Russian Ministry of Finance provided clarification regarding the application of the reduced tax rate under the Russia-Cyprus Tax Treaty and the Protocol. The Russian Ministry of Finance clarified that the term "registered stock exchange" for the purposes of the double-tax treaty means any stock exchange incorporated and regulated as such under the laws of any of the Contracting Parties (i.e. Russia or Cyprus).

Since the ADSs will be listed on the Moscow Exchange ("MOEX"), the Group believes that the 5% Russian withholding tax rate should apply to dividends received by the Company from its Russian subsidiaries pursuant to the above tax relief available under the Russia-Cyprus Tax Treaty. Although the Group will seek to claim treaty protection or benefits where possible, there is a risk that the applicability of the reduced Russian withholding tax rate of 5% may be challenged by the Russian tax authorities. As a result, there can be no assurance that the Group would be able to avail itself of the reduced withholding tax rate in practice.

Furthermore, the Company will be subject to Russian withholding tax to be withheld at source at a rate of 15%, which will apply to dividends payable by its Russian subsidiaries, if the treaty clearance procedures are not duly performed by the date when the dividend payment is made. In this case, the Company may seek to claim a tax refund from the Russian tax authorities in an amount equal to the difference between the tax withheld at the 15% rate and the tax calculated at the reduced rate of 5%, as appropriate. The application for the refund may be filed with the tax authorities within a three year period; and the tax authorities are obliged to make a decision on refund within six month of receipt of the relevant application from the taxpayer (to the extent the right to apply the reduced tax rate is confirmed). However, in practice, obtaining a tax refund may take considerably longer and there can be no assurance that such refund will be available.

Further changes and restrictions in the application of reduced tax rates envisaged by the Russia-Cyprus Tax Treaty for dividends distributed from the Company's subsidiaries could have a material adverse effect on the Group's business, results of operations, financial condition or prospects and the trading price of the ADSs.

The Russian tax authorities may challenge the application of reduced social security contributions, VAT and corporate profits tax rates by one of our companies.

Starting from January 1, 2021, Russian IT companies can apply a reduced profits tax rate (3% instead of the general rate of 20%), as well as reduced VAT tax rate (0% instead of general tax rate 20%) and a reduced social security contributions rate (7.6% instead of general rate of 30%) in relation to payments to employees. In order to apply the reduced profit tax and social security contributions rates, a taxpayer should be officially accredited to perform IT activity, the share of its income from development and sale of own-developed computer programs and databases, and/or from rendering of services involving development, adaptation, modification and support of computer programs and databases ("preferential IT activity") should comprise 90% of total income, and the average headcount should be at least seven employees. The VAT exemption applies for providing rights to the use of software and databases included in the Unified Register of Russian Software for Computers and Databases.

Historically, N1 Technologies LLC, a subsidiary of the N1 Group, applied reduced social security contributions, profits tax and VAT rates in accordance with the requirements of the Russian tax legislation.

Starting from January 1, 2021, the Tax Code also establishes that when calculating the share of income from preferential IT activity, income from providing rights that enable users to disseminate advertising information on the internet and/or have access to it; place classified ads; search information about potential counterparties and/or enter into transactions should not be taken into account. Thus, the use of reduced

rates by companies that are engaged in such businesses will be restricted. The question of whether the restriction will be broadly interpreted in practice, and to what extent, remains open.

Following the N1 Acquisition, we are currently undergoing organizational restructuring whereby the IT teams of the Cian Group and the N1 Group will be joined together as part of N1 Technologies, which, as a qualifying IT company, is expected to benefit from the reduced profit tax, VAT and social security contributions rates under the Russian Tax Code. It is anticipated that N1 Technologies will operate as a shared service center rendering services to our subsidiaries with respect to development and adaptation of IT products which are being used primarily within the Cian Group. Such practice is widely used by IT companies in Russia.

The amended Russian Tax Code provision regarding application of the reduced tax rates by IT companies is relatively untested. Given the absence of substantial administrative and court practice, the tax authorities may challenge the application of reduced rates by N1 Technologies prior to, or following, our planned organizational restructuring. This may have an adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Organizational Structure

The rights of our shareholders are governed by Cyprus law and our articles of association and differ in some important respects from the typical rights of shareholders under U.S. state laws.

Our corporate affairs are governed by our articles of association and by the laws governing companies incorporated in Cyprus. The rights of our shareholders and the responsibilities of members of our board of directors under Cyprus law and our articles of association are different than under the laws of some U.S. states. For example, existing holders of shares in Cypriot public companies are entitled, as a matter of law, to pre-emptive rights on the issue of new shares in that company (if shares are issued for cash consideration). The pre-emptive rights, however, may be disapplied by our shareholders at a general meeting for a maximum period of five years.

In addition, our articles of association include other provisions, which differ from provisions typically included in the governing documents of most companies organized in the U.S., including that our shareholders are able to convene an extraordinary general meeting as provided in section 126 of the Cyprus Companies Law Cap. 113. Further, our articles of association also require the approval of no less than 75% of present and voting shareholders for certain matters, including, among other things, amendments to our constitutional documents, dissolution or liquidation of our company, reducing the share capital and buying back shares. As a result of the differences described above, our shareholders may have rights different to those generally available to shareholders of companies organized under U.S. state laws, and our board of directors may find it more difficult to approve certain actions.

As a holder of the ADSs, you may not be able to exercise your pre-emptive rights in relation to future issuances of ordinary shares.

To raise funding in the future, we may issue additional ordinary shares. Generally, existing holders of shares in Cypriot public companies are entitled by law to pre-emptive rights on the issue of new shares or securities convertible into shares in that company (provided that such shares are paid in cash and the pre-emption rights have not been disapplied by our shareholders at a general meeting for a specific period). You may not be able to exercise pre-emptive rights for ordinary shares where there is an issue of shares for non-cash consideration or where pre-emptive rights are disapplied. You may also not be able to exercise pre-emption rights directly (but possibly only by instructing the depositary as the registered holder of shares) as only holders of shares and not of ADSs have such rights in Cyprus. In the United States, we may be required to file a registration statement under the Securities Act to implement pre-emptive rights. We can give no assurances that an exemption from the registration requirements of the Securities Act would be available to enable U.S. holders of ordinary shares to exercise such pre-emptive rights and, if such exemption is available, we may not take the steps necessary to enable U.S. holders of ordinary shares to rely on it. Accordingly, you may not be able to exercise your pre-emptive rights on future issuances of ordinary shares, and, as a result, your percentage ownership interest in us would be diluted. As our shareholders authorized the disapplication of pre-emptive rights for a period of
years from the date of the consummation

of this offering, any issuances of shares after the period will be subject to pre-emptive rights unless those rights are additionally disapplied. Furthermore, rights offerings are difficult to implement effectively under the current U.S. securities laws, and our ability to raise capital in the future may be compromised if we need to do so through a rights offering in the United States.

Because of their significant voting power, our principal shareholders will be able to exert control over us and our significant corporate decisions.

Immediately prior to this offering, our principal shareholders, Ronder Investment Limited, Speedtime Trading Limited and Onlypiece Trading Limited, investment vehicles associated with Elbrus Capital, controlled 65.34% of our issued and outstanding ordinary shares. Upon completion of this offering, the shares owned by investment vehicles associated with Elbrus Capital will collectively represent % of the voting power of our outstanding capital stock.

Our articles of association provide that at any time when Elbrus Capital's ownership percentage in aggregate is equal to or greater than 30%, it will have the right to nominate five directors, which constitute more than 50% of our directors. As a result, Elbrus Capital may have the ability to determine the outcome of all matters submitted to our Board of Directors for approval. The interests of Elbrus Capital might not coincide with the interests of the other holders of our capital stock. This concentration of ownership may harm the value of our ADSs by, among other things:

- delaying, deferring or preventing a change in control of our Company;
- impeding a merger, consolidation, takeover or other business combination involving our Company; or
- causing us to enter into transactions or agreements that are not in the best interests of all shareholders.

We may be subject to defense tax in Cyprus.

Cyprus tax resident companies must pay a Special Contribution for the Defense Fund of the Republic of Cyprus (the "defense tax") at a rate of 17% on deemed dividend distributions to the extent that their ultimate direct or indirect shareholders are individuals who are both Cyprus tax residents and Cyprus domiciled. A Cypriot company that does not distribute at least 70% of its after tax profits within two years from the end of the year in which the profits arose, is deemed to have distributed this amount as a dividend two years after that year end. The amount of this deemed dividend distribution, subject to the defense tax, is reduced by any actual dividend paid out of the profits of the relevant year at any time up to the date of the deemed distribution and the resulting balance of profits will be subject to the defense tax to the extent of the appropriation of shares held in the company at that time by Cyprus tax residents. The profits to be taken into account in determining the deemed dividend do not include fair value adjustments to any movable or immovable property.

The defense tax payable as a result of a deemed dividend distribution is paid in the first instance by the Company which may recover such payment from its Cypriot shareholders by deducting the amount from an actual dividend paid to such shareholders from the relevant profits. To the extent that we are unable to recover this amount due to a change in shareholders or no actual dividend is ever paid out of the relevant profits, we will suffer the cost of this defense tax. Imposition of this tax could have a material adverse effect on our business, prospects, financial condition and results of operations if we are unable to recover the tax from shareholders as described above.

In September 2011, the Commissioner of the Inland Revenue Department of Cyprus issued Circular 2011/10, which exempted from the defense tax any profits of a company that is tax resident in Cyprus imputed indirectly to shareholders that are themselves tax residents in Cyprus to the extent that these profits are indirectly apportioned to shareholders who are ultimately not Cyprus tax residents.

Risks Related to the Offering and Ownership of Our ADSs

Our operating results and the price of our ADSs may be volatile, and the market price of our ADSs after this offering may drop below the price you pay.

Our operating results are likely to fluctuate in the future in response to numerous factors, many of which are beyond our control. In addition, securities markets worldwide have experienced, and are likely to

continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could subject the market price of our ADSs to wide price fluctuations regardless of our operating performance. The trading price of the ADSs may also be subject to price fluctuations in response to other factors, such as fluctuations in our actual or projected results of operations because of the depreciation of the ruble, which is our presentational currency.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile due to factors specific to our own operations, including the following:

- variations in our revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental negative publicity about us, our competitors or our industry;
- additions or departures of key personnel;
- potential litigation or regulatory investigations; and
- other events or factors, including those resulting from war, epidemics, incidents of terrorism or responses to these events.

These and other factors, many of which are beyond our control, may cause our operating results and the market price and demand for our ADSs to fluctuate substantially. Fluctuations in our quarterly operating results could limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the market price and liquidity of ADSs. In addition, in the past, when the market price of ADSs has been volatile, holders have sometimes instituted securities class action litigation against the company that issued the ADSs. If any of our shareholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our business, profitability and reputation.

We are eligible to be treated as an emerging growth company, as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our ADSs less attractive to investors because we may rely on these reduced disclosure requirements.

We are eligible to be treated as an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. For as long as we continue to be an emerging growth company, we may also take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including presenting only limited selected financial data and not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

Most of such requirements relate to disclosures that we would only be required to make if we also ceased to be a foreign private issuer in the future. As a result, our shareholders may not have access to certain information that they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if our total annual revenue exceeds $1.07 billion, if we issue more than $1 billion in non-convertible debt securities during any three-year period, or if before that time we are a "large accelerated filer" under U.S. securities laws. We cannot predict if investors will find our ADSs less attractive because we may rely on these exemptions. If some investors find our ADSs less attractive as a result, there may be a less active trading market for our ADSs and our ADS price may be more volatile.

We will be a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

Upon the closing of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, we are

exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (ii) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time, and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, and current reports on Form 8-K containing disclosure of material events. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, which is intended to prevent issuers from making selective disclosures of material information. As a result of all of the above, you may not have the same protections as afforded to shareholders of a company that is not a foreign private issuer.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to us on June 30, 2022. In the future, we would lose our foreign private issuer status if (i) more than 50% of our outstanding voting securities are owned by U.S. residents and (ii) a majority of our directors or executive officers are U.S. citizens or residents, or we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of . As a U.S. listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer, and accounting, reporting and other expenses in order to maintain a listing on a U.S. securities exchange. These expenses will relate to, among other things, the obligation to present our financial information in accordance with U.S. GAAP in the future.

As a foreign private issuer and "controlled company" within the meaning of the corporate governance rules, we are permitted to rely on exemptions from certain of the corporate governance standards, including the requirement that a majority of our board of directors consist of independent directors. Our reliance on such exemptions may afford less protection to holders of our ADSs.

As a company not listed on the regulated market of the Cyprus Stock Exchange, we are not required to comply with any corporate governance code requirements applicable to Cypriot public companies.

The corporate governance rules require listed companies to have, among other things, a majority of independent board members and independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, we are permitted to, and we will, follow home country practice in lieu of the above requirements. As long as we rely on the foreign private issuer exemption to certain of the corporate governance standards, a majority of the directors on our board of directors are not required to be independent directors, our remuneration committee is not required to be comprised entirely of independent directors and we will not be required to have a nominating committee. Therefore, our board of directors' approach to governance may be different from that of a board of directors consisting of a majority of independent directors, and, as a result, the management oversight of our Company may be more limited than if we were subject to all of the corporate governance standards.

In the event we no longer qualify as a foreign private issuer, we may rely on the "controlled company"exemption under the corporate governance rules. A "controlled company" under the corporate governance rules is a company of which more than 50% of the voting power is held by an individual,group or another company. Following this offering, our principal shareholder will control a majority of the voting power of our outstanding ordinary shares, making us a "controlled company" within the meaning of the corporate governance rules. As a controlled company, we would be eligible to, and, in the event we no longer qualify as a foreign private issuer, we intend to, elect not to comply with certain of the corporate governance standards, including the requirement that a majority of directors on our board of directors are independent directors and the requirement that our remuneration committee and our nominating committee consist entirely of independent directors.

Accordingly, our shareholders will not have the same protection afforded to shareholders of companies that are subject to all of the corporate governance standards, and the ability of our independent directors to influence our business policies and affairs may be reduced.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our ADSs. We intend to use the net proceeds from this offering to fund the growth and expansion of our business and other general corporate purposes. However, our use of these proceeds may differ substantially from our current plans. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. The failure by our management to apply these funds effectively could result in financial losses that could adversely affect our business and cause the price of our ADSs to decline. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

If you purchase ADSs in this offering, you will suffer immediate and substantial dilution of your investment.

The initial public offering price of our ADSs is substantially higher than the net tangible book deficit per ADS. Therefore, if you purchase our ADSs in this offering, you will pay a price per ADS that substantially exceeds our pro forma net tangible book value per ADS after this offering. Based on the initial public offering price of $ per ADS, you will experience immediate dilution of $ per ADS, representing the difference between our net tangible book value per ADS after giving effect to this offering at the initial public offering price. See "*Dilution*" for more detail.

Our ADSs will trade on more than one market and this may result in increased volatility and price variations between such markets.

Our ADSs will trade on both and MOEX. Trading in our ADSs on these markets will occur in different currencies (U.S. dollars on and rubles on MOEX) and at different times (due to different time zones, trading days and public holidays in the United States and Russia). The trading prices of our ADSs on these two markets may differ due to these and other factors. The liquidity of trading in our ADSs on MOEX is limited. This may impair your ability to sell your ADSs on MOEX at the time when you wish to sell them or at a price that you consider reasonable. In addition, trading of a small number of ADSs on that market could adversely and significantly impact the price of our ADSs and could, in turn, impact the price of ADSs traded on . ADSs will be completely fungible between both markets. Any decrease in the trading price of our ADSs on one of these markets could cause a decrease in the trading price of our ADSs on the other market. Additionally, as there is no direct trading or settlement between the two stock markets, the time required to move the ADSs from one market to another may vary and there is no certainty of when ADSs that are moved will be available for trading or settlement.

You may not be able to exercise your right to vote with respect to the ordinary shares underlying your ADSs.

ADS holders may only exercise voting rights with respect to the ordinary shares underlying their respective ADSs in accordance with the provisions of the deposit agreement, which provides that a holder may vote the ordinary shares underlying any ADSs for any particular matter to be voted on by our

shareholders either by withdrawing the ordinary shares underlying the ADSs or, to the extent permitted by applicable law and as permitted by the depositary, by requesting a temporary registration as shareholder and authorizing the depositary to act as proxy. However, you may not know about the meeting far enough in advance to withdraw those ordinary shares in time to be able to vote them as you might have planned, and after such a withdrawal you would no longer hold ADSs, but rather you would directly hold the underlying ordinary shares. You also may not know about the meeting far enough in advance to request a temporary registration.

The depositary will try, as far as practical, to vote the ordinary shares underlying the ADSs as instructed by the ADS holders. In such an instance, if we ask for your instructions, the depositary, upon timely notice from us, will notify you of the upcoming vote and arrange to deliver our voting materials to you. We cannot guarantee that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ordinary shares or to withdraw your ordinary shares so that you can vote them yourself. If the depositary does not receive timely voting instructions from you, it may give a discretionary proxy to a person designated by us to vote the ordinary shares underlying your ADSs; provided, however, that no such discretionary proxy shall be given with respect to any matter to be voted upon as to which we inform the depositary that (i) we do not wish such proxy to be given, (ii) substantial opposition exists or (iii) the rights of holders of ordinary shares may be adversely affected. Voting instructions may be given only in respect of a number of ADSs representing an integral number of ordinary shares or other deposited securities. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise any right to vote that you may have with respect to the underlying ordinary shares, and there may be nothing you can do if the ordinary shares underlying your ADSs are not voted as you requested. In addition, the depositary is only required to notify you of any particular vote if it receives notice from us in advance of the scheduled meeting.

Purchasers of ADSs in this offering may be subject to limitations on transfer of their ADSs.

ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or, from time to time, when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by applicable law, holders and beneficial owners of ADSs irrevocably waive the right to a jury trial of any claim that they may have against us or the depositary arising from or relating to our ordinary shares, our ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. The waiver continues to apply to claims that arise during the period when a holder holds the ADSs, even if the ADS holder subsequently withdraws the underlying ordinary shares.

However, you will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depositary’s compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder. In fact, you cannot waive our or the depositary’s compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder. If we or the depositary opposed a demand for jury trial relying on above-mentioned jury trial waiver, it is up to the court to determine whether such waiver was enforceable considering the facts and circumstances of that case in accordance with the applicable state and federal law.

If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the deposit agreement with a jury trial. To our knowledge, the enforceability of a jury trial waiver under the federal securities laws has not been finally adjudicated by a federal court or by the United States Supreme Court. Nonetheless, we believe that a jury trial waiver provision is generally enforceable

under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York. In determining whether to enforce a jury trial waiver provision, New York courts will consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party has knowingly waived any right to trial by jury. We believe that this is the case with respect to the deposit agreement and the ADSs. In addition, New York courts will not enforce a jury trial waiver provision in order to bar a viable setoff or counterclaim sounding in fraud or one which is based upon a creditor's negligence in failing to liquidate collateral upon a guarantor's demand, or in the case of an intentional tort claim, none of which we believe are applicable in the case of the deposit agreement or the ADSs. If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary relating to the matters arising under the deposit agreement or our ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not have the right to a jury trial regarding such claims, which may limit and discourage lawsuits against us or the depositary. If a lawsuit is brought against us or the depositary according to the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may have different outcomes compared to that of a jury trial, including results that could be less favorable to the plaintiff(s) in any such action.

Moreover, as the jury trial waiver relates to claims arising out of or relating to the ADSs or the deposit agreement, we believe that, as a matter of construction of the clause, the waiver would likely continue to apply to ADS holders who withdraw the ordinary shares from the ADS facility with respect to claims arising before the cancellation of the ADSs and the withdrawal of the ordinary shares, and the waiver would most likely not apply to ADS holders who subsequently withdraw the ordinary shares represented by ADSs from the ADS facility with respect to claims arising after the withdrawal. However, to our knowledge, there has been no case law on the applicability of the jury trial waiver to ADS holders who withdraw the ordinary shares represented by the ADSs from the ADS facility.

Holders of our ADSs or ordinary shares have limited choice of forum, which could limit your ability to obtain a favorable judicial forum for complaints against us, the depositary or our respective directors, officers or employees.

The deposit agreement governing our ADSs provides that (i) the deposit agreement and the ADSs will be interpreted in accordance with the laws of the State of New York, and (ii) as an owner of ADSs, you irrevocably agree that any legal action arising out of the deposit agreement and the ADSs involving us or the depositary may only be instituted in a state or federal court in the city of New York. Any person or entity purchasing or otherwise acquiring any our ADSs, whether by transfer, sale, operation of law or otherwise, shall be deemed to have notice of and have irrevocably agreed and consented to these provisions.

In connection with this offering, we are amending our articles of association to add a clause that states that unless we consent in writing to the selection of an alternative forum, the U.S. District Court for the Southern District of New York shall be the sole and exclusive forum for resolving any complaint filed in the United States asserting a cause of action arising under the Securities Act. These forum provisions may increase your cost and limit your ability to bring a claim in a judicial forum that you find favorable for disputes with us, the depositary, or our and the depositary's respective directors, officers or employees, which may discourage such lawsuits against us, the depositary, and our and the depositary's respective directors, officers or employees. However, there is uncertainty as to whether a court would enforce such forum selection provision. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder. Also, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. See "*Description of American Depositary Shares*" section for more information.

To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all lawsuits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all lawsuits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, actions by holders

of our ADSs or ordinary shares to enforce any duty or liability created by the Exchange Act, the Securities Act or the respective rules and regulations thereunder must be brought in a federal court in the city of New York. Holders of our ADSs or ordinary shares will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

A significant portion of our total issued and outstanding ADSs are eligible to be sold into the market in the near future, which could cause the market price of our ADSs to drop significantly, even if our business is doing well.

Sales of a substantial number of our ADSs in the public market, or the perception in the market that the holders of a large number of ADSs intend to sell, could reduce the market price of our ADSs. After giving effect to the sale of ADSs in this offering, we will have ADSs outstanding (or ADSs outstanding if the underwriters exercise their option to purchase additional ADSs in full). The ADSs sold in this offering or issuable pursuant to the equity awards we grant will be freely tradable without restriction under the Securities Act, except as described in the next paragraph with respect to the lock-up arrangements and for any of our ADSs that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

We, the Selling Shareholders, our executive officers, directors and holders of all of our outstanding shares and warrants have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our ADSs or securities convertible into or exchangeable for ADSs during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives on behalf of the underwriters. Such ADSs will, however, be able to be resold after the expiration of the lock-up periods, as well as pursuant to customary exceptions thereto or upon the waiver of the lock-up arrangements. The ADSs of certain of our affiliates will only be able to be resold pursuant to the requirements of Rule 144. See "*Shares and ADSs Eligible for Future Sale*" for a more detailed description of the restrictions on selling our ADSs after this offering.

In the future, we may also issue additional securities if we need to raise capital or make acquisitions, which could constitute a material portion of our then-issued and outstanding ADSs.

Our shareholders may face difficulties in protecting their interests because we are a Cypriot company.

We are, and will upon the consummation of this offering be, a Cypriot company with limited liability. Our corporate affairs are governed by our articles of association and by the laws that govern companies incorporated in Cyprus. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary responsibilities of our directors to us are to a large extent governed by the laws of Cyprus, and may be different than the rights and obligations of shareholders and boards of directors in companies governed by the laws of U.S. jurisdictions. In the performance of its duties, our board is required by Cypriot law to consider the interests of our company, shareholders, employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of our shareholders. Furthermore, the rights of our shareholders and the responsibilities of our directors under our articles of association and the laws of Cyprus may not be as clearly defined as under statutes or judicial precedent in existence in jurisdictions in the United States. Therefore, you may have more difficulty protecting your interests than would shareholders of a corporation incorporated in a jurisdiction in the United States.

As a result of all of the above, our shareholders may have more difficulty in protecting their interests in the face of actions taken by our management or members of our board of directors than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of Cypriot law and the laws applicable to companies incorporated in the State of Delaware and their shareholders, see "*Description of Share Capital and Articles of Association*."

There may be difficulties in enforcing foreign judgments against us, our directors or our management, as well as against the Selling Shareholders.

Certain of our directors and management and certain of the other parties named in this prospectus reside outside the United States. Most of our assets and such persons' assets are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process upon us within the United States or other jurisdictions, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws. See "*Enforcement of Civil Liabilities* ."

In particular, investors should be aware that there is uncertainty as to whether the courts of Cyprus or any other applicable jurisdictions would recognize and enforce judgments of U.S. courts obtained against us or our directors or our management as well as against the Selling Shareholders predicated upon the civil liability provisions of the securities laws of the United States, or any state in the United States or entertain original actions brought in Cyprus or any other applicable jurisdictions courts against us, our directors or our management, as well as against the Selling Shareholders predicated upon the securities laws of the United States or any state in the United States.

If we are classified as a passive foreign investment company for U.S. federal income tax purposes, U.S. investors may be subject to adverse tax consequences.

A non-U.S. corporation will be classified as a passive foreign investment company (a "PFIC") for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (generally determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For these purposes, passive income includes interest, dividends and other investment income, with certain exceptions. For these purposes, cash and other assets readily convertible into cash are considered passive assets, and the company's goodwill and other unbooked intangibles are generally taken into account. The PFIC rules also contain a look-through rule whereby we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on the anticipated market price of the ADSs in this offering and the current and anticipated composition of our income, assets and operations and those of our subsidiaries, we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. This is a factual determination, however, that depends on, among other things, the composition of our income and assets, and the value of our assets and those of our subsidiaries, from time to time, and thus the determination can only be made annually after the close of each taxable year. Because the value of our assets for the purposes of the asset test will generally be determined by reference to the aggregate value of our outstanding ADSs, our PFIC status will depend in large part on the market price of our ADSs, which may fluctuate significantly. Therefore, there can be no assurances that we will not be classified as a PFIC for the current taxable year or for any future taxable year. U.S. investors should consult their tax advisors about the potential application of the PFIC rules to their investment in the ADSs. For a more detailed discussion of PFIC tax consequences, see "*Material Tax Considerations—Material U.S. Federal Income Tax Considerations for U.S. Holders—Passive Foreign Investment Company Rules*."

Changes in our tax rates or exposure to additional tax liabilities or assessments could affect our profitability, and audits by tax authorities could result in additional tax payments.

We are affected by various taxes imposed in different jurisdictions, including direct and indirect taxes imposed on our global activities. Significant judgment is required in determining our provisions for taxes, and there are many transactions and calculations where the ultimate tax determination is uncertain. The amount of income tax we pay is subject to ongoing audits by tax authorities. If audits result in payments or assessments, our future results may include unfavorable adjustments to our tax liabilities, and we could be adversely affected. Any significant changes to the tax system in the jurisdictions where we operate could adversely affect our business, financial condition and results of operations.

General Risk Factors

We cannot assure you that a market will develop for our ADSs or what the price of our ADSs will be, and public trading markets may experience volatility. Investors may not be able to resell their ADSs at or above the initial public offering price.

Before this offering, there was no public trading market for our ADSs, and we cannot assure you that one will develop or be sustained after this offering. If a market does not develop or is not sustained, it may be difficult for you to sell your ADSs. Public trading markets may also experience volatility and disruption. This may affect the pricing of the ADSs in the secondary market, the transparency and availability of trading prices, the liquidity of the ADSs and the extent of regulation applicable to us. We cannot predict the prices at which our ADSs will trade. The initial public offering price for our ADSs will be determined through our negotiations with the underwriters and may not bear any relationship to the market price at which our ADSs will trade after this offering or to any other established criteria of the value of our business. It is possible that, in future quarters, our operating results may be below the expectations of securities analysts and investors. As a result of these and other factors, the price of our ADSs may decline.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our ADSs adversely, the price and trading volume of our ADSs could decline.

The trading market for our ADSs is influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. If any of the securities or industry analysts who cover us, or may cover us in the future, change their recommendation regarding our ADSs adversely, or provide more favorable relative recommendations about our competitors, the price of our ADSs would likely decline. If any securities or industry analyst who covers us or may cover us in the future were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our ADSs to decline.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of   and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and could also make it more difficult for us to attract and retain qualified members of our board of directors. We also expect that as a public company, we may face increased demand for more detailed and more frequent reporting on environmental, social and corporate governance reports and disclosure.

We are evaluating these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We are not currently required to comply with the rules of the SEC implementing Section 404 and therefore are not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a publicly traded company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our annual reports and provide an annual

management report on the effectiveness of control over financial reporting. Though we will be required to disclose material changes in internal control over financial reporting on an annual basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. Additionally, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. We currently have limited accounting personnel and we have begun the process of evaluating the adequacy of our accounting personnel staffing level and other matters related to our internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses once we are a public company, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. As a result, the market price of our ADSs could be negatively affected, and we could become subject to investigations by the stock exchange on which our ADSs are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements are contained principally in the sections entitled "*Prospectus Summary*," "*Risk Factors*," "*Use of Proceeds*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business*." These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under "*Risk Factors*," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set forth in "*Risk Factors*" and the following:

- our lack of historic profitability and any potential inability to achieve or maintain profitability;
- our ability to maintain our leading market positions, particularly in Moscow and St. Petersburg, and our ability to achieve and maintain leading market position in certain other regions;
- our ability to compete effectively with existing and new industry players in the Russian real estate classifieds market;
- any potential failure to adapt to any substantial shift in real estate transactions from, or demand for services in, certain Russian geographic markets;
- any downturns in the Russian real estate market and general economic conditions in Russia;
- any effect on our operations due to cancellation of, or changes to the Russian mortgage subsidy program;
- further widespread impacts of the COVID-19 pandemic, or other public health crises, natural disasters or other catastrophic events which may limit our ability to conduct business as normal;
- our ability to establish and maintain important relationships with our customers and certain other parties;
- our ability to successfully implement our strategy;
- our ability to develop and implement new initiatives and to expand our presence in certain regional markets;
- the implementation of our subscription-based model may not materialize as expected;
- any negative effects resulting from updates or changes in search engine algorithms, other traffic-generating arrangements or adjacent products;
- any failure to establish and maintain proper and effective internal control over financial reporting;
- any failure to remediate existing deficiencies we have identified in our internal controls over financial reporting, including our information technology general controls; and
- any new or existing government regulation in the area of data privacy, data protection or other areas.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of

unanticipated events. You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results or performance may be materially different from what we expect.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $ million, assuming an initial public offering price per ADS of $, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and expenses of the offering that are payable by us (or approximately $ million if the underwriters exercise their option to purchase additional ADSs from us in full).

Each $1.00 increase (decrease) in the assumed initial public offering price per ADS would increase (decrease) our net proceeds, after deducting the estimated underwriting discounts and commissions and expenses, by $, assuming that the number of ADSs offered by us, as set forth on the cover of this prospectus, remains the same. Each increase (decrease) of 1,000,000 ADSs in the number of ADSs offered by us would increase (decrease) our net proceeds, after deducting the estimated underwriting discounts and commissions and expenses, by approximately $ million, assuming no change in the assumed initial public offering price per ADS. Expenses of this offering will be paid by us.

We will not receive any proceeds from the sale of ADSs by the Selling Shareholders.

The principal purposes of this offering are to create a public market for our ADSs, facilitate access to the public equity markets and increase our visibility in the marketplace. We intend to use the net proceeds from this offering to fund the growth and expansion of our business and other general corporate purposes.

The amount of what, and timing of when, we actually spend for these purposes may vary significantly and will depend on a number of factors, including our future revenue and cash generated by operations and the other factors described in "*Risk Factors*." Accordingly, our board of directors will have broad discretion in deploying the net proceeds of this offering.

DIVIDEND POLICY

We have not declared or paid cash dividends on our ordinary shares in recent years. In the medium term, we intend to retain all available liquidity sources and future earnings, if any, to fund the development and growth of our business. Any future determination to declare cash dividends would be subject to the discretion of our board of directors and would depend on various factors, including our strategy, results of operations, financial condition, cash flow, working capital requirements, our capital expenditures, applicable provisions of our articles of association, restrictions that may be imposed by applicable law or our credit facilities, and other factors deemed relevant by our board of directors.

Further, the terms of certain of our outstanding borrowings restrict our ability to pay dividends or make distributions on our ordinary shares without consent of a lender, and we may enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends or make distributions on our ordinary shares.

CAPITALIZATION

The table below sets forth our cash and cash equivalents and capitalization as of December 31, 2020:

- on an actual basis; and
- on an as adjusted basis to reflect the issuance and sale of ADSs in this offering at the assumed initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

This table should be read in conjunction with "*Use of Proceeds*," "*Selected Consolidated Historical Financial and Other Data*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our audited consolidated financial statements for the years ended December 31, 2020 and 2019, included elsewhere in this prospectus.

	As of December 31, 2020	
	Actual	As Adjusted[(1)]
	(RUB in million)	
Cash and cash equivalents	449	
Borrowings, current portion	728	
Borrowings, non-current portion	—	
Total borrowings	**728**	
Equity:		
Share capital	—	
Share premium	125	
Accumulated losses	(997)	
Total equity (deficit)	**(872)**	
Total capitalization	305	

(1) A $1.00 increase or decrease in the assumed initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the as adjusted amount of each of cash and cash equivalents, share premium, total shareholders' equity and total capitalization by approximately $ million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. An increase or decrease of 1,000,000 ADSs in the number of ADSs offered by us, as set forth on the cover page of this prospectus, would increase or decrease the as adjusted amount of each of cash and cash equivalents, share premium, total shareholders' equity and total capitalization by approximately $ million, assuming no change in the assumed initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions.

Significant Changes to Our Capitalization since December 31, 2020

In February 2021, we received a cash contribution of RUB 2,265 million in cash by issuing 281 ordinary shares to our existing and new shareholders for financing of the N1 Acquisition and our operating activity.

In February 2021, we completed the N1 Acquisition for a total cash consideration of RUB 1,785 million. For further details of the N1 Acquisition, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Investments in Regional Expansion and New Initiatives*."

There have been no other significant changes to our capitalization since December 31, 2020.

DILUTION

If you invest in our ADSs in this offering, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and the as adjusted net tangible book value per share immediately following the consummation of this offering.

At December 31, 2020, we had a historical net tangible book value of $ million, corresponding to a net tangible book value of $ per share or $ per ADS based on an ordinary share to ADS ratio of one to one. Net tangible book value per share represents the amount of our total assets less our total liabilities, excluding goodwill and other intangible assets, divided by the total number of our ordinary shares outstanding.

After giving effect to the sale by us of ADSs (representing an aggregate of ordinary shares) in this offering at the assumed initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value at December 31, 2020 would have been approximately $ million, representing $ per share or $ per ADS. This represents an immediate increase in net tangible book value of $ per share or $ per ADS to existing shareholders and an immediate dilution in net tangible book value of $ per share or $ per ADS to new investors purchasing ADSs in this offering at the assumed initial public offering price. Dilution in net tangible book value per ADS to new investors is determined by subtracting as adjusted net tangible book value per ADS after this offering from the assumed initial public offering price per ADS paid by new investors.

The following table illustrates this dilution to new investors purchasing ADSs in the offering, assuming: (i) no exercise of the underwriters' option to purchase additional ADSs and (ii) full exercise of the underwriters' option to purchase additional ADSs:

	No exercise	**Full exercise**
	(in USD)	
Assumed initial public offering price		
Historical net tangible book value per ADS as of December 31, 2020		
Increase in net tangible book value per ADS attributable to this offering		
As adjusted net tangible book value per ADS after this offering		
Dilution per ADS to new investors in this offering		

If the underwriters exercise their option to purchase additional ADSs from us in full, our as adjusted net tangible book value per ADS after this offering would be $ per ADS, representing an immediate increase in as adjusted net tangible book value per ADS of $ per ADS to existing shareholders and immediate dilution of $ per ADS in as adjusted net tangible book value per ADS to new investors purchasing ADSs in this offering, based on an assumed initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, respectively, would increase (decrease) the as adjusted net tangible book value after this offering by $ per ADS and the dilution per share to new investors in the offering by $ per ADS, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same.

The following table summarizes, as of December 31, 2020, the total number of ordinary shares purchased from us, the total consideration paid to us and the average price per share paid by the existing shareholders and by new investors purchasing ADSs in this offering.

	Ordinary Shares Purchased (including those represented by ADSs)		Total Consideration		Average Price Per Share (including those represented by ADSs)
	Number	Percent	Amount	Percent	
Existing shareholders		%	$	%	$
New investors					
Total		%	$	%	$

Sales by the Selling Shareholders in this offering will reduce the number of ordinary shares held by existing shareholders to , or approximately % of the total number of ordinary shares outstanding after the offering.

If the underwriters exercise their option to purchase additional ADSs in full, the following will occur:

- the percentage of our ordinary shares held by existing shareholders will decrease to approximately % of the total number of our ordinary shares outstanding after this offering; and
- the percentage of our ordinary shares held by new investors will increase to approximately % of the total number of our ordinary shares outstanding after this offering.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL AND OTHER DATA

We prepare our consolidated financial statements in accordance with IFRS as issued by the IASB. The following selected consolidated statements of profit or loss and other comprehensive income, consolidated statements of financial position and consolidated statements of cash flows as of and for the years ended December 31, 2020 and 2019 are derived from our audited consolidated financial statements for the year ended December 31, 2020 and 2019, included elsewhere in this prospectus.

Our historical results are not necessarily indicative of the results that may be expected for any periods in the future. You should read this summary data together with our financial statements and related notes beginning on page F-1 of this prospectus, as well as the section of this prospectus titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations* " and the other financial information included elsewhere in this prospectus.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year Ended December 31,	
	2020	2019
	(RUB in million, except share and per share data)	
Revenue	**3,972**	**3,607**
Operating expenses		
Marketing expenses	(1,697)	(2,159)
Employee-related expenses	(2,208)	(1,385)
IT expenses	(264)	(289)
Depreciation and amortization	(200)	(169)
Other operating expenses	(180)	(217)
Goodwill impairment	—	(256)
Total operating expenses	**(4,549)**	**(4,475)**
Operating loss	**(577)**	**(868)**
Finance costs	(72)	(38)
Finance income	11	7
Foreign currency exchange loss, net	(1)	(3)
Loss before income tax	**(639)**	**(902)**
Income tax benefit	12	96
Loss for the year	**(627)**	**(806)**
Total comprehensive loss for the year	**(627)**	**(806)**
Loss per share, RUB in thousands		
Basic and diluted loss per share attributable to ordinary equity holders of the parent	**(209.0)**	**(268.7)**
Basic and diluted weighted average number of ordinary shares	3,000	3,000

Selected Consolidated Statements of Financial Position

	As of December 31,	
	2020	2019
	(RUB in million)	
Total non-current assets	659	638
Total current assets	711	328
Total assets	**1,370**	**966**
Total equity	**(872)**	**(245)**
Total non-current liabilities	741	576
Total current liabilities	1,501	635
Total liabilities	**2,242**	**1,211**

Selected Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
	(RUB in million)	
Net cash generated from (used in) operating activities	230	(361)
Net cash used in investing activities	(109)	(130)
Net cash generated from financing activities	182	539
Cash and cash equivalents at the beginning of the period	**148**	**103**
Cash and cash equivalents at the end of the period	**449**	**148**

Other Financial Data: Supplemental Revenue and Net Margin Data

	Year Ended December 31,	
	2020	2019
	(RUB in million)	
Core Business revenue	3,822	3,555
Listing revenue	2,383	2,481
Secondary residential real estate[1]	1,844	1,887
Commercial real estate[1]	564	555
Lead generation revenue	994	623
Display advertising revenue	456	452
Other revenue	139	51
Adjacent Services revenue	150	52
Revenue	**3,972**	**3,607**
Loss for the year	(627)	(806)
Net margin (in %)	(15.8)%	(22.3)%

(1) Secondary residential and commercial real estate listings revenue breakdown has been derived from our management accounts.

Other Financial Data: Core Business Revenue by Region

	Year Ended December 31,		
	2020	2019	2018[1]
	(RUB in million)		
Core Business revenue: Moscow and Moscow region	3,000	2,701	2,120[2]
Core Business revenue: Other regions	822	854	579[2]
Core Business revenue	**3,822**	**3,555**	**2,699**

(1) The selected consolidated financial data as of and for the year ended December 31, 2018 has been derived from our consolidated financial statements not included in this prospectus, and which have not been audited in accordance with the standards of the PCAOB. Such consolidated financial statements were prepared on a basis consistent with our audited financial statements included in this prospectus.

(2) Core Business revenue breakdown for 2018 has been derived from our management accounts.

Segment Data[1]

	Year Ended December 31,	
	2020	2019
	(RUB in million, unless stated otherwise)	
Core Business Adjusted EBITDA	532	(193)
Core Business Adjusted EBITDA Margin [2]	14%	(5)%
Adjacent Services Adjusted EBITDA	(499)	(299)

(1) Core Business Adjusted EBITDA and Adjacent Services Adjusted EBITDA presented in the table above are our segment measures of profit or loss and, therefore, are not considered non-IFRS financial measures. The sum of Core Business Adjusted EBITDA and Adjacent Services Adjusted EBITDA differs from Adjusted EBITDA because Core Business Adjusted EBITDA and Adjacent Services Adjusted EBITDA include adjustments for lease-related amortization and interest, capitalized development costs, and operating expense related to software licenses. For further details on our segmentation, see Note 5 to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

(2) We define Core Business Adjusted EBITDA Margin as Core Business Adjusted EBITDA divided by Core Business revenue.

Non-IFRS Measures

To provide investors with additional information regarding our results of operations, we have disclosed here and elsewhere in this prospectus certain non-IFRS financial measures: Adjusted EBITDA, Core Business Adjusted EBITDA for Moscow and the Moscow region, Adjusted EBITDA Margin and Core Business Adjusted EBITDA Margin for Moscow and the Moscow region.

The non-IFRS financial measures presented herein should not be considered in isolation or as an alternative or a substitute to loss for the period, which is the most directly comparable IFRS measure, or any other measure of financial performance calculated and presented in accordance with IFRS. Adjusted EBITDA, Core Business Adjusted EBITDA for Moscow and the Moscow region, Adjusted EBITDA Margin and Core Business Adjusted EBITDA Margin for Moscow and the Moscow region have limitations as analytical tools, and you should not consider them in isolation. Some of these limitations are:

- they exclude depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated may have to be replaced in the future, increasing our cash requirements;
- they do not reflect interest expense, or the cash required to service our debt, which reduces cash available to us;
- they do not reflect income tax payments that reduce cash available to us;
- they do not reflect share-based compensation expenses and, therefore, does not include all of our employee-related expenses; and

- other companies, including companies in our industry, may calculate those measures differently, which reduces their usefulness as comparative measures.

	Year Ended December 31,	
	2020	2019
	(RUB in million, unless stated otherwise)	
Adjusted EBITDA[(1)]	181	(376)
Adjusted EBITDA Margin[(2)]	4.6%	(10.4)%
Core Business Adjusted EBITDA for Moscow and the Moscow region[(3)]	1,766	1,539
Core Business Adjusted EBITDA Margin for Moscow and the Moscow region[(2)]	58.9%	57.0%

(1) We define Adjusted EBITDA as loss for the year adjusted to exclude income tax benefit, finance costs, finance income, foreign currency exchange loss, net, depreciation and amortization, share-based payments under our equity-based incentive program consisting of phantom share options, and goodwill impairment.

Adjusted EBITDA is a supplemental non-IFRS financial measure that is not required by, or presented in accordance with, IFRS. We present Adjusted EBITDA in this prospectus because it is an alternative measure used by our chief operating decision-maker ("CODM"), who is our Chief Executive Officer, to evaluate the operating performance for the Group. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results.

The following is a reconciliation of our Adjusted EBITDA to our loss for the year, the most directly comparable IFRS financial measure, for each of the periods indicated:

	Year Ended December 31,	
	2020	2019
	(RUB in million)	
Loss for the year	(627)	(806)
Income tax benefit	(12)	(96)
Foreign currency exchange loss, net	1	3
Finance costs, net[(i)]	61	31
Goodwill impairment[(ii)]	—	256
Depreciation and amortization	200	169
Share-based payments[(iii)]	558	67
Adjusted EBITDA	**181**	**(376)**

(i) Comprises finance costs and finance income for the respective periods.

(ii) Non-recurring items, such as goodwill impairment, are evaluated for adjustment as and when they occur.

(iii) For the purposes of CODM's assessment of operating performance, the fair value adjustments related to re-measurement of share-based payments liability are not analyzed.

(2) We define Adjusted EBITDA Margin and Core Business Adjusted EBITDA Margin for Moscow and the Moscow region as Adjusted EBITDA and Core Business Adjusted EBITDA for Moscow and the Moscow region divided by revenue and Core Business revenue for Moscow and the Moscow region, respectively. Core Business revenue for Moscow and the Moscow region was RUB 3,000 million and RUB 2,701 million in 2020 and 2019, respectively.

(3) Core Business Adjusted EBITDA for Moscow and the Moscow region is a supplemental non-IFRS financial measure that is not required by, or presented in accordance with, IFRS. We have included Core Business Adjusted EBITDA for Moscow and the Moscow region in this prospectus because we believe it may provide useful information to investors in understanding and evaluating our operating results.

The following is a reconciliation of Core Business Adjusted EBITDA for Moscow and the Moscow region to Core Business Adjusted EBITDA, the most directly comparable IFRS financial measure, for each of the periods indicated:

	Year Ended December 31,	
	2020	2019
	(RUB in million)	
Core Business Adjusted EBITDA	532	(193)
Capitalized development costs[1]	43	22
Reclassification of lease-related amortization and interest[2]	60	60
Reclassification of operating expense related to software licenses to amortization[3]	25	19
Core Business Adjusted EBITDA for Other regions	1,106	1,631
Core Business Adjusted EBITDA for Moscow and the Moscow region	1,766	1,539

(1) For the purposes of CODM's assessment of operating performance, none of the expenses are capitalized and, therefore, these development costs are included in Core Business Adjusted EBITDA.

(2) On January 1, 2019, we initially applied the new accounting guidance for leases in accordance with IFRS 16 (Leases). For the purposes of operating performance assessment, rental expenses are considered operating expenses included in Core Business Adjusted EBITDA, rather than depreciation and interest expense under IFRS 16 (Leases).

(3) For the purposes of CODM's assessment of operating performance, expenses related to software licenses are considered operating expenses included in Core Business Adjusted EBITDA, rather than amortization of intangible assets.

Other Data

	Six Months Ended June 30,		Year Ended December 31,	
	2021	2020	2020	2019
Average UMV[1] (in millions)	20.6	15.2	16.5	13.4
Listings[2] (in millions)	2.1	2.0	2.1	1.9
Thereof: Moscow and the Moscow region	0.3	0.4	0.4	0.4
Thereof: Other regions	1.8	1.6	1.8	1.5
Leads to agents and individual sellers [3] (in millions)	8.5	6.5	8.0	6.9
Paying accounts[4] (in thousands)	99.2	85.1	88.6	96.7
Thereof: Moscow and the Moscow region	59.2	49.5	54.9	58.1
Thereof: Other regions	42.1	38.6	36.2	42.9
Average revenue per paying account[5] (in RUB)	1,134	827	632	619
Thereof: Moscow and the Moscow region	1,660	1,131	897	877
Thereof: Other regions	510	429	292	307
Leads to developers[6] (in thousands)	113.8	103.9	244.8	179.6
Average revenue per lead to developers [7] (in RUB)	5,238	3,915	4,046	3,470

(1) The average number of users and customers visiting our platform (websites and mobile application) per month in a particular period, excluding bots, based on Google Analytics data. Average UMV for a particular period is calculated by aggregating the UMV for each month within such period and dividing by the number of months. For 2020, 2019, 2018 and their respective semi-annual periods, Average UMV is calculated based on Google Analytics data; for the first half of 2021, Average UMV is calculated as a sum of Average UMV for the Cian Group (excluding the N1 Group) based on Google Analytics data and Average UMV for the N1 Group based on Yandex. Metrica data.

We calculate UMV using cookies and count the first time a computer or mobile device with a unique IP address accesses our platform during a month. If an individual accesses our platform using different IP addresses within a given month, the first access by each such IP address is counted as a separate unique visitor.

(2) The daily average number of real estate listings posted on our platform by agents and individual sellers for a particular period.

(3) The number of times our users clicked to "show" a customer's phone number on our platform or sent chat messages to agents or property sellers through our platform in a month, calculated as a monthly average for a particular period.

(4) The number of registered accounts, which were debited at least once during a month for placing a paid listing on our platform or purchasing any value-added services, calculated as a monthly average for a particular period.

We calculate the number of paying accounts to include both individual accounts and master accounts, but excluding subordinated accounts, which can be created under one master account by the real estate agencies for their individual agents as part of our virtual agency offering. For further descriptions of individual accounts, master accounts and subordinated accounts, see "*Business—Core Classifieds Business—Products and Services We Offer to Customers*."

(5) Calculated as listing revenue in the secondary residential and commercial real estate verticals divided (i) by the number of paying accounts for the corresponding period and (ii) by the number of months during the period.

(6) The number of paid target calls, lasting 30 seconds or longer, made through our platform by home searchers to real estate developers, for a particular period.

(7) Calculated as lead generation revenue for a period divided by the number of leads (to developers) during such period.

All key performance indicators contained in this prospectus exclude the N1 Group data, unless stated otherwise.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information set forth below gives effect to the N1 Acquisition and should be read in conjunction with, and is qualified by reference to, "*Selected Consolidated Historical Financial and Other Data*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

On February 5, 2021, we acquired 100% ownership in N1.RU LLC, a real estate-focused classifieds business that primarily operates in regional cities in Russia such as Novosibirsk, Ekaterinburg and Omsk.

The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with the following historical financial statements and accompanying notes:

- audited consolidated financial statements and accompanying notes of the Cian Group as of and for the year ended December 31, 2020 included elsewhere in this prospectus; and
- audited consolidated financial statements and accompanying notes of the N1 Group as of and for the year ended December 31, 2020 included elsewhere in this prospectus.

The historical financial information has been adjusted to give pro forma effect for transaction accounting adjustments for the N1 Acquisition.

The unaudited pro forma condensed combined financial information included herein has been prepared in accordance with Article 11 of Regulation S-X, considering the amendment to improve the financial disclosures that are effective on January 1, 2021. The unaudited pro forma condensed combined financial information included herein is presented for informational purposes only and does not purport to represent what our actual consolidated results of operations would have been had the N1 Acquisition actually occurred on the dates indicated, nor is it indicative of future consolidated results of operations or financial condition. The actual results of operations and financial position may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The unaudited pro forma condensed combined financial information included herein has been prepared using the acquisition method of accounting under IFRS. Adjustments included in the column under the heading "Transaction accounting adjustments" in the unaudited pro forma condensed combined statement of profit or loss and other comprehensive income for the year ended December 31, 2020 consist of those necessary to reflect the accounting for the N1 Acquisition as if it took place on January 1, 2020.

The unaudited pro forma condensed combined financial statements do not reflect any cost savings, operating synergies or revenue enhancements that the Cian Group may achieve as a result of the N1 Acquisition, costs necessary to achieve such measures, or costs to integrate the operations of the Cian Group.

CIAN GROUP
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

	Cian Group (Historical)	N1 Group (Historical)	Transaction Accounting Adjustments	Notes	Unaudited Pro Forma Combined
			(RUB in million)		
Revenue	**3,972**	**563**	**—**		**4,535**
Operating expenses:					
Marketing expenses	(1,697)	(214)	—		(1,911)
Employee-related expenses	(2,208)	(171)	—		(2,379)
IT expenses	(264)	(29)	—		(293)
Depreciation and amortization	(200)	(24)	(85)	3(a)	(309)
Other operating expenses	(180)	(54)	—		(234)
Total operating expenses	**(4,549)**	**(492)**	**(85)**		**(5,126)**
Operating (loss) / profit	**(577)**	**71**	(85)		**(591)**
Finance costs	(72)	(3)	—		(75)
Finance income	11	1	—		12
Foreign currency exchange (loss) / gain, net	(1)	3	—		2
(Loss) / profit before income tax	**(639)**	**72**	**(85)**		**(652)**
Income tax benefit / (expense)	12	(14)	11	3(b)	9
(Loss) / profit for the year	**(627)**	**58**	**(74)**		**(643)**

The accompanying notes are an integral part of these unaudited pro forma condensed combined financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma condensed combined financial information is based on the historical consolidated financial statements of the Cian Group and the N1 Group for the period indicated. The unaudited pro forma condensed combined statement of profit or loss and other comprehensive income for the year ended December 31, 2020 combines the Cian Group's and the N1 Group's historical consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2020 and gives effect to the N1 Acquisition as if it occurred on January 1, 2020, the first day of the fiscal year ended December 31, 2020.

2. Purchase Price Allocation

On February 5, 2021, the Cian Group acquired 100% of the voting shares of the N1 Group, one of the leading regional online real estate classifieds in Russia, for a total cash consideration of RUB 1,785 million. The Cian Group financed the acquisition through the issuance of 281 ordinary shares for RUB 2,265 million in cash. The acquisition has been accounted for using the acquisition method in accordance with IFRS 3, Business Combinations.

The purchase price has been allocated based on the fair values assigned to the assets acquired and liabilities assumed as of February 5, 2021, as follows:

	(RUB in million)
Assets	
Intangible assets	1,046
Right-of-use assets	18
Property and equipment	7
Cash and cash equivalents	134
Other assets	49
Total assets	**1,254**
Liabilities	
Contract liabilities	(21)
Trade and other payables	(51)
Lease liabilities	(18)
Deferred tax liabilities	(130)
Other liabilities	(34)
Total liabilities	**(254)**
Total identifiable net assets at fair value	**1,000**
Goodwill arising on acquisition	785
Purchase consideration transferred	**1,785**

3. Pro Forma Adjustments

The transaction accounting adjustments included in the unaudited pro forma condensed combined statement of profit or loss and other comprehensive income for the year ended December 31, 2020, are as follows:

(a) Represents amortization expense related to the fair value of acquired identifiable intangible assets. As part of the valuation analysis, we identified intangible assets, such as trademarks, customer base and software. The fair value of identifiable intangible assets is determined primarily using the “income approach,” which requires a forecast of all of the expected future cash flows.

The following table summarizes the fair values of the N1 Group’s identifiable intangible assets and their estimated useful lives and uses a straight-line method of amortization as this represents management’s best estimate of the pattern of utilization for the intangible assets:

	Fair values of identifiable assets	Estimated useful lives in years	Imputed amortization expense for the year ended December 31, 2020
	(RUB in million)		(RUB in million)
Customer base	753	15	50
Trademarks	254	9	28
Software	36	5	7
Transaction accounting adjustments	—	—	85

(b) Represents the tax effect, calculated at the Cyprus statutory tax rate of 12.5% in effect for the period presented, of the temporary differences arising on acquired identifiable assets recognized at their fair values.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Consolidated Historical Financial and Other Data," and our consolidated financial statements and the related notes included elsewhere in this prospectus. The following discussion is based on our financial information prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board.

This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of this prospectus. See "Cautionary Note Regarding Forward-Looking Statements." Our actual results could differ materially from those contained in any forward-looking statements.

Overview

We are a leading online real estate classifieds platform in the large, underpenetrated and growing Russian real estate classifieds market, ranking among the top ten most popular online real estate classifieds globally, based on the April 2021 traffic data available at SimilarWeb (including Google Analytics estimates for Cian). Since our founding in 2001, we have become the most recognized and trusted real estate classifieds brand in the most populous Russian regions, according to the Frost & Sullivan Report and have expanded our business beyond online real estate classifieds listings to offer additional products and services, which turn real estate searches and transactions into a seamless, transparent and efficient experience. Our mission is to use technology and deep insights into the real estate market in Russia to help people on the journey to their perfect new place to live or work.

We operate in the Russian real estate market, which, according to the Frost & Sullivan Report, represented approximately USD 238 billion in 2020 and is only starting to digitalize. Being at the forefront of this digitalization trend and, as we believe, being one of the major driving forces behind it, we see an immediately addressable market opportunity of approximately USD 6 billion (in 2020, based on the Frost & Sullivan Report), which comprises real estate agents' commissions, developers' advertising budgets as well as adjacent markets, including mortgage advertising and digital services facilitating transactions. Our core online real estate classifieds market is projected to grow at a CAGR of approximately 27% between 2021 and 2025, according to the Frost & Sullivan Report.

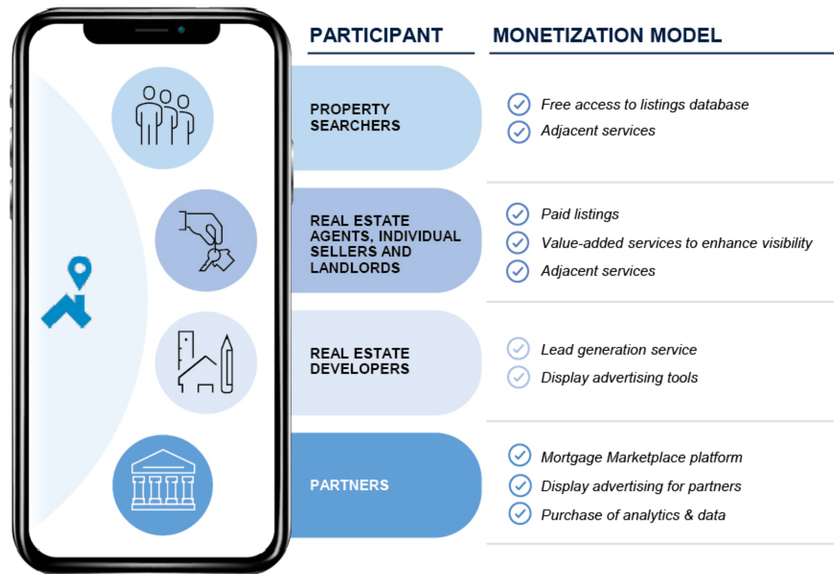
Our networked real estate platform connects millions of our users, the real estate buyers and renters, to millions of high-quality real estate listings of all types — residential and commercial, primary and secondary, urban and suburban, for both sale and rent. By offering a unique combination of products, services and insights, we have become a premier destination for our users as well as tens of thousands of our customers, real estate agents, developers, private sellers, landlords and other partners. Our platform aims to provide an end-to-end experience for our customers and users and help them address multiple pain points on their journey to a successful real estate transaction. We strive for our platform to encompass all stages of such journey, from finding the right property and the right buyer or renter, to financing the purchase and ensuring transaction certainty, while allowing participants to transact with ease and efficiency. We derive our revenue:

- In our Core Business segment, from listing fees in the secondary residential and commercial real estate verticals and lead generation fees in the primary residential real estate vertical, as well as fees for listing value-added services, such as premium and highlighted listings and listing auctions, and other value-added services. In June 2020, we introduced a new subscription-based model for customers, which allows our customers to purchase a monthly subscription with us and combine a number of listings with value-added services, improving efficiency for them and stickiness and monetization for us. For more details, see "*—Our Real Estate Platform—Core Classifieds Business —Products and Services We Offer to Customers—Subscription Model*." In the first half of 2021, the average share of listings under the subscription model amounted to approximately 41% as compared to approximately 26% in the second half of 2020. We also charge fees for providing advertising tools through our platform for various parties, primarily real estate developers and banks, which we refer to as our display advertising revenue.

- In our Adjacent Services segment, from fees charged to our customers, users and partners, such as banks and other service providers for real estate transactions, for services that facilitate more efficient real estate transactions and provide valuable market insights, such as our information analytical services.

Our users can search our property listings free of charge via our mobile applications and our mobile and desktop websites. They can also benefit from a broad scope of adjacent services that we offer, such as real estate valuation and access to a choice of real estate financing options.

Our Networked Platform Connects Multiple Participants



Our networked platform model and our trusted brand have allowed us to achieve the leading position by share of leads to real estate agents and individual sellers and by number of listings in four of the most populous Russian regions, consisting of Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk, which together, according to the Frost & Sullivan Report, in 2020, accounted for 65%, 41% and 75% of the primary residential, secondary residential and commercial real estate markets in the country, respectively. In the first half of 2021, we had approximately 2.1 million listings available through our platform (excluding N1) and an average UMV of approximately 20.6 million (including N1) In 2020, we had approximately 2.1 million listings available through our platform and an average UMV of approximately 16.5 million. We believe that the quantity and quality of our listings database, as well as our expanding end-to-end value proposition, attract an increasing number of buyers and renters, which results in more transactions conducted based on expressions of interest and inquiries generated through our platform ("leads"), which in turn attracts more real estate agents, developers and landlords posting more listings. We believe that this powerful network effect has allowed us to continuously solidify our market leadership in our core regions of Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk and will allow us to continue strengthening and expanding our position in other regions.

Development of new products, services and features is an integral part of our business, and we have a long and successful track record of disrupting the online real estate classifieds market through innovation. This culture of innovation and over 20 years of relevant experience allowed us to move beyond the pure online real estate classifieds model and become a fully-fledged, networked real estate platform enabled by cutting-edge technology, which creates value for all real estate market participants. In our Core Business segment, we

provide advanced features that make connecting our customers and our users through our extensive database of property listings more efficient, such as: for users, AI-powered property search and virtual 3D property tours; for real estate agents, Pro.Tools which are our advanced lead management toolkit offerings to boost productivity (including call tracking, duplicates and competition notifications, push notification for competition price decreases, detailed lead information and others); and for real estate agencies, enterprise features (including integration tools and tools for the management of marketing costs, performance and employees). To deliver our end-to-end value proposition and make searching and transacting even easier and more seamless for all real estate market participants, we have also created, and are continuing to add, innovative adjacent services, such as Mortgage Marketplace, Agent Finder, Property Valuation, Online Transaction Services, Home Swap and others. We intend to continue staying at the forefront of innovation by developing new solutions that will help our users to find their perfect properties to rent or buy and our customers to sell or rent out their real estate in the most efficient way.

We are a technology-driven platform and are committed to delivering the most efficient and stress-free experience through the use of cutting-edge technology, especially in view of the rapid pace of technological changes in our industry, such as increasing use of mobile devices by all participants in the real estate market and proliferation of new technologies that improve user experience, such as machine learning. We believe that our mobile-first approach, in which we prioritize our users’ reliance on our mobile applications and mobile websites, makes finding a new home or office more convenient for our users, increases retention, improves the efficiency and conversion rate of our marketing programs and accelerates the growth of our business. The share of mobile in our average UMV increased to approximately 74.2% in the first half of 2021 from approximately 72.8% in the second half of 2020 and approximately 67.9% in the first half of 2020. Similarly, our share of mobile in leads to agents and individual sellers increased to approximately 69.2% in the first half of 2021 from approximately 64.3% in the second half of 2020 and approximately 63.3% in the first half of 2020.

Our revenue in the year ended December 31, 2020 was RUB 3,972 million, an increase of 10% from RUB 3,607 million in the year ended December 31, 2019. Our loss for the year ended December 31, 2020 was RUB 627 million, a decrease of 22.2% from RUB 806 million in the year ended December 31, 2019. Our Adjusted EBITDA was RUB 181 million for the year ended December 31, 2020 and negative 376 million for the year ended December 31, 2019. As of December 31, 2020 and 2019, our total indebtedness outstanding under our credit facilities was RUB 728 million and RUB 477 million, respectively. Our results were affected by the measures that we introduced in response to the COVID-19 pandemic, including a temporarily suspension of monetization of our listing services across all regions in April 2020. We reinstated the monetization of our listing services in Moscow, the Moscow region, St. Petersburg and the Leningrad region in July 2020, while the monetization in most other regions remains temporarily suspended and its potential reintroduction is being assessed on a region-by-region basis. We believe that we are already seeing the positive effects of these measures in some of the regions in which we reverted back to the paid model, which is illustrated by an increased number of paid listings as compared to pre-COVID-19 levels. We believe that we are well-positioned to successfully leverage our scale, expertise and experience to continue growing our business and achieve profitability margins enjoyed by our best-in-class international peers.

Key Factors Affecting Our Results of Operations

Our results of operations in the periods presented were affected and are expected to continue to be affected, by the following principal factors relating to our business and industry:

Market Position, Platform Traffic, Network Effects and Our Strategic Growth Objectives

Pricing flexibility and the overall ability to monetize a platform in the digital real estate classifieds business largely depend on one’s market position and the value of the product and service offerings to all platform customers, users and other third parties. We generally define leading market positions as No. 1 or No. 2 positions in terms of market share of leads to real estate agents and individual sellers and number of platform listings. Market leaders in the digital real estate classifieds space often benefit from strong network effects, whereby the more quality content is added to the platform, the more attractive the platform becomes for users, which increases user traffic to the platform and, in turn, increases the number of leads generated for customers, which raises the platform’s relevance for customers, driving up the number of

listings. For further details regarding our platform, including the definition of leads and their calculation principles, see "*Business—Our Business Model*."

With respect to platform traffic, our average UMV consistently grew in the period under review to 20.6 million in the first half of 2021 (including N1) from 17.8 million in the second half of 2020, 15.2 million in the first half of 2020, 14.1 million in the second half of 2019 and 12.7 million in the first half of 2019. Average UMV is one of the key metrics of our platform traffic and our user engagement. We believe that a stable growth in our average UMV plays a critical role in our overall platform development and its network effects as well as in our ability to generate more leads to our customers and partners and, accordingly, more revenue.

Furthermore, we believe that pricing flexibility and monetization opportunities in the digital real estate classifieds business are significantly affected by the ability to achieve and maintain strong market positions. Specifically, we believe that, in general, leading market positions, in conjunction with attractive product and service offerings and positive user experience, enable higher operating leverage, allow for greater platform monetization opportunities and lead to higher operating margins. In addition, we also believe that our current leading market positions and the inherent network effects of our platform are essential drivers for our growth and expansion of our business in line with our strategic objectives. For further details on our strategic growth objectives, see "*Business—Our Strategy*."

We have leading market positions in most populous Russian regions, such as Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg, Novosibirsk and certain other regions. For further details, see "*Business—Our Strengths—Leading Russian online real estate classifieds platform with the #1 position in largest Russian markets*." However, we hold less prominent positions in certain other Russian regions. Our profitability and results depend greatly on our ability to maintain our leading market positions in key Russian regions and our ability to achieve and maintain strong market positions in certain other Russian regions.

Furthermore, our market positions and, therefore, profitability, results and the overall ability to grow and expand our business, have been, and are expected to continue to be, impacted by our competitive environment. For further details on our competition, see "*Business—Competition*." We compete mainly on the basis of platform traffic, which, in turn, is driven by (i) the number and quality of property listings, (ii) user experience and quality of services and (iii) breadth of existing offerings and development of additional product and service offerings for our customers and users. Any future market entrants or new initiatives by our existing competitors could affect our ability to compete successfully, increase or maintain our pricing levels, monetize our platform and generally grow our business. See "*Risk Factors—Risks Related to Our Business and Industry—The online classifieds market is highly competitive, and we may fail to compete effectively with existing and new industry players, which could have a material adverse effect on our business, results of operations, financial condition and prospects.*"

Changes in Our Pricing Models, Monetization Strategy and Penetration of our Value—Added Services

Our pricing models and monetization strategy can impact our results of operations, including our profitability. Historically, our pricing model has primarily focused on selling listings to our professional real estate customers on a pay-per-listing or listing package basis, where fees are charged for every day a single listing or multiple listings are publicly displayed on our platform. For further details, see "*Business—Products and Services We Offer to Customers.*" In June 2020, in order to improve the service and value proposition for our customers, stimulate our revenue growth and maintain a sizeable base of listings, we introduced a new subscription-based model for customers, which allows our customers to post a certain number of listings and use some of our value-added services for a monthly fee. We aim to incentivize customer migration to the subscription model, in part, through the use of special discounts and promotions. However, we also plan to continue to offer our pay-per-listing model to allow our customers, particularly smaller real estate agencies and individual agents, greater flexibility and convenience. In the first half of 2021, the average share of listings under the subscription model amounted to approximately 41% as compared to approximately 26% in the second half of 2020. Overall, we believe that the switch to the subscription model should bring additional convenience to our customers and lead to more efficient monetization of the platform.

Furthermore, our results of operations are also affected by our customers' use of our value-added services to boost listings. In 2020, value-added services accounted for 52% of our listing revenue. We believe that the customers' acceptance of our value-added services is primarily driven by our marketing and sales efforts, as well as by the overall market conditions.

Moreover, any other actual or potential developments in our platform monetization strategy may also have a significant impact on our results. For example, in 2020, due to the COVID-19 pandemic, we temporarily offered our listing services free of charge across all cities and regions, including Moscow and St. Petersburg. We believe that this cancellation in monetization of our listings was one of the main drivers of a 4.0% decrease in our listing revenue in 2020. For further information, see "*—Macroeconomic Environment and the Russian Property Market and the Impact of the COVID-19 Pandemic*."

Macroeconomic Environment and the Real Estate Market in Russia

Our business model is based on our position as one of the main digital platforms for real estate owners, buyers and tenants in Russia. Real estate platforms, such as ours, are a key part of the real estate search process in Russia, and our business and results of operations may be affected by the macroeconomic environment and the health of the Russian real estate market.

Overall, the Russian real estate classifieds market remains significantly underpenetrated compared to other developed markets, with penetration of the online real estate classifieds services of only 3.3% in 2020, which is approximately 5x, 4x and 3x times lower than that of the United States, the United Kingdom and Germany, respectively (according to the Frost & Sullivan Report). We believe that the monetization of our services is still in its early stages, and we have a strong potential for sustainable growth in a large and expanding market. We see a significant structural upside in monetization of the secondary residential and commercial real estate verticals, as supported both by the overall penetration of classifieds spend in real estate agents' commissions and by our current monetization. For further details, see "*Business—Our Strengths—Robust financial profile demonstrating strong growth and clear path to profitability*." Furthermore, we believe that there is a strong monetization potential in the primary residential real estate vertical, which is driven by a structural shift in the developers' advertising budgets from offline to online. Specifically, according to the Frost & Sullivan Report, the developers' spend in Russia is expected to grow from approximately RUB 2.9 billion in 2020 to approximately RUB 10.4 billion by 2025, as the share of online classifieds in their total advertising budgets is expected to increase from approximately 5% in 2020 to approximately 11% in 2025. We believe that we are well-positioned to capitalize on this structural trend because of our high brand awareness, our experience, the broad size of our user base and our value-added services, which contribute to the strength of our primary business. For further details, see "*Industry—Russian real estate market dynamics*." Generally, we believe that the growing penetration of the online real estate classifieds services will have a positive impact on our revenue and business.

In addition, our revenue and results of operations may be affected by other Russian real estate market conditions, such as the availability of credit for real estate buyers as well as prevailing interest rates. For example, we believe that the low interest rate environment and the Russian government's implementation of the mortgage subsidy program in April 2020, and its subsequent extension until July 2021, had a strong positive effect on the primary residential real estate market in Russia and, consequently, the demand for our services. Our lead generation revenue, which is driven by primary real estate developers, increased by 59.6% to RUB 994 million in 2020 from RUB 623 million in 2019. In July 2021, this mortgage subsidy program was extended until July 2022 on amended terms, including increase of the mortgage interest rate ceiling from 6.5% to 7.0% and decrease of the maximum subsidized mortgage size from up to RUB 12 million for Moscow, the Moscow region, St. Petersburg and the Leningrad region (and RUB 6 million for other regions) to up to RUB 3 million across all regions. If the program is cancelled or further amended in an adverse manner, the demand for primary real estate may significantly decrease, which, in turn, may affect our revenue generated from the leads to real estate developers. For further details, see "*Risk Factors—Risks Related to Our Business and Industry—Our business and results of operations may be affected by the cancellation of, or any changes to, the Russian mortgage subsidy program.*"

Generally, if the real estate market experiences a slowdown, property listings tend to stay on our platform longer and our customers may be more prone to use our value-added services to further promote their listings to users. If a listing stays on our platform longer, it correspondingly increases our revenue. As

such, a slowdown in the real estate market may not have a directly negative impact on our results. However, any significant decline in the supply of properties on the market, due to a general slowdown in the real estate market or otherwise, may result in fewer property listings and, consequently, decreased traffic on our platform and lower number of leads to developers, which could negatively impact our results. For further details, see "*Risk Factors—Risks Related to Our Business and Industry—We may be significantly impacted by the health of the Russian real estate market and may be negatively affected by downturns in this industry and general economic conditions*."

The Impact of the COVID-19 Pandemic

Since its outbreak in December 2019 to date, the COVID-19 pandemic has impacted our business operations and demand across all customer and user groups. Similarly to other countries, at several points in 2020, Russian federal and local government authorities introduced measures aimed at preventing the further spread of COVID-19, including, among others, lockdowns, bans on public events, closures of public places, border controls, travel restrictions and widespread "work-from-home" measures.

In response to the COVID-19 pandemic, we introduced several measures to mitigate its effects on our business as well as customer and user base. Specifically, to support our customers in these unprecedented circumstances, from April 2020, we temporarily offered our listing services free of charge across all cities and regions, including Moscow, the Moscow region, St. Petersburg and the Leningrad region. The monetization of our listings in Moscow, the Moscow region, St. Petersburg and the Leningrad region was reinstated in July 2020, with certain discounts being introduced in the third quarter of 2020. Our listings monetization in most of our other regions remains temporarily suspended and its potential reintroduction is being assessed on a region-by-region basis. For further details, see "*Risk Factors—Risks Related to Our Business and Industry—The COVID-19 pandemic and other public health crises, natural disasters or other catastrophic events may significantly limit our ability to conduct business as normal, disrupt our business operations and materially affect our financial condition.*"

We believe that the measures we took in response to the pandemic were some of the main drivers of a 4.0% decrease in our listing revenue to RUB 2,383 million in 2020 from RUB 2,481 million in 2019. However, our average UMV increased to approximately 20.6 million in the first half of 2021 (including N1) from approximately 16.5 million in 2020 and approximately 13.4 million in 2019. We believe that this dynamic was supported by our decision to temporarily suspend the monetization of our listings, as many of our customers used this opportunity to post listings on our platform, which, in turn, increased user traffic.

The following table presents our average UMV and paying accounts for the periods indicated:

	2021	2020		2019	
	First half	Second half	First half	Second half	First half
Average UMV[1] (in millions)	20.6	17.8	15.2	14.1	12.7
Paying accounts[1] (in thousands)	99.2	92.2	85.1	100.7	92.7
Thereof: Moscow and the Moscow region	59.2	60.3	49.5	59.1	57.1
Thereof: Other regions	42.1	33.8	38.6	46.0	39.8
Average revenue per paying account (in RUB)	1,134	1,119	827	1,016	884
Thereof: Moscow and the Moscow region	1,660	1,502	1,131	1,406	1,188
Thereof: Other regions	510	530	429	517	460

(1) See the definitions of average UMV and paying accounts in "*Presentation of Financial and Other Information*" and "*Selected Consolidated Historical Financial and Other Data—Other Data*"

Our paying accounts in Moscow and the Moscow region were approximately 59.2 thousand in the first half of 2021 as compared to approximately 54.9 thousand in 2020 and approximately 58.1 thousand in 2019, with an average revenue per paying account of RUB 897 and RUB 877 in 2020 and 2019, respectively. Our paying accounts in other Russian regions were approximately 42.1 thousand in the first half of 2021 as compared to approximately 36.2 thousand in 2020 and approximately 42.9 thousand in 2019, with an average revenue per paying account of RUB 292 and RUB 307 in 2020 and 2019, respectively. We believe

that the level of paying accounts was primarily impacted by the aforementioned temporarily suspension of monetization of our listings. As the monetization of our listings in Moscow and the Moscow region was reinstated in July 2020 (along with St. Petersburg and the Leningrad region), the number of paying accounts in Moscow and the Moscow region increased in the second half of 2020. As mentioned above, our listings monetization in most of our other regions remains temporarily suspended and its potential reintroduction is being assessed on a region-by-region basis. For further details, see "— *Changes in Our Pricing Models, Monetization Strategy and Customer Acceptance of our Value-Added Services.*"

Furthermore, during the COVID-19 pandemic crisis in 2020, we optimized our marketing and advertising expenses in order to align our marketing budgets with the suspension in monetization discussed above. Additionally, we also reduced discretionary spending and paused hiring for non-critical roles. This had a direct impact on our results of operations as our marketing expenses decreased by 21.4% to RUB 1,697 million for the year ended December 31, 2020 from RUB 2,159 million for the year ended December 31, 2019, which was primarily driven by an 85.5% decrease in our offline marketing expenses to RUB 139 million in 2020 from RUB 959 million in 2019. In 2020, we also instituted a work-from-home policy for our employees and significantly restricted employee travel. Overall, we believe that the combination of these cost optimization efforts and changes in our monetization approach helped us to address the COVID-19 pandemic crisis in 2020, with our total revenue increasing by 10.1% to RUB 3,972 million for the year ended December 31, 2020 from RUB 3,607 million for the year ended December 31, 2019. Our total operating expenses during the same period increased slightly by 1.7% to RUB 4,549 million in 2020 from RUB 4,475 million in 2019, which was primarily driven by an increase in our employee-related expenses of 59.4% and offset by a decrease in our marketing expenses, as discussed above. Going forward, as we emerge from the COVID-19 pandemic, we generally expect that we will need to increase our operating expenses.

The broader macroeconomic environment remains highly uncertain, and we are continuing to closely monitor the impact of the COVID-19 pandemic on our market, customers, users and business, which may continue to affect our financial results going forward. For example, the COVID-19 pandemic and its aftermath may have contributed to the developments in our competitive environment. Additionally, if the possibility of arranging or attending real estate viewings or completing real estate transactions deteriorates due to any further lock-down measures or other tightening of regulations and general guidelines, it may result in our customers and users choosing to postpone any planned real estate transactions, which would result in a general slow-down of the real estate market and, thus, could have an adverse effect on our financial results. See "*Risk Factors—Risks Related to Our Business and Industry—Natural disasters, public health crises or other catastrophic events, like the COVID-19 pandemic, may significantly limit our ability to conduct business as normal, disrupt our business operations and materially affect our financial condition.*"

Investments in Regional Expansion and New Initiatives

In line with our strategy, we focus our investments on regional expansion and the development and implementation of new initiatives, as part of development of our end-to-end real estate platform, comprising new business lines and new service offerings for our customers and users. While we hold leading market positions in key regions, such as Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg, Novosibirsk and certain other regions, we believe that our profitability and results also greatly depend on our ability to achieve and maintain strong market positions in other Russian cities and regions. As such, we aim to dedicate significant resources, including marketing efforts, to regional expansion and development. We plan to continue to execute our regional expansion strategy with profitability in mind, focusing on regional centers with certain population level thresholds, where our resources can be spent most efficiently. For further details, see "*Business—Strategy—Continued expansion into Russian regions via organic growth and select M&A opportunities.*" For example, as part of our strategy, in February 2021, we acquired the N1 Group, which is a real estate-focused classifieds business that operates in regional cities in Russia, such as Ekaterinburg, Novosibirsk and Omsk. While the N1 Acquisition is complete, we are still in the process of integrating the N1 Group into our business. In particular, we are aligning operational structures and migrating the N1 Group's divisions under the control of Cian Group's management. For additional information, see "*Unaudited Pro Forma Condensed Combined Financial Information.*" As a result, the N1 Acquisition will impact the comparability of our 2021 and 2020 financial results.

We believe that achieving our ultimate goal of developing a comprehensive end-to-end real estate platform for our customers and users requires investments in innovation as well as the development of new

initiatives. Our new initiatives are typically covered as part of our Adjacent Services reporting segment. For further details on this segment, see "*Business—Our Business Model.*" While the Adjacent Services segment amounted only to 3.8% and 1.4% of our total revenue for 2020 and 2019, respectively, our revenue from this segment increased by 188.5% to RUB 150 million in 2020 as compared to RUB 52 million in 2019.

Our investments in regional development and the initiatives aimed at expansion of our end-to-end real restate platform are reflected in our operating expenses as part of the advertising and marketing costs, employee- and IT-related expenses. For example, while our total marketing expenses decreased by 21.4% to RUB 1,697 million in 2020 from RUB 2,159 million in 2019, our online marketing expenses have increased by 32.1% to RUB 1,498 million in 2020 from RUB 1,134 million in 2019, which was driven, in part, by our investment in marketing for regional development as well as our marketing expenses for some of our adjacent services.

Taxation

During the period under review, we relied on a VAT exemption for our listing revenue under the 2008 VAT exemption for software and database licenses under the Russian Tax Code. The exemption was available for revenue from software license agreements under which we provided our customers with access to our platform. In July 2020, the Russian tax code underwent changes, which substantially narrowed the scope of the 2008 VAT exemption. From January 1, 2021, licensing of computer software and databases will only be exempt from VAT when: (i) it relates to software or databases included in the Russian National Software Register and (ii) it does not involve software used for advertising, counterparty searches, online trade or marketplace purposes. Consequently, starting from January 1, 2021, revenue from the provision of access to advertising and online marketplace software does not qualify as income from eligible activities and we no longer qualify for this exemption.

In the years ended December 31, 2020 and 2019, this VAT exemption for our listing revenue amounted to RUB 504 million and RUB 495 million (based on accounts prepared in accordance with the Russian Accounting Standards).

In addition, the Russian Tax Code establishes reduced rates with respect to profits tax, VAT and social security contributions for companies which carry out IT activities, develop and sell own-developed computer programs and databases, and/or render services involving development, adaptation, modification and support of computer programs and databases. In order to apply the reduced rates, a taxpayer should be officially accredited to perform IT activity, the share of its income related to these activities should comprise 90% of total income, and the average headcount should be at least seven employees. Historically, N1 Technologies, a subsidiary of the N1 Group, has applied such reduced rates.

Following the N1 Acquisition, we are currently undergoing organizational restructuring whereby the IT teams of the Cian Group and the N1 Group will join N1 Technologies, which, as a qualifying IT company, is expected to benefit from the reduced tax rates. It is anticipated that N1 Technologies will operate as a shared service center rendering services to our subsidiaries with respect to development and adaptation of IT products, which are being used primarily within the Cian Group. Such practice is widely used by IT companies in Russia. We expect to benefit from this reduced social security contributions rate on the Group-level from the second half of 2021. See *"Risk Factors — Risks Related to Taxation — The Russian tax authorities may challenge the application of a reduced social security contributions, VAT and corporate profits tax rates by one of our companies.*"

Segment Reporting

We identified our operating segments based on how our chief operating decision-maker ("CODM"), who is our Chief Executive Officer, manages the business, allocates resources, makes operating decisions and evaluates operating performance. We have identified the following reporting segments on this basis:

- Core Business, which comprises sales of our listings, lead generation solutions for real estate developers and value-added services as well as display advertising on our platform; and
- Adjacent Services, which comprises sales of our other services, consisting of Mortgage Marketplace, Valuation and Analytics, C2C Rental and End-to-End Offerings.

The financial reporting is based on a Group-wide organizational and management structure.

Explanation of Key Components of Our Consolidated Statement of Profit and Loss and Other Comprehensive Income

Certain individual line items of our consolidated statement of profit and loss and other comprehensive income:

Revenue

We generate revenue primarily from our offerings of: (i) listings and value-added services for our customers (which we refer to as our listing revenue), (ii) lead generation solutions for real estate developers (which we refer to as our lead generation revenue), (iii) advertising tools for various parties, primarily real estate developers and banks (which we refer to as our display advertising revenue) and (iv) new business lines and new service offerings through our Adjacent Services segment for various parties, such as, for example, banks in the context of our Mortgage Marketplace services (which we refer to as our “other revenue”).

Listing revenue, lead generation revenue and display advertising revenue relate to the Core Business reporting segment, while other revenue generally represents lines of business aggregated in the Adjacent Services reporting segment.

Listing revenue, lead generation revenue and display advertising revenue

Listing revenue: Listing revenue represents revenue from offering online listings and related value-added services, such as different listing promotion options, to customers on our websites and mobile applications on a cost-per-time basis (both, under the pay-per-listing or listing package and subscription models). We receive payment prior to the public posting of online listings on our platform and delivery of value-added services. Customers can purchase either individual listings and value-added services, listing packages or subscriptions, which combine a number of listings and value-added services. The average time between receipt of payment from the customer and delivery of online listings is approximately 30 days.

For the year ended December 31, 2020, our listing revenue comprised 52% of revenue from value-added services and 48% of revenue from listings and others.

Further, as part of our value proposition we offer our customers a loyalty program, which allows our customers who purchase listings with us to accumulate points that can be redeemed against future purchases on our platform. The loyalty points give rise to a separate performance obligation for us, as they provide a material right to acquire additional services at a discount for a customer, that the customer would not receive without entering into that contract.

Lead generation revenue. Lead generation revenue represents fees that we charge real estate developers for our establishment and referral of contacts (or leads) based on the number of qualifying calls (validated user connections). We receive payment after the delivery of verification of the number of validated connections. Payment is generally due within 20 to 30 days from our provision of these services. For further details, see “*Business—Our Business Model*.”

Display advertising revenue. Display advertising revenue represents fees third parties pay us: (i) when they choose to place advertisements in particular areas of our websites and mobile applications as well as (ii) for certain miscellaneous special projects related to marketing. Advertising revenue is recognized over time based on the upfront monthly fees agreed to in media plans (which include a target for views or clicks during the period of advertisement). Payment is generally due within 20 to 30 days from providing advertising services.

Other Revenue

Other revenue consists of fees and earnings from our new business initiatives and new models of monetization of our website and mobile application traffic and content database. As of the date hereof, the initiatives that primarily contribute to this revenue are our Mortgage Marketplace and Valuation and Analytics.

Mortgage Marketplace revenue comprises commission fees charged to banks for selling their mortgage products to our users. Upon sale, we charge the banks a fixed rate commission fee based on the mortgage amount. Our performance obligation with respect to these transactions is to arrange the transaction through our platform. The service is considered to be provided and the Mortgage Marketplace commission is recognized on a net basis at the time of signing of the mortgage agreement between the bank and the individual user. Payment is generally due within 20 to 30 days from providing these services. If an individual user decides not to sign the mortgage agreement immediately following the receipt of the mortgage approval, but the signing of the mortgage agreement nevertheless occurs within six months of the user getting an approval on our platform, our service will be recognized and fees will be collected.

Valuation and Analytics revenue represents fees for providing access to our database of real estate content, either in the form of individual reports or on a subscription basis. Cash collected from sales of subscriptions is initially recorded as deferred revenue in the consolidated statement of financial position and subsequently recognized as revenue over the subscription period. Revenue from sales of individual reports is recognized at the time of delivery of the report to the customer. Payment is generally due within 20 to 30 days from providing an individual report or on a prepayment basis in case of subscription.

Operating expenses

Our operating expenses consist primarily of: (i) advertising and marketing expenses, (ii) employee-related expenses, (iii) IT expenses (including hosting and technical support expenses and telecommunication services), (iv) depreciation and amortization expenses, (v) other operating expenses, including office maintenance expenses and other general corporate expenses, and (vi) goodwill impairment as a result of a write-off of goodwill from our acquisition of the EMLS Group (“EMLS”).

Finance income

Finance income comprises income from short-term deposits.

Finance costs

Finance costs comprise interest and similar expenses related to the Facility Agreement and lease liabilities. For further details, see “—*Credit Facilities*.”

Foreign currency exchange loss, net

Foreign currency exchange loss, net is derived from cash and cash equivalents denominated in foreign currency, including the cash balances of our Cypriot companies.

Income tax benefit

Income tax benefit comprises the taxes levied on taxable income in individual countries, including Russia and Cyprus, as well as changes in deferred tax assets and liabilities that are recognized in profit or loss.

Results of Operations

The following table sets forth our results of operations for the periods indicated:

Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

	Year Ended December 31,	
	2020	**2019**
	(in RUB million, except share and per share data)	
Revenue	**3,972**	**3,607**
Operating expenses		
Marketing expenses	(1,697)	(2,159)
Employee-related expenses	(2,208)	(1,385)
IT expenses	(264)	(289)
Depreciation and amortization	(200)	(169)
Other operating expenses	(180)	(217)
Goodwill impairment	—	(256)
Total operating expenses	**(4,549)**	**(4,475)**
Operating loss	**(577)**	**(868)**
Finance costs	(72)	(38)
Finance income	11	7
Foreign currency exchange loss, net	(1)	(3)
Loss before income tax	**(639)**	**(902)**
Income tax benefit	12	96
Loss for the year	**(627)**	**(806)**
Total comprehensive loss for the year	**(627)**	**(806)**
Loss per share, in thousands of RUB		
Basic and diluted loss per share attributable to ordinary equity holders of the parent	(209.0)	(268.7)
Basic and diluted weighted average number of ordinary shares	3,000	3,000

Revenue

Our revenue increased by 10.1% to RUB 3,972 million for the year ended December 31, 2020 from RUB 3,607 million for the year ended December 31, 2019. The increase was primarily driven by the increase in our lead generation revenue and other revenue and was partially offset by a decrease in our listing revenue as outlined below.

The following table sets forth a breakdown of our revenue for the periods indicated:

	Year Ended December 31,	
	2020	**2019**
	(in RUB million)	
Listing revenue	2,383	2,481
Lead generation revenue	994	623
Display advertising revenue	456	452
Other revenue	139	51
Total revenue	**3,972**	**3,607**

Listing revenue

Our listing revenue decreased by 4.0% to RUB 2,383 million in 2020 from RUB 2,481 million in 2019. This decrease was primarily driven by our decision to temporarily offer our listing services free of charge

across all cities and regions in April 2020 due to the COVID-19 pandemic. The monetization of our listing services in Moscow, the Moscow region, St. Petersburg and the Leningrad region was reinstated in July 2020, with certain discounts being introduced in the third quarter of 2020. Our listings monetization in most of our other regions remains temporarily suspended and its potential reintroduction is being assessed on a region-by-region basis. For further details, see "—*Key Factors Affecting Our Results of Operations—Macroeconomic Environment and the Russian Property Market and the Impact of the COVID-19 Pandemic*."

In 2020, we had approximately 2.1 million listings on our platform, compared to approximately 1.9 million in 2019. In 2020, we had an average of approximately 88.6 thousand paying accounts with an average revenue per paying account of RUB 624. In 2019, we had approximately 96.7 thousand paying accounts with an average revenue per paying account of RUB 619.

Lead generation revenue

Our lead generation revenue increased by 59.6% to RUB 994 million in 2020 from RUB 623 million in 2019. We believe that this was primarily driven by (i) the growth in the number of leads to developers, which was approximately 244.8 thousand in 2020 as compared to 179.6 thousand in 2019 and (ii) growth in the average revenue per lead to developers, which increased to RUB 4,046 in 2020 from RUB 3,470 in 2019.

The following table presents the average number of leads generated for our real estate developer customers and the average revenue per lead for the periods indicated:

	2020		2019	
	Second half	First half	Second half	First half
Leads to developers[1](in thousands)	140.9	103.9	90.1	89.6
Average revenue per lead to developers [2](in RUB)	4,143	3,915	3,679	3,259

(1) The number of paid target calls, lasting 30 seconds or longer, made by home searchers through our platform to real estate developers during a particular period of time.

(2) Calculated as lead generation revenue in relation to the number of leads (for developers) during the period.

We believe that this growth was driven by our continuous focus on providing attractive offerings to our real estate developer customers as well as a significant increase in Russian real estate development activities in general, which was partly driven by the Russian government's implementation of the mortgage subsidy scheme in April 2020. We believe that this mortgage subsidy scheme had a strong positive effect on real estate developers' business and correspondingly their demand for our services.

Display advertising revenue

Our display advertising revenue increased by 0.9% to RUB 456 million in 2020 from RUB 452 million in 2019. This increase was primarily the result of us securing new arrangements with advertising clients and increase in pricing for some of our display advertising services.

Other revenue

Our other revenue increased by 172.5% to RUB 139 million in 2020 from RUB 51 million in 2019. This increase was primarily driven by revenue from our Adjacent Services segment, such as revenue from our Mortgage Marketplace initiative, which was launched in April 2019.

Total operating expenses

Our total operating expenses increased by 1.7% to RUB 4,549 million in 2020 from RUB 4,475 million in 2019, primarily driven by an increase of 59.4% in our employee-related expenses to RUB 2,208 million in 2020 from RUB 1,385 million in 2019, which was primarily driven by (i) an increase in our share-based payment expense to RUB 558 million in 2020 from RUB 67 million in 2019, which was driven by an increase in the fair value estimates of the awards under our long-term incentive program and (ii) an increase of 29.2% in wages, salaries and related taxes, which, in turn, was driven by an increase in our employee headcount. Our employee headcount increase was primarily driven by our hirings to support the development

and roll-out of our new initiatives. These increases in operating expenses were partially offset by the goodwill impairment in connection with our acquisition of EMLS in 2014. In 2019, the operating expenses of RUB 4,475 million, included RUB 256 million of goodwill impairment, with no impairment recognized in 2020.

Marketing expenses

Our marketing expenses decreased by 21.4% to RUB 1,697 million for the year ended December 31, 2020 from RUB 2,159 million for the year ended December 31, 2019. This decrease was primarily driven by an 85.5% decrease in our offline marketing expenses, which was mainly the result of us suspending the majority of our offline marketing, including print and television advertising, during the COVID-19 pandemic, in order to optimize costs and offset revenue shortfalls from the temporary suspension in monetization discussed above.

The following table sets forth a breakdown of our marketing expenses for the periods indicated:

	Year Ended December 31,	
	2020	2019
	(in RUB million)	
Online marketing	(1,498)	(1,134)
Offline marketing	(139)	(959)
Other marketing expenses	(60)	(66)
Total marketing expenses	**(1,697)**	**(2,159)**

Employee-related expenses

Employee-related expenses increased by 59.4% to RUB 2,208 million in 2020 from RUB 1,385 million in 2019 primarily due to: (i) an increase in share-based payment expense to RUB 558 million in 2020 from RUB 67 million in 2019, which was driven by an increase in the fair value estimates of the awards under our long-term incentive program, and (ii) a 29.2% increase in wages, salaries and related taxes, which was driven by an increase in our employee headcount, despite the temporary freeze on hiring of non-essential workers, which we established due to the COVID-19 pandemic. Our hiring in the period primarily related to our efforts to setup new teams which focus on the development and roll-out of new projects that we have launched, or plan to launch, going forward as part of our Adjacent Services segment.

Our average employee personnel headcount increased by 17.9% to 551 in 2020 from 469 in 2019.

The following table sets forth a breakdown of our employee-related expenses for the periods indicated:

	Year Ended December 31,	
	2020	2019
	(in RUB million)	
Wages, salaries and related taxes	(1,610)	(1,246)
Share – based payment expense	(558)	(67)
Other employee – related expenses	(40)	(72)
Total employee – related expenses	**(2,208)**	**(1,385)**

IT expenses

Our IT expenses decreased by 8.7% to RUB 264 million in 2020 from RUB 289 million in 2019. This decrease was primarily driven by a decrease in our development and technical support outsourcing, which was partially offset by an increase in our hosting expenses.

Depreciation and amortization

Our depreciation and amortization increased by 18.3% to RUB 200 million in 2020 from RUB 169 million in 2019. This increase was driven by a shorter amortization period of the “EMLS” trademark

following management's decision to gradually cease operations of the website "EMLS.ru" and transfer its customer base to our main website "Cian.ru" and the Cian mobile application as well as certain purchases of new software for our ongoing operations and their amortization.

Other operating expenses

Other operating expenses decreased by 17.1% to RUB 180 million in 2020 from RUB 217 million in 2019, primarily driven by a decrease in the office maintenance expenses due to the shift to remote working arrangements.

Goodwill impairment

In the year ended December 31, 2019, we recognized RUB 256 million in goodwill impairment as a result of a write-off of goodwill from our acquisition of EMLS in 2014. The goodwill related to the acquisition was allocated to the cash-generating unit of EMLS. In December 2019, we decided to gradually cease the operations of the website "EMLS.ru" over the course of the following two years by transferring its customer base to our main website, "Cian.ru" and the Cian mobile application, triggering a goodwill impairment charge. No similar charges were incurred in the year ended December 31, 2020.

Operating loss

As a result of the foregoing, we had an operating loss of RUB 577 million in 2020, compared to an operating loss of RUB 868 million in 2019, which amounted to a decrease of 33.5%. This decrease in loss was primarily driven by the increase in our revenue, which, in turn, was driven by the increase in lead generation revenue, and offset by a slight increase in our total operating expenses, which, in turn, was primarily driven by an increase in employee-related costs and share-based payment expenses and offset by a decrease in our marketing expenses.

Finance income and finance costs

Finance income increased by 57.1% to RUB 11 million for the year ended December 31, 2020 from RUB 7 million for the year ended December 31, 2019. This increase was primarily due to an increase in free cash available for placement on bank deposits and corresponding increase in the related interest income.

Finance costs increased by 89.5% to RUB 72 million for the year ended December 31, 2020 from RUB 38 million for the year ended December 31, 2019, primarily due to a drawdown under the Facility Agreement in the amount of RUB 320 million in 2020 and, thus, an increase in interest charges.

Foreign currency exchange loss, net

Foreign currency exchange loss, net, decreased by 66.7% to RUB 1 million for the year ended December 31, 2020 from RUB 3 million for the year ended December 31, 2019.

Loss before income tax

Loss before income tax decreased by 29.2% to RUB 639 million for the year ended December 31, 2020 from RUB 902 million for the year ended December 31, 2019, for the reasons outlined above with respect to the various line items comprising loss before income tax.

Income tax benefit

Our income tax benefit decreased by 87.5% to RUB 12 million for the year ended December 31, 2020 from RUB 96 million for the year ended December 31, 2019. This decrease was primarily driven by an offset of RUB 88 million through utilizing accumulated tax losses against taxable profit of iRealtor LLC in the fourth quarter of 2020 and a general decrease in taxable loss.

Total comprehensive loss for the year

Our total comprehensive loss for the year decreased by 22.2% to RUB 627 million for the year ended December 31, 2020 from RUB 806 million for the year ended December 31, 2019, for the reasons outlined above with respect to the various line items comprising total comprehensive loss for the year.

Key Indicators of Operating and Financial Performance[(1)]

In addition to operational and financial measures determined in accordance with IFRS, we make use of the following performance indicators and other business metrics in evaluating our past results and future prospects.

	For Year Ended December 31,	
	2020	2019
	(in RUB million, unless indicated otherwise)	
Average UMV (in millions)	16.5	13.4
Listings (in millions)	2.1	1.9
Thereof: Moscow and the Moscow region (in millions)	0.4	0.4
Thereof: Other regions (in millions)	1.8	1.5
Leads to agents and individual sellers (in millions)	8.0	6.9
Paying accounts (in thousands)	88.6	96.7
Thereof: Moscow and the Moscow region (in thousands)	54.9	58.1
Thereof: Other regions (in thousands)	36.2	42.9
Average revenue per paying account (in RUB)	632	619
Thereof: Moscow and the Moscow region	897	877
Thereof: Other regions	292	307
Leads to developers (in thousands)	244.8	179.6
Average revenue per lead to developers (in RUB)	4,046	3,470

(1) See the definitions of average UMV, listings, leads to agents and individual sellers, paying accounts, average revenue per paying account, leads to developers and average revenue per lead to developers in "*Presentation of Financial and Other Information*" and "*Selected Consolidated Historical Financial and Other Data—Other Data*."

Selected Segment Information

Our reporting segments comprise "Core Business" and "Adjacent Services" and they are presented in a manner consistent with the internal reporting provided to the CODM. Our reporting segment "Core Business" corresponds to our operating segment Core Business, while our reporting segment "Adjacent Services" comprises three operating segments: Mortgage Marketplace, Valuation and Analytics and C2C Rental.

The following tables set forth our revenue and Adjusted EBITDA breakdown per segment for the periods indicated.

	For the year ended December 31, 2020		
	Core Business	Adjacent Services	Total
	(in RUB millions)		
Revenue			
Listing revenue	2,383	N/A	2,383
Lead generation revenue	991	3	994
Display advertising revenue	439	17	456
Other revenue	9	130	139
Total revenue	**3,822**	**150**	**3,972**
Adjusted EBITDA	**532**	**(499)**	**—**

	For the year ended December 31, 2019		
	Core Business	Adjacent Services	Total
	(in RUB millions)		
Revenue			
Listing revenue	2,481	N/A	2,481
Lead generation revenue	622	1	623
Display advertising revenue	440	12	452
Other revenue	12	39	51
Total revenue	**3,555**	**52**	**3,607**
Adjusted EBITDA	**(193)**	**(299)**	**—**

Our Core Business Adjusted EBITDA increased to RUB 532 million in 2020 from a loss of RUB 193 million in 2019. This increase was driven by growth of Core Business Adjusted EBITDA for Moscow and Moscow region to RUB 1,714 million in 2020 from RUB 1,498 million in 2019. We believe that this growth was primarily driven by growth in our lead generation revenue and a decline in our marketing expenses, which was partly offset by an increase in our overall employee-related expenses.

Our Adjacent Services Adjusted EBITDA decreased to a loss of RUB 499 million in 2020 from a loss of RUB 299 million in 2019, which was primarily driven by our investments in the development of new projects and products, related primarily to our Mortgage Marketplace. This was partially offset by the increase in revenues from the initiatives comprising our adjacent services segment.

Liquidity and Capital Resources

Prior to this offering, our principal sources of liquidity have been financial support from our shareholders as well as debt facilities. Our principal needs for liquidity are operating expenses, expenditures related to debt service, capital expenditures and acquisitions. Our long-term capital needs generally result from our need to fund our growth strategy. Our ability to generate cash from our operations depends on future operating performance, which is dependent to some extent on general economic, financial, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in "*Risk Factors*."

Our cash and cash equivalents were RUB 449 million and RUB 148 million as of December 31, 2020 and 2019, respectively. Our cash and cash equivalents primarily consist of cash in the bank and on hand and short-term deposits. Short-term deposits are made for varying periods of between one day and three months, depending on our immediate cash requirements, and earn interest at the respective market short-term deposit rates.

Working capital position

As of December 31, 2020, our current assets totaled RUB 711 million while current liabilities totaled RUB 1,501 million (due to the covenant breach under the Facility Agreement in 2020, the non-current portion of our borrowings under the Facility Agreement was reclassified into a current portion as of December 31, 2020, for further details see "—*Credit Facilities*"), resulting in a negative working capital of RUB 790 million, including RUB 332 million in contract liabilities. Our working capital mainly comprises trade and other receivables, cash, short-term borrowings, trade payables as well as advances paid and prepaid expenses. Due to the inherent nature of our business, a significant portion of our customers pay upfront for our products and services, and such upfront payments are recorded as liabilities. We expect that contract liabilities will continue to be significant and thus negative working capital will be maintained in the future periods.

We believe that our current cash and cash equivalents, our operating cash flows, expected availability under our credit facilities and anticipated proceeds from this offering will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the 12 months following the date of this prospectus and to make the required principal and interest payments on our indebtedness.

Cash Flows

The following table sets forth a summary of our cash flows for the years indicated.

Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

	Year Ended December 31,	
	2020	2019
	(in RUB millions)	
Net cash generated from (used in) operating activities	230	(361)
Net cash used in investing activities	(109)	(130)
Net cash generated from financing activities	182	539
Cash and cash equivalents at the end of the period	**449**	**148**

Net cash generated from (used in) operating activities

Our cash flow from operating activities is primarily generated from cash received from our customers, payments for operating expenses, finance income and finance costs and changes in working capital. We typically use our cash flows generated from operating activities to provide working capital for current and future operations.

Net cash generated from operating activities was RUB 230 million for the year ended December 31, 2020, compared to net cash used in operating activities of RUB 361 million for the year ended December 31, 2019, resulting in an overall change of RUB 591 million. The change was primarily a result of a decrease in our loss before income tax, excluding non-cash effects of share-based payments. liability revaluation, depreciation and amortization as well as goodwill impairment.

Net cash used in investing activities

Our investing activities primarily consist of the purchase of property and equipment and intangible assets, such as office equipment, computer software and development costs.

Net cash used in investing activities decreased to RUB 109 million for the year ended December 31, 2020 from RUB 130 million for the year ended December 31, 2019, primarily due to a decrease in purchase of intangible assets.

Net cash generated from financing activities

Our financing activities primarily consist of receipt or repayment of borrowings.

Net cash generated from financing activities decreased to RUB 182 million for the year ended December 31, 2020 from RUB 539 million for the year ended December 31, 2019, primarily due to a decrease in proceeds from borrowings to RUB 320 million in 2020 from RUB 672 million in 2019 and absence of contributions from shareholders in 2020. In 2019, we received an irrevocable contribution from the existing shareholders in the amount of RUB 118 million. The contribution was accounted for as the increase in share premium. No similar transactions were recorded in 2020.

Capital Expenditures

Our capital expenditures for the year ended December 31, 2020 were RUB 111 million, of which RUB 24 million was attributable to purchases of property and equipment, RUB 22 million was attributable to capitalized development costs and RUB 82 million was attributable to purchases of intangible assets. Our capital expenditures for the year ended December 31, 2019 were RUB 128 million, of which RUB 21 million was attributable to purchases of property and equipment, RUB 43 million was attributable to capitalized development costs, and RUB 47 million was attributable to purchases of intangible assets. Our capital expenditures mainly include the purchase of property, plant and equipment as well as certain intangible assets.

Credit Facilities

On July 31, 2019, our wholly-owned subsidiary, iRealtor LLC, entered into a syndicated credit facility agreement (the “Facility Agreement”) with Raiffeisenbank as the Original Lender, the Facility Agent, and the Pledge Manager, and Rosbank as the Original Lender for the total amount of up to RUB 800 million, split into two tranches of up to RUB 500 million (“Tranche 1”) and up to RUB 300 million (“Tranche 2”).

The Facility Agreement contains restrictive maintenance and negative covenants that limit our ability, among others, to encumber or dispose of assets, incur or guarantee indebtedness, amend the constitutional documents, alter the share capital and pay dividends. The maintenance covenants under the Facility Agreement also impose on iRealtor LLC obligations to maintain: (i) positive net assets calculated in accordance with the RAS (tested on semi-annual basis); (ii) a certain amount of revenue and EBITDA (calculated pursuant to the formula set out in the Facility Agreement); (iii) a certain ratio of advertising expenses, EBITDA and the current liquidity ratio (tested on a quarterly basis), and (iv) a certain ratio of EBITDA and advertising expenses and the amount of EBITDA (tested on an annual basis).

As of June 30 2020, iRealtor LLC technically breached the maintenance covenant under the Facility Agreement requiring that its net assets calculated in accordance with the RAS must be positive as of the end of each semi-annual period and the covenants as to the maintenance at the end of each quarter of certain levels of revenue and of combined EBITDA and advertising expenses. On September 9, 2020, iRealtor LLC received waivers from Raiffeisenbank in relation to these technical breaches. On December 31, 2020, iRealtor LLC breached its maintenance covenants under the Facility Agreement related to its net assets and EBITDA and advertising expenses, and, in May 2021, obtained a waiver from Raiffeisenbank as the Facility Agent with respect to this breach of covenants. However, since the waiver was obtained after the reporting date, the non-current portion of the loans was reclassified into the short-term portion as of December 31, 2020.

Also, as of June 30, 2021, iRealtor LLC technically breached the maintenance covenant under the Facility Agreement requiring that its net assets calculated in accordance with the RAS must be positive as of the end of each semi-annual period and the covenant that requires that its current liquidity ratio must be at least 1.5:1 as of the end of each quarter. On June 30, 2021, iRealtor LLC received waivers from Raiffeisenbank in relation to these technical breaches.

The Facility Agreement is secured by, among other things, pledges of 100% shares in Fastrunner Investments Limited, 100% shares in Mimons Investments Limited, 51% shares in our key operating subsidiary, iRealtor LLC, pledges of rights to the software, trademarks and rights under the license agreements with, and the guarantees from, the Company, Mimons Investments and Fastrunner Investments.

The Facility Agreement also contains certain restrictions on our ability to declare and pay dividends, including that we cannot declare and pay dividends, except in the following cases: (i) annual distributions of dividends by iRealtor to Mimons Investments in the amount not exceeding RUB 60 million annually, and subsequent distributions of the dividends from Mimons Investments to Solaredge Holdings and Fastrunner Investments, and from Fastrunner Investments to Solaredge Holdings; (ii) distributions of dividends by iRealtor, Mimons Investments, Solaredge Holdings and Fastrunner Investments for repayment of any potential shareholder loans, subject to standard conditions, including the Net Debt to EBITDA ratio; and (iii) distributions made with the prior written consent of the Facility Agent acting on the basis of the Consent of the Majority of the Lenders. Capitalized terms have the definitions provided in the Facility Agreement.

As detailed further in the table below, as of December 31, 2020, the total outstanding indebtedness under the Facility Agreement was RUB 728 million.

Tranche	Contractual interest rate	Maturity date	Carrying amount, incl. accrued interest (in RUB million)	
			December 31, 2020	December 31, 2019
Tranche 1	CBR key rate plus 3.35%	2021 – 2022	429	299
Tranche 2	CBR key rate plus 3.8%	2021 – 2024	299	178
Total			**728**	**477**
Current			**728**	**46**
Non-current			—	**431**

Contractual Obligations and Commitments

As of December 31, 2020, we had no material contractual obligations and other commitments except for the lease liabilities of RUB 113 million disclosed in Note 10 of our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Off-Balance Sheet Arrangements

We did not have, during the period presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships.

Critical Accounting Policies and Significant Judgments and Estimates

We have provided a summary of our significant accounting policies, estimates and judgments in Note 2 (Significant Accounting Policies) and Note 3 (Significant Accounting Judgments, Estimates and Assumptions) to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019. The following critical accounting discussion pertains to the accounting policies, judgments, estimates and assumptions that management believes are most critical to the portrayal of our historical financial condition and results of operations. Other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our financial condition, results of operations and cash flows to those of other companies. For additional information, see Notes 2 and 3 to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Basis of Consolidation

Our consolidated financial statements, which are included elsewhere in this prospectus, comprise the financial statements of the Company and its subsidiaries as of December 31, 2020 and 2019. Control is achieved when we are exposed, or have rights, to variable returns from involvement with the investee and have the ability to affect those returns through our power over the investee. Specifically, we control an investee if, and only if, we have: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power to affect its returns.

We reassess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date we gain control until the date we cease to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with our accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to the transactions between members of the Group are eliminated in full on consolidation.

If we lose control over a subsidiary, we derecognize the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Foreign Currencies

Our consolidated financial statements are presented in rubles, which is also the Company's functional currency. For each entity, we determine the functional currency and items included in the financial statements of each entity, which are measured using that functional currency. The functional currency of all of our subsidiaries is the RUB.

Transactions in foreign currencies are initially recorded by our subsidiaries in their functional currency at exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rates prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized within "Foreign currency exchange gain / (loss), net", in the consolidated statement of profit and loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The RUB is not a fully convertible currency outside Russia. Within the Russian Federation, official exchange rates are determined by the Central Bank of the Russian Federation.

Going Concern

Our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019 have been prepared by management on the assumption that the Group will be able to continue as a going concern, which presumes that the Group will, for the foreseeable future, be able to realize its assets and discharge its liabilities in the normal course of business.

The following indicators could give rise to a going-concern risk: for the year ended December 31, 2020, we incurred a loss of RUB 627 million, as compared to a loss of RUB 806 million for the year ended December 31, 2019. As of December 31, 2020, we had a net liability position of RUB 872 million (2019: RUB 245 million) and net debt of RUB 279 million (2019: RUB 329 million), we also had a negative working capital (defined as total current asset less total current liabilities) of RUB 790 million (2019: RUB 307 million), including RUB 332 million of contract liabilities (2019:RUB 184 million).

However, we generated positive operating cash flow of RUB 230 million in 2020 as compared to a negative operating cash flow of RUB 361 million in 2019. For a detailed description of the matters considered by the management in determining the appropriateness of the going concern basis, see Note 3 (Significant Accounting Judgments, Estimates and Assumptions) to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Share-Based Payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, such as discount and terminal growth rates, revenue growth rates and Adjusted EBITDA Margin, affecting the fair value of the ordinary shares of the Group, which is the basis for the valuation of the share-based payment liability. We initially measure the cost of cash-settled transactions with employees at the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be re-measured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For further information, including the assumptions and models used for estimating fair value for share-based payment transactions, see Note 16 to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Also, as described in Note 16, a portion of cash payment to which participants of the option program are entitled to is linked to certain liquidity events, such as an initial public offering. As of December 31, 2020 and 2019, we determined that this performance condition for the recognition of share-based payments was

not yet probable, and no related share-based compensation expense was recognized during the years then ended. These costs are expected to be recognized once the performance condition occurs or becomes probable.

Useful lives of Intangible Assets

The estimation of the useful lives of intangible assets acquired through business combinations or generated internally is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through their use. However, other factors related to the economic environment and market situation often result in the diminution of the economic benefits embodied in the assets. Our management assesses the remaining useful lives in accordance with the current market conditions of the assets and the estimated period during which the assets are expected to earn benefits for the Group.

Compliance with Tax Legislation

The taxation system in the Russian Federation continues to evolve and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years. However, under certain circumstances a tax year may remain open longer.

This may potentially impact our tax position and create additional tax risks. This legislation and its application is still evolving and the impact of legislative changes should be considered based on the actual circumstances. Our management believes that it has adequately provided for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to the reform of the supreme courts that are resolving tax disputes, could differ, and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Recent Accounting Pronouncements

Certain new accounting standards and interpretations have been issued by the IASB, but are not yet effective for the December 31, 2020 reporting period and have not been early adopted by us. These standards are not expected to have a material impact on us. For additional information, see Note 2.3 to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain financial risks in the ordinary course of our business. These risks primarily consist of market risk, which comprises interest rate risk and foreign currency risk, credit risk and liquidity risk. For further discussion and sensitivity analysis of these risks, see Note 19 to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on our borrowings affected. With all other variables held constant, our loss before tax is affected through the impact on floating rate borrowings, as follows:

	Change in interest rates	Effect on profit before tax
Year ended December 31, 2020		
Borrowings with floating interest rates	+1%/-1%	(7) / 7
Year ended December 31, 2019		
Borrowings with floating interest rates	+1%/-1%	(5) / 5

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates is currently limited because our operating activities are mainly carried out in rubles.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our cash and cash equivalents held with banks.

Trade receivables

We perform an impairment analysis at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome. Generally, accounts receivables are written-off if past due for more than three years.

The following table sets out information about the credit risk exposure on our trade receivables using a provision matrix:

	< 30 days	31-60 days	61-90 days	> 90 days	Total
2020					
Expected credit loss rate	1.1%	5.7%	7.6%	69.4%	
Total gross carrying amount	128	17	—	6	151
Expected credit loss	1	1	—	4	6

	< 30 days	31-60 days	61-90 days	> 90 days	Total
2019					
Expected credit loss rate	1.2%	7.6%	7.9%	62.4%	
Total gross carrying amount	83	6	—	8	97
Expected credit loss	1	—	—	5	6

Cash and cash equivalents

Our cash and cash equivalents were RUB 449 million and RUB 148 million as of December 31, 2020 and 2019, respectively. Our cash and cash equivalents are primarily held with banks, which are rated not less than BBB- to BBB, based on Standard & Poor’s and Fitch ratings. As of December 31, 2020 and 2019, we held 94% and 95%, respectively, of our cash and cash equivalents with banks having external credit ratings of BBB-/BBB.

Our impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. We consider that our cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. No impairment allowance was recognized as of December 31, 2020 and 2019.

Liquidity risk

Liquidity risk is the risk that we will not be able to settle all liabilities as they fall due. We manage our liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of our financial liabilities based on contractual undiscounted payments:

	Within 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
2020					
Trade and other payables	197	—	—	—	197
Borrowings	416	340	44	—	800
Lease liabilities	43	76	8	—	127
Total financial liabilities	**656**	**416**	**52**	—	**1,124**

	Within 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
2019					
Trade and other payables	80	—	—	—	80
Borrowings	89	408	84	—	581
Lease liabilities	73	34	—	—	107
Total financial liabilities	**242**	**442**	**84**	—	**768**

Internal Control over Financial Reporting

In the course of preparing our financial statements for the years ended December 31, 2020 and 2019, we identified certain significant deficiencies in our internal control environment, including deficiencies relating to (i) insufficient segregation of duties and controls over change management in our IT systems and (ii) insufficient controls over access management in our IT systems.

To remedy our identified significant deficiencies, we are in the process of adopting several measures intended to improve our internal controls over financial reporting, including: (i) reviewing and formalizing the change management process; (ii) introducing segregation of duties throughout the change management process; (iii) implementing a full software development lifecycle procedure including testing and change approval; (iv) ensuring the storage of the evidences of related control procedures; and (v) implementing a formal access management process ensuring appropriate approval procedure for changes in access rights and permissions.

However, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to significant deficiencies in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses or significant deficiencies. See "*Risk Factors—Risks Related to Our Business and Industry—We have identified significant deficiencies in our internal controls over financial reporting, including our information technology general controls. If we are unable to remediate these deficiencies, or if other deficiencies or material weaknesses are identified, we may not be able to report our financial results accurately, prevent fraud or file our periodic reports as a public company in a timely manner*."

JOBS Act

We are an emerging growth company, as defined in the JOBS Act. We intend to rely on certain reduced reporting and other requirements that are otherwise generally applicable to public companies. As an emerging growth company, we are not required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act, which would otherwise be required beginning with our second annual report on Form 20-F, and (ii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis).

BUSINESS

Overview

We are a leading online real estate classifieds platform in the large, underpenetrated and growing Russian real estate classifieds market, ranking among the top ten most popular online real estate classifieds globally, based on the April 2021 traffic data available at SimilarWeb (including Google Analytics estimates for Cian). Since our founding in 2001, we have become the most recognized and trusted real estate classifieds brand in the most populous Russian regions, according to the Frost & Sullivan Report and have expanded our business beyond online real estate classifieds listings to offer additional products and services, which turn real estate searches and transactions into a seamless, transparent and efficient experience. Our mission is to use technology and deep insights into the real estate market in Russia to help people on the journey to their perfect new place to live or work.

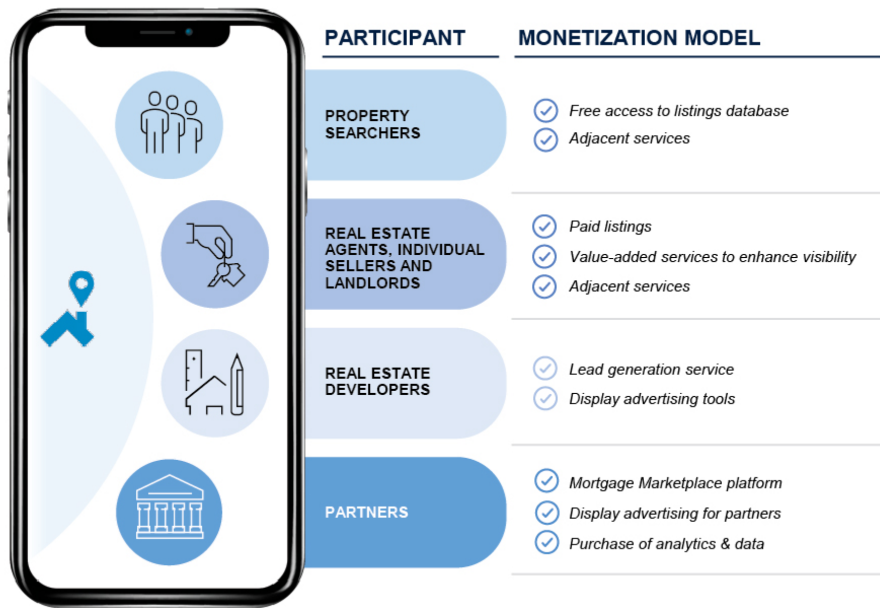
We operate in the Russian real estate market, which, according to the Frost & Sullivan Report, represented approximately USD 238 billion in 2020 and is only starting to digitalize. Being at the forefront of this digitalization trend and, as we believe, being one of the major driving forces behind it, we see an immediately addressable market opportunity of approximately USD 6 billion (in 2020, based on the Frost & Sullivan Report), which comprises real estate agents' commissions, developers' advertising budgets as well as adjacent markets, including mortgage advertising and digital services facilitating transactions. Our core online real estate classifieds market is projected to grow at a CAGR of approximately 27% between 2021 and 2025, according to the Frost & Sullivan Report.

Our networked real estate platform connects millions of our users, the real estate buyers and renters, to millions of high-quality real estate listings of all types — residential and commercial, primary and secondary, urban and suburban, for both sale and rent. By offering a unique combination of products, services and insights, we have become a premier destination for our users as well as tens of thousands of our customers, real estate agents, developers, private sellers, landlords and other partners. Our platform aims to provide an end-to-end experience for our customers and users and helps them address multiple pain points on their journey to a successful real estate transaction. We strive for our platform to encompass all stages of such journey, from finding the right property and the right buyer or renter, to financing the purchase and ensuring transaction certainty, while allowing participants to transact with ease and efficiency. We derive our revenue:

- In our Core Business segment, from listing fees in the secondary residential and commercial real estate verticals and lead generation fees in the primary residential real estate vertical, as well as fees for listing value-added services, such as premium and highlighted listings and listing auctions, and other value-added services. We estimate that a majority of Moscow and Saint Petersburg real estate developers were present on our platform in 2020. In June 2020, we introduced a new subscription-based model for customers, which allows our customers to purchase a monthly subscription with us and combine a number of listings with value-added services, improving efficiency for them and stickiness and monetization for us. For more details, see "*—Our Real Estate Platform—Core Classifieds Business—Products and Services We Offer to Customers—Subscription Model.*" In the first half of 2021, the average share of listings under the subscription model amounted to approximately 41% as compared to approximately 26% in the second half of 2020. We also charge fees for providing advertising tools through our platform for various parties, primarily real estate developers and banks, which we refer to as our display advertising revenue. In 2020, we derived 96% of our revenue from our Core Business segment (comprising 46% from the secondary residential real estate vertical, 35% from the primary residential real estate vertical and 15% from the commercial real estate vertical).
- In our Adjacent Services segment, from fees charged to our customers, users and partners, such as banks and other service providers for real estate transactions, for services that facilitate more efficient real estate transactions and provide valuable market insights, such as our information analytical services. In 2020, we derived 4% of our revenue from our Adjacent Services segment.

Our users can search our property listings free of charge via our mobile applications and our mobile and desktop websites. They can also benefit from a broad scope of adjacent services that we offer, such as real estate valuation and access to a choice of real estate purchase financing options.

Our Networked Platform Connects Multiple Participants



Our networked platform model and our trusted brand have allowed us to achieve the leading position by share of leads to real estate agents and individual sellers and by number of listings in four of the most populous Russian regions, consisting of Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk, which together, according to the Frost & Sullivan Report, in 2020, accounted for 65%, 41% and 75% of the primary residential, secondary residential and commercial real estate markets in the country, respectively. In the first half of 2021, we had approximately 2.1 million listings available through our platform (excluding N1) and an average UMV of approximately 20.6 million (including N1). In 2020, we had approximately 2.1 million listings available through our platform and an average UMV of approximately 16.5 million. We believe that the quantity and quality of our listings database, as well as our expanding end-to-end value proposition, attract an increasing number of buyers and renters, which results in more transactions conducted based on expressions of interest and inquiries generated through our platform ("leads"), which in turn attracts more real estate agents, developers and landlords posting more listings. We believe that this powerful network effect has allowed us to continuously solidify our market leadership in our core regions of Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk, and will allow us to continue strengthening and expanding our position in other regions.

Development of new products, services and features is an integral part of our business, and we have a long and successful track record of disrupting the online real estate classifieds market through innovation. This culture of innovation and over 20 years of relevant experience allowed us to move beyond the pure online real estate classifieds model and become a fully-fledged, networked real estate platform enabled by cutting-edge technology, which creates value for all real estate market participants. In our Core Business segment, we provide advanced features that make connecting our customers and our users through our extensive database of property listings more efficient, such as: for users, AI-powered property search and virtual 3D property tours; for real estate agents, Pro.Tools which are our advanced lead management toolkit offerings to boost productivity (including call tracking, duplicates and competition notifications, push notification for competition price decreases, detailed lead information and others); and for real estate agencies, enterprise features (including integration tools and tools for the management of marketing costs,

performance and employees). To deliver our end-to-end value proposition and make searching and transacting even easier and more seamless for all real estate market participants, we have also created, and are continuing to add, innovative adjacent services, such as Mortgage Marketplace, Agent Finder, Property Valuation, Online Transaction Services, Home Swap and others). We intend to continue staying at the forefront of innovation by developing new solutions that will help our users to find their perfect properties to rent or buy and our customers to sell or rent out their real estate in the most efficient way.

We are a technology-driven platform and are committed to delivering the most efficient and stress-free experience through the use of cutting-edge technology, especially in view of the rapid pace of technological changes in our industry, such as increasing use of mobile devices by all participants in the real estate market and proliferation of new technologies that improve user experience, such as machine learning. We believe that our mobile-first approach, in which we prioritize our users' reliance on our mobile applications and mobile websites, makes finding a new home or office more convenient for our users, increases retention, improves the efficiency and conversion rate of our marketing programs and accelerates the growth of our business. The share of mobile in our average UMV increased to approximately 74.2% in the first half of 2021 from approximately 72.8% in the second half of 2020 and approximately 67.9% in the first half of 2020. Similarly, our share of mobile in leads to agents and individual sellers increased to approximately 69.2% in the first half of 2021 from approximately 64.3% in the second half of 2020 and approximately 63.3% in the first half of 2020.

Our revenue in the year ended December 31, 2020 was RUB 3,972 million, an increase of 10% from RUB 3,607 million in the year ended December 31, 2019. Our loss for the year ended December 31, 2020 was RUB 627 million, a decrease of 22.2% from RUB 806 million in the year ended December 31, 2019. Our Adjusted EBITDA was RUB 181 million for the year ended December 31, 2020 and a negative 376 million for the year ended December 31, 2019. As of December 31, 2020 and 2019, our total indebtedness outstanding under our credit facilities was RUB 728 million and RUB 477 million, respectively. Our results were affected by the measures that we introduced in response to the COVID-19 pandemic, including a temporarily suspension of monetization of our listing services across all regions in April 2020. We reinstated the monetization of our listing services in Moscow, the Moscow region, St. Petersburg and the Leningrad region in July 2020, while the monetization in most other regions remains temporarily suspended and its potential reintroduction is being assessed on a region-by-region basis. We believe that we are already seeing the positive effects of these measures in some of the regions in which we reverted back to the paid model, which is illustrated by an increased number of paid listings as compared to pre-COVID-19 levels. We believe that we are well-positioned to successfully leverage our scale, expertise and experience to continue growing our business and achieve profitability margins enjoyed by our best-in-class international peers.

Our Strengths

We believe that the following strengths have contributed, and will continue to contribute, to our success:

Leading Russian online real estate classifieds platform with the #1 position in largest Russian markets

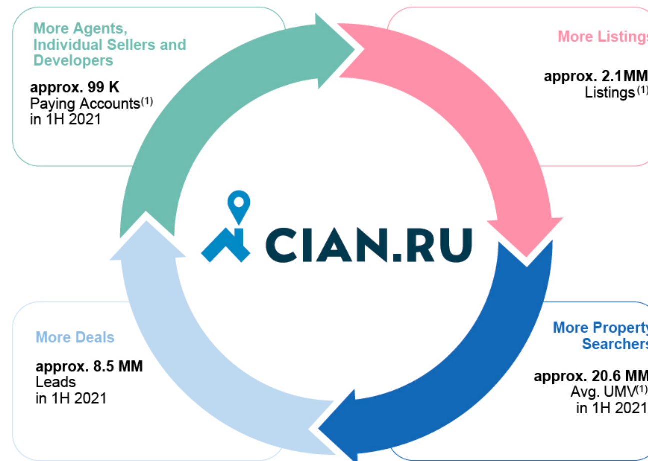
We are a leading online real estate classifieds platform in the large and growing Russian real estate market, with a strong presence across the entirety of Russia and leading positions in key metropolitan areas, approximately 2.1 million listings available via our platform and approximately 16.5 million average UMV in 2020. We are also among the top ten online real estate companies globally in terms of traffic, based on the April 2021 traffic data available at SimilarWeb (including Google Analytics estimates for Cian). Most importantly, we are the number one player in terms of share of leads to real estate agents and individual sellers in four of Russia's biggest real estate markets, being Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg (data for which includes N1 Group) and Novosibirsk (data for which includes N1 Group), where we generated 2.7x, 1.4x, 2.2x and 2.9x more leads, respectively, compared to our #2 competitor, in the three months ended March 31, 2021, according to the Frost & Sullivan Report. The number of leads is one of the most important measures for real estate agents when it comes to assessment of a platform's efficiency. We are also the number one player by the number of secondary residential and commercial real estate listings in these metropolitan regions. These four regions play a major role in the Russian economy, with a combined population of 35 million, GDP of USD 542 billion and a real estate

market size of USD 92 billion in 2020, and accounted for the majority of the online real estate classifieds market in Russia, with a combined share of 65% in primary residential, 41% in secondary residential and 75% in commercial real estate market verticals in 2020, according to the Frost & Sullivan Report.

Powerful network effect reinforcing our market-leading position

We believe that our online real estate platform creates a powerful network effect that benefits both our customers and users. The quantity and quality of our listings database attract an increasing number of buyers and renters, which leads to more transactions completed based on our listings, which, in turn, attracts more real estate agents, developers and landlords posting more listings and generating more leads.

The following diagram provides a simplified overview of the network effects embedded in our business model and growth strategy:



(1) Includes N1 Group.

This virtuous cycle helps us maintain and improve our competitive market position and grow our business, as demonstrated by the following:

- the number of average UMV grew to approximately 20.6 million (including the N1 Group) in the first half of 2021 from approximately 9.6 million (excluding the N1 Group) in the first half of 2018;
- the number of paying accounts grew to approximately 99.2 thousand in the first half of 2021, representing an increase of approximately 35% since the first half of 2018; and
- the number of leads to agents and individual sellers grew to approximately 8.5 million in the first half of 2021, representing an increase of approximately 48% since the first half of 2018.

Strong brand power fueling further growth and protecting our competitive position

In 2001, we established Cian as one of the first online real estate platforms in Russia, and since then we have grown it into one of the most recognized classifieds brands in the country. According to the Frost & Sullivan Report, we had the highest top-of-mind brand awareness in the two biggest real estate markets in Russia, 56% in Moscow and 49% in St. Petersburg on average during the year ended December 31, 2020, which is 1.6 and 1.2 times higher compared to our nearest competitor, respectively, with brand awareness for other competitors in these markets in single digits. We believe that we also enjoy a strong top-of-mind brand awareness across all Russian regions. According to the Frost & Sullivan report, we had top-of-mind brand awareness of approximately 63% on average for 2020, which put us in the second place on this metric, with top-of-mind brand awareness 3.3 times higher compared to the competitor occupying third

place. This brand recognition and the attraction that our brand has with Russian internet users is driving high organic growth of our platform, with 86% and 83% of our traffic coming from free channels in Moscow and Russia as a whole, respectively, in 2020, based on Google Analytics data.

We believe that the strength of our brand that was achieved on the back of our foundational business, online real estate classifieds in the secondary residential real estate vertical, is helping us grow and improve monetization in newer parts of our business, such as the primary residential real estate vertical and adjacent services. We also believe that our brand positions us well to protect our strong competitive position in our core regions and our core products and services offerings.

We intend to further increase the strength of our brand and user loyalty by continuing to focus on the quality of customer and user experiences on our platform.

The most comprehensive services offering in the Russian market delivered through our cutting-edge technology platform with a mobile-first approach

We are a technology-driven company with a culture of relentless innovation aimed at continuously disrupting the real estate market and improving the experience of our customers and users on our platform. In addition to over two million property listings available on our platform, we believe that we have developed the broadest services offering among Russian online real estate classifieds players in order to create a holistic, convenient, stress-free experience of buying, selling and renting real estate for our users and customers.

This unique and comprehensive services offering includes, among others:

Value-added services, such as:

- Listing value-added services that help our customers boost listings, including our listings auction feature, which is unique on the Russian market;
- Best-in-class toolkit for property searchers, comprising such features as enhanced property listings (with detailed information on the property and the neighborhood and over 80% visual coverage for the property through machine-learning-generated floor plans); flat selector option to select a particular flat in a particular property on the map; 3D virtual tours for primary real estate; and option for detailed parameter specification to find the optimal property. Furthermore, in the second half of 2021, we plan to offer our users an option to search property by photo and “swipe left” selector, which will allow our users to create pipeline deck for follow-ups on their select properties;
- Pro.Tools for real estate agents that help them complete deals quickly and efficiently by offering them a diverse toolkit of advanced services, such as an automated call tracking system, duplicates and competition notifications, push notification for competition price decreases, detailed lead information (including past search queries and price ranges), property collections sharable with their clients and call notes. All these functions are conveniently accessible through our recently launched CIAN.pro feature that provides access to all client relationship management (“CRM”) tools available on our platform;
- Media tools for developers allowing them to advertise their properties and deliver tailored marketing campaigns via our platform; and

Adjacent Services, such as:

- Mortgage Marketplace platform for mortgage price comparison, mortgage pre-approval and origination, with cooperation from leading Russian banks;
- Valuation and Analytics services to provide our customers access to market information through our broad database of real estate content, which encompass such services as:
  - Agent Finder service to match real estate agents with prospective buyers and renters; and
  - Property Valuation tool for our customers and users providing an easy-to-use real estate valuation, utilizing our proprietary algorithms and our property data, recent comparable sales and property listings;

- C2C (Customer-to-Customer) Rental service to facilitate seamless rental transactions, including searches of properties or tenants, tenant background checks, digital signing of agreements, online payments and insurance; and
- End-to-End Offerings, which comprise:
  - Home Swap service, which we plan to launch in the second half of 2021 to provide an alternative way to finance a real estate purchase by facilitating simultaneous sales and purchases of properties; and
  - Online Transaction Services, which we plan to launch in the second half of 2021 to enable execution of real estate transactions fully online, including document checking, verification, signing and storage, notary services, registration and tax refunds.

We believe that the increasing penetration of these services will help us increase monetization, widen the competitive gap and boost our growth.

In June 2020, we introduced the subscription model, which, we believe, improves efficiency for our customers and bolsters our stickiness and monetization. A subscription allows a customer to post a certain number of listings and provides access to certain value-added services as part of the monthly subscription offering. In the first half of 2021, the average share of listings under the subscription model amounted to approximately 41% as compared to approximately 26% in the second half of 2020.

Being at the forefront of consumer trends and technological changes, we had recognized the shift in user behavior towards mobile consumption and developed our high-quality mobile application in 2015. Our Cian mobile application has been downloaded more than 21.2 million times as of December 31, 2020 and was the #1 Google Play mobile application in the “Home” category in Russia as of May 2021. More than 63.8% of our leads to real estate agents or individual sellers came through our mobile application and our mobile website in 2020, compared to 25.8% in 2018. The share of mobile in our average UMV increased to approximately 74.2% in the first half of 2021 from approximately 72.8% in the second half of 2020 and approximately 67.9% in the first half of 2020. Similarly, our share of mobile in leads to agents and individual sellers increased to approximately 69.2% in the first half of 2021 from approximately 64.3% in the second half of 2020 and approximately 63.3% in the first half of 2020.

We aim to utilize the most relevant cutting-edge technologies to continuously improve user experience on our platform. AI-powered search and call tracking, virtual 3D property tours, a map-based flat selector, detailed search parameter specification and other advanced technology features play a prominent part in our offering.

Robust financial profile demonstrating strong growth and clear path to profitability

Our financial profile combines proven ability to grow rapidly (21% revenue CAGR over the two-year period ending December 31, 2020, which was above other publicly listed international peers such as Scout24, Rightmove and REA), high profit margin potential (as demonstrated by the 58.9% Adjusted EBITDA Margin that we were able to achieve in the year ended December 31, 2020 in our Core Business segment in Moscow and the Moscow region) and an inherently asset-light business model with low capital expenditure and negative working capital. Our net margin was a negative 15.8% in 2020, as compared to negative 22.3% in 2019. We believe that this profile positions us well to capitalize on the substantial runway for future growth and profitability by investing further into lower-penetrated regions and new services, while also increasing monetization of our existing offerings.

Overall, we believe that the Russian real estate classifieds market remains significantly underpenetrated compared to other developed markets. According to the Frost & Sullivan Report, the penetration of the online real estate classifieds services in Russia was only 3.3% in 2020, which is approximately 5x, 4x and 3x times lower than that of the United States, the United Kingdom and Germany, respectively. In addition, real estate developers in Russia are projected to increase their spend on online real estate classifieds by approximately 3.5 times by 2025, according to the Frost & Sullivan Report. We believe that the monetization of our services is still in its early stages, and we have a strong potential for sustainable expansion in a large and growing market.

We also believe that our new services, such as Mortgage Marketplace and Online Transaction Services (once launched), can become meaningful additional drivers of our future growth. The number of successful mortgage applications processed through our Mortgage Marketplace grew to 5,939 applications in 2020 from 1,134 applications in 2019. Mortgage Marketplace alone was used in over 1.7 million transactions in 2020, which amounts to a 26% increase compared to 2019 when it was first rolled out.

Over the past three years, we have generally been able to increase our monetization as measured by our average revenue per paying account and our average daily revenue per listing, as set out in the table below:

	Year ended December 31		
	2020	2019	2018
		(in RUB)	
Moscow and Moscow Region			
Average revenue per paying account	897	877	760
Average daily revenue per listing	13.6	13.6	8.8
Other Russian regions			
Average revenue per paying account	292	307	292
Average daily revenue per listing	0.8	1.1	0.6

We see further growth potential from increased monetization, as we are reintroducing listing fees that were temporarily suspended during the COVID-19 pandemic in 2020. We are also benefitting from the increased share of subscription-based listings, which, we believe, helps with customer retention, improves listings base stability and quality and supports our revenue growth.

Despite investing heavily in the development of new services, we achieved positive Adjusted EBITDA of RUB 181 million during the year ended December 31, 2020 (or 4.5% of revenue), turning from negative Adjusted EBITDA of RUB 376 million during the year ended December 31, 2019 (or negative 10.4% of revenue), while Core Business Adjusted EBITDA Margin was already at 14% in the year ended December 31, 2020, compared to negative 5% in the year ended December 31, 2019. Our net margin was a negative 15.8% and a negative 22.3% in 2020 and 2019, respectively.

Entrepreneurial management team with track record of innovation and backed by blue-chip shareholders

Our entrepreneurial management team has a proven track record of execution and innovation as evidenced by our competitive position, industry-leading growth and clear path to profitability. Since 2018, our management has achieved a 21% revenue CAGR, driven by a number of factors, including improvement in monetization as measured by our average revenue per paying account. They also achieved a 110% total revenue growth in the primary residential real estate vertical, which we launched in 2015 and develop via a novel market-disrupting lead generation model. Our management also achieved a significant growth in adjacent services, such as Mortgage Marketplace since its launch in 2019.

We believe that our management team has a proven ability to identify and capitalize on key market opportunities, as demonstrated by our success in capturing the mobile trend, entering and successfully competing in new regions and introducing new services unique to the Russian online real estate classifieds market.

We also believe that the combination of our entrepreneurial management team and reputable international shareholders, such as Elbrus Capital and the Goldman Sachs Group, who bring the best international practices and insights into our strategic development and corporate governance, provides us with a distinct competitive advantage as we continue to execute our ambitious growth strategy.

Our Strategy

We plan to continue developing the end-to-end real estate offerings for our customers and users, further enhance monetization in our core regions as well as expand our presence and boost monetization in other Russian regions. We also aim to continue growing faster than the Russian online real estate classifieds

market, thereby increasing our market share and reaching profitability across other regions. Our growth strategy is based on the following key pillars:

Enhancement of monetization in the secondary residential and commercial real estate verticals

We see significant structural upside in monetization of the secondary residential and commercial real estate verticals, as supported both by the overall penetration of classifieds spend in real estate agents' commissions, with Russian penetration at 3.3% in 2020 as compared to other markets with developed online real estate services such as Australia at 9.9%, Germany at 10.4%, U.K. at 12.9% and United States at 16.0%, and by Cian's current monetization of just USD 8.6 in average monthly revenue per paying account in 2020, which is below best-in-class international publicly traded peers, according to the Frost & Sullivan Report.

We are confident in our ability to increase our monetization levels in these verticals thanks to our powerful networked platform model and our strong brand.

Online penetration growth in primary residential real estate vertical as developers shift marketing online

We believe that Russian real estate developers will continue shifting their advertising budgets from offline to online. According to the Frost & Sullivan Report, developers' spend in Russia is expected to grow from approximately RUB 2.9 billion in 2020 to approximately RUB 10.4 billion by 2025, as the share of online classifieds in their total advertising budgets is expected to increase from approximately 5% in 2020 to approximately 11% in 2025. We believe that we are well-positioned to capitalize on this trend because of our high brand awareness, our experience, the broad size of our user base and our value-added services, which contribute to the strength of our primary business. We have a demonstrable track record of growing monetization in this vertical as our number of leads to developers increased from approximately 151.2 thousand in 2018 to approximately 244.8 thousand in 2020, while our average revenue per lead to developers increased from RUB 3,123 to RUB 4,046 over the same period.

Continued expansion into Russian regions via organic growth and select M&A opportunities

We see strong demand for our services outside our core regions, where competing offerings are often lacking in the type of convenience and efficiency provided by our platform and our adjacent services. We have been executing, and plan to continue to execute, our regional expansion strategy with profitability in mind, focusing on regional centers with certain population level thresholds, where our resources can be spent most efficiently.

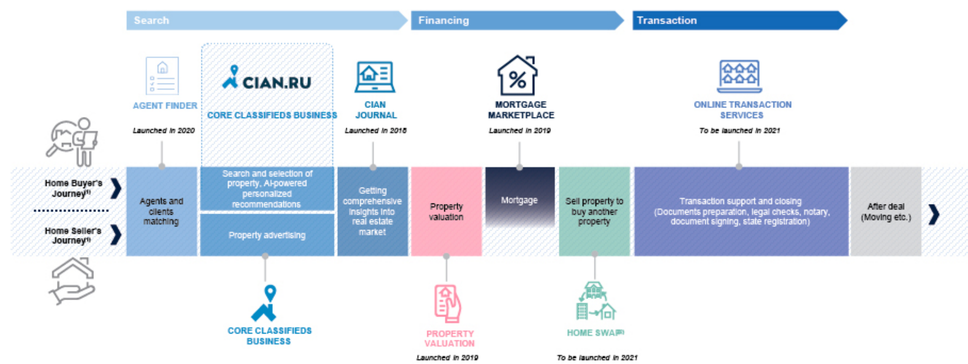
We started active monetization of our customer base in the Russian regions, other than Moscow and the Moscow region and St. Petersburg and the Leningrad region, several years ago. However, from April 2020, we temporarily suspended monetization of our listing services across all cities and regions to support our customer and user base during the COVID-19 pandemic. The monetization of our listing services in Moscow, the Moscow region, St. Petersburg and the Leningrad region was reinstated in July 2020. Our listings monetization in most other regions remains suspended and we monetize our customer base only through value-added services in such regions, which implies significant growth potential once we re-introduce listing fees in addition to growing penetration of value-added services.

We also plan to pursue select M&A opportunities to enhance our geographic footprint. In February 2021, we completed the acquisition of the N1 Group, the leading real estate platform in key cities in the Urals and Siberia, such as Ekaterinburg, Novosibirsk and Omsk. For further details, see "—*N1 Acquisition*." As a result of the N1 Acquisition, we became the largest platform in the third and fourth largest cities in Russia.

Development of end-to-end real estate platform

Our vision for Cian goes beyond the classic classifieds concept. Our ultimate goal is to address multiple user and customer pain points that arise during each stage of their real estate journey, from searching for the right property or the right buyer or renter, to financing the purchase or ensuring deal certainty, to going through highly inefficient workflows during the actual transaction. We are developing our end-to-end

online real estate classifieds platform to address these issues and to give all real estate market participants a “one-stop shop” experience for finding, financing and transacting on real estate properties.



(1) Cian is expected to act as intermediary without capital investments and without taking risk on the balance sheet. Expected to be launched in 2021

(2) Expected to be launched in 2021

We plan to continue to actively develop and improve our new and existing services. We believe that the increasing adoption of these services by our customers, users and partners will reinforce our powerful network effect, positioning us for accelerated growth and supporting our ability to achieve profitability margins enjoyed by our best-in-class international peers.

Our History

We were founded in 2001 in Moscow as an online real estate classifieds platform. At that time, the online real estate classifieds market in Russia was in the early stages of development and Russian real estate agents and real estate developers invested a significant amount of money into traditional offline advertising in various forms.

In this environment, our founders saw a significant potential in industry digitalization and in the creation of an online classifieds platform that would consolidate real estate listings in one place to facilitate efficient real estate transactions. Since our launch in 2001, we have grown our presence in Moscow and the Moscow region, as well as in other key metropolitan areas, organically and through acquisitions, and we continue a nationwide expansion, investing in our brand and our platform.

The summary timeline below sets out some of our key development milestones to date:

- 2001: Launch of our online real estate classifieds platform (Cian.ru) in Moscow and start of our platform build-up.
- 2014: Merger with realty.dmir.ru. Acquisition of EMLS, a classifieds platform, focusing on St. Petersburg and the Leningrad region.
- 2015: Launch of the primary residential real estate vertical offerings on our website.
- 2016: Expansion of our coverage to select regions, including Nizhniy Novgorod, Samara, Krasnodar, Ufa and Kazan.
- 2018: Launch of our first federal marketing campaign.
- 2019: Launch of our Mortgage Marketplace (Cian Mortgage) and further expansion of our suite of services.
- 2020: Introduction of our subscription model.

- 2021: Acquisition of the N1 Group, a real estate-focused classifieds business that operates in key cities in the Urals and Siberia, such as Ekaterinburg, Novosibirsk and Omsk.

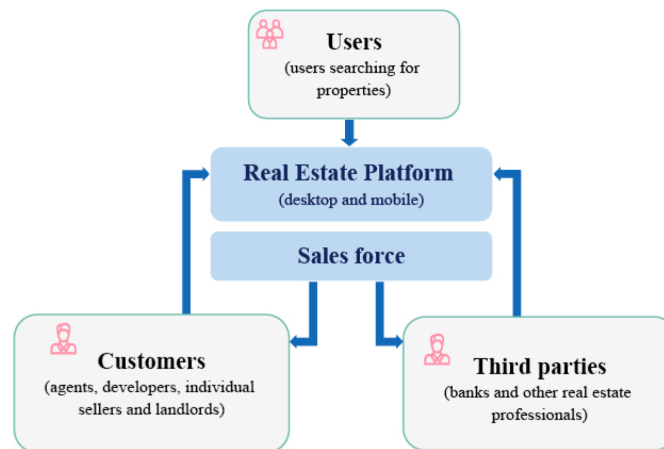
Our Business Model

We own and operate a leading digital real estate classifieds platform for both sale and rent of residential and commercial, primary and secondary, urban and suburban real estate in Russia. We operate through our websites, “Cian.ru”, “N1.ru”, “EMLS.ru” and “MLSN.ru” as well as through our Cian and N1 mobile applications.

Through our platform, we service the following key audiences:

- platform visitors (referred to as “users”), who use our platform, typically free of charge, to search for properties and a variety of information and services to help them navigate through buying or renting transactions;
- customers, who list properties and look for buyers or tenants, and comprise: (i) professional customers, such as real estate agents (both agents working for real estate agencies and independent agents), real estate developers as well as (ii) private customers, such as individual sellers and landlords who choose to list their property directly without any intermediary (all referred to as “customers”); and
- other third parties, such as banks and other real estate professionals and service providers for real estate transactions who are interested in reaching our users in order to promote their brands or offer other products or services.

The following diagram provides a simplified overview of our platform and audience:



Our platform provides a comprehensive inventory of up-to-date real estate listings to users and connects them, typically free of charge, with our professional and private customers. We believe that by providing superior content, a wide suite of services and a compelling user experience, we drive traffic to our platform, engaging a large audience of property seekers. The breadth and engagement of our user base reinforces the value offered to our customers through higher number of expressions of interest and inquiries (“leads”) generated from users via our platform. A higher number of customers’ property listings on our platform, in turn, draws a greater number of users. We believe this virtuous cycle, whereby more content attracts more traffic and vice versa, generates powerful self-reinforcing network effects, which drives growing market share, scale, profitability and other strong benefits to our platform.

In addition to our core base of users and customers, we also service various third parties operating in the real estate market, such as banks and other real estate professionals and service providers for real estate transactions who can use our platforms to promote their products or services.

Overall, we believe that we are building a large and active community of users and customers, who are attracted by the comprehensive content available on our platform, which forms the foundation of our best-in-class offering. We focus on the quality and quantity of listings on our platform, as well as the breadth of services and features offered to our users, customers and other third parties. We believe that this focus enables us to offer the greatest level of inventory and choice to users and is the key driver of user traffic and customer leads. We believe that our established powerful network underpins our market leadership.

We monetize our platform by offering: (i) listings and value-added services for our customers; (ii) lead generation solutions for real estate developers; (iii) advertising tools for various parties, primarily real estate developers and banks; and (iv) new business lines and new service offerings through our Adjacent Services segment for various parties, such as banks in the context of our Mortgage Marketplace services.

Based on the above approach to the monetization of our platform, we recognize the following reporting segments:

- "Core Business", which comprises our core classifieds platform, including our listing and value-added services for secondary residential and commercial real estate customers, our lead generation solutions and value-added services for primary residential real estate customers, such as developers, as well as our advertising tools; and
- "Adjacent Services", which comprises our new business lines and new service offerings, such as Mortgage Marketplace, Agent Finder, Property Valuation, Online Transaction Services, Home Swap and others.

Due to the integrated structure of our business, we recognize these segments for reporting purposes, and our reporting segments may aggregate several operating segments. For further details on our segmentation, see Note 5 to our consolidated financial statements for the years ended December 31, 2020 and December 31, 2019, included elsewhere in this prospectus.

Our Key Audiences

Customers

Our customers include (i) professional listing customers, such as real estate agents (both agents working for real estate agencies and independent agents) and real estate developers as well as (ii) private listing customers, such as individual property owners (sellers and renters) who choose to list their property directly without any intermediary.

We generally differentiate our diverse base of secondary residential and commercial real estate customers (real estate agencies, agents and individual sellers) in three categories:

- Large agencies, which we define as agencies with, on a 30-day rolling-average basis, more than 300 listings on our platform. In 2020, large agencies accounted for approximately 32% of listings on our platform and generated 15% of listing revenue. Our relationship with such agencies is managed by our key account managers, who use various business-to-business marketing techniques (such as webinars, training sessions and conferences) to maintain and strengthen the relationships.
- Mid-size agencies, which we define as agencies with, on a 30-day rolling-average basis, between 30 and 300 listings on our platform. In 2020, mid-size agencies accounted for approximately 31% of listings on our platform and generated 34% of listing revenue. The relationship with this group is typically managed by our sales managers, who use business-to-business marketing techniques similar to those used for large agencies.
- Small agencies, which we define as agencies with, on a 30-day rolling-average basis, fewer than 30 listings on our platform. In 2020, small agencies accounted for approximately 14% of listings on our platform and generated 32% of listing revenue. Such agencies typically access our platform on a self-service basis, using our small and medium-sized business (SMB) tools.

In 2020, private listing customers accounted for approximately 22% of listings on our platform and generated 19% of listing revenue.

The key metric we use to measure the size of our customer base is the number of paying accounts. For further details on this and other data, see "*Selected Consolidated Historical Financial and Other Data —Other Data*." In 2020, we had an average of approximately 88.6 thousand paying accounts as compared to approximately 96.7 thousand in 2019.

Users

Our users comprise individuals who utilize our platform, typically free of charge, to search for properties to buy or rent and a variety of information and services to help them navigate through various real estate transactions. The key metric we use to measure our user base is average UMV. In the first half of 2021, our average UMV amounted to approximately 20.6 million (including N1), as compared to approximately 16.5 million in 2020 and 13.4 million in 2019.

Furthermore, we also provide services to other third parties, such as banks and other service providers for real estate transactions, who are interested in reaching our users in order to promote their brand or acquire customers and get leads through our platform.

Our Real Estate Platform

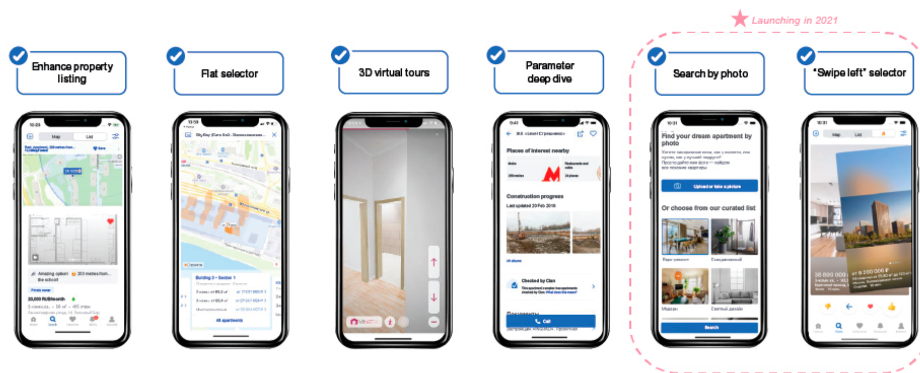
Our real estate platform connects millions of users to tens of thousands of customers through our extensive database of property listings. Our vision for our platform goes beyond the classic classifieds concept and our ultimate goal is to provide a comprehensive end-to-end experience for our customers and users that helps them address multiple pain points on their journey to a successful real estate transaction. To achieve this goal, we develop and improve a suite of products and services to address users' and customers' needs and provide all real estate market participants with a "one-stop shop" experience for finding, financing and transacting on real estate properties.

Core Classifieds Business

Products and Services We Offer to Users

Our main products comprise listings for sale and rent of residential and commercial real estate, which users can browse through on our platform. Our users can browse listings and use other products and services on our websites and mobile applications free of charge. We believe that our products and services help our users to research the secondary and primary residential, as well as the commercial real estate, verticals; explore alternatives; and make better-informed decisions. A typical listing includes the asking price; a detailed description of the property, including certain specifications (size, number of rooms, floor, etc.); its location and neighborhood; images and plans; as well as 3D property virtual tours.

The below graphic highlights key features of our offering for property searchers:



Users can conduct searches through a search engine results page or on a map and can narrow their searches to specific cities and districts, areas near particular subway stations within a city or areas within

boundaries that users can draw on our digital maps. To make the search procedure as efficient as possible, we provide custom search filters, including price range, number of rooms and size, as well as some other more narrowed criteria, such as parking space availability, ceiling height, view, renovations and specific keywords to identify attributes that meet our users' requirements. After selecting search parameters, users are directed to a page listing available properties, which they can toggle to a map view. Our property search is backed-up by AI-powered proprietary technologies and machine learning algorithms, which we believe provide our users with more convenient and efficient search tools. For additional convenience, users can utilize a variety of complimentary features, such as an opportunity to rank listing results according to different criteria, save listings to favorites, chat with the customer, share listings with their contacts, set up automated monitoring and updates for listings that fit individually tailored criteria, and others.

In the first half of 2021, we had approximately 2.1 million listings available through our platform (excluding N1) and an average UMV of approximately 20.6 million (including N1). In 2020, we had approximately 2.1 million listings available through our platform and an average UMV of approximately 16.5 million. We monitor all listing information uploaded to our websites and mobile applications through a multi-step process: all listings go through automatic verifications, with some listings also going through manual verification by our monitoring team. The verifications are set up to identify common anomalies in posted information to limit unreliable, irrelevant or incorrect information. If we discover any false information in a listing, we contact the listing party or, in some cases, we immediately delete the listing. We can also impose sanctions on an account of the listing party or a particular listing by downplaying it in the search engine results.

Our platform is accessible anytime and anywhere through: (i) our websites "Cian.ru", "N1.ru" (for properties located in Novosibirsk, Ekaterinburg and certain other regions), "EMLS.ru" (for properties located in St. Petersburg and the Leningrad region) and "MLSN.ru" (for properties located in Omsk and certain other regions) and (ii) our Cian and N1 mobile applications. Our mobile applications are currently available via iOS and Android to meet the needs of users who increasingly conduct their real estate searches on mobile devices.

In addition to property listings, our users benefit from unique and diverse adjacent services that can help them search for a particular property, research the real estate market in general, connect with real estate agents and make informed decisions throughout the transaction process (see "*End-to-end real estate platform*"). In addition, our users can get free access to a variety of real estate information, including access to analytical reports with insights into comparable historical price trends for a selected property as well as other listed properties in the same building, Cian news magazine, blogs and a Q&A forum.

We strive to offer our users the best mobile experience and provide services that can be accessed through smartphone devices at any time and from any place. We employ a mobile-first approach, in which we prioritize our users' reliance on our mobile applications and mobile websites. We believe that our mobile-first approach and strong technological platform optimized for mobile devices have helped us to increase our mobile traffic, engage a large audience of users, and support the increase in user traffic as well as customer leads. In 2020, our share of mobile traffic was approximately 68.1% as compared to approximately 67.5% in 2019. Our share of mobile in leads to agents and individual sellers increased to approximately 63.8% in 2020 from approximately 57.9% in 2019, according to our estimates based on Google analytics data. In the first half of 2021, and years 2020 and 2019, the cumulative downloads for our Cian mobile application were approximately 26.1 million, approximately 21.2 million and approximately 13.3 million, respectively.

The table below sets out the development of the share of mobile in our average UMV and leads to agents and individual sellers over the respective periods:

	2021	2020		2019	
	First half	Second half	First half	Second half	First half
Average UMV (in millions)	20.6	17.8	15.2	14.1	12.7
Thereof: Share in mobile (in %)	74.2%	72.8%	67.9%	70.2%	66.6%
Leads to agents and individual sellers (in millions)	8.5	9.6	6.5	7.3	6.6
Thereof: Share in mobile (in %)	69.2%	64.3%	63.3%	61.3%	54.5%

Products and Services We Offer to Customers

Listings

We connect millions of Russian real estate buyers and renters to millions of high-quality real estate listings placed by tens of thousands of real estate agents, private sellers and landlords. We offer our professional and private customers a range of listing options in order to maximize their exposure to relevant buyers and renters.

Our platform allows our customers to publish listings with detailed content, including descriptions, multiple photographs, virtual 3D property tours, maps and other information. All listing offerings include the display of listings across our full platform, including both our websites and mobile applications. We provide our customers with built-in solutions to assist them in completing and submitting their listing information in a standardized format. We update the listing data on our platform on a daily basis through our proprietary technologies and software. We monitor all listing information uploaded to our platform and conduct periodic checks and verifications of listing information posted on our platform. We built a multi-level listing verification process, which includes both automatic checks and manual moderation. We developed a special scrolling system that checks listings using all available information, such as the description of the property, specified filters, photos, digital fingerprints, call-tracking data, as well as reliable information obtained from various public sources. If, following such automatic verification, our scrolling system detects any verification issues, the listing undergoes the manual verification conducted by our moderators.

Our professional listing customers, such as real estate agents, can typically purchase various quantities of listings through a pay-per-listing model or through a subscription model. They can set up individual accounts as well as master or subordinated accounts, described below. For further details, see "—*Subscription Model*."

Our private listing customers can set up an individual account and post their listings free of charge or for a fee, depending on the region. In some regions, our professional listing customers can also currently post their listings free of charge.

In addition, we offer our customers multiple options to enhance the exposure and effectiveness of their listings through listing value-added services described below.

Value-Added Services

Our customers can purchase a broad range of our value-added services to help them boost, promote and improve the visibility of their listings in search results (the "listing value-added services"). Our key listing value-added services include options such as:

- auctions, which, we believe, are a unique feature on our platform that provides customers with an opportunity to place an auction bid to raise the ranking of their listings in search results. The auction feature also provides for an "Autobroker" assistant, through which customers are able to choose optimal rates in the auction, change rates promptly and quickly respond to developments in competitors' behavior;
- featuring listings on the home page of the site;
- boosting listings to the top of search results, by buying special boosting packages that allow customer to display listings higher in search results. The listings placed under boosting packages may be further heightened by using the auction tool.

In addition to the listing value-added services, we also offer our customers a broad range of our so-called Pro.Tools for real estate agents that help them operate quicker and more efficiently. In particular, our customers may benefit from a call-tracking system, customer checks and appointment and calendar scheduling.

Our customers can individually select these Pro.Tools to fit their specific needs and can use our recently launched CIAN.pro services that provide access to all Pro.Tools available on our platform. We believe that

Cian.pro provides our customers with a great opportunity to efficiently track, manage and communicate with users and measure and quantify the value generated by the leads from our platform.

Additionally, we also offer enterprise services that help real estate agencies to manage marketing costs, track performance using productivity metrics, achieve software integration and manage employees (for example by posting vacancies or bringing multiple employee accounts under a single master account).

We also offer some additional services to our customers free of charge, such as free access to a variety of real estate information through our Cian news magazine, blogs and a Q&A forum, as well as access to analytical reports with insights into comparable historical price trends for a selected property as well as other listed properties in the same building.

In general, we believe that increasing penetration of our value-added services will contribute to our monetization improvement, widen the competitive gap and boost our growth. We also believe that the level of penetration of our value-added services depends on a number of factors, including:

- the overall condition of the real estate market, as customers tend to invest more in listing promotions during periods of reduced real estate demand;
- our market share, as customers are incentivized to promote listings on the platform with a higher user base; and
- competition among customers themselves.

We also aim to drive the penetration of our value-added services through our subscription model, featuring different sets of value-added options as part of premium subscriptions, hence increasing its value for our customers.

We continue to extend our suite of offerings, develop new products and services, and further improve our existing products and services to meet different customers' needs.

For the year ended December 31, 2020, our listing revenue comprised 52% of revenue from value-added services and 48% of revenue from listings and others.

Subscription Model

Historically, our pricing model has primarily focused on selling listings to real estate professionals on a pay-per-listing, or listing package, basis. Under the pay-per-listing model, our customers pay per day that their listing is posted and they may take it down anytime, for example, during weekends or holiday periods.

To stimulate our revenue growth and maintain a robust listing base, as well as offer additional convenience and efficiency to our customers, in June 2020, we introduced a new subscription-based model for customers. Through our monthly subscription model, our customers can purchase a fixed number of listings and use some of our value-added services. As part of our subscription model, we currently offer four different subscription levels (platinum, gold, silver and bronze), varying by the number of listings and value-added services included in the bundles. We believe that our customers benefit from the personalized approach, whereby they can choose the most suitable terms for their subscription, including the amount of the value-added services. In both pay-per-listing and subscription models, the applicable fee is payable in advance of posting the listing.

While we plan to continue to offer our pay-per-listing model to allow our customers greater flexibility and convenience, we incentivize our customers to migrate to the subscription model by offering them special discounts and promotions. For example, our customers can receive a subscription fee discount that may be scaled up further if the number of listings placed by the relevant customer increases compared to the previous subscription period. In addition, for purchasing certain ads under the subscription model, our customers get cash-back in the form of additional points, which can be used for auction promotions. We actively promote our subscriptions offering, particularly for our large customers, and subscription model penetration rates have typically been higher among such customers.

We introduced the subscription model in June 2020. In the first half of 2021, the share of listings placed under the subscription model amounted to approximately 41% as compared to approximately 26% in the second half of 2020.

Leads for Real Estate Developers

Real estate developers are the key customer group of our primary residential real estate vertical. As part of our proposition to this group, we offer a pay-per-lead pricing model whereby we charge fees based on the number of leads developers receive in the form of qualifying calls (validated user connections) from placing listings on our platform. We believe that access to potential buyers is critical for real estate developers, as they look for efficient ways to market their projects and reduce their investment risk.

In contrast to real estate agents and individual property sellers, real estate developers have certain specific needs and requirements when they advertise properties in their projects, as newly-built properties in a specific development project usually share a number of features and developers tend to offer several similar properties simultaneously. Correspondingly, in evaluating primary residential real estate properties, users tend to pay more attention to the features of a particular residential complex as a whole, such as its location, information about nearby schools, hospitals, neighborhood amenities and available commuting options, rather than characteristics of the specific real estate property. Therefore, listings placed by developers on our platform often differ from the secondary residential and commercial real estate listings and can include, for example, specialized pages providing detailed information about residential complexes with specifications of properties offered in such complexes rather than listings of particular properties. Taking into account the needs of our customers, we strive to offer special tools tailored for the requirements of real estate developers to help them generate more leads from our platform and expand our business with them.

We believe that developers are attracted to our platform primarily due to: (i) access to a larger base of users searching specifically for real estate than other alternatives, (ii) our monetization model, based on lead-generation, which is better tailored to developers' objectives and aligns their interest with ours, and (iii) the comprehensive set of value-added services we offer, including our auction tool and featured listings capabilities.

In order to track the amount of qualifying calls received by real estate developers through our platform, we employ call-tracking tools, in particular, we acquire phone numbers from telecom operators and display these numbers as contact details in the relevant listings instead of the numbers provided by the developer. All calls from users are first directed to our numbers, which are then redirected to the relevant real estate developers' numbers. As the owner of the phone number displayed on the website, we can request the relevant call statistics from the telecom operator on all incoming calls from users, and therefore track the amount of qualifying calls.

Real estate developers can also use value-added services, such as auctions or featured listings to increase the number of leads. Value-added services for real estate developers are not purchased on a per- listing basis, but rather paid for through higher price-per-lead rates.

Advertising Services

We leverage our platform by offering advertising space and services as well as certain miscellaneous special marketing projects to various parties aiming to reach our transaction-ready audience (including our users, real estate developers, banks and commercial real estate professionals).

We believe that our user base composition is highly attractive for advertisers. In 2020, our average UMV amounted to approximately 16.5 million. We provide our advertisers the opportunity to reach the specific audience segments that are the most attractive to them. In addition, we have exclusive tailored advertising terms with several major players in the market. For example, we provide certain exclusive advertising options to certain developers and housing development institutions, including tailored search filters, exclusive banners on the lease section of our website and placement of the real estate developer's buildings on the maps displayed on our platform.

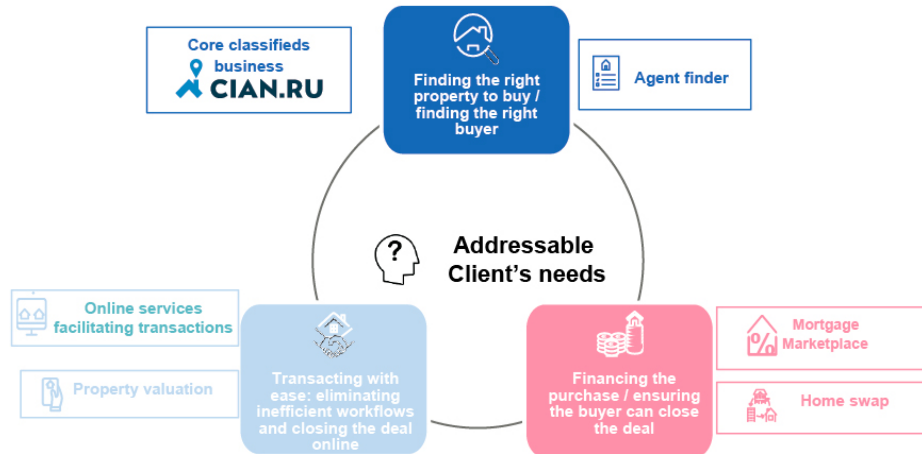
Our display advertising revenue is largely driven by the upfront monthly fees agreed in our media plans, which also include targeted number of views or clicks during the advertisement period. Our advertising pricing models include offers such as cost-per-click model; cost per 1,000 impressions model (whereby an advertiser pays for every 1,000 instances of the advertisement being rendered on users' screens), as well as certain special offers.

End-to-End Real Estate Platform

Our vision for Cian goes beyond the classic classifieds concept. Our mission and strategy is to become a single "go-to" place to address the full spectrum of our user and customer needs across the real estate journey, from searching for the right property or right buyer or renter, to financing the purchase or ensuring deal certainty and efficient workflow during the actual transaction (see "*—Our Strategy—End-to-end real estate platform*").

As part of this strategy, we are focusing on the creation of a comprehensive end-to-end real estate platform and developing and launching new business lines and adjacent services that complement our core classifieds business and expand our product and service offerings. In particular, our end-to-end real estate platform currently encompasses products and services offered under our core classifieds business and adjacent services, which are in varying stages of development, roll-out and ongoing operation.

The following diagram provides a simplified overview of our envisaged end-to-end real estate platform:



The products and services that we offer as part of our end-to-end real estate platform aim to address the following needs of our users and customers:

Finding the right property to buy or the right buyer

Users and customers are able to find the right property to buy or the right buyer through our core classifieds business and the Agent Finder, a service for matching real estate agents and users, which we launched in 2020. The Agent Finder allows users to search our agents' database or submit an application outlining the main criteria for their preferred agents. The agents purchase access to the database of applications and we connect them with the relevant clients.

Financing the purchase

We launched our Mortgage Marketplace platform in 2019. Through our cooperation with various leading Russian banks, the Mortgage Marketplace offers our users a number of unique features to cater to their specific mortgage financing needs:

- a price comparison tool for mortgages (including calculation of early prepayments) from a number of leading Russian banks with no commissions or hidden fees,
- an opportunity to apply directly for a mortgage pre-approval with multiple banks via Cian by submitting one easy-to-complete application, and
- a personalized mortgage pre-approval decision and interest rate offer from several leading Russian banks, generated within minutes of application.

We believe that our unique direct integration with banks under the Mortgage Marketplace not only allows the banks to attract buyers actively looking for a mortgage, but also assists our users in better understanding and planning their home purchase budgets and in obtaining financing in record time.

In addition to the Mortgage Marketplace, we plan to launch a new sell-to-buy transaction service (Home Swap) in the second half of 2021. This service will allow our users to buy a new property and sell their existing one in a single transaction, giving them an opportunity to purchase and move into their new property without waiting for the sale of their current property. We believe that this can generally reduce the deal closing cycle from approximately six months to one week. Importantly, in offering Home Swap, we plan to act as an intermediary, charging commission, and do not expect to be required to invest any significant capital or take any risk on our balance sheet.

Transacting with ease by eliminating inefficient workflows and closing the deal online

We strive to ensure that our users can transact efficiently and with ease and, for this purpose, are developing or aim to launch the following set of products and services:

- We provide free access to a Property Valuation tool, which is a valuation, conducted using our proprietary algorithms and our property data, recent comparable sales and property listings.
- In the second half of 2021, we also aim to launch a full suite of services for Online Transaction Services, including legal verification of the property, secure online payments, services for online certification of documents by a notary, assistance with verification of documents before the transaction, electronic document signing, storage of documents and assistance with state registration services.

In addition to the aforementioned products and services that we offer, or plan to offer, as part of the end-to-end real estate platform, we have rolled out, or are developing and planning to launch, the following products and services:

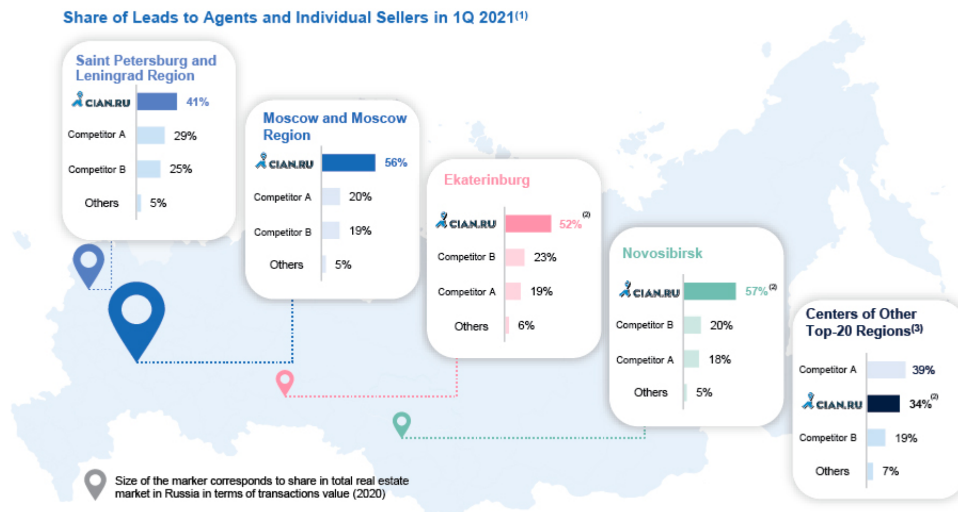
- *C2C Rental Service*. In 2019, we launched our C2C Rental service, which aims to cover all needs of landlords and tenants, including searches for relevant properties/tenants, execution of related agreements, online payments and insurance.
- We offer data analytics and market intelligence services to our customers by providing access to market information through our broad database of real estate content. In the second half of 2021, we also aim to launch our subscription-based Information and Analytics platform for commercial real estate professionals, such as real estate agents, consultants, banks and investors. As part of this offering, we plan to collect data on commercial real estate from multiple sources (including our proprietary databases, governmental registers and databases, various open sources and other information collected by our specialists), analyze, arrange and customize relevant data for specific client preferences.

Through these initiatives, we aim to establish ourselves as a first-in-class platform that offers a comprehensive suite of products and services for in-depth real estate analysis and information. We believe that the end-to-end platform offering is the future of the real estate classifieds market, and we see an excellent opportunity in disrupting the market and building the platform that provides greater value to our users and customers.

Our Geographic Coverage

Our operations have Russia-wide coverage, with a particular focus on key metropolitan areas, particularly Moscow and the Moscow region, St. Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk. We also cover other cities and regions, including Samara, Nizhniy Novgorod, Krasnodar, Ufa, Kazan, Omsk, Krasnoyarsk, Archangelsk, Chelyabinsk, Tyumen and Perm as well as other cities and regions.

The following map provides a simplified overview of our key regional presence and share of leads in the respective regions:



Source: Frost & Sullivan Report

(1) Includes leads related to urban sale and purchase in secondary real estate market

(2) Sum of Cian and N1

(3) Ranked by mortgage market size. Weighted average calculated as share of leads in each region weighted by estimated size of mortgage market in respective region. Excluding Moscow and the Moscow region, Saint Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk.

Moscow and the Moscow region have historically been our strongest market, accounting for 78% of our Core Business segment revenue. Core Business segment revenue for Moscow and Moscow region was RUB 3.0 billion, RUB 2.7 billion and RUB 2.1 billion in 2020, 2019 and 2018, respectively. Core Business Adjusted EBITDA Margin for Moscow and the Moscow region was 58.9% in 2020.

According to the Frost & Sullivan Report, we were the leader in brand awareness in Moscow and St. Petersburg with approximately 56% and approximately 49% of all respondents in the respective cities naming our brand as the “top of mind” real estate classifieds platform (figures are averages for 2020). Our next closest competitor in the respective locations followed with approximately 35% and approximately 41%. For further details, see “*—Our Brand.*”

According to the Frost & Sullivan Report, in the first three months of 2021, we were also the leader in the share of leads to real estate agents and individual sellers with 56% in Moscow and the Moscow region and 41% in St. Petersburg and the Leningrad region.

In the first half of 2021, we had approximately 2.1 million listings available through our platform (excluding N1) and an average UMV of approximately 20.6 million (including N1). In 2020, we had approximately 2.1 million listings available through our platform, comprising approximately 367,000 listings in Moscow and the Moscow region, approximately 133,000 listings in St. Petersburg and the Leningrad region as well as 1.6 million listings in other regions.

N1 Acquisition

On December 22, 2020, we entered into an agreement for the sale and purchase of the entire share capital of N1. See “*—Material Contracts—N1 SPA*.” The N1 Group is a real estate-focused classifieds business that operates in Russian regional cities such as Novosibirsk, Ekaterinburg and Omsk through a website and as a mobile application. The N1 Acquisition was completed on February 5, 2021.

We are currently in the process of integrating N1 into our operations, including our IT, product, sales and marketing, human resources and other core operations. We aim to allow users to post listings

simultaneously on both the Cian and N1 websites and mobile applications by applying for the listing on any website or mobile application of our platform. We are planning to maintain the N1 website and mobile application in the mid-term for the convenience of N1's users. For the risks related to N1 Acquisition, see "*Risk Factors—Risks Related to the N1 Acquisition.*"

Marketing and Sales

Our marketing and sales efforts are primarily focused on attracting new and working with our existing, users. Our sales efforts, on the other hand, are also aimed at attracting new, and working with our existing, customers. We believe that both our marketing and sales efforts help us in strengthening our reputation as a leading online real estate classifieds platform in Russia.

We also strive to monitor our competitors' marketing activity, including by market vertical, to effectively adjust our marketing and sales mix. We collect and analyze vast amounts of data to assess our performance and ensure efficient spending, and our marketing strategy is constantly evolving to address the developing needs of our users.

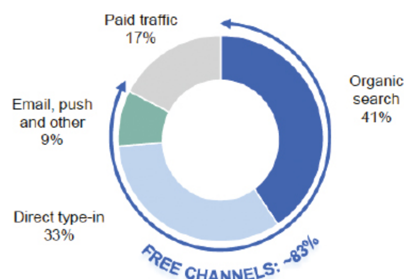
Marketing

Our marketing efforts are focused on promoting our brand names, which drive our traffic, and on strengthening our reputation as a leading real estate classifieds platform in Russia. We deploy a diverse mix of marketing and communications channels to reach our users and customers. We believe that we are not dependent on any single marketing channel. In the years ended December 31, 2020 and 2019, our online marketing expenses amounted to RUB 1,498 million and RUB 1,134 million, respectively, or 88.3% and 52.5% of our total marketing expenses for the respective periods.

We generally use two types of marketing channels: (i) brand awareness channels, such as television and blogs, and (ii) performance channels, such as contextual advertising and social networks. Our users typically use our platform free of charge. According to our estimates, based on Google analytics data, in 2020, approximately 83% of our website traffic came from free channels, such as organic search, direct type-in (where a user types our name into a search engine), email distributions to our registered users, through referrals (where a current user refers a new user to our website), email, push and others. The portion of our platform traffic from paid channels, such as advertising, including cost-per-click and meta search, has generally decreased in recent periods, accounting for approximately 16%, 17% and 22% of all traffic in the first half of 2021 and the years ended December 31, 2020 and 2019, respectively.

Our paid marketing campaigns consist of online and television ads as well as other promotions, including through social media channels. We conduct nationwide, as well as regional, marketing campaigns, advertising our platform as a whole, as well as campaigns for different projects, for example, targeted ads for our Mortgage Marketplace. We believe that our paid advertising campaigns promote awareness and help to generate more platform traffic.

The chart below represents our approximate traffic breakdown by marketing channels in 2020:



Our Brand

We believe that our brand recognition is one of the key factors in our ability to attract new users as well as increase the total number of listings and leads on our platform. According to the Frost & Sullivan

Report, we were the leader in brand awareness in Moscow and St. Petersburg, with approximately 56% and approximately 49% of all respondents in the respective cities naming our brand as the “top of mind” real estate classifieds platform. Our next closest competitor in the respective locations followed with approximately 35% and approximately 41%.

Our strong brand position and our marketing and sales activities reinforce each other: a strong brand generates a good starting position for our marketing and sales efforts in acquiring new users and listings, which in turn increases the value of our platform to our audience and enhances our audience’s perception of us as a competent, valuable and market-leading platform.

We believe that the strength of our brand is particularly reinforced by marketing channels such as:

- Digital media and partnerships with social media influencers, which offer us a wide user reach. The vast majority of our ads include user engagement tracking, enabling better control over the quality and frequency of our contact with intended audience. We also use various digital media purchasing tools with contact frequency tracking and post view analytics services;
- TV advertising campaigns, which we believe drive our top of mind brand awareness among a broad user base; and
- Outdoor advertising, which, as a more traditional channel, diversifies our marketing efforts. While it is used less often than digital media channels, we believe that it has been particularly effective in some key regional centers.

Sales

We believe that one of the factors representing our significant competitive advantage is our specialized sales team, which has extensive real estate market- and region-specific experience and works directly with our customers. Our sales strategy focuses on: (i) attracting customers from the secondary market, such as real estate agents and private property owners, and from the primary market, such as real estate developers; (ii) attracting content and increasing revenues from these customers; (iii) communicating, through training and events, the value of our professional tools and services to customers; and (iv) providing ongoing support to our customers in using our platform.

In targeting our customers, we deploy a mix of sales strategies, including loyalty programs and business-to-business channels. For example, we have a loyalty points program available to all customers, which allows our customers to accumulate bonus points that can be redeemed against future promotion of listings on our platform. Our business-to-business channels include education services (including webinars, seminars and personal training sessions for customers); industry events (including professional real estate conferences and expert sessions); brochures and other printed education materials; and other communication channels.

To motivate our sales and marketing personnel, in addition to the base salary, we offer them certain performance incentives, such as commissions and bonuses. Sales targets are set for sales personnel according to monthly, quarterly and annual sales plans.

Our Technological Platform

Our users access our platform through desktop sites and mobile applications. We design, test and update our websites and applications and develop in-house proprietary solutions, such as our mobile application, AI-powered property search as well as numerous other tools and features. In respect of the development and deployment of software, we have adopted the principles of agile software development methodologies, such as continuous integration and continuous live deployment. We generally tend to use well-known and proven open source tools rather than third-party proprietary tools to eliminate dependency on any third-party vendor.

In view of the rapid pace of technological changes in our industry, such as the increasing use of mobile devices by all participants in the real estate market, we stick to a mobile-first approach that we believe makes finding a new home or office more convenient for our users. Our users mainly access our platform from mobile devices, with the share of mobile in leads to agents and individual sellers increasing from approximately 25.8% in 2018 to approximately 57.9% in 2019 and approximately 63.8% in 2020, according to our estimates

based on Google analytics data. In 2019, we had approximately 13.4 million in average UMV, compared to approximately 16.5 million in average UMV in 2020.

Our mobile application "Cian.ru" is ranked among the top applications on app store-generated lists for lifestyle-related free applications on both the App Store and Google Play in Russia, with average rating of 4.8 in the App Store as of May 2021. As of May 2021, "Cian.ru" was ranked as the #1 mobile application in the "Home" category on Google Play in Russia.

As of the end of 2019 and 2020, the cumulative downloads for our Cian mobile application were approximately 13.3 million and approximately 21.2 million, respectively.

Our mobile applications are predominantly developed internally and partially by software consulting and development companies according to our instructions. We believe that this approach allows us to better control the quality of our applications and promptly respond to evolving user and customer needs. Our mobile applications and mobile versions of our websites are fully functional and support substantially all activities available on the desktop version of our websites. We offer our clients unparalleled services including tools for individuals to find a real estate agent and valuation services which are not supported in our competitors' mobile applications.

According to SimilarWeb ranking, our "Cian.ru" website had the first position in the "Business and Consumer Services" category in Russia, in the "Real Estate" sub-category. We believe that the satisfaction of our users and customers ultimately rests on the appeal and functionality of our platform. Our technology and product teams spend considerable time and resources upgrading and enhancing our websites and mobile applications. In addition, we maintain a focus on ensuring customer satisfaction through the call center that provides our users and customers support throughout their entire journey.

We offer online residential community services through our websites that provide a forum for visitors to share personal views and other information regarding different aspects of the Russian real estate market, specific property developments, residential communities and other subjects. In addition, we aggregate and post real estate related news on our website and publish an electronic magazine that provides analytics and research on various aspects of the Russian real estate market. We believe that our board forums, blogs and other online community-oriented services are valuable means of enhancing loyalty and brand awareness among our users and, correspondingly, customers, by creating virtual communities sharing a common interest in real estate and home-related topics. We use such forums, news aggregators and magazines to increase website traffic, our users' loyalty and brand image.

We have a bespoke customized set of features for different groups of users and customers, and we continue to develop our platform to provide users and customers with a simple and clear interface. We also strive to offer our customers optimal integration capabilities, including adapters for enterprise software integration, application programming interfaces and tool exports. We continuously strive to optimize our interface to improve the user experience at each stage. We estimate that our platform is able to handle approximately 10,000 requests per second.

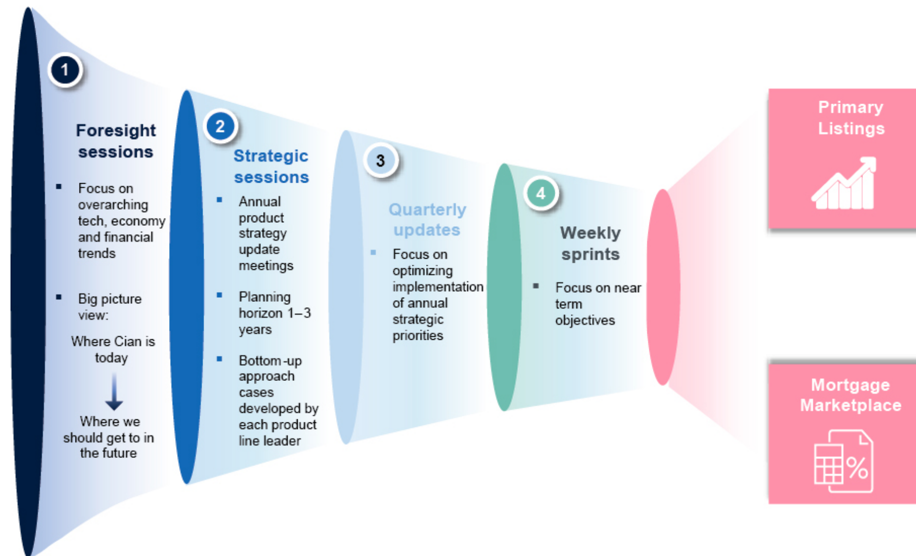
As of December 31, 2020, our services were supported and enhanced by a team of 219 experienced and dedicated information technology employees, including software engineers, data scientists with strong machine learning experience and system administrators, as well as a product development team of 63 employees with an in-depth knowledge of information technologies and real estate classifieds business. We also provide ongoing education to our information technology team and product development team to ensure that our team is up to date on new technologies and advances in our markets.

Product Development

Our approach to product development is focused on long-term revenue potential and is modular in structure. In this structure, each product, or key service (such as Mortgage Marketplace) is being developed by a dedicated team (typically including a product leader, several product managers, a tech development team for desktop and mobile channels, and product designers and analysts) and is assessed based on product-specific business metrics (such as, revenue, number of listings, number of completed mortgage applications and mortgages signed, number of valuation requests, amount of subscribing renters, number of leads in rentals, and amount of requests for online transaction services and Home Swap services). While each team

generally works independently, we hold weekly meetings across teams to exchange views and synchronize development process. Our integrated service teams, comprising product research specialists, machine learning experts, AI-and data specialists, and back-end infrastructure support, provide support across the product teams.

The chart below represents key steps in our product development approach:



Intellectual Property and Security

Our Intellectual Property

Our key intellectual property consists of rights to software, databases and trademarks relating to the design and content of our websites, including our brand name and various logos and slogans, and domain names.

Software and databases. Our main intellectual property assets are our software, including our websites and mobile applications. Although state registration of software and databases with the Russian Federal Service for Intellectual Property (" Rospatent") is not mandatory under Russian law, we registered our software and databases, as we believe it provides us with additional protection of our intellectual property rights.

Trademarks. We own 22 trademarks registered in Russia, of which the most important is the trademark protecting our main brand name "Cian," valid until March 7, 2028.

Domains. We own 22 domains, of which most correspond to our main brand. The domains are listed under various generic top-level domains and country code top level domains. The most important generic domains are in the ".ru" zone.

Security and Data Protection

We have built a comprehensive system to protect our, our users and our customers' data, as it is the backbone of our business. We protect data with a combination of processing procedures and technology tools in accordance with our information security strategy. In addition to our main workforce at the information department, we also have a special manager focused primarily on information security matters.

Our information security team has three areas of focus: product security, infrastructure security and protection of personal data.

To ensure the security of our products, we embed product security in our critical development teams and strive to ensure that our applications use secure and approved libraries to execute all standard technical functions. We also implement standard secure software development lifecycle tools and approaches for all product development teams, such as requirement and architecture review, static and dynamic application security testing, manual code review and manual security assessment

To protect our infrastructure and workstations, we employ standard security tools, such as network segmentation, intrusion detection systems, firewalls and antivirus software. Our approach to infrastructure security is focused on resilience and defense: we thoroughly examine all systems to ensure we can successfully detect and prevent information security incidents.

We use a combination of technical and organizational measures to ensure the security of our user and customer personal data. We restrict access to personal data, encrypt it in transit, use multiple layers of encryption for sensitive data and employ automatic data retention policies for sensitive personal data. To ensure continuous security and compliance with personal data laws and regulations we embed product security engineers in product teams and regularly review changes in the personal data laws and regulatory standards.

Our Employees

Our management believes that a superior user experience can only be created with an engaged and motivated workforce. For our business model to work, we believe that we must retain and attract talented people who can drive the platform and continue to refine, improve and develop offerings. Hence, we strive to hire the best top-level management talent as well as talented software developers, sales, marketing, content, financial and administrative staff. It is important for us to be a workplace where employees are satisfied, motivated and want to stay, and where talented people are attracted to join. In line with our corporate culture focused on productivity and further development, we offer certain performance-based bonuses to certain employees, such as sales teams and certain members of the management.

As of December 31, 2020 and 2019, we had a total of 551 and 469 employees, respectively. The table below sets out the number of employees by category:

	As of December 31,	
Department	**2020**	**2019**
Commercial	165	150
Finance	26	22
General administration	28	33
Human resources	22	16
Information Technology	219	189
Legal	2	1
Marketing	26	19
Product	63	39
Total	**551**	**469**

As of June 30, 2021, women comprised 42% of our total employee headcount. In addition, we also engage independent contractors for certain services, including for IT development services, moderating services and others. As of December 31, 2020, we had a total of 274 independent contractors.

As required by Russian laws and regulations, we contribute to mandatory employee social benefits plans, including pension and unemployment insurance.

We typically enter into employment agreements, which include confidentiality clauses, with our employees.

Facilities

The principal executive office is located at Elektrozavodskaya Ulitsa, 27, Building 8 Moscow, 107023, Russia. We have leased the certain premises at this property for a term of two years, which we further extended until June 30, 2024.

Competition

Our market is competitive and is characterized by the network effect, in which a high number of listings attracts audience traffic and more traffic, in turn, attracts listings and advertising. Furthermore, the business of providing online real estate services in Russia is becoming increasingly more competitive.

According to Frost & Sullivan Report, the online residential property service market in Russia is concentrated and there are over 4,000 websites with ads for real estate. We face competition from a variety of digital market players and, in the case of primary real estate market, also from offline advertising media, all of which provide platforms and advertising space to customers. Our key competitors are other vertical classifieds platforms (or platforms specializing in a single category of classifieds), which focus on real estate classifieds, such as DomClick, Yandex.Nedvizhimost and Square Meter. Some of these platforms are owned by large Russian banking groups, such as DomClick, which is owned by Sberbank, and Square Meter, which is owned by VTB. Others are owned by large internet companies, such as Yandex.Nedvizhimost, which is owned by Yandex, one of the largest internet companies in Russia. Our key competitors also include horizontal classifieds platforms (or generalist online classifieds platforms that offer listings across various product categories, including real estate), such as Avito and Youla. Some of these platforms are also supported by larger internet companies, for example, Youla is the classifieds platform of Mail.ru Group, and Avito is owned by Naspers. Furthermore, we may also face competition from platforms that offer short-term rentals, such as Airbnb and Booking.com, if these platforms begin placing greater emphasis on more comprehensive real estate offerings that appeal to our current users. For further information, see "*Risk Factors—Risks Related to Our Business and Industry—The online classifieds market is competitive, and we may fail to compete effectively with existing and new industry players, which could have a material adverse effect on our business, results of operations, financial condition and prospects.*"

Legal Proceedings

We are not currently involved in any material litigation or regulatory actions, the outcome of which would, in our management's judgment, have a material adverse effect on our financial condition or results of operations, nor are we aware of any such material litigation or regulatory actions threatened against us.

Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are or have been a party, for the two years immediately preceding the date of this prospectus.

The following summary of our material contracts is not intended to be a complete description of these contracts, and it is qualified in its entirety by reference to the full text of such contracts, which are filed as exhibits to the registration statement of which this prospectus forms a part. We urge you to review these exhibits in their entirety.

The following summary excludes the agreement that we entered in connection with the Credit Facility, which is summarized under "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Credit Facilities*."

N1 SPA

On December 22, 2020, we, through our subsidiary Mimons Investments Limited, entered into a share purchase agreement for the sale and purchase of the entire share capital of the N1 Group (the "*N1 SPA*") with the shareholders of N1, comprising Hearst Shkulev Digital Regional Network B.V. ("HSDRN BV") and three private individuals (together with HSDRN BV, the "Sellers" and, each individually, a "Seller"), as well as HS Holding B.V., Limited Liability Company "HS Publishing", Limited Liability Company "Hearst Shkulev Media" and Limited Liability Company "InterMediaGroup", acting as guarantors for some of

the Sellers. Pursuant to the N1 SPA, we acquired 100% ownership of the N1 Group through the purchase of the entire share capital of N1.RU LLC.

The total consideration for the N1 Acquisition was RUB 1,785 million and was provided to us through an equity injection by our shareholders. See "*Capitalization—Significant Changes to Our Capitalization since December 31, 2020*." The N1 Acquisition closed on February 5, 2021.

Under the N1 SPA, subject to certain *de minimis* exceptions, the Sellers are subject to standard non-compete and non-solicitation obligations.

Pursuant to the N1 SPA, a Seller is not liable for any claim under the N1 SPA unless we provide a notice: (i) in respect of any claim for breach of a Fundamental Warranty or the Title Indemnity, as defined under the N1 SPA, no later than three (3) years following the Completion Date; (ii) in respect to any Tax Claim, as defined under the N1 SPA, no later than the last day of the third full calendar year following the Completion Date, subject to some *de minimis* exceptions; and (iii) in respect to any other claims, no later than eighteen (18) months following the Completion Date.

For the risks related to the N1 Acquisition, see " *Risk Factors—Risks Related to the N1 Acquisition* ."

INDUSTRY

Introduction

Russian Macroeconomic Backdrop

Russia is the 5th largest economy in Europe in terms of nominal GDP, which totaled approximately $1.5 trillion in 2020, according to the IMF, and the 9th most populous country globally with a population of approximately 146.2 million as of January 1, 2021, according to Rosstat. Russia has the highest GDP per capita among the BRIC countries in 2020 based on purchasing power parity, according to the IMF.

The IMF expects the Russian economy to return to growth in 2021 after the global recession in 2020 triggered by COVID-19. Real GDP is forecasted to grow at a CAGR of approximately 3.2% from 2021 to 2023, according to the IMF, accompanied by real disposable income growth at a CAGR of approximately 2.6% over the same period (source: Frost & Sullivan Report). The recovery of the Russian economy is expected to be driven by strong oil prices, increasing household consumption and continued government measures and stimulus to support the economy. The Russian economy demonstrated a higher resilience to the impact of COVID-19 and the global recession in 2020 as compared to major developed countries, with real GDP in Russia contracting by 3.0% in 2020 according to Rosstat. This compares favorably against key developed countries with 2020 real GDP contracting by 3.5% in the U.S., 9.9% in the U.K. and 4.9% in Germany, according to the IMF.

Current macroeconomic conditions in Russia are favorable for the real estate market due to recovering consumer incomes, stability in the labor market, with unemployment rate of 5.6% in January-March 2021, and a low interest rates environment bolstering capital investments. Starting in February 2015, the CBR initiated a period of dovish monetary policy with gradual reductions in the key interest rate, with the CBR's proactive policy aimed at supporting the Russian economy during the global recession in 2020, which resulted in the lowest interest rates since 1992, according to the CBR. Starting in March 2021, the CBR made a series of key rate increases from 4.25% in February 2021, to 6.5% in July 2021, however, the key rate still remains significantly lower compared to historical levels.

The below table summarizes the key Russian macroeconomic indicators:

Key Russian Macroeconomic Indicators

	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F	2025F
Real GDP YoY growth (%)	0.2%	1.8%	2.8%	2.0%	(3.0)%	3.8%	3.8%	2.1%	1.8%	1.8%
Consumer Price Index YoY growth (%)	5.4%	2.5%	4.3%	3.0%	4.9%	4.5%	3.4%	3.8%	4.0%	4.0%
Real Disposable Income YoY growth (%)	(4.5)%	(0.5)%	0.1%	1.0%	(3.5)%	3.0%	2.4%	2.5%	2.6%	2.8%

Source: IMF, Frost & Sullivan Report, Rosstat

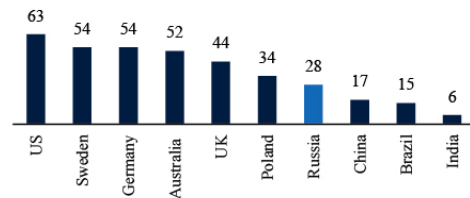
Internet Adoption in Russia

Internet penetration in Russia has increased rapidly over the last decade driven by economic growth, substantial investments in broadband infrastructure, increasing affordability of personal computers and growing ownership of smartphones. Today, the internet audience in Russia is the largest among European countries and the 6th largest in the world, with approximately 115 million individuals accessing the internet in 2020, according to Frost & Sullivan. In 2020, Russia had relatively high internet and smartphone penetration rates of approximately 85% and 79%, respectively (source: Frost & Sullivan Report), which is comparable to many developed markets. The development, in parallel, of a diverse array of digital media, e-commerce websites and mobile apps has promoted the use of the internet as a fixture of Russian consumers' lifestyles, resulting in rapidly increasing the amount of time Russian consumers spend online and on mobile devices. This trend is having an increasing influence on the allocation of marketing budgets. The share of online advertising as a portion of total advertising expenditures in Russia has increased from 38% in 2016 to

53% in 2020, according to Association of Russian Communications Agencies. The below charts represent the comparison of GDP and internet usage in Russia to other relevant markets, as well as comparisons of internet penetration by country and possession of smartphones by country:

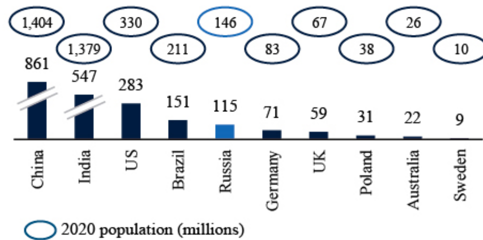
GDP per Capita by Country

2020 (‘000 $, PPP)



Number of Internet Users by Country

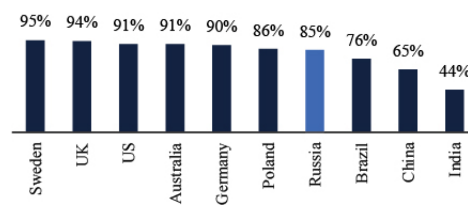
2020 (millions)



Sources: Frost & Sullivan Report (Number of Internet Users), IMF (population, GDP per capita)

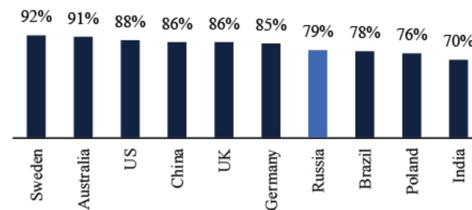
Internet Penetration[(1)] by Country

2020 (%)



Ownership of Smartphones[(1)] by Country

2020 (%)



Source: Frost & Sullivan

(1) % of households.

Russian Real Estate Market, Historical Developments and Prospects

Size of Russian Real Estate Market

Frost & Sullivan estimates the size of the Russian real estate market as the value of all purchase/sale and rental transactions, including both residential and commercial properties. According to Frost & Sullivan, the Russian real estate market reached RUB 17,210 billion in 2020 compared to RUB 12,431 billion in 2016, implying a CAGR of 8.5% for the period. The market continued growing throughout the COVID-19 pandemic despite the recession in 2020. The following table sets out the evolution of the value of the Russian real estate market:

Russian real estate market dynamics

Metric	2016	2017	2018	2019	2020	CAGR 2016 – 20
Value of Russian real estate market (RUB Bn)	12,431	12,772	14,762	16,122	17,210	8.5%

Source: Frost & Sullivan Report

According to Frost & Sullivan projections, the Russian real estate market is set to reach approximately RUB 25,556 billion by 2025, representing a CAGR of 7.8% (2021 – 2025), driven by several fundamental factors including:

- Interest rates on mortgage loans close to all-time lows;
- Economic recovery with growing consumer income and stable labor market with low unemployment rate;
- Obsolete existing housing stock and living space undersupply;
- Continued government programs incentivizing demand for residential real estate and supply of new residential properties; and
- Negative real interest rates on savings accounts making investments into real estate property increasingly more attractive for Russian consumers

The following table outlines the forecast for the Russian real estate market:

Russian Real Estate Market Forecast

	2020	2021F	2022F	2023F	2024F	2025F	CAGR 2021 – 25F
Value of Russian real estate market RUB Bn	17,210	18,933	20,642	22,339	23,989	25,556	7.8%

Source: Frost & Sullivan Report

Interest Rates on Mortgage Loans Close to All-Time Lows in Russia

Mortgage lending is one of the major drivers of the residential real estate market in Russia. According to Frost & Sullivan, 45% of all transactions in primary and secondary residential real estate in Russia in 2020 involved mortgage financing. This share increased 1.7x from 27% in 2016, according to Frost & Sullivan. The following table sets out the changes in the share of residential property transactions in Russia:

Share of Residential Property Transactions Involving Mortgage Financing

	2016	2017	2018	2019	2020
Share of residential property transactions involving mortgage	27%	35%	41%	37%	45%

Source: Frost & Sullivan Report

Over the last four years, the mortgage lending market in Russia has been growing substantially with total value of issued mortgage loans expanding at a CAGR of 30.4% from 2016 – 2020. Key drivers of this growth included (i) gradual reduction of interest rates on mortgage loans as a result of the CBR's dovish monetary policy and (ii) government stimulus programs subsidizing mortgage lending.

The following table sets forth the volume of mortgage loans issued and the weighted-average interest rate on ruble denominated mortgage loans:

Mortgage Market Dynamics

	Year ended December 31,					
	2016	2017	2018	2019	2020	CAGR 2016 – 20
Value of issued mortgage loans, RUB Bn	1,472	2,021	3,012	2,848	4,260	30.4%
Average interest rate for issued mortgage loans (%)	12.5%	10.6%	9.6%	9.9%	7.6%	

Sources: DOM.RF, Frost & Sullivan Report

The period of the CBR's dovish monetary policy that started in February 2015 and continued until March 2021 has resulted in historically low interest rates, with key interest rates declining by 12.75% in February 2015 to 4.25% in February 2021. The average interest rate on new mortgage loans declined from 14.2% (for newly issued mortgage loans) to 7.2% (combined for both primary and secondary residential real estate) over the same period of time. In March 2021, the CBR started a series of key rate increases, which resulted in the key rate growing from 4.25% in February 2021 to 6.5% in July 2021. Despite these key rate increases, average mortgage rates remained relatively resilient, changing by 0.1% since February 2021 to 7.3% as of June 2021.

Mortgage market growth accelerated in 2020, largely as a result of a new government-subsidized mortgage lending program as part of the anti-COVID-19 fiscal response. In April 2020 the Russian government introduced a new stimulus, "Program 6.5%", allowing borrowers to obtain a mortgage loan at an interest rate of 6.5% or lower for newly built apartments, to incentivize demand and support the Russian economy during the global recession triggered by COVID-19. The program applied to mortgage loans up to RUB 12 million for primary residential properties in Moscow, the Moscow region, St. Petersburg and the Leningrad region, and up to RUB 6 million in other regions. On July 1, 2021 the program was prolonged for one year with revised conditions. The threshold for interest rates on mortgage loans under the new program increased to 7.0%, while the maximum mortgage amount was reduced to RUB 3 million across all regions.

Other government stimulus programs introduced over the last three years to support mortgage lending in Russia include a family mortgage program, a Far Eastern mortgages program, and a rural mortgages program.

Family mortgages.

Launched in 2018, the program offered mortgage loans at interest rates of 6% or lower to families with two or more children. The program applied to mortgages of up to RUB 8 million in Moscow, the Moscow region, Saint Petersburg and the Leningrad region and RUB 3 million in other regions. Initial terms of the program allowed users to receive such mortgages for primary real estate apartments only, but in April 2021 the program was extended to construction of residential houses. In June 2021, the government decided to expand the program to cover families with one child and increased the maximum mortgage amount to RUB 12 million in Moscow, the Moscow region, Saint Petersburg and the Leningrad region and RUB 6 million in other regions.

Far Eastern mortgages.

Launched in 2019, the program incentivizes young families to buy residential properties in the Far East. The program allows users to obtain mortgage loans up to RUB 6 million at a 2% interest rate.

Rural mortgages.

Launched in 2020, the program offers mortgage loans for residential properties in rural locations at an interest rate of 3%. The program applies to mortgages of up to RUB 5 million in the Leningrad region, Yamalo-Nenets Autonomous District and the Far East, and up to RUB 3 million in other regions.

Obsolete Existing Housing Stock and Living Space Undersupply

According to Frost & Sullivan, undersupply on the Russian real estate market will be one of the factors driving primary real estate market growth and property prices.

Existing Russian residential housing stock includes a substantial amount of aging or obsolete stock dating from the Soviet era. 32% of the total residential housing space in Russia was commissioned before 1970, while 38% was built between 1970 and 1995 (as of December 31, 2018 (latest available data)).

According to Rosstat, as of December 31, 2020, the total area of residential real estate stock in Russia was approximately 27 square meters per capita. This is considerably lower compared to 40 – 80 square meters per capita stock in developed countries, according to DOM RF.

Government Stimulus Programs

Over the last decades, the Russian government incentivized demand for residential real estate and supply of new residential properties in order to mitigate the shortage of living space per capita through the introduction of other stimulus programs. The key initiatives include the following:

Stimulus Programs Incentivizing Demand:

- *Maternity capital.* Launched in January 2007, the program offers financial compensation for each first or subsequently born or adopted child. The funds can be spent on family housing, including as a down payment for a mortgage. In 2021, the "maternity capital" payment amounts to RUB 483.9 thousand for the first child and RUB 639.4 thousand for the second child, according to the Pension Fund of the Russian Federation. Payments under the maternity capital program are currently envisaged until 2026.
- *Young family program.* The federal program subsidizes house purchases for new families (where both spouses are below 35 years old). The government provides 30% of the calculated (according to program regulations) house price for children-free families and 35% for families with children. The funds may be used for house purchase as well as construction, mortgage down-payment or prepayment.

Programs to Address Living Space Undersupply and Reduce Obsolete Housing Stock:

- *Government program* "*Providing affordable and comfortable housing and utilities for citizens of the Russian Federation*." In 2017 the Russian government approved a new program for 2018 – 2030 aimed at improving housing conditions through subsidizing capital repair of residential properties, as well as incentivizing construction of new properties with the major goal of achieving the construction of 120 million square meters of new residential properties per annum by 2030. The total approved financing for the program for 2021 – 2025 is approximately RUB 1.9 trillion according to the Russian Government decree of December 30, 2017 No. 1710.
- *Moscow housing renovation program.* Launched in 2018, the program aims to relocate over one million Moscow citizens from older buildings constructed in the 1950s and 1960s to newly built apartments. Over 350,000 new residential apartments with a total area exceeding 20 million square meters are envisaged to be built under the program by 2032. Over 5,000 old residential buildings are expected to be demolished.

A similar renovation program has been underway in Saint Petersburg since 2008. In 2020, the Russian government introduced a law regulating voluntary participation in renovation program across the entirety of Russia.

Negative Real Interest Rates on Savings Accounts

Real interest rates on savings accounts in Russia have been declining over the last years and, in 2020, entered a negative territory. According to the CBR, average interest rates on individuals' savings accounts, for a period of more than one year, were 4.20% in March 2021 as compared to 5.79% annualized CPI in the same period.

As a result of this trend, the opportunity cost of holding money in savings accounts has increased, bolstering investment demand for residential and commercial properties.

Russian Real Estate Market Verticals

Frost & Sullivan differentiates three key verticals of Russian real estate market:

- *Secondary residential real estate vertical:* includes purchase and sale and rental of secondary residential properties
- *Primary residential real estate vertical:* includes purchase and sale of primary residential properties
- *Commercial real estate vertical:* includes purchase and sale and rental of commercial properties

Secondary residential real estate is the largest vertical accounting for 69% of the total market in value terms in 2020, according to Frost & Sullivan. Primary residential real estate is the second largest vertical, accounting for 24% of the market in value terms in 2020, with commercial real estate being the smallest vertical amounting to approximately 7% of the market in 2020. Historically, the primary residential real estate market was the fastest growing vertical; its total value reached RUB 4,131 billion in 2020 compared to RUB 2,556 billion in 2016 implying a CAGR of 12.7%.

Commissions of new residential properties in Russia reached 82.2 million square meters in 2020, largely driven by reduced mortgage rates coupled with the government's household support packages, including mortgage subsidies, from the demand side, and programs to mitigate living space undersupply and renovate old housing stock, from the supply side. The following table measures the commissioning of new residential properties in Russia per square meter:

Dynamics of Commissioning of New Residential Properties in Russia

	Year ended December 31,					
	2016	2017	2018	2019	2020	CAGR 2016 – 20
Commissioning of new residential properties (MM sq. m.)	80.2	79.2	75.7	82.0[(1)]	82.2	0.6%

Source: Rosstat

(1) Starting from 2019, includes commissioning of residential properties built on territories designed for gardening (since January 1, 2019 Russian legislation allows residency registration for these territories)

The primary residential real estate market is projected to lead market growth in the near future at an estimated 2021 – 2025 CAGR of approximately 8.6%, according to Frost & Sullivan. Secondary and commercial real estate markets are projected to grow at a CAGR of 7.6% and 6.4%, respectively, for the same period. The following tables summarizes the dynamics of the number of transactions in the Russian real estate market and different verticals of the Russian real estate market:

Dynamics of Number of Transactions on the Russian Real Estate Market

	Year ended December 31,										
	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F	2025F	2016 – 20 CAGR	2021 – 25 CAGR
Total residential	2,960	2,871	3,196	3,223	3,253	3,368	3,476	3,569	3,646	3,705	2.4%	2.4%
Secondary real estate residential vertical[(1)]	2,258	2,172	2,400	2,440	2,489	2,578	2,657	2,724	2,779	2,821	2.5%	2.3%
Primary real estate residential vertical	702	699	797	783	764	790	819	845	867	884	2.1%	2.8%

(1) Sale and purchase transactions (excl. rental)

Dynamics of Different Verticals of the Russian Real Estate Market

	Year ended December 31,											
	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F	2025F	2016 – 20 CAGR	2021 – 25 CAGR
Secondary residential real estate (RUB Bn)	8,928	8,966	10,153	11,112	11,868	13,046	14,199	15,342	16,454	17,513	7.4%	7.6%
As % of total	*72%*	*70%*	*69%*	*69%*	*69%*	*69%*	*69%*	*69%*	*69%*	*69%*		
Primary residential real estate (RUB Bn)	2,556	2,778	3,530	3,883	4,131	4,581	5,041	5,500	5,947	6,369	12.7%	8.6%
As % of total	*21%*	*22%*	*24%*	*24%*	*24%*	*24%*	*24%*	*25%*	*25%*	*25%*		
Commercial real estate (RUB Bn)	946	1,028	1,079	1,128	1,212	1,307	1,403	1,498	1,589	1,675	6.4%	6.4%
As % of total	*8%*	*8%*	*7%*	*7%*	*7%*	*7%*	*7%*	*7%*	*7%*	*7%*		
Total market (RUB Bn)	**12,431**	**12,772**	**14,762**	**16,122**	**17,210**	**18,933**	**20,642**	**22,339**	**23,989**	**25,556**	**8.5%**	**7.8%**

Source: Frost & Sullivan Report

Regional Breakdown of Russian Real Estate Market

The value of real estate markets in Russia differs significantly across regions, due to differences in the size of total regional population, prices of real estate, as well as income levels. According to Frost & Sullivan, in 2020, Moscow and the Moscow region amounted to, approximately, a 36% share of the Russian real estate market by value, with a 31% share in the secondary residential real estate vertical, a 45% share in the primary residential real estate vertical and a 63% share in the commercial real estate vertical. The second largest region in terms of value of the real estate market is Saint Petersburg and the Leningrad region, accounting for approximately 9% of the total Russian real estate market. Novosibirsk and Ekaterinburg, the third and fourth largest cities in Russia, each amounted to approximately 2% of total Russian real estate market by value in 2020.

According to Frost & Sullivan, Moscow had the highest average price per square meter on the secondary real estate market, of RUB 237 thousand in 2020, while Saint Petersburg, Novosibirsk and Ekaterinburg had RUB 139.2 thousand, RUB 77.7 thousand and RUB 76.6 thousand, respectively. The average price per square meter on the secondary real estate market in Russia, for cities with a population of not less than 100 thousand, was RUB 80.7 thousand in 2020. The following table outlines the structure of the Russian real estate market:

Structure of Russian Real Estate Market (2020**)**

	Secondary residential real estate		Primary residential real estate		Commercial real estate		Total real estate market	
Region / Metric	**Value, RUB Bn**	**Share of total, %**	**Value, RUB Bn**	**Share of total, %**	**Value, RUB Bn**	**Share of total, %**	**Value, RUB Bn**	**Share of total, %**
Moscow and Moscow region	3,651	31%	1,854	45%	769	63%	6,273	36%
St. Petersburg and Leningrad region	829	7%	580	14%	85	7%	1,494	9%
Ekaterinburg	189	2%	137	3%	25	2%	351	2%
Novosibirsk	146	1%	125	3%	25	2%	295	2%
Other regions	7,053	59%	1,435	35%	309	25%	8,796	51%
Total	**11,868**	**100%**	**4,131**	**100%**	**1,212**	**100%**	**17,210**	**100%**

Source: Frost & Sullivan Report

Russian Real Estate Market Participants

Home Buyers

A home buyers' key objectives in a real estate transaction are finding and buying the right object in an efficient and safe manner. Potential home buyers use digital property portals to become better informed about relevant properties for sale, insights on the property market and to get inspiration for their current or future home. As buyers start thinking about buying a new home, they also want to find out more about mortgages, home insurance and other services that are part of the buying process.

Home Sellers

Maximizing the value from their property transaction through a fast and smooth process are the main goals for most home sellers. The seller has a high incentive to engage a professional real estate agent in the property sale. According to Frost & Sullivan, most sellers in Russia usually consult with real estate agencies and/or agents to sell their properties.

Real Estate Agencies and Agents

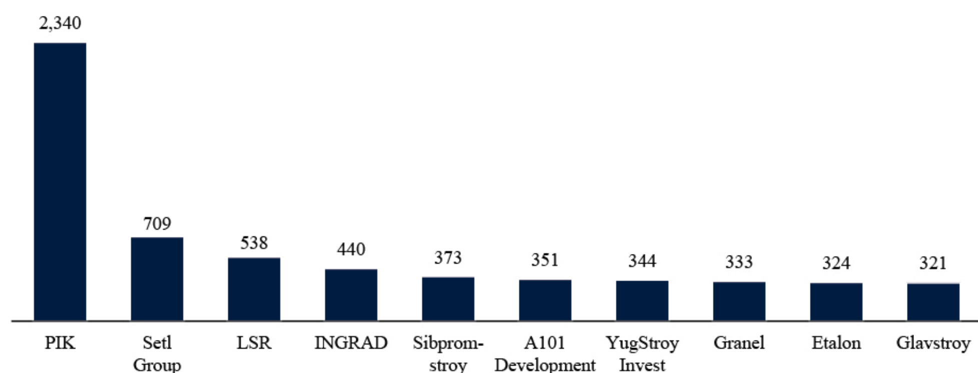
Real estate agencies in Russia vary widely in size and comprise both large federal or regional agencies at one end of the spectrum and small, often single-agent operations, at the other. According to Frost & Sullivan estimates, in 2020, there were approximately 15 thousand agents working at large real estate agencies (with headcount of more than 90 agents per agency), approximately 140 thousand agents working at medium-sized real estate agencies (with headcount of 6-89 agents per agency), and approximately 55 thousand agents who either work at small agencies (with headcount of 3-5 agents) or acting as independent individual agents. In 2020, approximately 75% of sale and purchase transactions within the secondary residential property market involved real estate agencies or agents, according to Frost & Sullivan estimates.

Real Estate Developers

The largest professional construction and real estate companies (real estate developers) in Russia are PIK, Setl Group, LSR and INGRAD. Their sales processes are different to the secondary market due to, for example, the amount of identical properties for sale at the same time from a single large development project, and the fact that the property sale process usually runs for several years. The ability to effectively reach a wide and relevant audience in the marketing process is important for real estate developers as they try to de-risk their project portfolio. They use property classifieds as part of their marketing efforts to build their brand and inform the market about their upcoming projects and new builds for sale. Part of developers' advertising budgets is allocated to the services of advertising agencies, which also use online real estate classifieds to promote developers' projects and new builds.

The chart below illustrates top-10 largest Russian real estate companies by residential space commissioned in 2020.

Top-10 of Russian Real Estate Developers by Commissioned Residential Properties 2020 ('000 sq. m)



Source: portal "United Resource for Developers (ERZ.RF)"

Our Total Addressable Market

We define our market opportunity in terms of a total addressable market ("TAM") over the long-term. Based on Frost & Sullivan estimates, in 2020 our TAM comprised approximately RUB 472 billion, which includes:

- *Real estate agents' commissions pool of approximately RUB 320 billion* estimated by Frost & Sullivan as the percentage commissions applied to the total value of real estate transactions intermediated by agents in Russia. We address this market through (i) our core classifieds business, as agents spend part of their commissions revenue on properties advertising through our platform, as well as (ii) through development of our end-to-end platform covering services traditionally carried out by agents.
- *Primary real estate advertising market of approximately RUB 63 billion comprising advertising* budgets of real estate developers in Russia. We address this market through our core classifieds business, as developers in Russia allocate part of their advertising budgets to promote new builds and projects through online real estate classifieds platforms.
- *Mortgage customer acquisition market of approximately RUB 85 billion* comprising Russian banks' spend on attracting new mortgage borrowers. Frost & Sullivan estimates this spend to be approximately 2% of the total value of new mortgages issued in Russia. We address this market through our mortgage marketplace, as our partner banks use it to attract new borrowers.
- *Online transaction services market* comprising revenues of online services for document preparation and signing, legal checks, and notary and state registration. This market is only starting to emerge in Russia and has significant growth potential, according to Frost & Sullivan. Frost & Sullivan's indicative assessment of this market in 2020 is approximately RUB 4 billion. We are planning to address this emerging opportunity through the launch of Online Transaction Services in 2021.

Russian Real Estate Advertising Market

Overview, Historical Developments and Prospects

The Russian real estate advertising market comprises online classifieds platforms, real estate agents' and real estate developers' own websites, other property portals, non-property websites, online social media as well as offline advertising that mainly includes newspapers, TV and outdoors ads. According to Frost & Sullivan, the total real estate advertising expenditure in Russia amounted to approximately RUB 76 billion in 2020, of which approximately RUB 14 billion (18%) and approximately RUB 26 billion (35%) were related to online classifieds and other digital marketing channels. Frost & Sullivan expects the total real estate advertising market in Russia to grow at approximately 12.5% CAGR in 2021 – 2025.

According to Frost & Sullivan, the combination of continued migration of advertising to online media, higher efficiency of online classifieds platforms compared to other advertising channels and substantial room for gradual increases in monetization will drive the continued growth of the online classifieds channel's share of total real estate advertising spend. This trend will be further enhanced by value added services and features designed to boost the search ranking and prominence of online advertisements on real estate classifieds platforms. As a result, the share of online real estate classifieds in total real estate advertising spend in Russia is expected to grow from 18% in 2020 to approximately 34% in 2025, based on Frost & Sullivan estimates. Frost & Sullivan expects the online real estate classifieds market to grow at a CAGR of approximately 26.8% in 2021 – 2025 compared to a CAGR of 24.2% in 2016 – 2020, demonstrating slight acceleration following the post-COVID-19 market rebound. According to Frost & Sullivan, lower CAGR in 2016 – 2020 compared to projected growth is largely due to market growth slowdown in 2020 as a result of the impact of COVID-19.

The table below illustrates the evolution of real estate advertising spend in Russia with breakdown by online and offline channels.

Real Estate Advertising Spend in Russia by Channel

(RUB Bn)	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F	2025F	2016 – 20 CAGR	2021 – 25 CAGR
	Year ended December 31,											
Online classifieds	5.8	7.6	9.9	12.5	13.6	18.2	23.3	29.7	37.7	47.1	24.2%	26.8%
as % of total	*13.8%*	*16.0%*	*16.2%*	*18.0%*	*18.0%*	*21.0%*	*23.7%*	*26.8%*	*30.3%*	*33.9%*		
Other digital channels	12.9	15.1	20.2	23.5	26.4	31.6	37.5	43.5	49.7	56.0	19.6%	15.4%
as % of total	*31.2%*	*31.8%*	*33.0%*	*33.6%*	*34.9%*	*36.5%*	*38.1%*	*39.3%*	*39.9%*	*40.3%*		
Offline channels	22.8	24.8	31.2	33.8	35.6	36.8	37.6	37.7	37.1	35.7	11.8%	(0.7)%
as % of total	*55.0%*	*52.3%*	*50.8%*	*48.4%*	*47.0%*	*42.5%*	*38.2%*	*34.0%*	*29.8%*	*25.8%*		
Total	**41.5**	**47.5**	**61.3**	**69.8**	**75.6**	**86.6**	**98.4**	**110.9**	**124.4**	**138.8**	**16.2%**	**12.5%**

Source: Frost & Sullivan Report

Similar to the overall real estate market, the real estate advertising market in Russia can be naturally split into secondary, primary and commercial real estate advertising verticals. The size of each vertical of the real estate advertising market is largely defined by the real estate agents' and real estate developers' marketing budgets. The latter varies depending on the value, volume and type of the real estate developer's transactions, which ultimately impacts the size of real estate agents' commissions in the secondary and commercial real estate verticals and real estate developers' budgets in the primary real estate vertical.

Secondary Real Estate Advertising Market

Real estate agents play a central role in the secondary housing advertising market in Russia. According to Frost & Sullivan, approximately 75% of transactions with secondary residential property in 2020 involved real estate agencies or agents.

Real estate agents' commissions and costs structure: The primary source of income for real estate agents is the agent commission that is typically paid by the seller or landlord. In Russia, real estate agent commissions for properly sale normally vary from 2% to 3.5% of the properly value, whereas commissions in rental vertical usually constitute approximately 55% of the monthly rental rate on average, according Frost & Sullivan. In relative terms, commissions charged by real estate agents in Russia are broadly in line with commissions charged by real estate agents in developed markets (according to Frost & Sullivan).

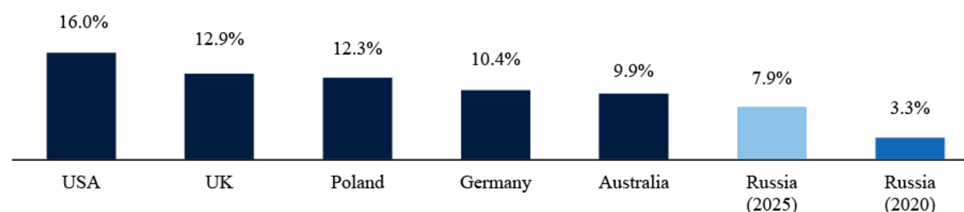
According to Frost & Sullivan, real estate agents' commissions from rental and sales transactions in the secondary housing market in Russia represented approximately RUB 258 billion in 2020, RUB 208 billion of which is derived from agency fees earned on residential sales transactions and RUB 50 billion from residential rental transactions. Frost & Sullivan estimates the real estate agents' commissions pool in the secondary real estate market to grow at approximately 7.7% CAGR in 2021-25, reaching approximately RUB 383 billion in 2025, largely driven by the overall Russian real estate market growth.

Advertising Market Size and Outlook: According to Frost & Sullivan, the advertising market in the secondary residential real estate market in Russia amounted to RUB 9.1 billion in 2020, of which 91% was attributable to online real estate classifieds. Similar to other markets, high popularity of online classifieds in Russia compared to offline marketing channels is explained by the multiple advantages of digital classifieds platforms. While offline classifieds media and other offline advertising channels tend to be local and lack the breadth of market information, online real estate classifieds engage with a large and qualified audience while being, at the same time, much more cost-effective at generating qualified sales leads. Taking into account leads conversion into actual transactions, cost efficiency of online real estate classifieds is exceptionally high with estimated return on investment (ROI) of 15.7x in 2021, according to Frost & Sullivan.

Nevertheless, in contrast to developed markets, online real estate classifieds in Russia are significantly under-monetized and comprise a small portion of real estate agents' commissions. According to Frost & Sullivan, Russian real estate agencies and agents allocated approximately 3.3% of their revenue to marketing in 2020 as compared to 16.0%, 12.9%, 10.4% and 9.9% in the U.S., U.K., Germany and Australia, respectively.

The chart below illustrates online classifieds spend as a percentage of real estate agents' commissions for Russia and other markets:

Online Classifieds Spend as a Percentage of Agents' Commissions by Country (2020) [(1)]



Source: Frost & Sullivan Report

(1) Includes commissions and advertising spend in secondary and commercial real estate verticals for Russia

According to Frost & Sullivan, online classifieds platforms in Russia will continue to increase base prices per basic listing, deepen value-added services (VAS) penetration and introduce subscription models that ultimately will drive increased monetization of these platforms. This trend will come in line with developed market precedents. For example, subscription model proliferation occurred in developed markets several years ago, with Scout24 introducing a subscription model in 2014 in Germany and, most recently, Hemnet launching its first subscription product for real estate agents in 2018 in Sweden. Expansion of services offerings, in parallel, will extend the value proposition of digital real estate classifieds in Russia beyond providing a highly liquid marketplace, thereby offering real estate agents, home sellers and landlords multiple options to enhance the effectiveness of their listings and providing them with real-time market insights. As a result of these trends, Frost & Sullivan expects the online classifieds market in the secondary housing vertical in Russia to grow from RUB 8.3 billion in 2020 to approximately RUB 29.6 billion in 2025, implying a 27.5% 2021 – 25 CAGR. The table below sets out the advertising market size in the Russian secondary real estate market:

Advertising Market Size in Secondary Real Estate Market in Russia

	Year ended December 31,											
(RUB Bn)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021F**	**2022F**	**2023F**	**2024F**	**2025F**	**CAGR 2016 – 21**	**CAGR 2021 – 25**
Real estate agents' commissions	196.2	197.7	222.8	243.9	258.4	284.6	310.0	335.2	359.8	383.4	7.1%	7.7%
Total real estate agents' spend on marketing	3.7	5.2	6.8	8.6	9.1	12.2	15.8	20.0	25.3	31.7	25.1%	26.8%
Real estate agents' spend on online classifieds	3.3	4.6	6.1	7.8	8.3	11.2	14.6	18.5	23.5	29.6	25.8%	27.5%
Real estate agents' spend on other advertising channels	0.4	0.5	0.7	0.8	0.8	1.0	1.3	1.5	1.8	2.1	19.0%	18.6%

Source: Frost & Sullivan Report

Regional Breakdown of Secondary Housing Advertising Market. The secondary advertising market in Russia is highly concentrated in the top-4 most populous regions, accounting for 44% of the total Russian market. Moscow and the Moscow region is by far the largest market with a 34.3% share. St. Petersburg

(including the Leningrad region), Ekaterinburg and Novosibirsk accounted for 7.3%, 1.3% and 1.0% in 2020, respectively. The table below is a regional break-down of the secondary real estate and online real estate classifieds markets:

Secondary Real Estate Advertising and Online Real Estate Classifieds Markets Breakdown by Region in 2020

	Real estate advertising market		Online real estate classifieds market	
Region / Metric	**Value, RUB Bn**	**Share of total, %**	**Value, RUB Bn**	**Share of total, %**
Moscow and Moscow region	3.1	34.3%	2.9	34.3%
St. Petersburg and Leningrad region	0.7	7.3%	0.6	7.3%
Ekaterinburg	0.1	1.3%	0.1	1.3%
Novosibirsk	0.1	1.0%	0.1	1.0%
Other regions	5.1	56.0%	4.7	56.0%
Total	**9.1**	**100.0%**	**8.3**	**100.0%**

Source: Frost & Sullivan Report

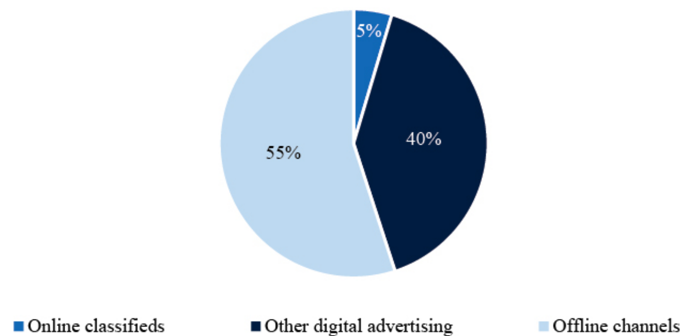
Primary Real Estate Advertising Market

In contrast to the secondary real estate advertising market, real estate agents play a smaller role in primary real estate advertising in Russia, which is mostly driven by real estate developers' marketing expenditures. According to Frost & Sullivan, developers in Russia are starting to more actively utilize marketing channels to build their brand, inform the market about upcoming projects, advertise new builds for sale and eventually acquire a larger customer base. With growing nominal consumer incomes, declining mortgage rates and, as a result, increasing affordability of housing in Russia, prices for real estate are no longer the only driver of consumer choices, with marketing becoming increasingly more effective in impacting home buyers' decisions. According to Frost & Sullivan, real estate developers' total spend on marketing grew at a CAGR of 14.9% in 2016 – 20 (from RUB 36.4 billion in 2016 to RUB 63.4 billion in 2020), and is expected to continue its growth at a CAGR of 8.7% in 2021 – 2025, totaling approximately RUB 98.6 billion in 2025 driven by developers' willingness to allocate higher budgets to marketing and overall primary real estate market growth.

Developers in Russia use a more diverse span of marketing channels compared to real estate agents, with approximately 45% of their marketing spend in 2020 attributable to digital marketing, including online classifieds, social media and context advertising, and approximately 55% attributable to offline marketing campaigns, including TV and banner adverting, among other channels, according to Frost & Sullivan. In 2020 online classifieds accounted for 5% in this structure.

The figure below illustrates developers' marketing budgets breakdown by channel:

Structure of Developers' Marketing Budgets in 2020



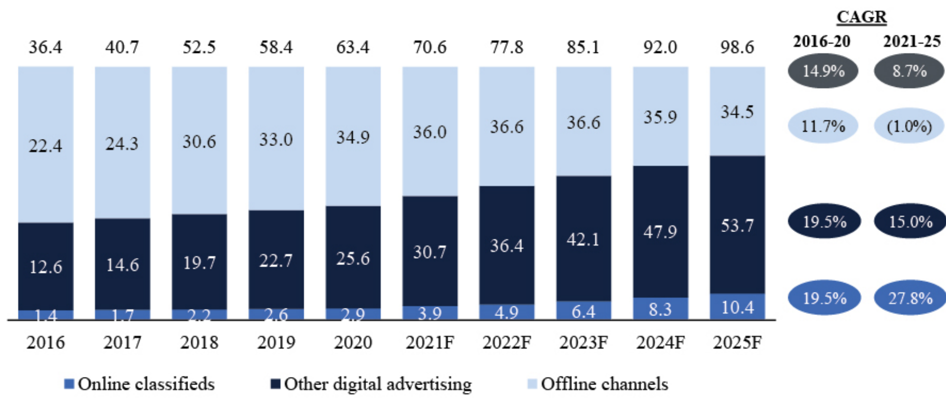
Source: Frost & Sullivan Report

While still allocating budgets to relatively expensive offline campaigns such as banner advertising and TV in order to increase overall brand awareness, the core of real estate developers' marketing strategy in Russia, according to a survey conducted by Frost & Sullivan, is targeted marketing that results in high quality leads generation. Conversely, offline channels, such as banner advertising, are highly localized, whereas TV is not targeted at all (source: Frost & Sullivan). According to Frost & Sullivan, ubiquitous internet adoption in Russia and the increasing time consumers spend online make digital advertising increasingly more attractive for real estate developers, allowing them to target a broader audience, ultimately increasing the cost efficiency of advertising campaigns. As a result, Frost & Sullivan estimates real estate developers' marketing budgets to migrate into digital channels, with the share of online marketing growing from approximately 45% in 2020 to approximately 65% in 2025.

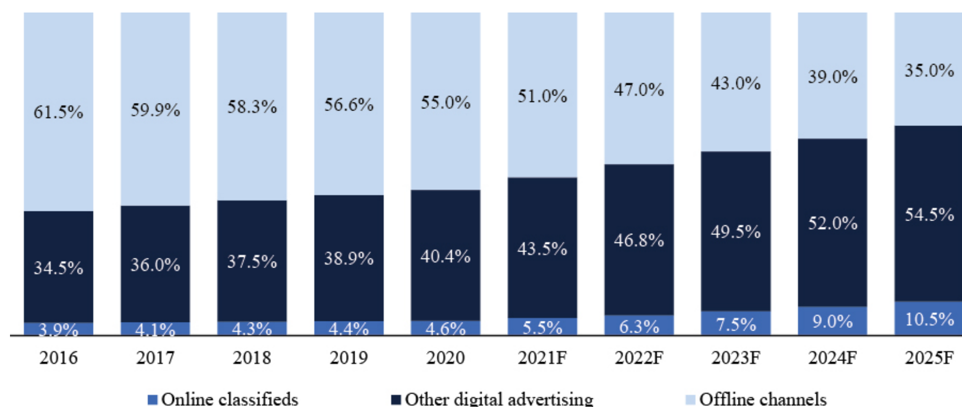
Within digital channels, online classifieds are increasingly generating high quality leads for developers, according to Frost & Sullivan. We believe that constantly improving advertising functionality and the growing popularity of online classifieds platforms among property searchers allows developers to leverage online classifieds' broad, and yet targeted, audience to deliver effective marketing and branding campaigns through display advertising and other tools that result in substantial returns. As a result, Frost & Sullivan expects the share of online real estate classifieds to grow from approximately 5% in 2020 to approximately 11% in 2025. Coupled with growing developers advertising budgets, this will result in a growing spend on online real estate classifieds in primary housing vertical. Frost & Sullivan estimates this to grow at a CAGR of 27.8% from 2021 – 2025 (from RUB 2.9 billion in 2020 to approximately RUB 10.4 billion in 2025). The figures below illustrate the evolution of developers' adverting budgets breakdown in relative and absolute terms.

The following charts outline the structure of real estate developers' budgets in absolute and relative terms:

Developers' Advertising Budgets' Structure in Absolute Terms



Developers' Advertising Budgets' Structure in Relative Terms



Source: Frost & Sullivan Report

Regional Breakdown of Primary Housing Advertising Market

The value of the primary real estate advertising market in Russia differs materially by region, with the top-4 most populous regions accounting for 77% of the market. According to Frost & Sullivan, the primary real estate advertising market in Moscow and the Moscow region, Saint Petersburg and the Leningrad region, Ekaterinburg and Novosibirsk, comprised RUB 37.1 billion, RUB 8.7 billion, RUB 1.7 billion and RUB 1.6 billion in 2020, respectively. The following table sets forth the regional breakdown of the Russian primary real estate advertising and online real estate classifieds markets:

Primary Real Estate Advertising and Online Real Estate Classifieds Markets Breakdown by Region in 2020

	Real estate advertising market		Online real estate classifieds market	
Region / Metric	**Value, RUB Bn**	**Share of total, %**	**Value, RUB Bn**	**Share of total, %**
Moscow and Moscow region	37.1	58.5%	1.7	58.5%
St. Petersburg and Leningrad region	8.7	13.7%	0.4	13.7%
Ekaterinburg	1.7	2.7%	0.1	2.7%
Novosibirsk	1.6	2.5%	0.1	2.5%
Other regions	14.3	22.6%	0.7	22.6%
Total	**63.4**	**100.0%**	**2.9**	**100.0%**

Source: Frost & Sullivan Report

Commercial Real Estate Advertising Market

According to Frost & Sullivan, the Russian commercial real estate advertising market totaled RUB 3.0 billion in 2020 and is set to grow at a CAGR of 22.2% in 2021-2025, reaching approximately RUB 8.6 billion in 2025, driven by growing online classifieds monetization and commercial real estate agents' commissions pool.

Advertising Market Size in Commercial Real Estate Vertical in Russia

(RUB Bn)	Year ended December 31,											
	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F	2025F	CAGR 2016 – 21	CAGR 2021 – 25
Real estate agents' commissions	47.9	52.0	54.6	57.0	61.2	65.9	70.7	75.5	80.1	84.4	6.3%	6.4%
Total real estate agents' spend on marketing	1.3	1.6	2.0	2.7	3.0	3.8	4.8	5.8	7.1	8.6	23.6%	22.2%
Real estate agents' spend on online classifieds	1.0	1.3	1.6	2.2	2.4	3.1	3.9	4.8	5.9	7.1	24.4%	22.9%
Real estate agents' spend on other advertising channels .	0.3	0.3	0.4	0.5	0.6	0.7	0.9	1.0	1.2	1.4	20.6%	18.7%

Source: Frost & Sullivan Report

According to Frost & Sullivan, the commercial real estate advertising market in Russia is concentrated around economic hubs including the top-4 most populous cities that account for 75% of the total market. Moscow and the Moscow region comprise a disproportionately high share of the commercial real estate advertising market, totaling 64%. St. Petersburg (including the Leningrad region), Ekaterinburg and Novosibirsk accounted for 7%, 2% and 2% of the market in 2020, respectively.

Mortgage Customer Acquisition Market

According to Frost & Sullivan, the large and growing mortgage market in Russia presents a significant opportunity for platforms that allow banks to attract new mortgage borrowers. Frost & Sullivan estimates the total value of mortgages issued in Russia in 2020 at RUB 4.3 trillion and expects this amount to grow at a CAGR of 9.1% in 2021 – 2025 to approximately RUB 6.7 trillion, largely driven by the overall real estate market growth. Another significant trend in the Russian mortgage market, according to Frost & Sullivan, is the digitalization of mortgage transactions. During the COVID-19 pandemic, this trend accelerated, as the CBR authorized banks to issue mortgage loans online. According to Frost & Sullivan, banks in Russia could spend approximately 2% of average mortgage value on advertising and marketing tools and platforms, such as Mortgage Marketplace, implying a mortgage advertising and customer acquisition market size of approximately RUB 85 billion in 2020, which is expected to reach approximately RUB 185 billion by 2025.

Mortgage Market and Mortgage Customer Acquisition Market in Russia

(RUB Bn)	Year ended December 31,											
	2016	2017	2018	2019	2020	2021F	2022F	2023F	2024F	2025F	CAGR 2016 – 21	CAGR 2021 – 25
Value of issued mortgage loans	1,472	2,021	3,012	2,848	4,260	4,760	5,270	5,778	6,273	6,742	30.4%	9.1%
Tota real estate agents' spend on marketing	29.4	40.4	60.2	57.0	85.2	95.2	105.4	115.6	125.5	134.8	30.4%	9.1%

Source: Frost & Sullivan Report

Russia's Online Real Estate Classifieds Competitive Landscape

We compete with other vertical and horizontal digital classifieds platforms; other online channels, including specialized and non-specialized web-portals; social networks and traditional offline marketing channels. According to Frost & Sullivan, real estate adverting market participants compete on the basis of the quality of customer and user experience, which includes the breadth of services offering, depth, accuracy and usefulness of listings data base as well as brand awareness and reputation. Competition also occurs for

the marketing budgets of developers and professional real estate agents based on audience and the cost-effectiveness of lead generation services.

According to Frost & Sullivan, online classifieds are more cost efficient and have higher lead generation ability compared to other real estate advertising channels. Coupled with value added services designed to boost the search ranking and prominence of online advertisements, advanced search tools and multiple adjacent services make online real estate classifieds' value proposition more attractive for real estate agents and users compared to other real estate advertising channels.

Cian is the #1 online real estate classifieds platform in top-4 Russian regions (namely Moscow and the Moscow region, Saint Petersburg and the Leningrad region, Novosibirsk and Ekaterinburg) in terms of listings and leads generation to real estate agents and individual sellers and brand awareness, according to the Frost & Sullivan Report. These cities account for over 57% of the total online real estate classifieds market in Russia and have a combined Gross Regional Product and population comparable to some European countries, such as Sweden and Austria. According to Frost & Sullivan, approximately 80% of all real estate agents in residential real estate in Russia were engaged on Cian platform in 2020. Over the last three years, Cian maintained the #1 market position in these key regions with share of leads to real estate agents remaining above 50% in Moscow and the Moscow region and above 40% in Saint Petersburg and the Leningrad region. Cian also maintained a substantial gap compared to the next largest competitor, with share of leads to real estate agents and individual sellers in Moscow, being 3.1x larger compared to the #2 competitor in both the first quarter of 2018 and the first quarter of 2021. In combined Moscow and Moscow region, Cian's share of leads to real estate agents and individual sellers was 2.7x and 3.3x larger compared to the #2 competitor in the first quarter of 2021 and the first quarter of 2018, respectively, and in Saint Petersburg and the Leningrad region, this share was 1.3x and 1.4x larger compared to the #2 competitor in the first quarter of 2018 and the first quarter of 2021, respectively. In Ekaterinburg, Cian's gap (including N1) compared to the #2 competitor widened from 1.0x in the first quarter of 2018 to 2.2x in the first quarter of 2021. In Novosibirsk, Cian's gap (including N1) compared to the #2 competitor widened from 1.5x in the first quarter of 2018 to 2.9x in the first quarter of 2021. Cian also holds leading positions in Russian regions outside of the top-4 cities and plans to further expand its market share in these regions.

In addition to that, Cian has the widest offering in Moscow among online real estate classifieds (according to Frost & Sullivan) with multiple VAS features to facilitate properties advertising and searches as well as multiple adjacent services.

Cian is also a leader in terms of leads to real estate developers in Moscow among real estate portals, with 31% of such leads attributable to Cian in the year ended December 31, 2020, with the closest competitor accounting for 15% of such leads in the same period, according to Calltouch.

Cian's major competitors are Avito, Yandex, Nedvizhimost, DomClick and Youla.

Avito is the leading Russian horizontal classifieds platform owned by Naspers, with leading positions in Russian regions. Avito is one of the leading players in terms of share of leads to real estate agents and individual sellers and number of listings in the top-4 Russian regions, where it has the #2 and #3 positions (depending on the metric and region). Avito's database includes multiple C2C listings in addition to listings posted by real estate agents, in contrast to Cian's listings, which are mostly posted by real estate agents. As a leading horizontal classifieds platform in Russia, historically, Avito has had a large audience and high brand awareness, which we believe makes it a strong competitor for Cian. Nevertheless, we believe that our real estate-specific customer and user functionality and unique ability to generate high quality leads make our platform extremely well positioned to deliver value to real estate agents and to property searchers, compared to horizontal competitors.

Yandex. Nedvizhimost is a real estate classifieds platform owned by Yandex, which is one of the main search engines in Russia. The platform has solid positions in the primary housing vertical, where we see it as the major competitor to Cian.

DomClick is a real estate classifieds launched in 2017 by Sberbank, the major bank in Russia. DomClick actively develops online mortgage platform and other services which are complementary to Sberbank's offering and comparable to some of Cian's products. DomClick does not charge a listing fee for base listings.

Youla is a horizontal classifieds platform owned by the Mail.ru Group, one of the leading Russian internet companies. Historically, Youla has focused on C2C listings, with a lower presence in primary housing vertical.

Apart from other online real estate classifieds platforms in primary real estate vertical, Cian also competes with other digital channels, namely context advertising and social networks, which accounted for 21% and 19% shares in total developers advertising spend in 2020, respectively, according to Frost & Sullivan.

Beyond our core classifieds business, Cian's C2C short-term rental service competes with such platforms as Booking.com and Airbnb.

The tables below illustrate key quantitative metrics of major online real estate classifieds in Russia.

Average Share of Leads to Real Estate Agents and Individual Sellers by Region

	As of the first quarter of 2021[1]				
	Cian	Avito	Dom Click	Yandex Nedvizhimost	Youla
Moscow and Moscow Region	56%	20%	19%	2%	2%
St. Petersburg and Leningrad Region	41%	29%	25%	3%	2%
Ekaterinburg	52%[2]	19%	23%	1%	5%
Novosibirsk	57%[2]	8%	20%	1%	4%
Centers of Other Top-20 Regions[3]	34%	39%	19%	1%	6%

Source: Frost & Sullivan Report

(1) Average for urban sale and purchase in secondary vertical

(2) Represents the sum of Cian and N1

(3) Ranked by mortgage market size. Weighted average calculated as share of leads in each region weighted by estimated size of mortgage market in respective region. Excluding Moscow, Saint Petersburg, Ekaterinburg and Novosibirsk

Listings by Region

	As of April 2021[1]				
('000s)	Cian	Avito	DomClick	Yandex Nedvizhimost	Youla
Moscow	109	84	81	56	30
Moscow and Moscow Region	220	144	153	104	60
St. Petersburg and Leningrad Region	104	94	90	70	17
Ekaterinburg	56[2]	45	39	24	13
Novosibirsk	105[2]	39	39	34	7

Source: Frost & Sullivan Report

(1) Primary and secondary residential listings for rent and purchase (excl. short term rent)

(2) Including N1 listings for Cian

Top-of-Mind Brand Awareness

	Average for 2020				
	Cian	Avito Realty	DomClick	Yandex Realty	Other
Moscow	56%	35%	3%	2%	4%
St. Petersburg	49%	41%	3%	4%	2%

Source: Frost & Sullivan Report

REGULATION

We are subject to an extensive and constantly evolving legal framework in Russia. Due to the changing interpretation of laws and regulations, we could also be subject to laws and regulations to which we are not currently subject and which could materially affect our operations. The following is only a summary and, as such, is not intended to provide an exhaustive description of all of the regulatory requirements to which we are subject in Russia.

Privacy and Personal Data Protection Regulation

We are subject to Russian laws regarding privacy and the protection of our customers' and clients' personal data. Pursuant to Federal Law No. 152-FZ "On Personal Data" dated July 27, 2006 (the "Personal Data Law"), the notion of "personal data" under Russian law includes any data which relates (directly or indirectly) to an identified or identifiable individual. There is no closed list of information which denotes personal data and any data (or set of data) which identifies a specific individual is treated as personal data. Typically, name and contact details are considered to be personal data.

Russian law uses the term "data operator" to denote a person who determines the scope and purposes of the data processing (this is equivalent to the notion of the "data controller" under the GDPR). Russia also has a notion of "person involved into the data processing by the data operator" (this is equivalent to the notion of "data processor" under the GDPR).

The Personal Data Law, among other matters, requires that a data subject must, subject to a limited number of exceptions, provide informed and conscious consent to the processing (i.e., any action or combination of actions performed on personal data, including the collection, recording, systematization, accumulation, storage, use, transfer (distributing, providing or authorizing access to), blocking, deleting and destroying) of his/her personal data.

The Personal Data Law does not require the consent to be hand-written for most types of personal data and processing actions, but requires the consent to be in a form that, from an evidential perspective, sufficiently attests to the fact that it has been given by the relevant individual. We seek the consent from our customers and clients by asking them to click on a button or select a check-box, in appropriate circumstances, prior to the commencement of the account registration process on our platform or the use of our services, indicating the customer's or user's consent to our collection, use, storage, transferring and other processing of personal data. The "ticking the box" approach is not prohibited by Russian law and is supported by some official but non-obligatory comments by the Russian authorities for most types of personal data as being compliant, provided that such "ticking the box" is a pre-condition to using the service and the service cannot be used without the customers and clients having ticked the box.

The amendments to the Personal Data Law, which entered into force on March 1, 2021, set forth new rules on the processing of personal data that is made available to the general public (the "Relevant Data"). Relevant Data comprises customer and user profiles which are publicly available. The Relevant Data can only be processed/transferred to third parties to the extent there is consent from the data subject (the consent shall be in the form to be prepared by Roskomnadzor, the Russian data protection authority). The data subject may specify (in such consent) certain restrictions on data processing (such restrictions may, however, not apply to processing in state or public interest). In the absence of consent, the data operator cannot disclose the Relevant Data to third parties or otherwise process it. The burden of proof in respect of receipt of consent to processing of the Relevant Data lies with the data operator. In the absence of the consent, the data operator can process the Relevant Data internally (i.e. without transfer to third parties), only if the data subject directly provided the Relevant Data to such data operator.

The Personal Data Law also provides for the right to withdraw consent, in which case the person processing personal data has the obligation to destroy the data relating to the relevant subject. The new rules with respect to the Relevant Data also allow the data subject to demand that the data operator/third parties cease to process his/her Relevant Data. Unless the processing is stopped upon receipt of the relevant request, the data subject can oblige the data operator to stop the processing through court proceedings. The rules do not apply to processing by the Russian state authorities.

According to the Personal Data Law, personal data operators are required to conduct certain types of processing (“restricted processing actions”) of personal data of Russian citizens (when gathering such personal data) with the use of Russian databases (this obligation is referred to the “Russian data localization rules”). Such “restricted processing actions” include recording, systematization, accumulation, storage, clarification (update, modification) and extraction/download. Roskomnadzor comments prohibit parallel input of gathered personal data into a Russian information system and a foreign-based system. This data may be transferred abroad by way of cross-border transfer from a Russian-based system only (and subject to the rules on cross-border transfer described below).

Russia also has restrictions on cross-border transfer of personal data, pursuant to which the transfer of personal data is allowed (subject to the rules on consent to processing described above) to countries which are either signatories to the Strasbourg Convention on Automated Processing of Personal Data 1981, or whitelisted by Roskomnadzor. If a country to which the transfer is made is neither of those (such as the United States), cross-border transfer is only permitted subject to a written consent of the data subject specifying the relevant country, or for certain specific purposes, such as the carrying out of an agreement with the data subject (e.g. a service or employment agreement), protection of vital interests of data subjects, including safety, or a constitutional regime.

In addition, pursuant to Federal Law No. 218-FZ “On Credit Histories” dated December 30, 2004 (the “Credit Histories Law”) and as amended on July 31, 2020, we also seek separate consents from our users, required to obtain credit reports on them from credit bureaus. The Credit Histories Law does not require the consent to be hand-written and allows our customers to sign by using e-signatures, subject to certain mandatory requirements including our identification of the relevant individual.

Intellectual Property Regulation

We hold intellectual property rights to trademarks and copyrights, and we enjoy their protection under Russian law and international conventions. The Civil Code (Part IV) is the basic law in Russia that governs intellectual property rights, including their protection and enforcement. According to the Civil Code, the software and databases that we develop internally generally do not require registration and enjoy legal protection simply by virtue of being created and either publicly disclosed or existent in a certain physical form. In addition, we obtain exclusive rights to materials that are subject to copyright protection and that are created for us on the basis of agreements with the authors of such materials. Also, subject to compliance with the requirements of the Civil Code, we are deemed to have acquired exclusive rights to copyright objects (including software and databases) created by our employees during the course of their employment with us and within the scope of their job functions, which includes the right to their further use and disposal.

Software may be registered by a copyright holder, at its discretion, with Rospatent, but such registration is not customary.

Trademarks, inventions, utility models and industrial designs require mandatory registration with Rospatent in order to have legal protection in Russia. Trademarks registered abroad under the Madrid Agreement Concerning the International Registration of Marks dated April 14, 1891 (the “Madrid Agreement”) and/or the Protocol to the Madrid Agreement dated June 27, 1989 have equal legal protection in Russia as trademarks registered locally. Our main brands are registered as trademarks in Russia and in the European Union.

Registration of a trademark in Russia by Rospatent is valid for ten years after the filing. This term may be extended for an additional ten years an unlimited number of times. The same term applies to international registration of a trademark under the Madrid Agreement. The registration is valid with respect to certain classes of goods or services selected by an applicant and will not be protected if used for other types of goods or services. In the absence of registration, the entity using the designation may not be able to protect its trademark against unauthorized use by a third party. If a third party has previously registered a trademark similar to the designation in question, then the entity may be held liable for unauthorized use of such trademark.

The transfer, license or encumbrance of intellectual property rights to trademarks or other registrable intellectual property under assignment agreements, franchising agreements, license agreements and pledge

agreements are subject to registration with Rospatent. Failure to comply with the registration requirements results in the respective transfer, license or encumbrance being treated as non-existent, and use of the relevant intellectual property in the absence of registration of the relevant transfer, license or encumbrance may trigger civil, administrative or criminal liability. The registration of a copyright license, including over a registered software or database, is not required. However, such copyright license must be made in writing.

The Civil Code recognizes a concept of a well-known trademark, i.e., a mark which, as a result of its widespread use, has become well known in association with certain goods among Russian consumers.

Well-known trademarks enjoy more legal benefits than ordinary trademarks — these include:

- broader coverage — an owner of a well-known trademark may exercise its exclusive rights in association with goods beyond those for which the relevant trademark was originally registered, provided that the use of an identical or confusingly similar trademark by a third party would cause consumers to associate the third party's trademark with the owner of the well-known trademark and would affect the legitimate interests of the owner of the well-known trademark; and
- an unlimited registration period — well-known trademarks registration generally remains effective for an unlimited period of time.

In order to register our main trademark as a well-known trademark, we are planning to submit the relevant application to Rospatent. We will need to provide Rospatent with certain documents including evidence that the relevant mark has become well known (such as the results of consumer surveys and documentary evidence of costs incurred for the advertising of the mark).

Russian law also contains provisions on the liability of online service providers (the Civil Code uses the term "information intermediary", which is defined as a person enabling the publication of any materials on the internet) for the materials/information published by third parties on such providers' networks if such materials/information infringe third party intellectual property rights. However, such liability is limited only to cases where the online service provider knew or should have known that published materials/information infringe third party rights (for example, online service providers are exempt from the general rule of strict liability for infringement of intellectual property rights if such infringement is committed in connection with business activities).

Advertising Regulation

The principal Russian law governing advertising is the Russian Federal Law No. 38-FZ "On Advertising" dated March 13, 2006, as amended (the "Advertising Law"). The Advertising Law provides for a wide array of restrictions, prohibitions and limitations pertaining to contents and methods of advertising.

Set forth below is a non-exhaustive list of the types and methods of advertising that are prohibited regardless of the advertised product and the advertising medium:

- advertising that judges or otherwise humiliates those who do not use the advertised product;
- statements that the advertised product has been approved by state or municipal authorities or officials;
- depiction of smoking and alcohol consumption;
- use of pornographic or indecent materials in advertising;
- advertising that may induce criminal, violent or cruel behavior;
- use of foreign words that may lead to the advertising being misleading;
- advertising of healing properties of a product that is not a registered medicine or medical service; and
- omission of material facts that leads to advertising being misleading.

The law also prohibits advertisements for certain regulated products and services without appropriate certification, licensing or approval. Advertisements for products such as alcohol, tobacco, pharmaceuticals,

baby food, financial instruments or securities and financial services, as well as incentive sweepstakes and advertisements aimed at minors, must comply with specific rules and must, in certain cases, contain specified disclosure. In addition, the distribution of advertisements over the internet (for example, by email) may require the prior express consent of recipients.

Russian advertising laws define and prohibit, among other things, “unfair,” “untrue” and “hidden” advertising (i.e. advertising that influences consumers without their knowledge). Advertising based on improper comparisons of the advertised products with products sold by other sellers is deemed unfair. It is also prohibited to advertise goods which may not be produced and distributed under Russian law.

In some cases, violation of these Russian laws can lead to civil action by third parties who suffer damages, or administrative penalties imposed by FAS. Further amendments to legislation regulating advertising may impact our ability to provide some of our services or limit the type of advertising we may offer.

Internet Regulation

The Law on Information introduced the main regulations of the dissemination of information on the internet. According to the Law on Information, a person assuring the functioning of information systems and/or software which is used to receive, transmit, deliver and/or process electronic messages of an internet user (e.g., messages on website forum) is deemed to be an arranger of information distribution by means of internet (the “Internet Arranger”). The arrangers are required to notify Roskomnadzor of such activity, in accordance with a government regulation, once they received requests from Roskomnadzor to fulfill this notification requirement given their role as arrangers. All arrangers should be included in a special register maintained by Roskomnadzor. Although messaging is not the primary aim of our platform, we cannot exclude the possibility that Russian regulators may allege that we are subject to the regulations applicable to arrangers.

The Yarovaya Law requires arrangers to store metadata (information confirming the fact of receipt, transmission, delivery and/or processing of text messages, pictures or other communications) for a period of one year and the contents of communications, including text messages, pictures or other communications for a period of six months. In addition, the arrangers are required to supply, to investigatory and prosecutorial authorities, the information about the users and any other information “which is necessary for these authorities to achieve their statutory goals,” as well as any information and codes necessary to decode the information.

In addition, the Sovereign Internet Law provides, among other things, certain requirements for Internet Providers, entities holding an autonomous system number and the Internet Arrangers. Certain entities within the N1 Group were holding an autonomous system number, which we inherited as part of the N1 Acquisition The Internet Providers and Internet Arrangers are required to install certain software and hardware to determine IP addresses, install Russian-origin equipment for countering certain cyber threats, take part in practical trainings arranged by the Russian authorities and provide necessary assistance to the Russian investigative authorities. Failure to comply with the obligations and the legal requirements applicable to the Internet Arrangers or the Internet Providers could result in administrative (such as administrative fines or blocking of access to the online platform from within the territory of Russia) and other types of liability established by Russian law.

Antimonopoly Regulation

The Competition Law vests the FAS as the antimonopoly regulator with wide powers and authorities to ensure competition in the market, including prior approval of mergers and acquisitions, monitoring the activities of market participants that occupy dominant positions, prosecution of any wrongful abuse of a dominant position and the prevention of cartels and other anti-competitive agreements or practices. The FAS may impose significant administrative fines on market participants that abuse their dominant position or otherwise restrict competition and is entitled to challenge contracts, agreements or transactions that are performed in violation of the Competition Law. Furthermore, for systematic violations, a court may order, pursuant to a suit filed by the FAS, a compulsory split up or spin off of the violating company, and no affiliation can be preserved between the new entities established as a result of such a mandatory reorganization. We understand that the FAS could, in the future, focus on the markets in which we are

active and could identify dominant positions so that limitations and other requirements contained in the Competition Law would apply to their operations.

The Competition Law expressly provides for its extraterritorial application to transactions and actions that are performed outside of Russia but lead, or may have led, to the restriction of competition in Russia.

The Competition Law provides for mandatory pre approval by the FAS for mergers, acquisitions, company formations and certain other transactions involving companies that meet certain financial thresholds. Under the Competition Law, if an acquirer has acted in violation of the merger control rules and, for example, acquired shares without obtaining the prior approval of the FAS, the transaction may be invalidated by a court order, if the suit is initiated by the FAS, provided that such transaction has led or may lead to the restriction of competition, for example, by means of strengthening of a dominant position in the relevant market.

The Competition Law, as well as the Advertising Law, restricts unfair competition in terms of information flow such as: (i) dissemination of false, inaccurate, or distorted information that may inflict losses on an entity or cause damage to its business reputation; (ii) misrepresentation with respect to the nature, method, and place of manufacture, consumer characteristics, quality and quantity of a commodity or with respect to its producers; (iii) incorrect comparison of the products manufactured or sold by it with the products manufactured or sold by other entities; (iv) sale of commodities in violation of intellectual property rights, including trademarks and brands; or (v) illegal receipt, use, and disclosure of information constituting commercial, official or other secret protected by law.

More generally, Russian legislation provides for civil and administrative liability for the violation of antimonopoly legislation. It also provides for criminal liability of company managers for violations of certain provisions of antimonopoly legislation.

MANAGEMENT

Executive Officers and Board Members

The following individuals are our executive officers, and, prior to the consummation of the offering, we expect to appoint the following board members. The table below includes their ages as of the date of this prospectus:

Name	Age	Position
Executive Officers		
Maxim Melnikov	44	Chief Executive Officer and Director
Mikhail Lukyanov	34	Chief Financial Officer
Board Members		
Maxim Melnikov	44	Chief Executive Officer, Director
Dmitri Krukov	52	Director
Dmitry Antipov	41	Director

Unless otherwise indicated, the current business addresses for our executive officers and the members of our board of directors is at Anna Maria Lena Court, Flat 201, 64 Agiou Georgiou Makri, Larnaca, 6037 Cyprus.

Executive Officers

The following is a brief summary of the business experience of our executive officers.

Maxim Melnikov has served as our Chief Executive Officer since February 2014. Mr. Melnikov served on the board of HeadHunter Group PLC, an online recruitment platform in Russia and the CIS region, since May 2019. From 2010 to 2014, Mr. Melnikov served as Chief Executive Officer and director for Media3 Holding, a large print and digital media holding company focused on selling print media businesses and investing in online media ventures. Mr. Melnikov received a Master in Finance with honors from the Finance Academy under the Government of the Russian Federation, where he focused on banking, securities and public markets. Mr. Melnikov later received a Master of Business Administration from Stanford Graduate School of Business at Stanford University.

Mikhail Lukyanov has served as our key operating subsidiary's Chief Financial Officer since May 2015. Prior to joining us in March 2014, Mr. Lukyanov served as an investment manager in Media 3 LLC. Mr. Lukyanov holds a Masters in Finance from Financial University under the Government of the Russian Federation. Mr. Lukyanov is responsible, among other things, for development of our strategy, our accounting and financial reporting processes.

Board Members

Prior the consummation of the offering, our board will be comprised of up to members, including at least three independent directors. See "*Description of Share Capital and Articles of Association — Board of Directors*." Our board members will be elected by our general meeting of shareholders in accordance with our articles of association in effect prior to the consummation of the offering to serve until their successors are duly elected and qualified.

The following is a brief summary of the business experience of our board members.

Dmitri Krukov is the founder and a senior partner at Elbrus Capital, a Russia and CIS-focused private equity business. Currently, Mr. Krukov is a director on the boards for the HeadHunter Group PLC, an online recruitment platform in Russia and the CIS region, and DS Russia Management GmbH, a logistics company. Previously, Mr. Krukov was a managing director in investment banking and finance at Renaissance Capital from 2002 to 2007, and a Vice President in the mergers, acquisitions and restructuring department at Morgan Stanley from 1996 to 2002. Mr. Krukov received a Master of Science in Applied Mathematics from Lomonosov Moscow State University and received a certificate from the Harvard Business School Executive

Education program on Making Corporate Boards More Effective. Mr. Krukov also attended the MBA program at the Stanford Graduate School of Business in 1994 – 1995.

Dmitry Antipov is a partner at Elbrus Capital, a Russia and CIS-focused private equity business. Prior to joining Elbrus Capital in 2013, Mr. Antipov was an investment director at Baring Vostok Capital Partners, where he served as an investment manager from 2008 to 2010 and an investment director from 2010 to 2013. From 2004 to 2005, he was a senior manager in the Investment Department at VTB Bank. Before VTB Bank, Mr. Antipov held various positions in corporate finance at Deloitte & Touche and Ernst & Young. Mr. Antipov received a Ph.D. in Economics from Moscow State University in 2004 and an MBA from Stanford Graduate School of Business in 2007.

Composition of our Board of Directors

Our board of directors currently consists of members. Our board is expected to determine that do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of director and that each of these directors is "independent" as that term is defined under the rules of . There are no family relationships among any of our directors or executive officers.

Corporate Governance

The Cyprus Securities and Exchange Commission has issued corporate governance guidelines pursuant to Public Offer and Prospectus Law of 2005, together with certain related disclosure requirements pursuant to Transparency Requirements Law of 2007 (the "Prospectus Law"). The proposed regulations are recommended as "best practices" for issuers to follow. As we will not be listed in a "regulated market" in accordance with the Prospectus Law, such guidelines will not apply to us.

Foreign Private Issuer Status

As a foreign private issuer whose ADSs will be listed on , we will have the option to follow certain Cypriot corporate governance practices rather than those of , except to the extent that such laws would be contrary to U.S. securities laws and provided that we disclose the practices we are not following and describe the home country practices we are following. We intend to rely on this "foreign private issuer exemption" with respect to the following requirements:

Except as stated above, we intend to comply with the rules generally applicable to U.S. domestic companies listed on . We may, in the future, decide to use other foreign private issuer exemptions with respect to some or all of the other listing requirements. Following our home country governance practices, as opposed to the requirements that would otherwise apply to a company listed on , may provide less protection than is accorded to investors under listing requirements applicable to domestic issuers.

Controlled Company Exemption

Upon the completion of this offering, our shareholders, Ronder Investment Limited, Speedtime Trading Limited and Onlypiece Trading Limited, investment vehicles associated with Elbrus Capital, will collectively own ordinary shares, representing % of the voting power of our issued and outstanding shares, and at any time when Elbrus Capital's ownership percentage in aggregate is equal to or greater than 30%, it will have the right to nominate five directors, which constitute more than 50% of our directors. We may therefore be able to rely on certain exemptions as a "controlled company" as set forth in the rules. Under these corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect to utilize exemptions from certain corporate governance standards, including the requirement (1) that a majority of the board of directors consist of independent directors, (2) to have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (3) that our director nominations be made, or recommended to the full board of directors, by our independent directors or by a nominations committee that is composed entirely of independent directors and that we adopt a written charter or board resolution addressing the

nominations process. We are currently utilizing these exemptions and expect to continue to do so. In the event that we cease to be a "controlled company," and to the extent we may not rely on similar exemptions as a foreign private issuer, we will be required to comply with these provisions within the applicable transition periods so long as our ADSs continue to be listed on .

Board Committee Composition

The board has established, or will establish prior to the completion of this offering, an audit committee; a compensation committee; and a nominating and corporate governance committee.

Audit Committee

The audit committee, which is expected to consist of , and , will assist the board in overseeing our accounting and financial reporting processes and the audits of our financial statements. will serve as Chairman of the committee. The audit committee will consist exclusively of members of our board who are financially literate, and is considered an "audit committee financial expert" as defined by the SEC. Our board has determined that satisfies the "independence" requirements set forth in Rule 10A-3 under the Exchange Act. The audit committee will be governed by a charter that complies with rules.

Upon the completion of this offering, the audit committee will be responsible for:

- recommending the appointment of the independent auditor to the general meeting of shareholders;
- the appointment, compensation, retention and oversight of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit services;
- pre-approving the audit services and non-audit services to be provided by our independent auditor before the auditor is engaged to render such services;
- evaluating the independent auditor's qualifications, performance and independence, and presenting its conclusions to the full board on at least an annual basis;
- reviewing and discussing with the board and the independent auditor our annual audited financial statements and quarterly financial statements prior to the filing of the respective annual and quarterly reports;
- reviewing our compliance with laws and regulations, including major legal and regulatory initiatives and also reviewing any major litigation or investigations against us that may have a material impact on our financial statements; and
- approving or ratifying any related person transaction (as defined in our related person transaction policy) in accordance with our related person transaction policy.

The audit committee will meet as often as one or more members of the audit committee deem necessary, but in any event will meet at least four times per year. The audit committee will meet at least once per year with our independent accountant, without our executive officers being present.

Compensation Committee

The compensation committee, which is expected to consist of , and , will assist the board in determining executive officer compensation. will serve as Chairman of the committee. The committee will recommend to the board for determination the compensation of each of our executive officers. Under SEC and rules, there are heightened independence standards for members of the compensation committee, including a prohibition against the receipt of any compensation from us other than standard board member fees. All of our expected compensation committee members will meet this heightened standard.

Upon the completion of this offering, the compensation committee will be responsible for:

- identifying, reviewing and approving corporate goals and objectives relevant to executive officer compensation;

- analyzing the possible outcomes of the variable remuneration components and how they may affect the remuneration of our executive officers;
- evaluating each executive officer's performance in light of such goals and objectives and determining each executive officer's compensation based on such evaluation;
- determining any long-term incentive component of each executive officer's compensation in line with the remuneration policy and reviewing our executive officer compensation and benefits policies generally;
- periodically reviewing, in consultation with our Chief Executive Officer, our management succession planning; and
- reviewing and assessing risks arising from our compensation policies and practices for our employees and whether any such risks are reasonably likely to have a material adverse effect on us.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee, which is expected to consist of , and , will assist our board in identifying individuals qualified to become members of our board consistent with criteria established by our board and in developing our corporate governance principles. will serve as Chairman of the committee.

Upon the completion of this offering, the nominating and corporate governance committee will be responsible for:

- drawing up selection criteria and appointment procedures for board members;
- reviewing and evaluating the composition, function and duties of our board;
- recommending nominees for selection to our board and its corresponding committees;
- making recommendations to the board as to determinations of board member independence;
- leading the board in a self-evaluation, at least annually, to determine whether it and its committees are functioning effectively;
- overseeing and recommending, for adoption by the general meeting of shareholders the compensation for our board members; and
- developing and recommending to the board our rules governing the board and code of business conduct and ethics and reviewing and reassessing the adequacy of such rules governing the board and Code of Business Conduct and Ethics and recommending any proposed changes to the board.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics, which covers a broad range of matters including the handling of conflicts of interest, compliance issues and other corporate policies such as equal opportunity and non-discrimination standards. This Code of Business Conduct and Ethics applies to all of our executive officers, board members and employees.

Duties of Board Members and Conflicts of Interest

Under Cyprus law, our directors each owe fiduciary duties at common law, including a duty to act honestly, in good faith and in what the director believes are the best interests of our company. When exercising powers or performing duties as a director, the director is required to exercise the care, diligence and skill that a responsible director would exercise in the same circumstances taking into account, without limitation, the nature of the company, the nature of the decision and the position of the director and the nature of the responsibilities undertaken by him. The directors are required to exercise their powers for a proper purpose and must not act or agree to the company acting in a manner that contravenes our amended and restated memorandum and articles of association or Cyprus law.

A director who is in any way, directly or indirectly, interested in a contract or proposed contract with us shall declare the nature of his or her interest at a meeting of the directors in accordance with the Cyprus

Companies Law. Directors who have an interest in any contract or arrangement shall not have the right to vote (and shall not be counted in the quorum).

Executive Officer and Board Member Compensation

The compensation for each of our executive officers is comprised of the following elements: base salary, bonuses, and annual grants under our equity-based incentive program consisting of phantom share options.

Phantom share options represent the right to receive a cash payment equal to the increase in a value of an ordinary share in our capital over a fixed exercise price established when the phantom share option is granted. Phantom share options generally vest in four equal, annual installments over the four-year period following the date phantom share options are allocated to the participant. Upon the occurrence of an initial public offering (as defined in the award agreements applicable to the phantom share options), including this proposed offering, each holder of phantom share options may elect to have their vested phantom share options settled for a “liquidity event payment” determined based on the value of an ordinary share in our capital. If elected, these liquidity event payments generally must be made within 15 days of election by the participant. As a condition of receiving an allocation of phantom share options, participants must agree to restrictions on competitive activity, solicitation of our employees, and use of our confidential information, which apply at all times during the participant’s employment and for two years thereafter.

The total amount of compensation paid and benefits in kind provided to our executive officers and members of our board for the year ended December 31, 2020 was RUB 351 million, including 38 million of short-term employee benefits and 318 million of share-based payment expense. We do not currently maintain any bonus or profit-sharing plan for the benefit of our executive officers; however, certain of our executive officers are eligible to receive annual bonuses pursuant to the terms of their employment agreements and, from time to time, our key employees, including certain of our executive officers, have participated in incentive programs related to performance of specific business units.

Executive Officer and Board Member Employment Agreements

Each of our executive officers currently has an employment agreement for an indefinite period of time, with the exception of our CEO, who has an agreement for a term of three years. These agreements each contain customary provisions regarding confidentiality of information and assignment of inventions. The agreement with our CEO contains a noncompetition clause.

Long-Term Incentive Plans

In connection with this offering, we intend to adopt a new long-term incentive plan to attract, retain and motivate our eligible employees, directors and consultants. The terms of this new long-term incentive plan have not yet been finalized.

Insurance and Indemnification

Our articles of association provide that, subject to certain limitations, we will indemnify our directors and officers against any losses or liabilities which they may sustain or incur in or about the execution of their duties including liability incurred in defending any proceedings whether civil or criminal in which judgment is given in their favor or in which they are acquitted. We expect the service agreements with our independent directors will provide for indemnification of this type.

Insofar as the Securities Act permits executive officers, board members and our controlling persons (pursuant to the foregoing provisions) to be indemnified with respect to liabilities arising under the Securities Act, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information relating to the beneficial ownership of our ordinary shares as of , 2021 and as adjusted to reflect the sale of the ADSs in this offering by:

- each person, or group of affiliated persons, known by us to beneficially own 5% or more of our outstanding ordinary shares;
- each of our executive officers and our directors; and
- all of our executive officers and our board of directors as a group.

For further information regarding material transactions between us and principal shareholders, see "*Related Party Transactions*."

The number of ordinary shares beneficially owned by each entity, person, executive officer or board member is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of , 2021 through the exercise of any option, warrant or other right. Except as otherwise indicated, and subject to applicable community property laws, we believe that each shareholder identified in the table possesses sole voting and investment power over all common stock shown as beneficially owned by the shareholder.

The percentage of shares beneficially owned before the offering is computed on the basis of 3,281 of our ordinary shares as of August 10, 2021. The percentage of shares beneficially owned after the offering is based on the number of our ordinary shares to be outstanding after this offering, including the ADSs that the Selling Shareholders are selling in this offering, and assumes no exercise of the option to purchase additional ADSs from us and the Selling Shareholders. Ordinary shares that a person has the right to acquire within 60 days of , 2021 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all executive officers and board members as a group. Unless otherwise indicated below, the address for each beneficial owner listed is 64 Agiou Georgiou Makri, Anna Maria Lena Court, Flat 201, 6037, Larnaca, Cyprus.

Name of beneficial owner	Number of ordinary shares beneficially owned before this offering		Shares offered hereby		Ordinary shares beneficially owned after this offering: No exercise of underwriters' option to purchase additional ADSs		Ordinary shares beneficially owned after this offering: Full exercise of underwriters' option to purchase additional ADSs	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
5% or Greater Shareholders								
Elbrus Capital Funds[1]	2,144	65.34%		%		%		%
ELQ Investors II Ltd[2]	447	13.63%		%		%		%
MPOC Technologies Ltd[3]	378	11.52%		%		%		%
Executive Officers and Board Members								
Maxim Melnikov	218	6.64%		%		%		%
Mikhail Lukyanov		%		%		%		%
Dmitri Krukov		%		%		%		%
		%		%		%		%
		%		%		%		%
		%		%		%		%
		%		%		%		%
		%		%		%		%
		%		%		%		%
All executive officers and board members as a group (persons)		%		%		%		%
Other Selling Shareholders								
		%		%		%		%
		%		%		%		%
		%		%		%		%

(1) Includes 939 ordinary shares directly held by Ronder Investments Limited, an investment vehicle associated with Elbrus Capital Fund II L.P. and Elbrus Capital Fund IIB L.P; 902 ordinary shares directly held by Speedtime Trading Limited, an investment vehicle associated with Elbrus Capital Fund II L.P. and Elbrus Capital Fund IIB L.P; and 303 ordinary shares directly held by Onlypiece Trading Limited, an investment vehicle associated with Elbrus Capital Fund III A.S.C.SP (together with Elbrus Capital Fund II L.P. and Elbrus Capital Fund IIB L.P, the "Elbrus Capital Funds"). Elbrus Capital General Partner II Limited is the general partner of Elbrus Capital Fund II L.P. and Elbrus Capital Fund IIB L.P Evert Brunekreef and Daniel Thomas Rewalt are the directors of Elbrus Capital General Partner II Limited. Mr. Brunekreef and Mr. Rewalt disclaim beneficial ownership of the investments held by Elbrus Capital General Partner II Limited. Elbrus Capital Fund III GP S.à r.l. is acting as the general partner of Elbrus Capital Fund III A.S.C.SP. Elmira Askerova, Horiana Secara and Riccardo Zorzetto are the directors of Elbrus Capital Fund III GP S.à r.l. Each of Ms. Askerova, Ms. Secara and Mr. Zorzetto disclaim beneficial ownership of the investments held by Elbrus Capital Fund III GP S.à r.l. The Senior Partners of the Elbrus Capital Funds are Dmitri Krukov, Alexander Savin and Rob Thielen. Each of Mr. Krukov, Mr. Savin and Mr. Thielen disclaims beneficial ownership of these shares except to the extent of any pecuniary interest therein. The address for Ronder Investments Limited is Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands. The address for Speedtime Trading Limited is 6 Ioanni Stylianou, Floor: 2nd, flat/office 202, Nicosia, 2003, Cyprus. The address for Onlypiece Trading Limited is Katalanou 1, 1st floor, flat/office 101, Aglantzia 2121, Nicosia, Cyprus. The registered office address for Elbrus Capital Fund IIB L.P is One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands. The registered office address for Elbrus Capital Fund II L.P is One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands. The registered office address for Elbrus Capital Fund III A.S.C.SP is 412F, route d'Esch, L-2086 Luxembourg.

(2) ELQ Investors II Ltd is an investment vehicle associated with The Goldman Sachs Group, Inc. The registered office address for ELQ Investors II Ltd is Peterborough Court, 133 Fleet Street, London EC4A 2BB.

(3) MPOC Technologies Ltd is an investment vehicle associated with our founder Dmitry Demin. MPOC Technologies Ltd is controlled by Dmitry Demin, who may be deemed to have beneficial ownership of the shares held by MPOC Technologies Ltd. The address for MPOC Technologies Ltd. is Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands.

RELATED PARTY TRANSACTIONS

The following is a description of related party transactions we have entered into since January 1, 2018 with any of our members of our board or executive officers and the holders of more than 5% of our ordinary shares.

Relationship with Shareholders

Loans from Shareholders

On January 22, 2019, we entered into a loan agreement with our shareholders, Ronder Investments Limited, Speedtime Trading Limited, MPOC Technologies Limited and Joox Limited, for the total amount of U.S.$ 2,687,600 and with an annual interest rate of 8%, which was repaid in full by December 31, 2019.

Advertising arrangements with HeadHunter, an associate of Elbrus Capital

We place our advertising with, among other sources, the website operated by HeadHunter LLC ("HeadHunter") (an associate of Elbrus Capital, one of our significant shareholders). For the years ended December 31, 2020 and 2019, our purchases from HeadHunter totaled RUB 3 million and RUB 4 million, respectively. Our relations with HeadHunter are governed by the framework agreement which has an indefinite duration and may be terminated by each party by prior written notice.

Investment Agreement

On December 31, 2020, we entered into an investment agreement with certain of our shareholders, Onlypiece Trading Limited, Stonebridge 2020 Offshore Holdings II, L.P., Stonebridge 2020 L.P., ELQ Investors II Ltd and Otaga Limited (together, the "Investors"). According to the terms of the investment agreement, in consideration for the issuance of a certain amount of shares in favor of the Investors, the Investors paid to us the subscription price by way of set-off against principal amount of the loan provided earlier in accordance with the investment agreement. The principal amount of the loan totaled RUB 2,265 million and was utilized primarily for financing of the N1 Acquisition.

Pre-IPO Shareholders' Agreement

We entered into a shareholders' agreement with our existing shareholders, dated August 6, 2018, as further amended (the "Pre IPO Shareholders' Agreement"), which sets out rights and obligations of the parties and corporate governance regulations with regard to us and our subsidiaries. The Pre-IPO Shareholders' Agreement will terminate upon the completion of this offering.

Registration Rights Agreement

We intend to enter into a registration rights agreement with our shareholders (the "Registration Rights Agreement") prior to the consummation of this offering. The Registration Rights Agreement will provide such shareholders certain registration rights relating to our ordinary shares held by them and any ADSs issued with respect to them, subject to customary restrictions and exceptions. Under the Registration Rights Agreement, the shareholders will have certain demand registration rights and piggyback registration rights exercisable following the expiration of any related lock-up period, subject to customary restrictions and exceptions. All fees, costs and expenses of registrations, other than underwriting discounts and commissions, are expected to be borne by us.

Agreements with Board Members and Executive Officers

For a description of our agreements with our board members and executive officers, please see "*Management—Executive Officer and Board Member Employment Agreements* ."

On January 18, 2019, our subsidiary iRealtor LLC, acting as a borrower, entered into a loan agreement with Maxim Melnikov, our shareholder, Director and the Chief Executive Officer, acting as a lender, for the total amount of U.S.$ 308,600 and with an annual interest rate of 8%, which was repaid in full by December 31, 2019.

Indemnification Agreements

We intend to enter into indemnification agreements with our board members and executive officers. Our articles of association require us to indemnify our board members and executive officers to the fullest extent permitted by law. See "*Management—Insurance and Indemnification*" for a description of these indemnification agreements.

Related Party Transaction Policy

We intend to adopt a written related person transaction policy, which sets forth the policies and procedures for the review and approval, or ratification of, related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds a certain threshold and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person.

DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION

The following is a summary of certain provisions of the articles of association that we intend to adopt in connection with this offering and the Cyprus law insofar as they relate to the material terms of our ordinary shares. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of our articles of association and Cyprus law. Prospective investors are urged to read the complete form of our articles of association which have been filed with the SEC as an exhibit to our registration statement of which this prospectus is a part.

Purpose and Share Capital

Our objects are set forth in full in Regulation 3 of our memorandum of association. As of June 15, 2021 our issued and fully paid share capital amounted to EUR 3,281, which consisted of 3,281 ordinary shares with a nominal value of EUR 1.00, and our authorized share capital amounted to EUR 3,350, which consisted of 3,350 ordinary shares with a nominal value of EUR 1.00.

Changes in Our Share Capital during the Last Three Fiscal Years

Since January 1, 2018, our issued share capital changed as follows:

- During 2018, we issued 2,000 ordinary shares of nominal value EUR 1.00 each, which resulted in an increase in the issued share capital of the Company to EUR 3,000 of issued and fully paid share capital as of December 31, 2018.
- During February, 2021, we issued 281 ordinary shares of nominal value EUR 1.00 each, which resulted in an increase in the issued share capital to EUR 3,281 of issued and fully paid share capital as of June 15, 2021.

Ordinary Shares

General

There are no limitations on the rights to own our ordinary shares, including the rights of non-resident or foreign shareholders to hold or exercise voting rights on our ordinary shares under Cyprus Law or our articles of association.

Voting Rights

Holders of our ordinary shares are entitled to one vote per share.

Every shareholder will have:

- one vote for every ordinary share such shareholder holds on a show of hands; and
- one vote for every ordinary share such shareholder holds on a poll.

Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by:

- the chairman of such meeting;
- at least three shareholders having the right to vote at the meeting present in person or by proxy;
- one or more shareholders representing in aggregate at least 10% of the total voting rights of all shareholders having a right to vote at such meeting present in person or by proxy; or
- one or more shareholders, present in person or by proxy, holding our shares conferring a right to vote at such meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right.

Each shareholder is entitled to attend general meetings, to address the meeting and to exercise any voting rights such shareholder may have.

A corporate shareholder may, by resolution of its directors or other governing body, authorize a person to act as its representative at general meetings and that person may exercise the same powers as the corporate shareholder could exercise if it were an individual shareholder. No shareholder is entitled to vote at any general meeting unless all calls and other amounts payable by such shareholder in respect of shares have been fully paid.

Shareholders may attend meetings in person or be represented by proxy authorized in writing.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy does not need to be a shareholder.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarial certified copy of that power or authority, shall be deposited at our registered office or at such other place within Cyprus as is specified for that purpose in the notice convening the meeting at any time before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, at any time before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

We have not provided for cumulative voting for the election of directors.

Commissions

Our articles of association allow for our directors to approve the payment of commissions in accordance with section 52 of the Companies Law, in connection with the sale of shares in the Company.

Dividends

We may only pay out dividends of the profits as shown in our adopted annual IFRS accounts. Under Cyprus law, we are not allowed to make distributions if the distribution would reduce our net assets below the total sum of the issued share capital and the reserves that we must maintain under Cyprus law and our articles of association.

Interim dividends can only be paid if interim accounts are drawn up showing that funds available for distribution are sufficient and the amount to be distributed may not exceed the total profits made since the end of the financial year for which the annual accounts have been drawn up, plus any profits transferred from the last financial year, and the withheld funds made of the reserves available for this purpose, minus any losses of the previous financial years and funds which must be put in reserve pursuant to the requirements of the law and our articles of association.

Pre-emptive Rights

Under the Cyprus Companies Law, each existing shareholder has a right of pre-emption to subscribe for any new shares to be issued by us and/or other securities giving the right to purchase our shares, or which are convertible into our shares in cash, in proportion to the aggregate number of such shares and/or securities of such shareholder, except that there are no obligatory pre-emption rights with respect to shares issued for non-cash consideration.

Under our articles of association, we have to notify all shareholders in writing of the number of ordinary shares and/or other securities, giving the right to purchase our shares or which are convertible into our shares, which the shareholders are entitled to acquire and the time period within which the offer, if not accepted, shall be deemed to have been rejected.

Each shareholder will have no less than 14 calendar days following its receipt of the notice of the offer to notify us of its desire to exercise its pre-emption right on the same terms and conditions proposed in the notice. If all the shareholders do not fully exercise all their pre-emption rights, the board of directors may decide to offer and sell the remaining shares to third parties on terms not more favorable than those indicated in the notice.

Shareholders' pre-emption rights may be waived by a resolution of the general meeting adopted by a majority of two-thirds of the votes corresponding either to the represented securities or to the represented issued share capital if less than half of the issued share capital is represented, and a simple majority when at least half of the issued share capital is represented. In connection with such waiver, the board of directors must present a written report indicating the reasons why the right of pre-emption should be waived and justifying the proposed issue price. A copy of the said resolution of the general meeting must be delivered to the Registrar of Companies in Cyprus and be published in the Official Gazette of the Republic of Cyprus.

Our shareholders intend to authorize the disapplication of the right of pre-emption set out above for a period of years from the date of the completion of this offering in connection with the issue of all newly issued ordinary shares, including, to the extent relevant, any ordinary shares issued in the form of ADSs.

Variation of Rights

Under the Cyprus Companies Law and our articles of association, generally any change to the amount of our share capital, the division of our share capital into additional classes, or any change to the rights attached to any class of shares must be approved by a separate vote of each class of shares affected by the change. Variation of class rights requires approval by a majority of two-thirds of the votes corresponding either to the represented securities or to the represented issued share capital if less than half of the issued share capital is represented and a simple majority when at least half of the issued share capital is represented. Members voting against the variation of that class, who between them hold or represent 15% of the issued shares of that class, may apply to the court to set aside the variation.

Alteration of Capital

The following alterations to our share capital may be effected by approval of a majority of two-thirds of the votes corresponding either to the represented securities or to the represented issued share capital, if less than half of the issued share capital is represented, and by simple majority when at least half of the issued share capital is represented at a general meeting of our shareholders:

- an increase in our authorized share capital;
- the consolidation and division of any or all of our shares into shares representing a greater proportion of our share capital each;
- the subdivision of all or part of our shares; and
- the cancellation of any shares that have not been taken by any person at the date of the passing of the resolution.

We may also, by special resolution of a general meeting of shareholders, reduce our share capital, any capital redemption reserve account or any share premium account. Following the adoption of a special resolution for the reduction of capital, a company must apply to the Cypriot court for ratification of such special resolution. The Cypriot court shall take into account the position of the creditors of the company in deciding whether to ratify the resolution. Once the court ratifies the resolution, the court order, together with the special resolution, are filed with the Cyprus Registrar of Companies.

Issuance of Shares

Our articles of association provide for a possibility to issue multiple classes of shares and the share capital of the Company may be divided into multiple classes of shares. The general meeting may, pursuant to our articles of association, grant authority to the board of directors to issue and allot new shares out of the authorized but unissued share capital of the company for a period of a maximum of five years subject to any pre-emption rights in our articles of association. Such power may be renewed one or more times by the general meeting for a maximum of five years each time.

Buyback of Shares

The Company may, subject to certain statutory requirements, terms and conditions, buyback shares in its issued share capital not exceeding 10% in nominal value of the entire issued share capital of the Company.

It is noted that the relevant provisions regarding the buyback of shares under the Cyprus Companies Law are vague and unclear in some respects, and their practical implication is unclear and could prevent a buyback. As relevant provisions are broadly drafted, there is a strong argument that the Cyprus Companies Law only applies to companies the shares of which are listed on the Cyprus Stock Exchange, noting that if the shares are not listed on the Cyprus Stock Exchange, there are considerable gaps relating to, for example, what the maximum buyback price is and what is the maximum percentage of shares that can be bought back. The Cyprus Companies Law provides that a company can purchase its own shares, provided that it is permitted to do so via its articles of association or via the passing of a special resolution, which gives authority to the board of directors to proceed with a buyback. The authority granted to the directors can have a maximum duration of 12 months from the date the decision on the buyback is taken and should also set the terms and method of acquisition, including the proposed maximum number of shares to be acquired, the minimum and maximum price and the maximum duration of holding of the shares. The maximum duration of the period over which the company can hold the shares cannot exceed two years, and a buyback cannot be carried out unless it is done using realized and non-distributed profits, which would have been available for distribution as dividends. As the Cyprus Companies Law is drafted, these relevant provisions only apply to shares and do not clearly apply to ADSs and, therefore, there is a strong argument that the Company cannot buy back the ADSs.

Resolutions

The Cyprus Companies Law names three types of resolutions that may be submitted to a shareholder vote: ordinary resolutions, extraordinary resolutions and special resolutions.

There is no definition in the Cyprus Companies Law of an ordinary resolution. An ordinary resolution must be approved by a majority vote of shareholders having voting rights present at the meeting, voting in person or through a proxy and the company must provide at least 14-days advance notice of such meeting to shareholders.

The Cyprus Companies Law defines extraordinary resolutions and special resolutions. An extraordinary resolution must be approved by at least 75% of shareholders having voting rights present at the meeting, voting in person or through a proxy. The meeting requires an advance notice of at least 14-days and such notice must specify the intention to propose the resolution as an extraordinary resolution. A special resolution must be approved by at least 75% of shareholders having voting rights present at the meeting, voting in person or through a proxy and the company must provide at least 21-days advance notice of such meeting to shareholders.

A special resolution is required, among other things, to amend our articles of association, to change the name of the company, to reduce company's share capital and to amend the objectives of the company.

Certain resolutions, such as a resolution waiving pre-emption rights in respect of a new issue of shares for a cash consideration or a resolution altering the company's share capital, require a majority of two-thirds of the votes, corresponding either to the represented securities or to the represented issued share capital if less than half of the issued share capital is represented. Alternatively, they require a simple majority of the votes when at least half of the issued share capital is represented.

The Cyprus Companies Law provides for the approval of certain matters requiring the 75% vote of our shareholders, including, but not limited to, the following matters:

- amendments to the memorandum of association (such resolution also requires confirmation by the court);
- changes to the company's name;
- amendments to the company's articles of association;
- the purchase of the company's own shares; and
- the reduction of the company's capital (such resolution also requires confirmation by the court).

Meetings of Shareholders

We are required to hold an annual general meeting of shareholders each year on such day and at such place as the directors may determine. The directors may, whenever they think fit, decide to convene an extraordinary general meeting. Under Cyprus Companies Law, extraordinary general meetings can also be convened by the request of shareholders holding at the date of the deposit of the requisition at least 10% of such of the paid in capital of the company as of the date of the deposit carries the right of voting at general meetings of the company.

Annual general meetings and meetings where a special resolution will be proposed can be convened by the board of directors by issuing a notice in writing specifying the matters to be discussed at least 21 days prior to the meeting. All other general meetings may be convened by the board by issuing a written notice at least 14 days prior to the meeting. Meetings may be called by shorter notice and shall be deemed to have been duly called if it is so agreed:

- in the case of an annual general meeting, by all the shareholders entitled to attend and vote; and
- in the case of any other meeting, by shareholders representing a majority in number of the shareholders entitled to attend and vote at the meeting and that hold at least 95% in nominal value of the shares entitled to vote at the meeting.

Pursuant to our articles of association, we may give notice to a shareholder either personally or by sending it by post, email, fax to the intended recipient or to such shareholder’s registered address. Where a notice is sent by post, service of the notice shall be deemed effected provided that it has been properly mailed, addressed, and posted, at the expiration of twenty-four (24) hours after the same is posted. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected as soon as it is sent, provided, in the event of email, there is no notification of non-receipt, and in the event of fax, there will be the relevant transmission confirmation.

We may give notice to the joint shareholders of a share by giving the notice to the joint shareholder first named in the register of members in respect of the share. We may give notice to the persons entitled to a share in consequence of the death or bankruptcy of a shareholder by sending it through the post in a prepaid letter addressed to them by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like descriptions, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

Notice of every general meeting shall be given in any manner described above to:

- every shareholder except those shareholders who have not supplied us a registered address for the giving of notices to them;
- every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy would be entitled to receive notice of the meeting; and
- our auditor (only in the case of annual general meetings).

No other person shall be entitled to receive notices of general meetings.

The quorum for a general meeting will consist of at least shareholders, present in person or by proxy. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day of the next week, at the same time and place or on such other day and at such other time and place as the board of directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present in person or by proxy and entitled to vote, shall constitute a quorum.

Subject to the provisions of the Cyprus Companies Law and in accordance with our articles of association, a resolution in writing signed by all the shareholders entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting duly convened and held.

Inspection of Books and Records

Under the Cyprus Companies Law and our articles of association, our directors are required to cause accounting books to be properly maintained with respect to:

- all sums of money received and expended by us and the matters in respect of which the receipt and expenditure takes place;
- all sales and purchases of goods by us; and
- our assets and liabilities.

Proper books shall not be deemed to be kept if there are not kept such books of account as are adequate to give a true and fair view of our affairs and to explain our transactions.

No shareholder (other than a shareholder who is also a director) will have any right of inspecting any of our accounts or books or documents except as conferred by statute or authorized by the directors or by our shareholders in general meeting.

According to Cyprus Companies Law, every company shall keep at its registered office a register of directors and secretary, a register of its members, a register of debentures and a register of charges and mortgages. These registers shall, except when these are duly closed, be open to the inspection of any shareholder without any charge during business hours (subject to such reasonable restrictions as the company may by its articles of association or in general meeting impose, so that not less than two hours in each day are allowed for inspection).

The books containing the minutes of proceedings of any general meeting of a company shall be kept at the registered office of the company, and shall during business hours be open to the inspection of any shareholder without charge (subject to such reasonable restrictions as the company may by its articles of association or in general meeting impose, so that not less than two hours in each day are allowed for inspection).

Furthermore, any shareholder and any holder of debentures of a company are entitled to be furnished on demand, without charge, a copy of every balance sheet of the company, including every document required by law to be annexed thereto, together with a copy of the auditors' report on the balance sheet.

Board of Directors

Appointment of Directors

Our articles of association provide that unless and until otherwise determined by the Company in General Meeting, the number of Directors shall be .

At the first annual shareholders meeting, all the Directors shall retire from office, and at the annual shareholders meeting in every subsequent year, one-third of the Directors, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. The continuing directors may act notwithstanding any vacancy, but, if and so long as their number is reduced below the number fixed by our articles of association as the necessary quorum for a board meeting, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting, but for no other purpose.

Our board of directors shall have power at any time to appoint any person to be a director, either to fill a vacancy or as an addition to the existing directors, but the total number of directors shall not at any time exceed the number fixed in accordance with the articles of association of the Company. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.

Removal of Directors

Under Cyprus law, notwithstanding any provision in our articles of association, a director may be removed by an ordinary resolution of the general shareholders' meeting, which must be convened with at

least 28 days' notice. The Company may, by ordinary resolution, of which special notice has been given in accordance with section 136 of the Cyprus Companies Law, remove any director before the expiration of his period of office notwithstanding anything in the articles of association or in any agreement between the Company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company. The office of any of the directors shall be vacated or shall be precluded from being elected if the relevant person becomes, among other things, (a) bankrupt or makes any arrangements or composition with his or her creditors generally, or (b) permanently incapable or performing his or her duties due to mental or physical illness or due to his or her death.

Powers of the Board of Directors

Our board of directors has been granted authority to manage our business affairs and may exercise all such powers of the company as are not, by law or by our articles of association, required to be exercised by the company in general meeting.

Proceedings of the Board of Directors

Our board of directors may meet, adjourn, and otherwise regulate its meetings as it thinks fit, and questions arising at any meeting shall be decided by a simple majority of votes present at the meeting. Any director may, and the secretary at the request of a director shall, at any time, summon a meeting of the board. It shall be necessary to give at least seven calendar days' notice of a meeting of the board to each director. A meeting may be held by telephone or other means whereby all persons present may at the same time hear and be heard by everybody else present, and persons who participate in this way shall be considered present at the meeting. In such case, the meeting shall be deemed to be held where the secretary of the meeting is located. All board and committee meetings shall take place in Cyprus where the management and control of the company shall remain.

The quorum necessary for the transaction of the business by our board of directors shall be determined by the board of directors and in case it is not so determined, then   directors attending a meeting in person or by an alternate shall form a quorum.

A resolution at a duly constituted meeting of our board of directors is approved by a simple majority of votes of all the directors, unless a higher majority is required on a particular matter. The chairman does not have a second or casting vote in case of a tie. A resolution consented to in writing will be as valid as if it had been passed at a meeting of our board of directors when signed by all the directors and must be approved and executed by all the directors. According to our articles of association, a resolution consented to in writing will be as valid as if it had been passed at a meeting of our board of directors when it has been approved and executed by all of our directors.

Interested Directors

A director who is in any way, directly or indirectly, interested in a contract or proposed contract with us shall declare the nature of his interest at a meeting of the directors in accordance with the Cyprus Companies Law. Directors who have an interest in any contract or arrangement shall not have the right to vote (and shall not be counted in the quorum).

Notification of Shareholdings by Directors and Substantial Shareholders

There is no requirement under our articles of association or the Cyprus Companies Law for the notification of shareholdings by our directors and substantial shareholders. As none of our securities are listed on a regulated market in Cyprus or the European Union, there are no notification requirements under relevant Cyprus and European Union legislation.

Applicability of Cyprus Takeover Law

As none of our securities are listed on a regulated market in Cyprus or the European Union, neither the Cyprus Takeover Law nor the European Union's Takeover Directive apply to purchases of our shares.

Relevant Provisions of Cypriot Law

The liability of our shareholders is limited. Under the Cyprus Companies Law, a shareholder of a company is not personally liable for the acts of the company, except that a shareholder may become personally liable by reason of his or her own acts.

As of the date of this prospectus, Cypriot law does not contain any requirement for a mandatory offer to be made by a person acquiring shares or depositary receipts of a Cypriot company even if such an acquisition confers on such person control over us if neither the shares nor depositary receipts are listed on a regulated market in the EEA. Neither our shares nor depositary receipts are listed on a regulated market in the EEA.

The Cyprus Companies Law contains provisions in respect of squeeze-out rights. The effect of these provisions is that, where a company makes a takeover bid for all the shares or for the whole of any class of shares of another company, and the offer is accepted by the holders of 90% of the shares concerned, the offeror can upon the same terms acquire the shares of shareholders who have not accepted the offer, unless such persons can persuade the Cypriot courts not to permit the acquisition. If the offeror company already holds more than 10% of the value of the shares concerned, additional requirements need to be met before the minority can be squeezed out. If the company making the takeover bid acquires sufficient shares to aggregate, together with those which it already holds, more than 90%, then within one month of the date of the transfer which gives the 90%, it must give notice of the fact to the remaining shareholders and such shareholders may, within three months of the notice, require the bidder to acquire their shares and the bidder shall be bound to do so upon the same terms as in the offer or as may be agreed between them or upon such terms as the court may order.

Material Differences in Cyprus Law and our Articles of Association and Delaware Law

	Cyprus Law	Delaware Law
General Meetings	We are required to hold an annual general meeting of shareholders each year on such day and at such place as the directors may determine. The directors may, whenever they think fit, decide to convene an extraordinary general meeting. Extraordinary general meetings may be convened at the request of the shareholders holding at the date of the deposit of the request at least 10% of such of the paid up share capital of the company as of the date of the deposit carries the right of voting at general meetings of the company and if the company fails, within 21 days from the date of the request, to call a meeting, the requestors (or any of them representing more than 50% of the total voting rights of all of them), may themselves convene a meeting but any meeting so convened shall not be held after the expiration of three months from the said date. If the company fails to hold its annual general meeting, it may be subject to fines and it may be ordered to hold a meeting by the Council of Ministers.	Annual shareholder meetings are typically held at such time or place as designated in the certificate of incorporation or the bylaws. A special meeting of shareholders may be called by the board of directors or by any other person authorized in the certificate of incorporation or bylaws. The meeting may be held inside or outside Delaware. Whenever shareholders are required to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any.

	Cyprus Law	Delaware Law
Quorum Requirements for General Meetings	The Cyprus Companies Law provides that a quorum at a general meeting of shareholders may be fixed by the articles of association, otherwise a quorum consists of three members. Our articles provide a quorum required for any general meeting consists of shareholders, present in person or by proxy.	The certificate of incorporation or bylaws may specify the number to constitute a quorum, but in no event shall a quorum consist of less than one third of the shares entitled to vote at the meeting. In the absence of such specification, the majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of shareholders.
Removal of Directors	Under the Cyprus Companies Law, any director may be removed by an ordinary resolution of the general meeting, provided that a special notice of 28 days prior to the general meeting of the shareholders has been given. The director concerned must receive a copy of the notice of the intended resolution and that director is entitled to be heard on the resolution at the meeting. The director concerned may make representations either orally or in writing to the company, not exceeding a reasonable length, and require that the shareholders of the company be notified of such representations, either via advance notice or at the shareholders' general meeting, unless a court in Cyprus determines that such rights are being abused to secure needless publicity for a defamatory matter. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.	Under the Delaware General Corporation Law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except (a) unless the certificate of incorporation provides otherwise, in the case of a corporation whose board is classified, shareholders may affect such removal only for cause, or (b) in the case of a corporation having cumulative voting, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which he is a part.
Directors' Fiduciary Duties	Under Cyprus law, the directors of a company have certain duties towards the company and its shareholders. These duties consist of statutory duties and common law duties. Statutory duties under the Cyprus Companies Law include, among others, the duty to cause the preparation of the financial accounts in accordance with IAS/IFRS and the disclosure of directors' salaries and pensions in the company's accounts or in a statement annexed thereto. In general, the directors of a Cyprus company owe a duty to manage the company in accordance with the	Directors have a duty of care and a duty of loyalty to the corporation and its shareholders. The duty of care requires that a director act in good faith, with the care of a prudent person, and in the best interest of the corporation. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. Directors and officers must refrain from self-dealing, usurping corporate opportunities and receiving improper personal benefits, and ensure that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director or officer

	Cyprus Law	Delaware Law
	provisions of applicable law and within the regulations of the memorandum and articles of association of the company, and failure to do so will lead to the directors being liable for breach of their fiduciary duties. In addition, directors must disclose any interests that they may have and have a statutory duty to avoid any conflict of interest. This duty is imposed on those directors who are either directly or indirectly interested in a contract or proposed contract with the company. Failure to reveal the nature of their interest at a board meeting would result in the imposition of a fine and, potentially, can also cause a relevant resolution to be invalid and make a relevant director liable to the company for breach of duty. Directors also have a duty to conduct the affairs of the company in a manner that is not oppressive to some of the members constituting a minority. In addition, according to common law, directors must act in accordance with their duty of good faith and in the best interests of the company. They must exercise their powers for the particular purposes of which they were conferred and not for an extraneous purpose (for a proper purpose), and must display a reasonable degree of skill that may be expected from a person of his knowledge and experience.	and not shared by the shareholders generally. Contracts or transactions in which one or more of the corporation's directors has an interest are allowed assuming (a) the shareholders or the board of directors must approve in good faith any such contract or transaction after full disclosure of the material facts or (b) the contract or transaction must have been "fair" as to the corporation at the time it was approved. Directors may vote on a matter in which they have an interest so long as the director has disclosed any interests in the transaction.
Cumulative Voting	The company's articles of association can contain provisions in relation to cumulative voting. Our articles of association do not contain provision on cumulative voting.	Cumulative voting is not permitted unless explicitly allowed in the certificate of incorporation.
Shareholder Action by Written Consent	According to our articles of association, a resolution in writing signed by all the shareholders then entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held.	Although permitted by Delaware law, publicly listed companies do not typically permit shareholders of a corporation to take action by written consent.
Business Combinations	The Cyprus Companies Law provides for schemes of arrangement, which are arrangements or compromises between a company and any class of shareholder or creditors and used in certain types of	Under the Delaware General Corporation Law, the vote of a majority of the outstanding shares of capital stock entitled to vote thereon generally is necessary to approve a merger or

Cyprus Law	Delaware Law
reconstructions, amalgamations, capital reorganizations or takeovers. Under Cyprus Companies Law, arrangements and reconstructions, require: • the approval at a shareholders' or creditors' meeting convened by order of the court, representing a majority in value of the creditors or class of creditors or in number of votes of members or class of members, as the case may be, present and voting either in person or by proxy at the meeting; • the approval of the court; and • the submission of the relevant court order approving the arrangement or reconstruction for registration with the Registrar of Companies, and a copy any such court order must be enclosed to any copy of the memorandum of association issued after the date of the said court order.	consolidation or the sale of all or substantially all of the assets of a corporation. The Delaware General Corporation Law permits a corporation to include in its certificate of incorporation a provision requiring for any corporate action the vote of a larger portion of the stock or of any class or series of stock than would otherwise be required.
The Cyprus Companies Law allows for the merger of public companies as follows: (a) merger by absorption of one or more public companies by another public company; (b) merger of public companies by way of incorporation of a new public company; and (c) fragmentation of public companies meaning (i) fragmentation by way of absorption and (ii) fragmentation by way of incorporation of new companies. These transactions require, inter alia (and subject to requirements of other sections of the Cyprus Companies Law): • a majority in value of the creditors or class of creditors or in number of votes members or class of members, as the case may be, present and voting either in person or by proxy at the meeting; • the directors of the companies to enter into and to approve a written reorganization or division plan, as applicable; • the directors of the companies to prepare a written report explaining the terms of the transaction;	Under the Delaware General Corporation Law, no vote of the shareholders of a surviving corporation to a merger is needed, however, unless required by the certificate of incorporation, if (a) the agreement of merger does not amend in any respect the certificate of incorporation of the surviving corporation, (b) the shares of stock of the surviving corporation are not changed in the merger and (c) the number of shares of common stock of the surviving corporation into which any other shares, securities or obligations to be issued in the merger may be converted does not exceed 20% of the surviving corporation's common stock outstanding immediately prior to the effective date of the merger. In addition, shareholders may not be entitled to vote in certain mergers with other corporations that own 90% or more of the outstanding shares of each class of stock of such corporation, but the shareholders will be entitled to appraisal rights.

	Cyprus Law	Delaware Law
	• the aforementioned plan and report to be examined by independents experts (one for each participant company) or a joint expert appointed by the Court for such limited purpose further to an application made by the participant companies, and the presentation of an expert report (save in prescribed circumstances), unless all the shareholders and holders of other titles carrying voting rights in each of the participant have agreed that the examination and the expert report are not required; and • the approval of the court. The Cyprus Companies Law provides for the cross border merger between Cyprus companies and companies registered in another European Union jurisdiction.	
Interested Shareholders	There are no equivalent provisions under the Cyprus Companies Law relating to transactions with interested shareholders. However, such transactions must be in the corporate interest of the company.	Section 203 of the Delaware General Corporation Law provides (in general) that a corporation may not engage in a business combination with an interested stockholder for a period of three years after the time of the transaction in which the person became an interested stockholder. The prohibition on business combinations with interested stockholders does not apply in some cases, including if: (a) the board of directors of the corporation, prior to the time of the transaction in which the person became an interested stockholder, approves (i) the business combination or (ii) the transaction in which the stockholder becomes an interested stockholder; (b) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or (c) the board of directors and the holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder approve the business combination on or after the time of the transaction in which the person became an interested stockholder.

	Cyprus Law	Delaware Law
		For the purpose of Section 203, the Delaware General Corporation Law, subject to specified exceptions, generally defines an interested stockholder to include any person who, together with that person's affiliates or associates, (a) owns 15% or more of the outstanding voting stock of the corporation (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or (b) is an affiliate or associate of the corporation and owned 15% or more of the outstanding voting stock of the corporation at any time within the previous three years.
Limitations on Personal Liability of Directors	Under the Cyprus Companies Law, a director who vacates office remains liable, subject to applicable limitation periods, under any provisions of the Cyprus Companies Law that impose liabilities on a director in respect of any acts or omissions or decisions made while that person was a director.	Under Delaware law, a corporation's certificate of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation and its stockholders for damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for (a) any breach of the director's duty of loyalty to the corporation or its stockholders; (b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (c) intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or (d) any transaction from which the director derives an improper personal benefit.
Indemnification of Directors and Officers	Under the Cyprus Companies Law, a director shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceeding, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or under a court application under which relief is granted to him by the court.	Under Delaware law, subject to specified limitations in the case of derivative suits brought by a corporation's shareholders in its name, a corporation may indemnify any person who is made a party to any third party action, suit or proceeding on account of being a director, officer, employee or agent of the corporation (or was serving at the request of the corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise) against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and

	Cyprus Law	Delaware Law
		reasonably incurred by him or her in connection with the action, suit or proceeding through, among other things, a majority vote of directors who were not parties to the suit or proceeding (even though less than a quorum), if the person: • acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or, in some circumstances, at least not opposed to its best interests; and • in a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. Delaware law permits indemnification by a corporation under similar circumstances for expenses (including attorneys' fees) actually and reasonably incurred by such persons in connection with the defense or settlement of a derivative action or suit, except that no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged to be liable to the corporation unless the Delaware Court of Chancery or the court in which the action or suit was brought determines upon application that the person is fairly and reasonably entitled to indemnity for the expenses which the court deems to be proper. To the extent a director, officer, employee or agent is successful in the defense of such an action, suit or proceeding, the corporation is required by Delaware law to indemnify such person for reasonable expenses incurred thereby. Expenses (including attorneys' fees) incurred by such persons in defending any action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of that person to repay the amount if it is ultimately determined that that person is not entitled to be so indemnified.
Appraisal Rights	There is no general concept of appraisal rights under the Cyprus Companies Law, although there are instances when a	The Delaware General Corporation Law provides for shareholder appraisal rights, or the right to demand payment in cash

	Cyprus Law	Delaware Law
	shareholder's shares may have to be acquired by another shareholder at a price ordered by the court. One such example is where a shareholder complains of oppression.	of the judicially determined fair value of the shareholder's shares, in connection with certain mergers and consolidations.
Shareholder Suits	Under Cyprus law, generally, the company, rather than its shareholders, is the proper claimant in an action in respect of a wrong done to the company or where there is an irregularity in the company's internal management. Notwithstanding this general position, Cyprus law provides that a court may, in a limited set of circumstances, allow a shareholder to bring a derivative claim (that is, an action in respect of and on behalf of the company).	Under the Delaware General Corporation Law, a shareholder may bring a derivative action on behalf of the corporation to enforce the rights of the corporation. An individual also may commence a class action suit on behalf of himself and other similarly situated shareholders where the requirements for maintaining a class action under Delaware law have been met. A person may institute and maintain such a suit only if that person was a shareholder at the time of the transaction which is the subject of the suit. In addition, under Delaware case law, the plaintiff normally must be a shareholder at the time of the transaction that is the subject of the suit and throughout the duration of the derivative suit. Delaware law also requires that the derivative plaintiff make a demand on the directors of the corporation to assert the corporate claim before the suit may be prosecuted by the derivative plaintiff in court, unless such a demand would be futile.
Amendment of Governing Documents	Under the Cyprus Companies Law, a company may alter the objects contained in its memorandum by a special resolution of the shareholders of the company (approved by 75% of those present and voting) and the alteration shall not take effect until, and except in so far as, it is confirmed on petition by a court in Cyprus. The articles of association of a company may be altered or additions may be made to it by special resolution of the shareholders of the company.	Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors.
Dividends and Repurchases	Under Cyprus law, we are not allowed to make distributions if the distribution would reduce our net assets below the total sum of the issued share capital and the reserves that we must maintain under Cyprus law and our articles of association. Dividends may be declared at a general meeting of shareholders, but no dividend may exceed the amount	Under the Delaware General Corporation Law, a Delaware corporation may pay dividends out of its surplus (the excess of net assets over capital), or in case there is no surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year (provided that the amount of the capital of the corporation

Cyprus Law	Delaware Law
recommended by the directors. In addition, the directors may on their own declare and pay interim dividends. No distribution of dividends may be made when, on the closing date of the last financial year, the net assets, as set out in our Company's annual accounts are, or following such a distribution would become lower than the amount of the issued share capital and those reserves which may not be distributed under the Cyprus law or our articles of association. Interim dividends can only be paid if interim accounts are drawn up showing that funds available for distribution are sufficient and the amount to be distributed may not exceed the total profits made since the end of the last financial year for which the annual accounts have been drawn up, plus any profits transferred from the last financial year and the withheld funds made of the reserves available for this purpose, minus any losses of the previous financial years and funds which must be put in reserve pursuant to the requirements of the law and articles of association. In general, a public company may acquire its own shares either directly, through a subsidiary or through a person acting in its name but for the account of the company, provided that the articles of association of the company allow this and as long as the conditions of the Cyprus Companies Law are met. These conditions include, inter alia, the following: • shareholder approval via special resolution (valid for 12 months from such resolution); • the total nominal value of shares acquired by the company, including shares previously acquired and held by the company in a portfolio and the shares which a person acting in his name but who acquired same on behalf of the company, may not exceed the lesser of either 10% of the company's issued capital or 25% of the average value of the transactions,	is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets). In determining the amount of surplus of a Delaware corporation, the assets of the corporation, including stock of subsidiaries owned by the corporation, must be valued at their fair market value as determined by the board of directors, without regard to their historical book value. Dividends may be paid in the form of shares, property or cash.

	Cyprus Law	Delaware Law
	which in the case of a listed company, was negotiated during the last 30 days; • the shares to be repurchased need to be fully paid; • the company must pay for shares repurchased out of the realized and non-distributable profits; and • such repurchases may not have the effect of reducing the company's net assets below the amount of the company's issued capital plus those reserves which may not be distributed under the law or our articles of association. It is noted that the relevant provisions regarding the buyback of shares under the Cyprus Companies Law are vague and unclear in some respects, and their practical implication is unclear and could prevent a buyback. As the Cyprus Companies Law is drafted, these relevant provisions only apply to shares and do not clearly apply to ADSs and, therefore, there is a strong argument that the company cannot buy back the ADSs.	
Pre-emption Rights	Under the Cyprus Companies Law, each existing shareholder has a right of pre-emption entitling them to the right to subscribe for their pro-rata shares of any new share issuance made by the company for a cash consideration. If all the shareholders do not fully exercise all their pre-emption rights, the board of directors may decide to offer and sell the remaining shares to third parties on terms not more favorable than those indicated in the notice. Shareholders' pre-emption rights may be waived by a resolution of the general meeting adopted by a specified majority. The decision is passed by a majority of two-thirds of the votes corresponding either to the represented securities or to the represented issued share capital. When at least half of the issued share capital is represented, a simple majority will suffice. In connection with such waiver, the board of directors must present a written report indicating the reasons why the right of pre-emption should be waived and justifying the	Under the Delaware General Corporation Law, shareholders have no preemptive rights to subscribe for additional issues of stock or to any security convertible into such stock unless, and to the extent that, such rights are expressly provided for in the certificate of incorporation.

Cyprus Law	Delaware Law
proposed issue price. Our shareholders intend to authorize the disapplication of the right of pre-emption set out above for a period of years from the date of the completion of this offering in connection with the issue of all newly issued ordinary shares, including, to the extent relevant, any ordinary shares issued in the form of ADSs and only relates to shares issued for cash consideration.	

Listing

We intend to apply to list our ADSs on under the symbol “CIAN.” We also plan to list our ADSs on MOEX under the symbol “CIAN.”

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS will represent one ordinary share (or a right to receive one ordinary share) deposited with , acting through an office located in the United Kingdom, as custodian for the depositary. Each ADS will also represent any other securities, cash or other property that may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs will be administered and its principal executive office are located at .

You may hold ADSs either (a) directly (i) by holding an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having uncertificated ADSs registered in your name, or (b) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depository Trust Company, also called the DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Cyprus law governs shareholder rights. The depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary, ADS holders and all other persons indirectly or beneficially holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. See "*Where You Can Find More Information*" for directions on how to obtain copies of those documents.

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of shares your ADSs represent.

Cash. The depositary will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible, or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See "*Material Tax Considerations.*" The depositary will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some of the value of the distribution.*

Shares. The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell shares which would require it to deliver a fraction of an ADS (or ADSs representing those shares) and distribute the net

proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares (or ADSs representing those shares) sufficient to pay its fees and expenses in connection with that distribution.

Rights to purchase additional shares. If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse. *In that case, you will receive no value for them.* The depositary will exercise or distribute rights only if we ask it to and provide reasonably satisfactory assurances to the depositary that it is legal to do so. If the depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of shares, new ADSs representing the new shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depositary. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer. There can be no assurances that you will be given the opportunity to exercise rights on the same terms and conditions as the holders of our ordinary shares or be able to exercise such rights at all.

Other Distributions. The depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depositary to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. *This means that you may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available to you.*

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposits shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs to the depositary for the purpose of withdrawal. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its office, if feasible. However, the depositary is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. The depositary may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How do you vote?

ADS holders may instruct the depositary how to vote the number of deposited shares their ADSs represent. If we request the depositary to solicit your voting instructions (and we are not required to do so), the depositary will notify you of a shareholders' meeting and send or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary. The depositary will try, as far as practical, and subject to the laws of Cyprus and the provisions of our articles of association or similar documents, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders. If we do not request the depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the depositary as described above, you won't be able to exercise voting rights unless you surrender your ADSs and withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed or as described in the following sentence. If (i) we asked the depositary to solicit your instructions at least 30 days before the meeting date, (ii) the depositary does not receive voting instructions from you with respect to the agenda item by the specified date and (iii) we confirm to the depositary that:

- we wish to receive a proxy to vote uninstructed shares;
- as of the instruction cut-off date, we are not aware of any substantial shareholder opposition to that agenda item; and
- that agenda item is not materially adverse to the interests of shareholders,

the depositary will consider you to have authorized and directed it to give, and it will give, a discretionary proxy to a person designated by us to vote the number of deposited securities represented by your ADSs as to that agenda item.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise voting rights and there may be nothing you can do if your shares are not voted as you requested.*

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 30 days in advance of the meeting date.

Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:	***For:***
$ (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property
	Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
$ (or less) per ADS	Any cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
$ (or less) per ADS per calendar year	Depositary services
Registration or transfer fees	Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	Cable (including SWIFT) and facsimile transmissions (when expressly provided in the deposit agreement)
	Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates, or the custodian or we may convert currency and pay U.S. dollars to the depositary. Where the depositary converts currency itself or through any of its affiliates, the depositary acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction

spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained by it or its affiliate in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligation to act without negligence or bad faith. The methodology used to determine exchange rates used in currency conversions made by the depositary is available upon request. Where the custodian converts currency, the custodian has no obligation to obtain the most favorable rate that could be obtained at the time or to ensure that the method by which that rate will be determined will be the most favorable to ADS holders, and the depositary makes no representation that the rate is the most favorable rate and will not be liable for any direct or indirect losses associated with the rate. In certain instances, the depositary may receive dividends or other distributions from us in U.S. dollars that represent the proceeds of a conversion of foreign currency or translation from foreign currency at a rate that was obtained or determined by us and, in such cases, the depositary will not engage in, or be responsible for, any foreign currency transactions and neither it nor we make any representation that the rate obtained or determined by us is the most favorable rate and neither it nor we will be liable for any direct or indirect losses associated with the rate.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do so by an ADS holder surrendering ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of deposited securities in which the depositary receives new securities in exchange for or in lieu of the old deposited securities, the depositary will hold those replacement securities as deposited securities under the deposit agreement. However, if the depositary decides it would not be lawful and practical to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADSs in exchange for new ADSs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying ADSs have become apparently worthless, the depositary may call for surrender of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree in writing with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended*.

How may the deposit agreement be terminated?

The depositary will initiate termination of the deposit agreement if we instruct it to do so. The depositary may initiate termination of the deposit agreement if:

- 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment;
- we delist the ADSs from an exchange in the United States on which they were listed and 30 days after delisting, we do not list the ADSs on another exchange in the United States or apply to list the ADSs on any other stock exchange, or make arrangements for trading of ADSs on the U.S. over-the-counter market;
- the depositary has reason to believe the ADSs have become, or will become, ineligible for registration on Form F-6 under the Securities Act of 1933;
- we appear to be insolvent or enter insolvency proceedings;
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind that have not settled if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, but, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith, and the depositary will not be a fiduciary or have any fiduciary duty to holders of ADSs;

- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care or effort from performing our or its obligations under the deposit agreement;
- are not liable if we or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- the depositary has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

Your Right to Receive the Shares Underlying your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. The DRS is a system administered by the DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through the DTC and a DTC participant. Profile is a feature of the DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to the DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to the DRS/Profile, the parties to the deposit agreement understand that the depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder Communications; Inspection of Register of Holders of ADSs

The depositary will make available for your inspection at its office, all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

Jury Trial Waiver

As an owner of ADSs, you irrevocably agree that any legal action arising out of the deposit agreement, the ADSs or the ADRs, involving the Company or the depositary, may only be instituted in a state or federal court in the city of New York and actions by ADS holders to enforce any duty or liability created by the Exchange Act, the Securities Act or the respective rules and regulations thereunder must be brought in a federal court in the city of New York.

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, YOUR RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THE DEPOSIT AGREEMENT, THE ADSs OR THE ADRs AGAINST US AND/OR THE DEPOSITARY.

The waiver continues to apply to claims that arise during the period when a holder holds the ADSs, whether the ADS holder purchased the ADSs in this offering or secondary transactions.

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law. You will not, by agreeing to the terms of the deposit agreement, be deemed to have waived our or the depositary's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.

SHARES AND ADSS ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for ADSs or our ordinary shares, and we cannot assure you that there will be an active public market for ADSs following this offering. We cannot predict what effect sales of ADSs in the public market or the availability of ADSs for sale will have on the market price of ADSs. Future sales of substantial amounts of ADSs in the public market, including ordinary shares issued upon exercise of options or warrants, or the perception that such sales may occur, however, could adversely affect the market price of ADSs and also could adversely affect our future ability to raise capital through the sale of ADSs or other equity-related securities at times and prices we believe appropriate. See "*Risk Factors—Risks Related to the Offering and Ownership of our ADSs* " for more information.

Upon completion of this offering, we will have ordinary shares outstanding, or ordinary shares outstanding if the underwriters exercise their option in full to purchase additional ADSs. All of the ADSs expected to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for ADSs held by our "affiliates," as that term is defined in Rule 144 under the Securities Act, who are subject to lock-up restrictions or are restricted from selling shares by Rule 144. The remaining outstanding ADSs will be deemed "restricted securities" as that term is defined under Rule 144. Restricted securities may be sold in the public market only if their offer and sale is registered under the Securities Act or if the offer and sale of those securities qualify for an exemption from registration, including exemptions provided by Rules 144 and 701 under the Securities Act, which are summarized below.

As a result of the lock-up agreements described below and the provisions of Rules 144 or 701, and assuming no extension of the lock-up period and no exercise of the underwriters' option to purchase additional ADSs, the ADSs that will be deemed "restricted securities" will be available for sale in the public market following the completion of this offering as follows:

- No ADSs or ordinary shares will be eligible for sale on the date of this prospectus; and
- ADSs or ordinary shares will be eligible for sale upon expiration of the lock-up agreements described below, beginning more than 180 days after the date of this prospectus.

Rule 144

In general, a person who has beneficially owned our ordinary shares that are restricted shares for at least six months would be entitled to sell such securities, provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned our ordinary shares that are restricted shares for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of our ordinary shares then outstanding; or
- the average weekly trading volume of our ADSs on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144 to the extent applicable.

Rule 701

In general, under Rule 701, any of our employees, board members, officers, consultants or advisors who purchase shares from us in connection with a compensatory share or option plan or other written agreement before the effective date of this offering are entitled to resell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirements or other restrictions contained in Rule 701.

The SEC has indicated that Rule 701 will apply to typical share options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described below, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement.

Regulation S

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act.

Lock-Up Agreements

We, the Selling Shareholders, our executive officers, board members and certain other shareholders have agreed, subject to limited exceptions, not to offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the ordinary shares or such other securities for a period of days after the date of this prospectus, subject to certain exceptions, without the prior written consent of Morgan Stanley & Co. LLC, Goldman Sachs International, J.P. Morgan Securities LLC, BofA Securities, Inc., and Renaissance Securities (Cyprus) Limited as representatives on behalf of the underwriters. These agreements are described below under the section captioned "*Underwriters (Conflict of Interest)* ."

The representatives have advised us that they have no present intent or arrangement to release any ADSs, ordinary shares or other securities subject to a lock-up with the underwriters and will consider the release of any lock-up on a case-by-case basis. Upon a request to release any ADSs, ordinary shares or other securities subject to a lock-up, the representatives would consider the particular circumstances surrounding the request, including, but not limited to, the length of time before the lock-up expires, the number of ADSs, ordinary shares or other securities requested to be released, reasons for the request, the possible impact on the market for ADSs and whether the holder of our ordinary shares requesting the release is an officer, director or other affiliate of ours.

Registration Rights

We intend to enter into the Registration Rights Agreement upon consummation of this offering, pursuant to which we will agree under certain circumstances to file a registration statement to register the resale of the shares held by certain of our existing shareholders, as well as to cooperate in certain public offerings of such shares. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See "*Related Party Transactions—Registration Rights Agreement*."

Share Options

We intend to file one or more registration statements on Form S-8 under the Securities Act to register the offer and sale of any ordinary shares issued or reserved for issuance under our share plan. We expect to file the registration statement covering these ordinary shares after the date of this prospectus, which will permit the resale of such shares by persons who are non-affiliates of ours in the public market without restriction under the Securities Act, subject, with respect to certain of the ordinary shares, to the provisions of the lock-up agreements described above.

MATERIAL TAX CONSIDERATIONS

The following summary contains a description of the material Cyprus, Russian and U.S. federal income tax consequences of the acquisition, ownership and disposition of ADSs, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase ADSs. The summary is based upon the tax laws of Cyprus and regulations thereunder, the tax laws of Russia and regulations thereunder and on the tax laws of the United States and regulations thereunder as of the date hereof, which are subject to change.

Prospective holders of the ADSs should consult their tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of ADSs and receiving payments of dividends and the consequences of such actions under the tax laws of those countries. The information and analysis contained in this section are limited to issues relating to taxation, and prospective holders should not apply any information or analysis set out below to other issues, including (but not limited to) the legality of transactions involving the ADSs.

Material Cyprus Tax Considerations

The following discussion is a summary of the material Cyprus tax considerations relating to the purchase, ownership and disposition of our ADSs.

Tax Residency

As a rule, a company is considered to be a resident of Cyprus for tax purposes if its management and control is exercised in Cyprus.

The Cyprus Tax Authorities have published guidelines which indicate the minimum requirements that need to be satisfied for a company to be considered a tax resident of Cyprus and be eligible to obtain a tax residency certificate. Such requirements include the following: (i) the company is incorporated in Cyprus and is a tax resident only in Cyprus; (ii) the company's board of directors has a decision making power that is exercised in Cyprus in respect of key management and commercial decisions necessary for the company's operations and general policies and, specifically, whether the majority of the meetings of the board of directors take place in Cyprus and the minutes of the meetings of the board of directors are prepared and kept in Cyprus, and, also, whether the majority of the board of directors are tax residents of Cyprus; (iii) the shareholders' meetings take place in Cyprus; (iv) the terms and conditions of the general powers of attorney issued by the company do not prevent the company and its board of directors from exercising control and making decisions; (v) the corporate seal and all statutory books and records are maintained in Cyprus; (vi) the corporate filings and reporting functions are performed by representatives located in Cyprus; (vii) the agreements relating to the company's business or assets are executed or signed in Cyprus.

With respect to an individual holder of ADSs, he/she may be considered to be a resident of Cyprus for tax purposes in a tax year (which is the calendar year) if he/she is physically present in Cyprus for a period or periods exceeding in aggregate more than 183 days in that calendar year. As of January 1, 2017, an individual can elect to be a tax resident of Cyprus even if he/she spends less than or equal to 183 days in Cyprus provided that he/she spends at least 60 days in Cyprus and satisfies all of the following criteria within the same tax year:

- the individual does not stay in any other country for one or more periods exceeding, in aggregate, 183 days in the same tax year;
- the individual is not a tax resident in any other country for the same tax year;
- the individual exercises any business in Cyprus and/or is employed in Cyprus and/or is an officer of a Cyprus tax resident person at any time during the relevant tax year provided that such is not terminated during the tax year; and
- the individual maintains a permanent residence in Cyprus (by owning or leasing such residence).

Corporate income tax rate

A company which is considered a resident of Cyprus for tax purposes is subject to income tax in Cyprus on its worldwide income, subject to certain exemptions. The rate of the corporate income tax is currently 12.5%.

Personal income tax rate

An individual who is considered a resident of Cyprus for tax purposes is subject to income tax in Cyprus on its worldwide income, subject to certain exemptions. The personal income tax rates are currently as follows:

Taxable Income	Tax Rate	Cumulative Tax
Euro	%	Euro
0 – 19.500	0	0
19.501 – 28.000	20	1.700
28.001 – 36.300	25	3.775
36.301 – 60.000	30	10.885
60.001 and over	35	

Taxation of income and gains of the Company

Gains from the disposal of securities

Subject to the following paragraph, any gain from disposal by the Company of securities (the definition of securities includes, among others, shares, ADRs and bonds of companies and options thereon) shall be exempt from taxation in Cyprus.

In the case of a Cyprus company which is the direct or indirect (subject to conditions for indirect ownership) owner of immovable property situated in Cyprus that does not have its shares listed on any recognized stock exchange, any gain from the disposal of such shares will be subject to capital gains tax at the rate of 20%, but only if the value of the immovable property is more than 50% of the value of the assets of the company whose,shares are sold. The Company is not the owner of immovable property situated in Cyprus.

Dividend income

Dividend income (whether received from Cyprus resident or non-Cyprus resident companies) is exempt from income tax in Cyprus.

Dividend income received by a tax resident of Cyprus is subject to a special contribution for defense (the “SDC”) at a rate of 17%. In the case the recipient of dividend is a company that is tax resident of Cyprus, such as the Company:

- It is exempt from the SDC on dividends if it receives the dividend from another company, which is a tax resident of Cyprus.
- It is exempt from the SDC on dividends if it receives the dividend from another company which is not a tax resident of Cyprus. This exemption will not apply if: (i) the payer engages directly or indirectly more than 50% in activities which lead to investment income and (ii) the foreign tax burden of the payer is substantially lower than the tax burden of the recipient. A circular has been issued by the Cyprus Tax Authorities clarifying that “significantly lower” means an effective tax rate of less than 6.25% on the profit distributed.

Foreign tax paid or withheld on dividend income received by a Cyprus tax resident company can be credited against Cypriot tax payable on the same income provided proof of payment can be furnished.

Interest income

The tax treatment of interest income of any company which is a tax resident of Cyprus, such as the Company, will depend on whether such interest income is treated as “active” or “passive.”

Interest income which consists of interest which has been received by a company which is a tax resident of Cyprus in the ordinary course of its business, including interest which is closely connected with the

ordinary course of its business (i.e. “active”) will be subject to income tax at the rate of 12.5%, after the deduction of any allowable business expenses.

Any other interest income, that is interest received not in the recipient’s ordinary course of business or in close relation to it (i.e. “passive”), will be subject to the SDC at a rate of 30% which is levied on the gross interest received.

Specifically, interest income arising in connection with the provision of loans to related or associated parties should be generally considered as income arising from activities closely connected with the ordinary carrying on of a business and should, as such, be exempt from the SDC and only be subject to income tax.

Taxation of income and gains of the holders of the ADSs

Individual Non-Cyprus tax resident holders of the ADSs

Under Cyprus legislation there is no withholding tax on dividends paid to non-Cyprus tax residents. As a response to the EU Council’s invitation to all EU member states to adopt, from January 1, 2021, tax measures in relation to persons that are tax resident in jurisdictions included in the EU list of non-cooperative jurisdictions for tax purposes (the “Relevant Persons”), Cyprus is currently in the process of introducing withholding taxes on dividend and interest payments made to Relevant Persons, and, in this respect, the tax position of Relevant Persons may be affected.

Non-Cyprus tax residents are not subject to tax on the disposal of securities (including ADSs) in Cyprus.

Individual Cyprus tax resident holders of the ADSs

Gains from disposal of ADSs

Any gain from the disposal by a Cyprus tax resident individual of securities (including ADSs) shall be exempt from the SDC and income tax. The term “securities” is defined as shares, bonds, debentures, founders’ shares and other securities of companies or other legal persons incorporated in Cyprus or abroad and options thereon. Circulars have been issued by the Cyprus Tax Authorities clarifying that the term also includes among others, options on securities, short positions on securities, futures/forwards on securities, swaps on securities, depositary receipts on securities (including ADSs), rights of claim on bonds and debentures (rights on interest of these instruments are not included), index participations only if they result on securities, repurchase agreements or repos on securities, units in open-end or close-end collective investment schemes.

Such gains are also not subject to capital gains tax provided that the Company the shares of which are disposed of does not directly or indirectly own any immovable property situated in Cyprus or such shares are listed on any recognized stock exchange. The Company is not the owner of immovable property situated in Cyprus.

Dividend income

Cyprus tax resident individual holders of ADSs are exempt from income tax on dividend income, but are subject to the SDC on dividends at the rate of 17% provided that they are also Cyprus domiciled. The tax is withheld prior to payment by the company to the shareholder.

An individual is considered to have his domicile in Cyprus if:

- subject to certain exceptions, if he/she has his/her domicile of origin in Cyprus based on the provisions of the Cyprus Wills and Succession Law, Cap. 195, or
- has been a tax resident of Cyprus for at least 17 years out of the last 20 years prior to the tax year.

Individuals holders of ADSs must consult their own tax advisors on the consequences of their residence or domicile in relation to the taxes applied to the payment of dividends.

Corporate Non-Cyprus tax resident holders of ADSs

No withholding tax applies in Cyprus with respect to payment of dividends by the Company to non-Cyprus tax resident holders of ADSs. As a response to the EU Council's invitation to all EU member states to adopt from January 1, 2021 tax measures in relation Relevant Persons, Cyprus is currently in the process of introducing withholding taxes on dividend and interest payments made to Relevant Persons, and, in this respect, the tax position of Relevant Persons may be affected.

Non-Cyprus tax residents are not subject to tax on the disposal of securities (including ADSs) in Cyprus.

Corporate Cyprus tax resident holders of ADSs

Gains from disposal of the ADSs

Any gain from disposal by a Cyprus tax resident company of securities (including ADSs) shall be exempt from the SDC and income tax. The term "securities" is defined as shares, bonds, debentures, founders' shares and other securities of companies or other legal persons incorporated in Cyprus or abroad and options thereon. Circulars have been issued by the Cyprus Tax Authorities clarifying that the term also includes among others, options on securities, short positions on securities, futures/forwards on securities, swaps on securities, depositary receipts on securities (including ADSs), rights of claim on bonds and debentures (rights on interest of these instruments are not included), index participations (only if they result on securities), repurchase agreements or repos on securities, units in open-end or close-end collective investment schemes.

Such gains are also not subject to capital gains tax, provided that the company the shares in which are disposed of does not directly or indirectly own any immovable property situated in Cyprus or such shares are listed on any recognized stock exchange. The Company is not the owner of immovable property situated in Cyprus.

Dividend income

Dividend income received by a Cyprus tax resident company, holder of ADSs, is exempt from income tax in Cyprus.

Dividend income received or deemed to be received by a Cyprus tax resident company, is exempt from the SDC, except in the event that the payer is not a Cyprus tax resident company in which case the SDC is levied at the rate of 17% provided the following conditions are met:

- the payer engages, directly or indirectly, in activities, more than 50% of which lead to investment income; and
- the foreign tax burden of the payer is substantially lower than the tax burden of the recipient. A circular has been issued by the Cyprus Tax Authorities clarifying that "significantly lower" means an effective tax rate of less than 6.25% on the profit distributed.

Foreign tax paid or withheld on dividend income received by the Cyprus tax resident company can be credited against Cypriot tax payable on the same income provided proof of payment can be furnished.

Deemed distribution rules

If the Company does not distribute at least 70% of its after-tax profits within two years of the end of the year in which the profits arose, the Company would be deemed to have distributed this amount as a dividend two years after that year end. On such amount of deemed dividend the SDC, currently at a rate of 17%, is imposed to the extent that the ultimate direct/indirect shareholders of the Company are individuals who are both Cyprus tax resident and Cyprus tax domiciled.

The SDC may also be payable on deemed dividends in case of liquidation or capital reduction of the company.

Tax Deductibility of Expenses, Including Interest Expense

The deductibility of the interest expenses by the Company is subject to the interest limitation rules. More specifically:

- The interest limitation rule limits the deductibility of exceeding borrowing costs of the Cyprus tax resident company/Cyprus group to up to 30% of adjusted taxable profit (taxable EBITDA).
- The interest limitation rule contains an annual EUR3 million safe-harbor threshold. This means that borrowing costs up to and including EUR3 million are, in any case, not limited by this rule (the EUR3 million threshold would apply in cases where '30% of taxable EBITDA' results in an amount below EUR3 million).
- In the case of a Cyprus group the EUR3 million applies for the aggregate exceeding borrowing costs of the Cyprus group and not per taxpayer. The interest limitation rule applies to exceeding borrowing costs, irrespective of whether the financing is with related parties or third parties.

Arm's length principles

Cyprus legislation contains principles that require transactions to be conducted on an arm's length basis and enables the authorities to ignore transactions which do not satisfy the arm's length principles

We cannot exclude the possibility that the respective tax authorities may challenge the arm's length principle applied to transactions with our related parties and, therefore, additional tax liabilities may accrue. If additional taxes are assessed with this respect, they may be material.

Stamp duty

Cyprus levies stamp duty on every instrument if:

- it relates to any property situated in Cyprus; or
- it relates to any matter or thing which is performed or done in Cyprus.

There are documents which are subject to stamp duty in Cyprus at a fixed fee (ranging from €0.05 to €35) and documents which are subject to stamp duty based on the value of the document. The above obligation arises irrespective of whether the instrument is executed in Cyprus or abroad.

If payable, (a) the maximum amount of stamp duty would be Euro €20,000 and (b) if not paid (i) this does not affect the validity of the relevant document and (ii) before the document is presented before any authority in Cyprus or is produced in evidence in a Cyprus court, the stamp duty together with a penalty of up to Euro €4,100 would have to be paid.

In cases where the stamp duty Commissioner can estimate the value of a document, he or she has the authority to impose stamp duty as per the above rates. Any transactions involving ADSs between parties not resident in Cyprus will not be subject to stamp duty. There are no applicable stamp duties with respect to the purchase and sale of ADSs.

Withholding Taxes on Interest

No withholding taxes shall apply in Cyprus with respect to payments of interest by the company to non-Cyprus tax resident lenders (both corporations and individuals).

Capital Duty

Capital duty is payable to the Registrar of Companies, and amounts to a €20 flat duty on every issue, whether the shares are issued at their (par) nominal value or at a (share) premium.

Material Russian Tax Considerations

The following discussion is a summary of the material Russian tax considerations relating to the purchase, ownership and disposition of the ADSs.

General

The following is a summary of certain Russian tax considerations relevant to the purchase, ownership and disposal of ADSs by Russian residents and non-resident investors, as well as the taxation of dividend income, and is based on the laws of the Russian Federation in effect at the date hereof, which are subject to change (possibly with retroactive effect).

The summary does not seek to address the applicability of, and procedures in relation to, taxes levied by the regions, municipalities or other non-federal authorities of the Russian Federation. Nor does the summary seek to address the availability of double tax treaty relief in respect of the ADSs, and it should be noted that there may be practical difficulties, including satisfying certain documentation requirements, involved in claiming relief under an applicable double tax treaty. Prospective holders should consult their own professional advisers regarding the tax consequences of investing in the ADSs. The summary does not seek to make representations with respect to the Russian tax consequences for any particular holder.

The provisions of the Tax Code applicable to holders of, and transactions involving, the ADSs are ambiguous and lack interpretive guidance. Both the substantive provisions of the Tax Code applicable to financial instruments, and the interpretation and application of those provisions by the Russian tax authorities, may be subject to more rapid and unpredictable change and inconsistency than in jurisdictions with more developed capital markets or more developed taxation systems. In particular, the interpretation and application of such provisions will, in practice, rest substantially with local tax inspectorates.

In practice, interpretation by different tax inspectorates may be inconsistent or contradictory and may involve the imposition of conditions, requirements or restrictions not provided for by the existing legislation. Similarly, in the absence of binding precedents, different Russian court rulings on tax or related matters relating to the same or similar circumstances may also be inconsistent or contradictory.

For the purposes of this section, a “Russian Resident Holder” means a holder of ADSs who is:

- a Russian legal entity or organization (including international companies registered in accordance with Federal Law No. 290-FZ “On International Companies” dated August 3, 2018);
- a foreign legal entity or organization, in each case organized under a foreign law, that is recognized as a Russian tax resident based on Russian domestic law;
- a foreign legal entity or organization, in each case organized under a foreign law, that is, in the case of conflicting tax residency statuses based on the relevant foreign law and Russian law, recognized as a Russian tax resident based on the provisions of an applicable double tax treaty (for the purposes of the application of such double tax treaty);
- a foreign legal entity or organization which purchases, holds and/or disposes of ADSs through its permanent establishment in Russia;
- a legal entity or an organization, in each case organized under a foreign law, which has voluntarily recognized itself as a Russian tax resident; or
- an individual actually present in Russia for an aggregate period of 183 calendar days (including days of arrival to the Russian Federation and including days of departure from the Russian Federation) or more in any period comprised of 12 consecutive months (days of medical treatment and education outside the Russian Federation are also counted as days spent in the Russian Federation if the individual departed from the Russian Federation for these purposes for less than six months). The interpretation of this definition by the Russian Ministry of Finance states that, for tax withholding purposes, an individual’s tax residence status should be determined on the date of the actual income payment (based on the number of days in Russia in the 12-month period preceding the date of the payment). Given that the tax residency status of an individual may change, an individual’s final tax liability in the Russian Federation for any reporting calendar year should be determined based on the number of days spent in Russia in such calendar year, and may require a reassessment.

For the purposes of this section, a “Non-Resident Holder” is a holder of ADSs who does not fall under the definition of a Russian Resident Holder.

ADS holders should consult their own tax advisors regarding their tax status in Russia.

Taxation of Acquisition of the ADSs

Generally, no Russian tax implications should arise for Russian Resident Holders and Non-Resident Holders upon purchase of the ADSs.

However, in certain circumstances, taxable income in the form of a material benefit (deemed income) may arise for individual holders if the ADSs are purchased at a price below market value. If the acquisition price of the ADSs is below the lower threshold of the range of fair market value calculated under a specific procedure for the determination of market prices of securities for tax purposes, the difference may be subject to the Russian personal income tax at a rate of 30% for individuals who are Non-Resident Holders (arguably, this would be subject to reduction or elimination under an applicable double tax treaty) and at a rate from 13% to 15% under the progressive personal income tax scale for individuals who are Russian Resident Holders. Starting from January 1, 2021, the annual income for a Russian tax resident individuals within RUB 5 million should be taxed at the rate of 13%, while the annual income (with certain exceptions) exceeding this threshold should be taxed at the rate of 15%.

Under Russian tax legislation, the taxation rate of the income of individuals who are considered Non-Resident Holders will depend on whether this income would be assessed as received from Russian or non-Russian sources. Although Russian tax legislation does not contain any provisions on how the relevant material benefit should be sourced, the tax authorities may infer that such income should be considered as Russian source income if the ADSs are purchased “in the Russian Federation.” In the absence of any additional guidance as to what should be considered as the purchase of securities “in the Russian Federation”, the Russian tax authorities may apply various criteria in order to determine the source of the related material benefit, including consideration of the place of the conclusion of the acquisition transaction, the location of the issuer, or other similar criteria.

Also, in certain circumstances, Russian Resident Holders that are legal entities or organizations acquiring the ADSs must fulfill the responsibilities of a Russian tax agent (i.e., a legal entity that is a resident in the Russian Federation for tax purposes paying taxable Russian source income to non-resident legal persons and organizations being responsible for withholding Russian tax) with respect to withholding tax from the sales proceeds for the ADSs to be transferred to a Non-Resident Holder that is a legal entity disposing of ADSs (see “—Taxation of Capital Gains”). Starting from January 1, 2020, in certain circumstances, Russian Resident Holders that are legal entities or organizations acquiring the ADSs from Russian Resident and Non-resident Holders who are individuals under sale or barter agreements must fulfil the responsibilities of a Russian tax agent. Holders of ADSs should consult their own tax advisers with respect to the tax consequences of acquiring the ADSs.

Taxation of Dividends

Non-resident Holders

Generally, Non-Resident Holders of ADSs should not be subject to any Russian taxes in respect of distributions made by the Group with respect to the ADSs.

Russian Resident Holders

Payments of dividends by the Company to a Russian Resident Holder who is an individual, a legal entity or organization resident in the Russian Federation for tax purposes should generally be subject to Russian income tax. Such tax generally should not exceed 13% in respect of dividend payments made to a Russian Resident Holder that is a legal entity or organization. Where a dividend payment is made to an individual that is a Russian Resident Holder, such tax effectively should not exceed 13% of the gross dividend income which falls within the annual progressive income tax scale threshold of RUB 5 million in respect of the relevant tax basket on dividends and should not exceed 15% of the gross dividend payment received by each individual Russian Resident Holder in excess of such annual progressive dividends income tax scale threshold. Russian Resident Holders should determine the amount of tax to be paid on their own, based on the amount of dividends received.

Russian Resident Holders should therefore consult their own tax advisers with respect to the tax consequences of their receipt of dividend income with respect to the holding of the ADSs.

Taxation of Capital Gains

The following sections summarize the taxation of capital gains in respect of the disposition of the ADSs.

Taxation of Legal Entities and Organizations

Russian Resident Holders

Capital gains arising from the sale or other disposal of ADSs by a Russian Resident Holder, which is a legal entity or an organization, will be taxable at the regular Russian corporate profits tax rate of 20%. Russian Resident Holders that are legal entities may be able to offset losses incurred on operations in the quoted shares against other types of income (excluding income from non-quoted securities and derivatives). Special tax rules apply to Russian organizations that hold a broker and/or dealer license as well as certain other licenses related to the securities market. The Tax Code also establishes special rules for the calculation of the tax base for the purposes of transactions with securities, which are subject to TP control in Russia.

The Tax Code contains a certain exemption from capital gains taxation on ADSs for shares where immovable property located in the Russian Federation constitutes, directly or indirectly, less than 50% of assets, determined based on financial accounts data as of the end of the month preceding the date of disposal, provided that such shares are owned by the taxpayer for a period of more than five years. Specific conditions to apply the above exemption are envisaged for Russian organizations qualified as international holding companies under the Russian tax law (the holding period should not be less than 365 days and the participation share should be not less than 15%).

Russian Resident Holders of the ADSs who are legal entities or organizations should, in all events, consult their own tax advisers with respect to the tax consequences of gains derived from the disposal of the ADSs.

Non-Resident Holders

A Non-Resident Holder that is a legal entity or organization generally should not be subject to any Russian taxes in respect of any gain or other income realized on the sale, exchange or other disposal of the ADSs unless more than 50% of assets of shares represented by the ADS directly or indirectly consist of immovable property situated in Russia. Otherwise, it is possible that any proceeds from the sale, exchange or other disposal of ADSs may be regarded as Russian source income received by Non-Resident Holders that are legal entities or organizations, subject to Russian income tax at a rate of 20%. The above tax may be reduced or eliminated under an applicable double tax treaty, provided that the recipient of the income is its beneficial owner, such income is not attributable to a permanent establishment in Russia, the necessary requirements to qualify for the treaty relief and the appropriate administrative requirements under the Russian tax legislation have been met.

Capital gains that are received by a Non-Resident Holder that is a legal entity or an organization, from the sale or other disposal of ADSs that are recognized as quoted securities under the requirements of the Tax Code, generally should not be subject to profits tax in Russia. However, there is uncertainty regarding whether the above exemption may be applied to depository receipts which represent shares of a company that has more than 50% of its that assets consist of immovable property situated in Russia.

Non-Resident Holders that are legal entities or organizations should consult their own tax advisors with respect to the tax consequences of the sale, exchange or other disposal of the ADSs.

Taxation of Individuals

Russian Resident Holders

Capital gains arising from the sale, exchange or other disposal of the ADSs by individuals who are Russian Resident Holders must be declared on the holder’s tax return and are subject to personal income

tax at a rate from 13% to 15% (according to the progressive personal income tax scale) unless the tax was properly withheld by a tax agent. The income in respect of sale of the ADSs by an individual is calculated as the sale proceeds less expenses proved by documentary evidence related to the purchase of these ADSs (including the cost of the securities and the expenses associated with the purchase, keeping and sale of these ADSs and amounts on which personal income tax was accrued and paid on acquisition (receipt) of the ADSs and the amount of tax paid).

Russian tax legislation contains a requirement that a financial result in respect of activities connected with securities quoted on a stock exchange, must be calculated separately from a financial result in respect of trading in non-quoted securities. Amount of loss from transactions with securities quoted on a stock exchange may be deducted against tax base for operations with derivatives quoted on a stock exchange where the underlying assets are securities, stock indexes or derivatives.

Russian Resident Holders may carry forward losses arising from dealing with quoted securities to offset future capital gains from the sale, exchange or other disposal of other quoted securities for the period of up to ten years. No loss carry-forward is available for non-quoted securities and derivatives.

The Tax Code contains a certain exemption from capital gains taxation for shares where immovable property located in the Russian Federation constitutes directly or indirectly less than 50% of assets determined based on financial accounts data as of the end of the month preceding the date of disposal, provided that such shares are owned by the taxpayer for a period of more than five years.

The Tax Code also contains certain tax deductions that may be applied by Russian Resident Holders who are individuals in respect of income from the sale of the ADSs given that, at the moment of sale, the ADSs qualify as quoted and are held by a Russian Resident Holder for at least three years. The amount of such deduction is determined using a specific formula and depends on how long the ADSs were held by a Russian Resident Holder.

Resident Holders should consult their own tax advisors with respect to their tax position regarding the ADSs.

Non-Resident Holders

A Non-Resident Holder who is an individual should not generally be subject to Russian taxes in respect of any gains realized on the sale, exchange or other disposal of ADSs, provided that the proceeds of such sale, exchange or disposal are not received from a source within Russia.

However, in the event that the proceeds from a sale, exchange or other disposal of ADSs are deemed to be received from a source within Russia, a Non-Resident Holder that is an individual may be subject to Russian tax in respect of such proceeds at a rate of 30% of the gain (such gain being computed as the sales price less any available documented cost deduction, including the acquisition price of the ADSs and other documented expenses, such as depositary expenses and brokers’ fees), subject to any available double tax treaty relief, provided that the necessary requirements to qualify for the treaty relief and the appropriate administrative requirements under the Russian tax legislation have been met.

According to Russian tax legislation, income received from the sale, exchange or other disposal of the ADSs should be treated as having been received from a Russian source if such sale, exchange or other disposal occurs in Russia. Russian tax law gives no clear indication as to how to identify the source of income received from the sale, exchange or other disposal of securities except that income received from the sale of securities “in Russia” will be treated as having been received from a Russian source. In the absence of any guidance as to what should be considered as the sale, exchange or other disposal of securities “in Russia”, the Russian tax authorities may apply various criteria in order to determine the source of the sale or other disposal, including looking at the place of conclusion of the transaction, the location of the issuer or other similar criteria. There is no assurance, therefore, that the proceeds received by Non-Resident Holders (individuals) from a sale, exchange or other disposal of the ADSs will not become subject to tax in Russia.

The tax may be withheld at the source of payment if the individual acts via a professional intermediary that is registered in Russia for tax purposes (such as an asset manager, licensed broker or other intermediary that carries out operations under a brokerage service agreement, agency agreement, asset management

agreement, commission agreement or commercial mandate agreement), otherwise the Non-Resident Holder (individual) shall be liable to file a tax return and pay the tax due to the Russian budget.

Starting from January 1, 2020, in absence of a licensed broker or an asset manager as mentioned above, Russian tax agent responsibilities should also be fulfilled by Russian legal entities or organizations acquiring the ADSs from the Non-Resident Holders (individuals) under sale or barter agreements.

Non-Resident Holders who are individuals should consult their own tax advisors with respect to the tax consequences arising from the acquisition, sale, exchange or other disposal of the ADSs and the receipt of the proceeds from sources within Russia in their respect.

Double Tax Treaty Procedures

Where a Non-Resident Holder of ADSs receives income from a Russian source, the Russian tax (if applicable under Russian domestic tax law) may be reduced or eliminated in accordance with the provisions of a double tax treaty. Advance treaty relief should be available for those eligible, subject to the requirements of Russian laws. In order for a Non-Resident Holder to benefit from the applicable double tax treaty, documentary evidence is required to confirm the applicability of the double tax treaty under which benefits are claimed.

Currently, a Non-Resident Holder that is a legal entity or an organization is required to provide a tax residence confirmation issued by the competent tax authority of the relevant treaty country (duly apostilled or legalized, translated into Russian and notarized). The tax residency confirmation needs to be renewed on an annual basis and provided before the first payment of income in each calendar year. For a Non-Resident Holder that is a legal entity or organization, this should be a tax residency certificate for the relevant year.

In order to benefit from the applicable double tax treaty, the person claiming such benefits must be the beneficial owner of the relevant income. In addition to a certificate of tax residency, the tax agent is obliged to obtain a confirmation from the Non-Resident Holder that is a legal entity or organization, that it is the beneficial owner of the relevant income. Russian tax law provides neither the form of such confirmation nor the precise list of documents which can demonstrate the beneficial owner status of the recipient with respect to the received income. Thus, there can be no assurance that treaty relief at source will be available in practice. According to the recent clarifications of the Russian tax authorities, a foreign company may not benefit from a double tax treaty if its activity does not have a real business purpose, if such company does not bear any risks that are normal for business activity, such company does not benefit from the use of such income and its employees actually do not control/manage such company. If activities of the company are limited to investments and/or financing of a group of companies, it cannot be considered as an independent business activity and it is not enough to confirm the beneficial owner status of the recipient of income. In addition, it is unclear how the beneficial ownership concept will evolve in the future.

A Non-Resident Holder who is an individual willing to obtain the advance double tax treaty relief at source should confirm to a tax agent that he or she is tax resident in a relevant foreign jurisdiction having a double tax treaty with Russia by providing the tax agent with a personal identity document and a document confirming the tax residency of an individual in a relevant jurisdiction. To date, the Russian tax authorities do not generally make additional requests for confirmation of tax residency. However, due to the lack of available practice there is some uncertainty as to how these rules will be applied by the Russian tax authorities in the future. Non-Resident Holders should consult their own tax advisors regarding possible tax treaty relief and procedures for obtaining such relief with respect to any Russian taxes imposed on any payments received with respect to the ADSs.

Refund of Tax Withheld

If Russian withholding tax on income derived from Russian sources by a Non-Resident Holder has been withheld at the source of payment and such Non-Resident Holder is entitled to benefits of an applicable double tax treaty allowing such Non-Resident Holder not to pay the tax in Russia or pay the tax at a reduced rate in relation to such income, an application for the refund of the tax withheld may be made within three years from the end of the tax period in which the tax was withheld.

In order to obtain a refund, the Non-Resident Holder, that is a legal entity or an individual, is required to file certain documents with the Russian tax authorities, along with the tax refund claim. The list of such documents is stipulated by the Tax Code in respect of legal entities.

The Russian tax authorities may, in practice, require a wide variety of documentation confirming the right to benefits under a double tax treaty. Such documentation, in practice, may not be explicitly required by the Tax Code. Obtaining a refund of Russian tax withheld may be a time-consuming process and can involve considerable practicable difficulties, depending to a large extent on the position of the local tax inspectorates. No assurance can be given that a refund of Russian tax withheld will be granted in practice.

Non-Resident Holders should consult their own tax advisors should they need to obtain a refund of Russian taxes withheld on any payments received with respect to the ADSs.

Material U.S. Federal Income Tax Considerations for U.S. Holders

The following is a description of the material U.S. federal income tax consequences for the U.S. Holders (as defined below) of owning and disposing of ADSs.

This summary applies only to U.S. Holders that acquire ADSs in exchange for cash in this offering, hold ADSs as capital assets within the meaning of Section 1221 of the Code (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this prospectus, including the Internal Revenue Code of 1986, as amended (the “Code”), and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this prospectus, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this prospectus are not binding on the U.S. Internal Revenue Service (the “IRS”) or any court, and thus we can provide no assurances that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all of the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- broker-dealers;
- traders that elect to mark to market;
- tax-exempt entities or governmental organizations;
- individual retirement accounts or other tax-deferred accounts;
- persons liable for alternative minimum tax or the Medicare contribution tax on net investment income;
- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding ADSs as part of a straddle, hedging or other risk reduction strategy, constructive sale, conversion or integrated transaction or investment;
- persons that actually or constructively own 10% or more of our stock by vote or value;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;

- persons who acquired ADSs pursuant to the exercise of any employee share option or otherwise as compensation; and
- partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) or other pass-through entities and persons holding ADSs through partnerships or other pass-through entities.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL INCOME TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF ADSS.

As used herein, the term "U.S. Holder" means a beneficial owner of ADSs that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds ADSs generally will depend on such partner's status, the activities of the partnership and certain determinations made at the partner level. Partnerships that hold our ADSs and U.S. Holders that are partners in such partnership should consult their tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of ADSs.

Treatment of ADSs

Generally, we expect that holders of ADSs should be treated for U.S. federal income tax purposes as holding the ordinary shares represented by the ADSs and the following discussion assumes that such treatment will be respected. If so, no gain or loss will be recognized upon an exchange of ordinary shares for ADSs or an exchange of ADSs for ordinary shares. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying shares. Accordingly, the creditability of foreign taxes and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and us.

Dividends and Other Distributions on ADSs

If we make distributions of cash or property on our ordinary shares, subject to the PFIC rules discussed below, the gross amount of distributions made by us with respect to ADSs (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income in the year actually or constructively received by the U.S. Holder, to the extent such distributions are paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts, if any, not treated as dividend income will constitute a return of capital and will first be applied to reduce a U.S. Holder's tax basis in its ADSs, but not below zero, and then any excess will be treated as capital gain realized on a sale or other disposition of the ADSs. Because we do not maintain calculations of earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect to treat all cash distributions as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders may be "qualified dividend income," which is taxed at the lower applicable long-term capital gains rate, provided that (1) either the ADSs are readily tradable on an established securities market in the United States

or we are eligible for the benefits of the income tax treaty between the United States and Cyprus; (2) we are not a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the immediately preceding taxable year and (3) certain other requirements are met. In this regard, the ADSs will generally be considered to be readily tradable on an established securities market in the United States if they are listed on , as we intend the ADSs will be. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time. If dividends received in foreign currency are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

Dividends on ADSs generally will constitute foreign source income for foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, foreign taxes withheld at the rate applicable to the U.S. Holder on any distributions on ADSs, if any, may be eligible for credit against a U.S. Holder's federal income tax liability. If a refund of the tax withheld is available under the laws of the applicable foreign jurisdiction or income tax treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income), even though the procedures for claiming refunds for such taxes and the practical likelihood such refunds will be made available in a timely fashion are uncertain. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to ADSs will generally constitute "passive category income." The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming an itemized deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

Sale or Other Taxable Disposition of ADSs

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of ADSs, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in such ADSs (generally the cost of such ADSs to the U.S. Holder). Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the ADSs exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of ADSs generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. The use of any foreign tax credits relating to any Russian taxes imposed upon such sale may be limited. U.S. Holders are strongly urged to consult their tax advisors as to the availability of tax credits for any Russian taxes withheld on the sale of ADSs.

Passive Foreign Investment Company Rules

We will be classified as a PFIC for any taxable year if either: (a) at least 75% of our gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of our assets (generally determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For these purposes, passive income includes interest, dividends and other investment income, with certain exceptions. For these purposes, cash and other assets readily convertible into cash are considered passive assets, and the company's goodwill and other unbooked intangibles are generally taken into account. The PFIC rules also contain a look-through rule whereby the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Under the PFIC rules, if we were considered a PFIC at any time that a U.S. Holder holds ADSs, we would continue to be treated as a PFIC with respect to such investment unless (i) we cease to be a PFIC and (ii) the U.S. Holder has made a "deemed sale" election under the PFIC rules.

Based on the anticipated market price of the ADSs in this offering and our current and anticipated composition of the income, assets and operations and those of our subsidiaries, we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. This is a factual determination, however, that depends on, among other things, the composition of our income and assets, and the market value of our assets, and those of our subsidiaries, from time to time, and thus the determination can only be made annually after the close of each taxable year. Because the market value of the assets for the purposes of the asset test will generally be determined by reference to the aggregate value of our outstanding ADSs, our PFIC status will depend in large part on the market price of our ADSs, which may fluctuate significantly. Therefore there can be no assurances that we will not be classified as a PFIC for the current taxable year or for any future taxable year.

If we are considered a PFIC at any time that a U.S. Holder holds ADSs, any gain recognized by the U.S. Holder on a sale or other disposition of the ADSs, as well as the amount of any "excess distribution" (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder's holding period for the ADSs. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) 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. For the purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on ADSs exceeds 125% of the average of the annual distributions on the ADSs received during the preceding three years or the U.S. Holder's holding period, whichever is shorter.

If we are treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own equity in any of the foreign corporations in which we directly or indirectly own equity that are also PFICs ("lower-tier PFICs"). In such case, a U.S. Holder may also be subject to the adverse tax consequences described above with respect to any gain or "excess distribution" realized or deemed realized in respect of a lower-tier PFIC.

A U.S. Holder may, in certain circumstances, avoid certain of the tax consequences generally applicable to holders of stock in a PFIC by electing to mark the ADSs to market, provided the ADSs are "marketable stock." If such an election is made, in any taxable year that we are a PFIC, a U.S. Holder would generally be required to report gain or loss to the extent of the difference between the fair market value of the ADSs at the end of the taxable year and such U.S. Holder's tax basis in such ADSs at that time. Any gain under this computation, and any gain on an actual disposition of the ADSs, in a taxable year in which we are a PFIC, would be treated as ordinary income. Any loss under this computation, and any loss on an actual disposition of the ADSs in a taxable year in which we are a PFIC, would be treated as ordinary loss to the extent of the cumulative net-mark-to-market gain previously included. Any remaining loss from marking the ADSs to market will not be allowed, and any remaining loss from an actual disposition of the ADSs generally would be capital loss. A U.S. Holder's tax basis in the ADSs would be adjusted annually for any gain or loss recognized under the mark-to-market election. There can be no assurances that the ADSs will be marketable stock for these purposes. In addition, an election for mark-to-market treatment would likely not be available with respect to any lower-tier PFICs. A mark-to-market election is made on a shareholder-by-shareholder basis, applies to all of the ADSs held or subsequently acquired by an electing U.S. Holder and can only be revoked with consent of the IRS (except to the extent the ADSs no longer constitute "marketable stock").

We do not intend to supply U.S. Holders with the information needed to make a qualified electing fund election with respect to the ADSs if we were a PFIC.

If we are considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. Failure to comply with such information reporting requirements may result in significant penalties and may suspend the running of the statute of limitations. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in ADSs.

Information Reporting and Backup Withholding

Dividend payments with respect to ADSs and proceeds from the sale, exchange or redemption of ADSs may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder

may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the ADSs) are required to report information relating to such assets, subject to certain exceptions (including an exception for ADSs held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this and any other information reporting requirement on their acquisition, ownership and disposition of the ADSs.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS TAX ADVISORS ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN ADSs UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

UNDERWRITERS (CONFLICT OF INTEREST)

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Goldman Sachs International, J.P. Morgan Securities LLC, BofA Securities, Inc. and Renaissance Securities (Cyprus) Limited are acting as representatives, have severally agreed to purchase, and we and the Selling Shareholders have agreed to sell to them, severally, the number of ADSs indicated below.

Underwriters	Number of ADSs
Morgan Stanley & Co. LLC	
Goldman Sachs International	
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Renaissance Securities (Cyprus) Limited	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ADSs offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken. However, the underwriters are not required to take or pay for the ADSs covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the ADSs directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per ADS under the public offering price. After the initial offering of the ADSs, the offering price and other selling terms may, from time to time, be varied by the representatives.

We and the Selling Shareholders have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to and , respectively, additional ADSs at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ADSs offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ADSs as the number listed next to the underwriter’s name in the preceding table bears to the total number of ADSs listed next to the names of all underwriters in the preceding table.

The following table shows the per ADS and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us and the Selling Shareholders. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional ADSs in aggregate from us and the Selling Shareholders.

		Total	
	Per ADS	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us and the Selling Shareholders	$	$	$
Proceeds, before expenses, to us	$	$	$
Proceeds, before expenses, to the Selling Shareholders	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for certain of their out-of-pocket expenses in connection with this offering in an amount not to exceed $.

The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We intend to apply to list the ADSs on under the symbol "CIAN." We also intend to list our ADSs on MOEX under the symbol "CIAN."

We, the Selling Shareholders, our executive officers, board members and certain other shareholders have agreed that, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (the "restricted period") take any of the following actions regardless of whether any such transaction described above is to be settled by delivery of ADSs, ordinary shares or such other securities, in cash or otherwise:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ADSs, ordinary shares or any securities convertible into or exercisable or exchangeable for ADSs or ordinary shares;
- file any registration statement with the SEC relating to the offering of any ADSs, ordinary shares or any securities convertible into or exercisable or exchangeable for ADSs or ordinary shares; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of ADSs or ordinary shares.

In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any ADSs, ordinary shares or any security convertible into or exercisable or exchangeable for ADSs or ordinary shares.

The restrictions described in the immediately preceding paragraph do not apply to:

The representatives, in their sole discretion, may release the ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the ADSs, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ADSs. Specifically, the underwriters may sell more ADSs than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ADSs available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing ADSs in the open market. In determining the source of ADSs to close out a covered short sale, the underwriters will consider, among other things, the open market price of ADSs compared to the price available under the over-allotment option. The underwriters may also sell ADSs in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, ADSs in the open market to stabilize the price of the ADSs. These activities may raise or maintain the market price of the ADSs above independent market levels or prevent or retard a decline in the market price of the ADSs. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We, the Selling Shareholders and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree

to allocate a number of ADSs to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Certain of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. Any offers or sales in the United States will be conducted by broker-dealers registered with the SEC. Goldman Sachs International will offer ADSs in the United States through its SEC-registered broker-dealer affiliate in the United States, Goldman Sachs & Co. LLC. Renaissance Securities (Cyprus) Limited will offer ADSs in the United States through its SEC-registered broker-dealer affiliate in the United States, RenCap Securities Inc.

Pricing of the Offering

Prior to this offering, there has been no public market for the ADSs. The initial public offering price will be determined by negotiations between us, the Selling Shareholders and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

The address for Morgan Stanley & Co. LLC is 1585 Broadway, New York, New York 10036, United States of America. The address for Goldman Sachs International is Plumtree Court, 25 Shoe Lane, London EC4A 4AU, United Kingdom. The address for J.P. Morgan Securities LLC is 383 Madison Avenue, New York, New York 10179, United States of America. The address for BofA Securities, Inc. is One Bryant Park, New York, New York 10036, United States of America. The address for Renaissance Securities (Cyprus) Limited is 2-4 Arch Makariou III Ave, 9th Floor, Capital Center, 1065 Nicosia, Cyprus.

Conflicts of Interest

An investment vehicle associated with The Goldman Sachs Group, Inc., the parent of Goldman Sachs International, an underwriter in this offering, and Goldman Sachs & Co LLC, its agent in this offering, beneficially owns 13.63% of our outstanding ordinary shares in the aggregate immediately prior to this offering. In addition, such investment vehicle will be a selling shareholder in this offering and will receive 5% or more of the net offering proceeds.

Because of such ownership interests and receipt of net offering proceeds, this offering will be made in compliance with the applicable provisions of FINRA Rule 5121. Rule 5121 requires that a "qualified independent underwriter" meeting certain standards participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto.   will act as a "qualified independent underwriter" within the meaning of Rule 5121 in connection with this offering. Further, as required by Rule 5121, Goldman Sachs & Co LLC will not confirm sales of the ADSs to any account over which it exercises discretionary authority without the prior written approval of the customer.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area and the United Kingdom (each, a “Relevant State”), no securities have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of ADSs shall require us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any of ADSs in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any of ADSs to be offered so as to enable an investor to decide to purchase any of ADSs, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of ADSs in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to ADSs in, from or otherwise involving the United Kingdom.

Russia

Our ADSs have not been offered or sold or transferred or otherwise disposed of, and will not be offered or sold or transferred or otherwise disposed of (as part of their initial distribution or at any time thereafter) to, or for the benefit of, any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation, or to any person located within the territory of the Russian Federation, unless and to the extent otherwise permitted under Russian law.

Neither the issue of the ADSs nor a Russian securities prospectus (*prospect tsennih bumag*) in respect of the ADSs has been, or is intended to be, registered with the Central Bank of Russia, and the ADSs have not been, and are not intended to be, admitted to "public circulation" in Russia. The information provided in this prospectus is not an offer, advertisement, or invitation to make offers, sell, exchange or otherwise transfer the ADSs in the Russian Federation or to or for the benefit of any Russian person or entity, except to the extent permitted under Russian law.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the ADSs under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the ADSs under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

EXPENSES OF THE OFFERING

We estimate that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

Expenses	Amount
SEC registration fee	$ *
FINRA filing fee	*
Stock exchange listing fee	*
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous costs	*
Total	*

* To be filed by amendment.

All amounts in the table are estimates except the SEC registration fee, the stock exchange listing fee and the FINRA filing fee. We will pay all of the expenses of this offering.

LEGAL MATTERS

The validity of the ordinary shares underlying the ADSs and other and certain legal matters of Cyprus law in connection with this offering will be passed upon for us by Antis Triantafyllides & Sons LLC. Certain matters of U.S. federal law will be passed upon for us by Latham & Watkins LLP. Certain legal matters with respect to Cyprus law will be passed upon for the underwriters by Chrysses Demetriades & Co. LLC. Certain matters of U.S. federal law will be passed upon for the underwriters by Skadden, Arps, Slate, Meagher & Flom (UK) LLP.

EXPERTS

The consolidated financial statements of the Cian Group included in this prospectus have been audited by AO Deloitte & Touche CIS, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing. The address of AO Deloitte & Touche CIS is 5 Lesnaya Street, Moscow, 125047, Russia.

The consolidated financial statements of the N1 Group included in this prospectus have been audited by AO Deloitte & Touche CIS, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing. The address of AO Deloitte & Touche CIS is 5 Lesnaya Street, Moscow, 125047, Russia.

Certain statistical data contained herein has been derived from and included herein in reliance upon the Frost & Sullivan Report prepared by Frost & Sullivan, a third party market research company, commissioned by us upon the authority of said firm as experts with respect to the matters covered by its report. Frost & Sullivan does not have any interest in our securities.

ENFORCEMENT OF CIVIL LIABILITIES

We are organized in Cyprus, and substantially all of our and our subsidiaries' assets are located outside the United States, and all members of our board of directors are resident outside of the United States. As a result, it may not be possible to effect service of process within the United States upon us or any of our subsidiaries or such persons or to enforce U.S. court judgments obtained against us or them in jurisdictions outside the United States, including actions under the civil liability provisions of U.S. securities laws. In addition, it may be difficult to enforce, in original actions brought in courts in jurisdictions outside the United States, liabilities predicated upon U.S. securities laws.

Further, most of our and our subsidiaries' assets are located in Russia. Judgments rendered by a court in any jurisdiction outside Russia will generally be recognized by courts in Russia only if (i) an international treaty exists between Russia and the country where the judgment was rendered providing for the recognition of judgments in civil cases and/or (ii) a federal law of Russia providing for the recognition and enforcement of foreign court judgments is adopted. No such federal law has been passed, and no such treaty exists, between Russia, on the one hand, and the United States, on the other hand. Even if an applicable international treaty is in effect or a foreign judgment might otherwise be recognized and enforced on the basis of reciprocity, the recognition and enforcement of a foreign judgment will in all events be subject to exceptions and limitations provided for in Russian law. For example, a Russian court may refuse to recognize or enforce a foreign judgment if its recognition or enforcement would contradict Russian public policy. In addition, Russian courts have limited experience in the enforcement of foreign court judgments.

In the absence of an applicable treaty, enforcement of a final judgment rendered by a foreign court may still be recognized by a Russian court on the basis of reciprocity, if courts of the country where the foreign judgment is rendered have previously enforced judgments issued by Russian courts. There are no publicly available judgments in which a judgment made by a court in the United States was upheld and deemed enforceable in Russia. In any event, the existence of reciprocity must be established at the time the recognition and enforcement of a foreign judgment is sought, and it is not possible to predict whether a Russian court will in the future recognize and enforce on the basis of reciprocity a judgment issued by a foreign court, including a U.S. court.

Russia is a party to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards, but it may be difficult to enforce arbitral awards in Russia due to a number of factors, including compliance with the procedure for the recognition and enforcement of foreign arbitral awards by Russian courts established by the Arbitrazh Procedural Code of Russia, limited experience of Russian courts in international commercial transactions, official and unofficial political resistance to enforcement of awards against Russian companies in favor of foreign investors, Russian courts' inability to enforce such orders and corruption. Furthermore, enforcement of any arbitral award pursuant to arbitration proceedings may be limited by the mandatory provisions of Russian laws relating to categories of non arbitrable disputes and the exclusive jurisdiction of Russian courts, and specific requirements to arbitrability of certain categories of disputes, including in respect of the ADSs (i.e., specific requirements in relation to a type of an arbitral institution, arbitration rules, seat of arbitration and parties to an arbitration agreement for consideration of so called corporate disputes in relation to Russian companies) and the application of Russian laws with respect to bankruptcy, winding up or liquidation of Russian companies.

Therefore, a litigant who obtains a final and conclusive judgment in the United States would most likely have to litigate the issue again in a Russian court of competent jurisdiction. The possible need to re-litigate a judgment obtained in a foreign court on the merits in Russia may also significantly delay the enforcement of such judgment. Under Russian law, certain amounts may be payable by the claimant upon the initiation of any action or proceeding in any Russian court. These amounts, in many instances, depend on the amount of the relevant claim.

Shareholders may originate actions in either Russia or Cyprus based upon either applicable Russian or Cypriot laws, as the case may be.

However, it is doubtful whether a Russian or Cypriot court would accept jurisdiction and impose civil liability in an original action commenced in Russia or Cyprus, as applicable, and predicated solely upon U.S. federal securities laws.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement.

Statements made in this prospectus concerning the contents of any contract, agreement or other document are not complete descriptions of all terms of these documents. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed for a complete description of its terms. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit. You should read this prospectus and the documents that we have filed as exhibits to the registration statement of which this prospectus is a part completely.

Upon the closing of this offering, we will become subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

GLOSSARY OF KEY TERMS

Except where the context otherwise requires or where otherwise indicated, the terms “Cian,” the “Company,” the “Cian Group”, the “Group,” “we,” “us,” “our,” “our company” and “our business” refer to Solaredge Holdings Limited, in each case together with its consolidated subsidiaries as a consolidated entity, and the term “Solaredge” or the “Issuer” refers to Solaredge Holdings Limited as a standalone company.

“**Adjacent Services**” means the operating segment, which comprises our new business lines and new service offerings, such as Mortgage Marketplace, Valuation and Analytics, C2C Rental and End-to-End Offerings (which includes Online Transaction Services and Home Swap).

“**Average Unique Monthly Visitors (UMV)**” means the average number of users and customers visiting our platform (websites and mobile application) per month in a particular period, excluding bots, based on Google Analytics data. Average UMV for a particular period is calculated by aggregating the UMV for each month within such period and dividing by the number of months. For 2020, 2019, 2018 and their respective semi-annual periods, Average UMV is calculated based on Google Analytics data; for the first half of 2021, Average UMV is calculated as a sum of Average UMV for the Cian Group (excluding N1 Group) based on Google Analytics data and Average UMV for the N1 Group based on Yandex.Metrica data.We calculate UMV using cookies and count the first time a computer or mobile device with a unique IP address accesses our platform during a month. If an individual accesses our platform using different IP addresses within a given month, the first access by each such IP address is counted as a separate unique visitor.

“**Average revenue per lead to developers**” is calculated as lead generation revenue for a period divided by the number of leads (to developers) during such period.

“**Average revenue per paying account**” is calculated as listing revenue in the secondary residential and commercial real estate verticals divided (i) by the number of paying accounts for the corresponding period and (ii) by the number of months during the period.

“**Core Business**” means the operating segment which comprises our core classifieds platform, including our listing and value-added services for secondary residential and commercial real estate customers as well as our lead generation solutions and value-added services for primary residential real estate customers, such as developers, as well as our advertising tools.

“**Cumulative app downloads**” means the number of times the Cian mobile application was downloaded via iOS and Android as of a particular date.

“**Customers**” means professional and private companies and individuals who list properties on our platform. Our customers include (i) professional listing customers, such as real estate agents (both agents working for real estate agencies and independent agents) and real estate developers, as well as (ii) private listing customers, such as individual sellers and renters who choose to list their property directly without any intermediary.

“**Leads to developers**” means the number of paid target calls, lasting 30 seconds or longer, made through our platform by home searchers to real estate developers, for a particular period.

“**Leads to agents and individual sellers**” means the number of times our users clicked to “show” a customer’s phone number on our platform or sent chat messages to agents or property sellers through our platform in a month, calculated as a monthly average for a particular period.

“**Listings**” means the daily average number of real estate listings posted on our platform by agents and individual sellers for a particular period.

“**Number of listings**” is a metric presented in the Frost & Sullivan Report, which means the primary and secondary residential real estate listings for rent and purchase (excluding short-term rental) as of particular date.

“**Paying accounts**”means the number of registered accounts, which were debited at least once during a month for placing a paid listing on our platform or purchasing any value-added services, calculated as a

monthly average for a particular period. We calculate the number of paying accounts to include both individual accounts and master accounts, but excluding subordinated accounts, which can be created under one master account by the real estate agencies for their individual agents as part of our virtual agency offering. For further descriptions of individual accounts, master accounts and subordinated accounts, see "*Business — Core Classifieds Business — Products and Services We Offer to Customers.* "

"**Share of leads to real estate agents and individual sellers** " is a metric presented in the Frost & Sullivan Report, which means the share of calls made, and chat messages sent, through our platform in the total number of calls made, and chat messages sent, by property searchers to real estate agents and individual sellers during a particular period. Includes calls and chats related only to urban sale and purchase in secondary residential real estate vertical.

"**Share of mobile in leads to agents and individual sellers** " means the share of leads to agents and individual sellers, generated via the Cian mobile application and mobile website, as compared to total leads to agents and individual sellers through our platform. Calculated as a monthly average for a particular period.

"**Share of mobile traffic**" means the share of traffic generated via the Cian mobile application and mobile website as compared to the entire traffic of the Cian platform. Calculated per period (not average).

"**Short term rental**" means the leasing of a residential property with rental payments calculated on a per diem basis. This number is excluded from the "Number of listings" measure.

"**Subscription model**" means our monthly subscription model whereby our customers pay a fixed price to post real estate listings for a month-long period.

"**Users**" means the end users who use our platform, typically free of charge, to search for properties and a variety of information and services (including real estate listings) to help them navigate through various real estate transactions.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Solaredge Holdings Limited

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Solaredge Holdings Limited and subsidiaries (the "Group") as of December 31, 2020 and 2019, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's consolidated financial statements 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 Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ AO Deloitte & Touche CIS

Moscow, the Russian Federation
June 23, 2021

We have served as the Group's auditor since 2018.

CIAN GROUP

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**
(in millions of Russian Rubles, unless otherwise stated)

	Note	2020	2019
Revenue	4	**3,972**	**3,607**
Operating expenses:			
Marketing expenses	6	(1,697)	(2,159)
Employee-related expenses	7	(2,208)	(1,385)
IT expenses		(264)	(289)
Depreciation and amortization		(200)	(169)
Other operating expenses		(180)	(217)
Goodwill impairment	8	—	(256)
Total operating expenses		**(4,549)**	**(4,475)**
Operating loss		**(577)**	**(868)**
Finance costs		(72)	(38)
Finance income		11	7
Foreign currency exchange loss, net		(1)	(3)
Loss before income tax		**(639)**	**(902)**
Income tax benefit	9	12	96
Loss for the year	3	**(627)**	**(806)**
Total comprehensive loss for the year		**(627)**	**(806)**
Loss per share, in thousands of RUB			
Basic and diluted loss per share attributable to ordinary equity holders of the parent		**(209.0)**	**(268.7)**
Basic and diluted weighted average number of ordinary shares		3,000	3,000

The accompanying notes are an integral part of these consolidated financial statements

CIAN GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles)

	Note	December 31, 2020	December 31, 2019
Assets			
Non-current assets			
Property and equipment		31	33
Right-of-use assets	10	125	111
Intangible assets	11	257	273
Deferred tax assets	9	237	212
Other non-current assets		9	9
Total non-current assets		**659**	**638**
Current assets			
Advances paid and prepaid expenses		88	55
Trade and other receivables	12	154	94
Prepaid income tax		—	23
Cash and cash equivalents	13	449	148
Other current assets		20	8
Total current assets		**711**	**328**
Total assets		**1,370**	**966**
Equity and liabilities			
Equity			
Share capital	14	—	—
Share premium	14	125	125
Accumulated losses		(997)	(370)
Total equity		**(872)**	**(245)**
Liabilities			
Non-current liabilities			
Borrowings	15	—	431
Employee share-based payment liability	16	636	78
Lease liabilities	10	77	33
Deferred tax liabilities	9	28	34
Total non-current liabilities		**741**	**576**
Current liabilities			
Borrowings	15	728	46
Contract liabilities	4	332	184
Trade and other payables	17	316	315
Income tax payable		15	—
Other taxes payable		74	23
Lease liabilities	10	36	67
Total current liabilities	3	**1,501**	**635**
Total liabilities		**2,242**	**1,211**
Total liabilities and equity		**1,370**	**966**

Approved for issue and signed by Management on June 23, 2021.

/s/ Christina Tillyrou
Christina Tillyrou, Director

/s/ Christina Maria Oxinou
Christina Maria Oxinou, Director

The accompanying notes are an integral part of these consolidated financial statements

CIAN GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles)

	Note	Share capital	Share premium	Retained earnings/ (Accumulated losses)	Total equity
Balance at January 1, 2019		**—**	**7**	**437**	**444**
Loss and total comprehensive loss for the year		—	—	(806)	(806)
Contribution from shareholders	14	—	118	—	118
Other payments to shareholders		—	—	(1)	(1)
Balance at December 31, 2019		**—**	**125**	**(370)**	**(245)**
Balance at January 1, 2020		—	125	**(370)**	**(245)**
Loss and total comprehensive loss for the year		—	—	(627)	(627)
Balance at December 31, 2020		—	**125**	**(997)**	**(872)**

The accompanying notes are an integral part of these consolidated financial statements

CIAN GROUP

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles)

	Note	2020	2019
Cash flows from operating activities			
Loss before income tax		(639)	(902)
Adjusted for:			
Depreciation and amortization		200	169
Goodwill impairment	8	—	256
Employee share-based payment expense	16	558	67
Finance income		(11)	(7)
Finance costs		72	38
Foreign currency exchange loss, net		1	3
Working capital changes:			
Increase in trade and other receivables		(61)	(14)
(Increase) / decrease in advances paid and prepaid expenses		(32)	139
(Increase) / decrease in other assets		(13)	2
Decrease in trade and other payables		(4)	(61)
Increase in contract liabilities		148	2
Increase / (decrease) in other liabilities		98	(24)
Cash generated from (used in) operating activities		**317**	**(332)**
Income tax paid		(28)	—
Interest received		11	6
Interest paid		(70)	(35)
Net cash generated from (used in) operating activities		**230**	**(361)**
Cash flows from investing activities			
Purchase of property and equipment		(21)	(24)
Purchase of intangible assets		(90)	(104)
Loans issued to employees		—	(2)
Loans collected from employees		2	—
Net cash used in investing activities		**(109)**	**(130)**
Cash flows from financing activities			
Contribution from shareholders		—	118
Proceeds from borrowings		320	672
Repayment of borrowings		(71)	(197)
Payment of principal portion of lease liabilities		(67)	(53)
Other payments to shareholders		—	(1)
Net cash generated from financing activities		**182**	**539**
Net increase in cash and cash equivalents		**303**	**48**
Cash and cash equivalents at the beginning of the year		148	103
Effect of exchange rate changes on cash and cash equivalents		(2)	(3)
Cash and cash equivalents at the end of the year		**449**	**148**

The accompanying notes are an integral part of these consolidated financial statements

CIAN GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles, unless otherwise stated)

1. GENERAL INFORMATION

The consolidated financial statements of Solaredge Holdings Limited and its subsidiaries (collectively, the “Cian Group” or the “Group”) as of and for the years ended December 31, 2020 and December 31, 2019 were authorized for issue in accordance with a resolution of the directors on June 23, 2021.

Solaredge Holdings Limited (the “Company” or the “Parent”) is a limited liability company incorporated and domiciled in Cyprus. The registered office is located at Agiou Georgiou Makri, 64, Anna Maria Lena Court, flat/office 201, 6037, Larnaca, Cyprus. The Group’s principal place of business is Elektrozavodskaya street 27/8, premise I, floor 5, Moscow, 107023, Russian Federation.

The Group is principally engaged in online real estate classifieds business within the Russian Federation through the Group’s websites and mobile application.

Subsidiaries of the Company, all of which have been included in these consolidated financial statements, are as follows:

Subsidiary	Principal activity / Country of incorporation	% equity interest December 31, 2020	% equity interest December 31, 2019
iRealtor LLC	Online real estate classifieds (Russia)	100%	100%
Fastrunner Investment Limited	Holding (Cyprus)	100%	100%
Mimons Investments Limited	Holding (Cyprus)	100%	100%

The ultimate controlling party of the Group is Elbrus Capital Fund II L.P. (“Elbrus Capital”) which owns an aggregate of 57.24% of the Group’s ordinary shares as of December 31, 2020 and December 31, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Group’s consolidated financial statements and the accompanying notes have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis except for employee share-based payment liability (Note 16) which is measured at fair value on each reporting date.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2020 and 2019, respectively. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if any facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary

begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year, are included in the consolidated financial statements from the date the Group gains control over the subsidiary until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to the transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3 New standards, interpretations and amendments

The Group applied for the first-time all standards, interpretations and amendments, relevant for its operations, which are effective for annual periods beginning on or after January 1, 2020. These standards, interpretations and amendments do not have a material impact on the Group's consolidated financial statements.

- Amendments to IFRS 7 and IFRS 9: Interest Rate Benchmark Reform. Phase 1.
- Amendment to IFRS 16: COVID-19-Related Rent Concessions.
- Annual Improvements to IFRS Standards 2015-2017 Cycle: Amendments to References to the Conceptual Framework in IFRS Standards, Amendments to IFRS 3 Definition of a business, Amendments to IAS 1 and IAS 8 Definition of material.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following amended standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements:

- IFRS 17 Insurance Contracts (effective date — January 1, 2023).
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform. Phase 2 (effective date — January 1, 2021).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date — January 1, 2023).
- Reference to the Conceptual Framework — Amendments to IFRS 3 (effective date — January 1, 2022).
- Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16 (effective date — January 1, 2022).
- Onerous Contracts — Costs of Fulfilling a Contract — Amendments to IAS 37 (effective date — January 1, 2022).
- IFRS 1 First-time Adoption of International Financial Reporting Standards — Subsidiary as a first-time adopter (effective date — January 1, 2022).
- IFRS 9 Financial Instruments — Fees in the '10 per cent' test for derecognition of financial liabilities (effective date — January 1, 2022).
- IAS 41 Agriculture — Taxation in fair value measurements (effective date — January 1, 2022).

2.4 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

b) Foreign currencies

The Group's consolidated financial statements are presented in Russian Rubles ("RUB"), which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of all of the Company's subsidiaries is the RUB.

Transactions in foreign currencies are initially recorded by the Group's subsidiaries in their functional currency at exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rates prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized within "Foreign currency exchange gain / (loss), net", in the consolidated statement of profit and loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The RUB is not a fully convertible currency outside Russia. Within the Russian Federation, official exchange rates are determined by the Central Bank of the Russian Federation.

c) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

i. Listing revenue

Listing revenue is derived from offering online listings and related value-added services, such as different listing promotion options, to the Group's customers on its websites and mobile applications based on a cost per time basis. Customers can purchase either individual listings and value-added services, listing packages or subscriptions, which combine a number of listings and value-added services. The cash collected from the sale of online listings and related value-added services (both under the pay-per-listing or listing package model and the subscription model) is initially recorded as contract liability (deferred revenue) in the consolidated statement of financial position and subsequently recognized as revenue over time as customers receive and consume the benefits of the access to online listings and related value-added services over the contractual period. The average time period between receipt of payment from the customer and delivery of online listings is 30 days.

ii. Lead generation revenue

Lead generation revenue represents fees charged to real estate developers for establishing and referring contacts (or leads) based on the number of qualified calls (validated user connections). Performance obligation is satisfied at a point in time of occurrence of each qualified call. Payment is received after the delivery of validated connections. Payment is generally due within 20 to 30 days from providing these services.

iii. Display advertising revenue

The Group's advertising services allow third parties to place advertisements in particular areas of the Group's websites and mobile application. Advertising revenue is recognized over time based on upfront monthly fees agreed in media plans, which also include targeted number of views or clicks during the period of advertisement. Payment is generally due within 20 to 30 days from providing advertising services.

iv. Loyalty program

The Group has a loyalty points program which allows listing revenue customers to accumulate points that can be redeemed against future purchases. The loyalty points give rise to a separate performance obligation as they provide a material right to acquire additional services at a discount to the customer, that

it would not receive without entering into that contract. A portion of transaction price is allocated to the loyalty points awarded to customers based on a stand-alone selling price of points and recognized as deferred revenue (contract liability) in the consolidated statement of financial position. Deferred revenue is recognized as revenue when loyalty points are redeemed, expire or the likelihood of the customer redeeming the points becomes remote. When estimating stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points.

v. Other revenue

The Group explores new ways of monetization of its website and mobile application traffic and content database and develops new business initiatives, primarily Mortgage Marketplace and Data Analytics Services.

Mortgage Marketplace revenue comprises commission fees charged to banks for selling their mortgage products to the Group’s websites and mobile application users. Upon sale, the Group charges the banks a fixed rate commission fee based on the mortgage amount (“Marketplace commission”). The Group’s performance obligation with respect to these transactions is to arrange the transaction through its websites or mobile application. Marketplace commission is recognized on a net basis at the point of signing the mortgage agreement between the bank and the individual user. Payment is generally due within 20 to 30 days from providing these services.

Data Analytics Services revenue represents fees derived from the Group’s customers for providing access to the Group’s database of real estate content. The access can be provided either in the form of an individual report or on a subscription basis. The cash collected from the sales of subscription is initially recorded as deferred revenue in the consolidated statement of financial position and subsequently recognized as revenue over the subscription period. Revenue from sales of individual reports is recognized at the point of delivery of the report to the customer. Payment is generally due within 20 to 30 days from providing an individual report or a prepayment basis in a case of subscription.

d) Operating expenses

Operating expenses consist primarily of advertising and marketing costs, employee-related expenses including payroll, IT expenses including hosting, technical support and telecommunication services, depreciation and amortization expenses and other expenses such as office maintenance, consulting and other general corporate expenses. Operating expenses are expensed as incurred.

e) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Income taxes are computed in accordance with the laws of the Company’s and its subsidiaries’ jurisdictions. Taxable income of the Group’s companies incorporated in Russia and Cyprus is subject to local income taxes at rates of 20.0% and 12.5%, respectively.

Deferred tax

Deferred income taxes are accounted for under the balance sheet method and reflect the tax effect of temporary differences between the tax basis of assets and liabilities and their carrying amounts in the accompanying consolidated financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets are derecognized when it is no longer probable that sufficient taxable profit will be available against which the deductible temporary differences can be recognized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

f) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the

Group and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property and equipment items that extend the useful lives of assets or increase their revenue-generating capacities are capitalized and the replaced part is retired.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Useful lives in years
Office equipment	1 – 5

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

Property and equipment are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets excluding goodwill.

g) Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

	Lease term in years
Offices	3 – 4

Right-of use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets excluding goodwill.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a

modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Presentation in the consolidated statement of cash flows

The Group classifies cash payments for the principal portion of lease liabilities within financing activities and cash payments for the interest portion of the lease liabilities within operating activities.

h) Intangible assets

Intangible assets acquired separately are measured upon initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset is reviewed at least at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortization of intangible assets is recorded in depreciation and amortization within the consolidated statements of profit or loss and other comprehensive income.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Useful lives in years
Trademarks	7
Customer base	18
Computer software	1 – 3
Video and audio rights	1
Development costs	3 – 5

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

i) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

j) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

k) Share-based payments

Certain senior level employees of the Group receive remuneration in the form of share-based payments (“phantom shares”), which are settled in cash (cash-settled transactions). For cash-settled share-based payments, a liability is recognized initially at the fair value. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in employee benefits expenses.

l) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

m) Value added tax

Expenses and assets are recognized net of the amount of value added tax (“VAT”), except when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item.

The net amount of the VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

n) Loss per share

Basic and diluted net loss per ordinary share for all periods presented has been determined in accordance with IAS 33 “Earnings per Share”, by dividing income available to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. The Group did not have any dilutive or antidilutive instruments as of December 31, 2020 and 2019.

o) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components, and for which discrete financial information is available. Its operating results (Note 5) are reviewed regularly by the Group’s Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance. Segment results are reported to the CEO and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

p) Financial instruments

Initial recognition and measurement

In accordance with IFRS 9, financial assets are classified, at initial recognition, as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In accordance with IFRS 9, financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group’s financial assets include cash and cash equivalents, rent security deposits, trade and other receivables. The Group’s financial liabilities include trade and other payables, lease liabilities and borrowings.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value of traded financial instruments is determined on each reporting date on the basis of market quotations or dealers' quotations without transaction costs deduction. For the financial instruments which are not traded on the market, fair value is determined with the use of appropriate valuation methods. These methods include use of market transactions data, use of data on the current fair value of other similar financial instruments, analysis of discounted cash flows or other valuation methods.

The Group uses the following structure for determination and disclosure of valuation methods of fair value of financial instruments:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Subsequent measurement

Financial assets and financial liabilities at amortized cost

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the consolidated statement of profit or loss and other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or is cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially

different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset in case of long-term assets.

Under IFRS 9, ECLs are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies a simplified approach in calculating lifetime ECLs for accounts receivable. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default — when the counterparty has an external credit rating of 'investment grade' in accordance with the globally understood definition (rating BBB- or higher, based on Standard & Poor's and Fitch ratings);
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Allowances for expected credit losses for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements; estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities; and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Going concern

These consolidated financial statements have been prepared by management on the assumption that the Group will be able to continue as a going concern, which presumes that the Group will, for the foreseeable future, be able to realize its assets and discharge its liabilities in the normal course of business.

There were following indicators that could give rise to the risk of a going concern: for the year ended December 31, 2020, the Group incurred a loss of 627 (2019: 806), as of December 31, 2020, the Group had a net liability position of 872 (2019: 245) and net debt of 279 (2019: 329), the Group also had a negative working capital (defined as total current asset less total current liabilities) of 790 (2019: 307), including 332 of contract liabilities (2019: 184).

However, the Group generated positive operating cash flow of 230 in 2020 (2019: negative operating cash flow of 361). The following matters have been considered by management in determining the appropriateness of the going concern basis of preparation in these consolidated financial statements.

COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a global pandemic. The highly contagious disease has spread to most of the countries including Russia, creating a negative impact on customers, workforces, and suppliers, disrupting economies and financial markets, and potentially leading to a worldwide economic downturn. The Group aimed to adapt to such adverse changes in conditions by exploring new ways of monetization and promotion of its products and services and cost optimization. As a result, the Group avoided any significant adverse impact on revenue or operating loss. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of issuance of these consolidated financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Group's financial condition, liquidity, and future results of operations.

Technical default

The Group has bank loans that are subject to certain covenants (Note 15). These covenants impose some pledges and restrictions in respect of certain financial indicators. On December 31, 2020 the Group

breached some of the financial covenants associated with these bank loans, thus the non-current portion of the loans in the amount of 352 was reclassified into the short-term portion at December 31, 2020. The Group obtained a waiver from the bank in May 2021, confirming that the bank will not claim early repayment of the loan as of December 31, 2020 (Note 21).

Financing

The Group had approximately 500 of cash and cash equivalents as of June 23, 2021. Management is confident, based on their current operating plan, that existing cash and cash equivalents, together with cash flows from operating activities and financial support from the major shareholders of the Group who intend to provide an additional equity financing to the Group in case it is not able to meet its financial liabilities, that the Group will be able to meet anticipated cash needs for working capital, capital expenditures, general and administrative expenses and business expansion for at least the next twelve months. After the reporting date the Group received 2,265 from the existing and new shareholders by issuance of 281 ordinary shares (Note 21).

Changes in Russian Tax Law in 2021

Starting from January 1, 2021 due to changes in Russian Tax Law the Group lost the right to use VAT exemption on listing revenue. The Group assessed that this change would not have a material negative impact on its operational and financial results.

Based on the analysis above, management concluded that there is no significant uncertainty as to whether the Group will continue as a going concern, and therefore it is appropriate to prepare these consolidated financial statements on the going concern basis.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on the parameters available at the time of consolidated financial statements preparation. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, such as discount and terminal growth rates, revenue growth rates and Adjusted EBITDA Margin, affecting the fair value of the ordinary share of the Group, which is the basis for the valuation of the share-based payment liability. The Group initially measures the cost of cash-settled transactions with employees at the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16.

Also, as described in Note 16, a portion of cash payment to which participants of the option program are entitled to is linked to certain liquidity events, such as an initial public offering. As of December 31, 2020 and 2019, the Group determined that this performance condition for the recognition of share-based

payments was not yet probable, and no related share-based compensation expense was recognized during the years then ended. These costs are expected to be recognized once the performance condition occurs or becomes probable.

Useful lives of intangible assets

The estimation of the useful lives of intangible assets acquired through business combinations or generated internally is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through their use. However, other factors related to the economic environment and market situation often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current market conditions of the assets and the estimated period during which the assets are expected to earn benefits for the Group.

Compliance with tax legislation

The taxation system in the Russian Federation continues to evolve and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years. However, under certain circumstances a tax year may remain open longer.

This may potentially impact the Group’s tax position and create additional tax risks. This legislation and practice of its application is still evolving and the impact of legislative changes should be considered based on the actual circumstances. Management believes that it has adequately provided for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to the reform of the supreme courts that are resolving tax disputes, could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group’s revenue from contracts with customers by type and timing of revenue recognition:

For the year ended December 31, 2020

	At a point in time	Over time	Total revenue
Listing revenue	—	2,383	2,383
Lead generation revenue	994	—	994
Display advertising revenue	—	456	456
Other revenue	101	38	139
Total revenue	**1,095**	**2,877**	**3,972**

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For the year ended December 31, 2019

	At a point in time	Over time	Total revenue
Listing revenue	—	2,481	2,481
Lead generation revenue	623	—	623
Display advertising revenue	—	452	452
Other revenue	30	21	51
Total revenue	**653**	**2,954**	**3,607**

Listing, lead generation and display advertising revenues relate to the "Core Business" operating segment, while other revenue represents operating segments aggregated in the "Adjacent Services" reportable segment (Note 5).

4.2 Contract balances

The following table provides information about the Group's trade receivables and contract liabilities from contracts with customers:

	2020	2019
Trade receivables (Note 12)	145	91
Contract liabilities (including 27 of loyalty points (2019: nil))	(332)	(184)

Contract liabilities represent the transaction price allocated to unsatisfied performance obligations, advances received from customers before the Group transfers the related products or services and loyalty points not redeemed. Contract liabilities are recognized as revenue when the Group transfers control over the related products or services to the customer. The outstanding balances of contract liabilities increased in 2020 due to the continuous increase in the Group's customer base. The total amount of contract liabilities as of each year end has been or to be recognized as revenue in the subsequent year.

5. SEGMENT INFORMATION

The chief operating decision-maker (CODM) of the Group is the Chief Executive Officer. The CODM reviews the Group's internal reporting based on the management accounts in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

In evaluating the performance of the Group's operating segments and allocating resources, the CODM reviews selected items of each segment's statement of profit or loss and other comprehensive income including revenue and Adjusted EBITDA (an operating profit / (loss) for the period before depreciation and amortization and other adjustments for non-cash effects described in the table "Reconciliation of Adjusted EBITDA to Loss before income tax"). All other financial information is presented on a consolidated basis. Assets and liabilities are not allocated to the different operating segments for internal reporting purposes.

The Group has identified its operating segments based on how the CODM manages the business, allocates resources, makes operating decisions and evaluates operating performance. The Group has identified the following reportable segments on this basis, as these segments are analyzed separately by management:

— Core Business; and

— Adjacent Services.

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The “Core Business” segment represents mature main service line of real estate classifieds and related advertising services provided on the Group’s platform (websites cian.ru and emls.ru and mobile application). This segment relates to the online real estate classified marketplace, where clients like realtors and developers place their property listings and related advertising materials.

The “Adjacent Services” reportable segment contains three separate operating segments that were aggregated to single reportable segment based on their similar economic characteristics and segment aggregation criteria, such as:

— similar nature of experimental, newly launched and dynamically developing services, that are currently in the investment phase, as compared to the mature “Core Business”;

— similar production process, these services are developed by newly formed teams, that are primarily focused on product innovation, development and growth rather than profitability; and

— all these services are distributed electronically on the Group’s platform, customers are the platform’s users and there is no specific regulatory environment related to these services.

All revenue in both years is derived from third parties and there is no inter-segment revenue. The Group operates only in Russia.

Revenue and costs are directly attributed to the Group’s segments when possible. However, due to the integrated structure of the Group’s business, certain costs incurred by one segment may benefit the other segments. These costs primarily include headcount-related expenses, marketing and advertising costs, product development, IT expenses (including hosting and technical support expenses and telecommunication services), office maintenance expenses and other general corporate expenses such as finance, accounting, legal, human resources, recruiting and facilities costs. These costs are allocated to each segment based on the estimated benefit each segment receives from such expenses, using specific allocation drivers representing this benefit. Substantially all assets and liabilities relate to the “Core Business” operating segment.

Management reporting is different from IFRS, the differences are IFRS adjustments listed below, which are not analyzed by the CODM in assessing the operating performance of the business:

— *Reclassification of lease related amortization and interest* — for the purposes of CODM’s assessment of operating performance rental expenses are considered operating expenses included in Adjusted EBITDA, rather than depreciation and interest expense, thus, IFRS 16 ‘Leases’ is not applied in internal reporting;

— *Reclassification of operating expense related to software licenses to amortization* — for the purposes of CODM’s assessment of operating performance expenses related to software licenses are considered operating expenses included in Adjusted EBITDA, rather than amortization of intangible assets;

— *Capitalized development costs* — for the purposes of CODM’s assessment of operating performance expenses none of the expenses are capitalized; and

— *Share-based payments* — for the purposes of CODM’s assessment of operating performance the fair value adjustments related to remeasurement of share-based payments liability are not analyzed;

as well as non-recurring items, such as goodwill impairment, that occur from time to time and are evaluated for adjustment as and when they occur.

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Information on each of the reportable and other segments and reconciliation to Loss before income tax is as follows:

	For the year ended December 31, 2020		
	Core Business	Adjacent Services	Total
Revenue, including:	**3,822**	**150**	**3,972**
Listing revenue	2,383	—	2,383
Lead generation revenue	991	3	994
Display advertising revenue	439	17	456
Other revenue	9	130	139
Adjusted EBITDA	**532**	**(499)**	**33**
Reconciliation of Adjusted EBITDA to Loss before income tax			
Adjusted EBITDA			**33**
Depreciation and amortization			(200)
Finance expenses, net			(61)
Foreign currency exchange loss, net			(1)
Capitalized development costs			43
Reclassification of lease related amortization and interest			74
Reclassification of operating expense related to software licenses to amortization			31
Share-based payments			(558)
Loss before income tax			**(639)**

	For the year ended December 31, 2019		
	Core Business	Adjacent Services	Total
Revenue, including:	**3,555**	**52**	**3,607**
Listing revenue	2,481	—	2,481
Lead generation revenue	622	1	623
Display advertising revenue	440	12	452
Other revenue	12	39	51
Adjusted EBITDA	**(193)**	**(299)**	**(492)**
Reconciliation of Adjusted EBITDA to Loss before income tax			
Adjusted EBITDA			**(492)**
Depreciation and amortization			(169)
Finance expenses, net			(31)
Foreign currency exchange loss, net			(3)
Capitalized development costs			22
Reclassification of lease related amortization and interest			71
Reclassification of operating expense related to software licenses to amortization			23
Share-based payments			(67)
Goodwill impairment			(256)
Loss before income tax			**(902)**

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6. MARKETING EXPENSES

	2020	2019
Online marketing	(1,498)	(1,134)
Offline marketing	(139)	(959)
Other marketing expenses	(60)	(66)
Total marketing expenses	**(1,697)**	**(2,159)**

Marketing expenses are only purchased advertising exclusive of any employee-related expenses.

7. EMPLOYEE-RELATED EXPENSES

	2020	2019
Wages, salaries and related taxes	(1,610)	(1,246)
Share-based payment expense (Note 16)	(558)	(67)
Other employee-related expenses	(40)	(72)
Total employee-related expenses	**(2,208)**	**(1,385)**

8. GOODWILL IMPAIRMENT

Goodwill of 256 was recognized in 2014 as a result of an acquisition of EMLS Group (“EMLS”), a leading online real estate classifieds website in Saint-Petersburg and Leningrad region. Goodwill was allocated to the cash-generating unit (CGU) of EMLS. In December 2019, management of the Group decided to gradually cease the operations of the website “emls.ru” during the next two years and transfer its customer base (Note 11) to the Group’s main website “cian.ru” and Cian mobile application, and, accordingly, goodwill was written off in full as of December 31, 2019.

9. INCOME TAX

The major components of income tax benefit for the years ended December 31, 2020 and 2019 are:

	2020	2019
Current income tax expense	(18)	—
Adjustments in respect of current income tax of previous years	(1)	—
Deferred tax benefit	31	96
Income tax benefit	**12**	**96**

The major part of the Group’s pre-tax losses and income tax expenses / benefits is generated in Russia. Pre-tax gains or losses of the Group’s companies in Cyprus mainly relate to foreign exchange gains and losses and other items which are generally non-taxable (non-deductible) in that jurisdiction. These items affect pre-tax loss but do not have any impact on income tax expense / benefit.

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Below is a reconciliation of theoretical income tax based on the Russian statutory income tax rate of 20% to the actual tax recorded in the consolidated statement of profit or loss and other comprehensive income:

	2020	2019
Loss before income tax	**(639)**	**(902)**
Income tax benefit calculated at Russia's statutory income tax rate (20%)	128	180
Goodwill impairment	—	(51)
Adjustments in respect of current income tax of previous years	(1)	—
Share-based payments	(112)	(13)
Other non-deductible expenses	(3)	(20)
Income tax benefit for the year	**12**	**96**

Set out below is the summary of deferred tax assets and liabilities as of December 31, 2020 and 2019:

	Consolidated statement of financial position as of December 31,		Consolidated statement of profit or loss	
	2020	2019	2020	2019
Deferred tax assets arising from:				
Tax losses carried forward	149	166	(17)	88
Revenue recognition	59	32	27	1
Lease liabilities	23	20	3	20
Employee benefits	24	19	5	8
Intangible assets	15	2	13	2
Trade receivables	1	1	—	—
Total deferred tax assets before set-off	**271**	**240**	**31**	**119**
Set-off of tax	**(34)**	**(28)**	—	—
Net deferred tax assets	**237**	**212**	—	—
Deferred tax liabilities arising from:				
Intangible assets	(33)	(36)	3	2
Right-of-use assets	(25)	(22)	(3)	(22)
Property and equipment	(2)	(3)	1	(1)
Other items	(2)	(1)	(1)	(2)
Total deferred tax liabilities before set-off	**(62)**	**(62)**	—	**(23)**
Set-off of tax	**34**	**28**	—	—
Net deferred tax liabilities	**(28)**	**(34)**	—	—
Net deferred tax asset / (liability)	**209**	**178**	—	—
Deferred tax benefit / (expense)	—	—	**31**	**96**

The Group has accumulated tax losses of 745 (2019: 830) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The losses have arisen in the key Russian operating subsidiary of the Group. The Group recognized deferred tax assets in respect of these losses as they are fully recoverable in the near future according to the management's forecast. In such

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assessment management took into account differences between Russian Tax Law and IFRS, historical deviations from the budget and actual offset of 88 from the balance of accumulated losses against taxable profit of the subsidiary in 2020.

10. LEASES

The Group leases several office buildings to provide employees with comfortable working conditions. Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets	Lease liabilities
As of January 1, 2019	**177**	**(153)**
Additions	—	—
Depreciation expense	(66)	—
Interest expense	—	(12)
Payments	—	65
As of December 31, 2019	**111**	**(100)**
Additions	—	—
Remeasurement / modification	81	(80)
Depreciation expense	(67)	—
Interest expense	—	(7)
Payments	—	74
As of December 31, 2020	**125**	**(113)**

The maturity analysis of lease liabilities based on contractual undiscounted payments is disclosed in Note 19.

11. INTANGIBLE ASSETS

	Trademarks	Customer base	Computer software	Video/ audio rights	Development costs	Other	Total
Cost							
At January 1, 2019	**76**	**186**	**44**	**52**	**4**	**1**	**363**
Additions	—	—	30	52	22	1	105
Disposals	—	—	—	—	—	(1)	(1)
At December 31, 2019	**76**	**186**	**74**	**104**	**26**	**1**	**467**
At January 1, 2020	**76**	**186**	**74**	**104**	**26**	**1**	**467**
Additions	—	—	37	14	43	—	94
Disposals	—	—	—	—	—	(1)	(1)
At December 31, 2020	**76**	**186**	**111**	**118**	**69**	—	**560**
Amortization							
At January 1, 2019	**(31)**	**(43)**	**(27)**	**(8)**	—	—	**(109)**
Amortization charge	(8)	(10)	(23)	(43)	(1)	—	(85)
Disposals	—	—	—	—	—	—	—

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	Trademarks	Customer base	Computer software	Video/ audio rights	Development costs	Other	Total
At December 31, 2019	**(39)**	**(53)**	**(50)**	**(51)**	**(1)**	—	**(194)**
At January 1, 2020	**(39)**	**(53)**	**(50)**	**(51)**	**(1)**	—	**(194)**
Amortization charge	(18)	(10)	(31)	(47)	(3)	—	(109)
Disposals	—	—	—	—	—	—	—
At December 31, 2020	**(57)**	**(63)**	**(81)**	**(98)**	**(4)**	—	**(303)**
Carrying amounts							
At December 31, 2019	**37**	**133**	**24**	**53**	**25**	**1**	**273**
At December 31, 2020	**19**	**123**	**30**	**20**	**65**	—	**257**

Trademark related to EMLS.ru

Following the decision of management to gradually cease the operations of the website “emls.ru” and transfer its client base to the Group’s main website “cian.ru” and Cian mobile application (Note 8), the useful life of EMLS trademark was revised accordingly. The remaining useful life as of December 31, 2020 is one year.

Impairment test

Group’s non-current assets are fully attributable to the “Core Business” cash-generating unit (CGU). The “Core Business” CGU represents the main service line of real estate classifieds and related advertising services provided on the Cian’s platform (website cian.ru and mobile application). Adjacent services each represent a separate CGU, however the Group did not recognize any assets related to such CGU’s as of December 31, 2020 and 2019, as there was no convincing evidence available that these adjacent services would generate future economic benefits.

As substantially the entire customer base from “EMLS” was transferred to the main Cian platform, for the purposes of impairment testing as of December 31, 2020 the remaining assets of “EMLS” were allocated to the “Core Business” CGU.

At December 31, 2020 management estimated the recoverable amount of the “Core Business” CGU. The recoverable amount of the CGU represented its value in use, determined by reference to discounted future cash flows generated from the continuing use of the CGU. The key assumptions used in the estimation of the CGU’s recoverable amount represented management’s assessment of future trends in the Group’s business and were based on the relevant external and internal historical data. Cash flows were projected based on past experience, actual operating results and the Group’s five-year business plan and based on the following key assumptions: revenue growth rates, Adjusted EBITDA margin, discount rate, and terminal value growth rate. At December 31, 2020 the estimated recoverable amounts of the “Core Business” CGU exceeded its carrying amount.

Discount rate and terminal growth rate. The pre-tax discount rate applied to the cash flow projections is 18%, and the annual growth rate for the free cash flows after 2025 is 5%. The discount rate applied is based on the risk-free rate for 10-year government bonds in Russia, market risk premium, and adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific operating segment. A long-term growth rate in perpetuity has been determined based on the nominal GDP rates for Russia.

Revenue growth rates and Adjusted EBITDA margin. Revenue growth rates and Adjusted EBITDA margin were projected taking into account the levels experienced over the past years and the estimated sales volume and price growth for the next five years.

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Sensitivity to changes in estimates. Management estimated that a decrease in revenues by 10%, or 15 percentage points decrease in Adjusted EBITDA margin, or an increase in the discount rate by 5 percentage points would not result in impairment of non-current assets and a significant headroom of the recoverable amount over the carrying amount would still remain.

12. TRADE AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019
Trade receivables from third parties	151	97
Other receivables from third parties	9	3
Allowance for expected credit losses	(6)	(6)
Total trade and other receivables	**154**	**94**

Trade and other receivables are non-interest bearing and are generally on terms of 20 to 30 days.

Set out below is the movement in the allowance for expected credit losses of accounts receivable:

	2020	2019
Balance at the beginning of the year	**(6)**	**(6)**
Allowance for expected credit losses	—	—
Balance at the end of the year	**(6)**	**(6)**

Information about the Group's exposure to credit and market risks is presented in Note 19.

13. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Short-term deposits	406	100
Cash at banks and on hand	43	48
Total cash and cash equivalents	**449**	**148**

The Group's cash and cash equivalents are mainly denominated in Russian Rubles.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective market short-term deposit rates. Information about the credit risk over cash and cash equivalents is presented in Note 19.

14. SHARE CAPITAL

	Authorized		Issued and fully paid	
Number of shares	**December 31, 2020**	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Ordinary shares of EUR 1 each	3,350	3,000	3,000	3,000
	3,350	**3,000**	**3,000**	**3,000**

In 2019, the existing shareholders provided irrevocable contribution of 118 to the Company. The contribution was accounted as the increase in share premium. There have been no transactions involving share premium in 2020.

In October 2020, the authorized share capital of the Company was increased from 3,000 to 3,350 shares.

In February 2021, the Group issued 281 ordinary shares to the existing and new shareholders and received 2,265 in cash (Note 21).

15. BORROWINGS

				December 31, 2020	December 31, 2019
	Interest rate	Currency	Maturity	Amount, incl. accrued interest	Amount, incl. accrued interest
Bank loan	CBR key rate+3.35%	RUB	2021-2022	429	299
Bank loan	CBR key rate+3.8%	RUB	2021-2024	299	178
Total				**728**	**477**
Current				**728**	**46**
Non-current				**—**	**431**

The bank loans are subject to certain covenants. These covenants impose some pledges and restrictions in respect of certain financial indicators. The loans are secured by 100% shares of Fastrunner Investment Limited, 100% shares of Mimons Investments Limited, 51% shares of iRealtor LLC, software rights and Cian trademarks and rights under license agreements. At December 31, 2020, the Group breached some of the financial covenants associated with the bank loans. The Group obtained a waiver from the bank in May 2021 with respect to the breach of covenants. However, the non-current portion of the loans was reclassified into the short-term portion at December 31, 2020 since the waiver was obtained after the reporting date.

16. SHARE-BASED COMPENSATION

In 2018, the Group's Board of Directors approved a new long-term incentive program for certain senior level employees. In 2018 and 2019, the Group granted an aggregate of 180 shares ("phantom shares") to employees that entitle them to a cash payment after one to five years of service depending on the participant. No awards were granted in 2020. The amount of the cash payment is determined based on the increase in the share price of the Company between the grant date and the time of exercise. The plan stipulates the following payments:

1. **Liquidity event payments**. Participants of the program are entitled to a cash payment upon occurrence of some liquidity events such as an initial public offering ("IPO") or an acquisition of control over the Group by a third party.
2. **Non-liquidity event payments**. Participants of the program are entitled to a cash payment after the termination of the service period if the net debt (calculated as borrowings less cash and cash equivalents) does not exceed three times the lowest between EBITDA (calculated as operating profit plus amortization and depreciation) and Adjusted EBITDA (calculated as described in Note 5) as of the date of the notice sent by the participants to the Company.

The Group recognized share-based payment liability at December 31, 2020 and 2019 based only on the non-liquidity events. The Group did not recognize the liability based on the liquidity events in the consolidated statements of financial position at December 31, 2020 and 2019 due to a low probability of such events in the foreseeable future until the plans will not be well advanced.

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The following table provides information about share-based awards as of December 31, 2020 and 2019:

Allocation year	Number of awards	Number of awards outstanding As of December 31,		Vesting period, years	Exercise price, USD	Fair value per award, USD As of December 31,		Fair value per award, RUB As of December 31,	
		2020	2019			2020	2019	2020	2019
2015	68	58	58	4	49,322	110,745	19,942	8,181,364	1,234,517
2017	7	7	7	4	42,760	118,086	15,449	8,723,686	956,350
2018	10	10	10	5	69,000	92,101	84	6,804,026	5,174
2019	3	3	3	5	69,000	92,101	44	6,804,026	2,730
2019	3	3	3	5	80,012	82,462	—	6,091,938	—
	91	**81**	**81**						

Set out below are the movements in the Group's share-based payment liabilities during 2020 and 2019:

	2020	2019
Share-based payment liabilities at the beginning of the year	**78**	11
Remeasurement during the year	558	59
Non-liquidity event payments	—	8
Share-based payment liabilities at the end of the year	**636**	**78**

The fair value of the awards was estimated, at the grant date and at the end of each reporting period, using the Option pricing model, taking into account the terms and conditions on which the award was granted.

The weighted average inputs used in the measurement of the fair values for the years ended December 31, 2020 and 2019 are the following:

	December 31, 2020	December 31, 2019
Expected annual volatility	45.20%	40.88%
Expected term, years	1.5	2.5
Dividend yield	None	None
Risk-free interest rate	0.1%	1.61%
Fair value per ordinary share, USD	251,774	106,560
Fair value per ordinary share, RUB	18,600,000	6,596,662

Expected volatility. Because the Company's shares are not publicly traded, expected volatility has been estimated based on an analysis of the implied share price volatility of comparable public companies for an expected term equal to 1.5 years (2019: 2.5 years).

Expected term. As the contractual terms of the awards are unlimited, the expected terms of the instruments have been assessed based on the vesting period and management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

Dividend yield. Expected dividend yield is nil, the Company did not declare any dividends with respect to 2019 and 2020 and does not have any plans to pay dividends in the near term.

Risk-free rate was assessed based on US Treasury bonds yield.

Fair value per ordinary share. Given the absence of a public trading market for ordinary shares of the Company, the fair value per ordinary share was determined by reference to discounted future cash flows generated by the Group. The key assumptions used in the estimation of the business enterprise value are consistent with the inputs in the impairment test as disclosed in Note 11.

The following table demonstrates the sensitivity to a reasonably possible change in key assumptions affecting the fair value per ordinary share. With all other variables held constant, the Group's share-based payment liabilities are affected as follows:

	Change in share-based payment liabilities
10% change in forecasted revenue	22%
10% change in terminal period Adjusted EBITDA margin	13%
10% change in discount rate	52%
10% change in terminal growth rate	40%

The forfeiture rate is assessed as remote.

17. TRADE AND OTHER PAYABLES

	December 31, 2020	December 31, 2019
Trade payables	196	75
Tax risks provision	—	140
Annual bonus provision	66	59
Unused vacation provision	53	36
Other payables	1	5
Trade and other payables	**316**	**315**

Trade payables are non-interest bearing and are normally settled on 60-day terms. Information about the Group's exposure to liquidity risk in relation to its trade and other payables is included in Note 19.

18. RELATED PARTIES

Related parties include shareholders, ultimate owners and members of key management personnel as well as companies which are under legal ownership, significant influence or control of shareholders or ultimate owners of the Group.

Transactions with key management personnel

Key management comprises directors of the Group and CEO and CFO of the main operating subsidiary.

The remuneration of key management personnel for the year ended December 31, 2020 and 2019 amounted to:

	2020	2019
Short-term employee benefits	(38)	(37)
Share-based payment expense	(313)	(47)
Total key management remuneration	**(351)**	**(84)**

During 2019, the Group received a loan of 46 from key management personnel which was repaid in full by the end of that year. During 2020, there were no transactions or outstanding balances with key management personnel. No guarantees have been given or received.

Transactions with the ultimate controlling party

During 2020, there were no transactions or outstanding balances with Elbrus Capital, the ultimate controlling party. No guarantees have been given or received.

During 2019, the Group received a loan of 148 from Elbrus Capital which was repaid in full by the end of that year.

Other related party transactions

The following table provides the total amount of transactions that have been entered into with other related parties for the relevant financial year.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associate of Elbrus Capital	2020	—	3	—	—
Associate of Elbrus Capital	2019	—	4	—	—

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees given or received.

19. FINANCIAL RISK MANAGEMENT

19.1 Financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities. The Group does not hold any financial assets and financial liabilities other than those measured at amortized cost. Management assessed that the carrying values of the Group's financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values on the basis of short-term nature or calculation of amortised cost using market rates.

	December 31, 2020	December 31, 2019
Financial assets measured at amortized cost		
Cash and cash equivalents (Note 13)	449	148
Trade and other receivables (Note 12)	154	94
Rent security deposits	9	9
Total financial assets	**612**	**251**
Financial liabilities measured at amortized cost		
Trade and other payables (Note 17)	197	80
Lease liabilities (Note 10)	113	100
Borrowings (Note 15)	728	477
Total financial liabilities	**1,038**	**657**

19.2 Financial risk management

The Group is exposed to risks that arise from its use of financial instruments. The Group has exposure to the following risks arising from financial instruments: market risk, credit risk and liquidity risk.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

19.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk, which mostly impacts the Group, comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include cash and cash equivalents, accounts receivable and trade and other payables.

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Change in interest rates	Effect on profit before tax
Year ended December 31, 2020		
Borrowings with floating interest rates	+1%/-1%	(7) / 7
Year ended December 31, 2019		
Borrowings with floating interest rates	+1%/-1%	(5) / 5

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is currently limited because the Group's operating activities are mainly carried out in Russian Rubles.

19.2.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its cash and cash equivalents held with banks.

Trade receivables

The Group performs an impairment analysis at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome. Generally, accounts receivables are written-off if past due for more than three years.

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Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	< 30 days	31 – 60 days	61 – 90 days	> 90 days	Total
2020					
Expected credit loss rate	1.1%	5.7%	7.6%	69.4%	
Total gross carrying amount	128	17	—	6	151
Expected credit loss	1	1	—	4	6

	< 30 days	31 – 60 days	61 – 90 days	> 90 days	Total
2019					
Expected credit loss rate	1.2%	7.6%	7.9%	62.4%	
Total gross carrying amount	83	6	—	8	97
Expected credit loss	1	—	—	5	6

Cash and cash equivalents

The Group held cash and cash equivalents of 449 at December 31, 2020 (2019: 148). The cash and cash equivalents are primarily held with banks, which are rated not less than BBB- to BBB, based on Standard & Poor's and Fitch ratings. As of December 31, 2020, the Group held 94% of its cash and cash equivalents with banks having external credit ratings of BBB-/BBB (2019: 95%).

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. No impairment allowance was recognized at December 31, 2020 (2019: nil).

19.2.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Within 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
2020					
Trade and other payables	197	—	—	—	197
Borrowings	416	340	44	—	800
Lease liabilities	43	76	8	—	127
Total financial liabilities	**656**	**416**	**52**	—	**1,124**

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	Within 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
2019					
Trade and other payables	80	—	—	—	80
Borrowings	89	408	84	—	581
Lease liabilities	73	34	—	—	107
Total financial liabilities	**242**	**442**	**84**	—	**768**

19.3 Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	January 1, 2020	Financing cash flows	Leases (non-cash)	Other	December 31, 2020
Borrowings	477	249	—	2	728
Lease liabilities	100	(67)	80	—	113
	577	**182**	**80**	**2**	**841**

	January 1, 2019	Financing cash flows	Leases (non-cash)	Other	December 31, 2019
Borrowings	—	475	—	2	477
Lease liabilities	153	(53)	—	—	100
	153	**422**	—	**2**	**577**

The 'Other' column includes the effect of accrued but not yet paid interest on the Group's borrowings and lease liabilities. The Group classifies interest paid as cash flows from operating activities.

19.4 Capital management

The Group manages its capital to ensure that companies in the Group will be able to continue as a going concern (Note 3) while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity (as detailed in the consolidated statements of financial position).

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants could result in bank immediately calling the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2020 and 2019.

20. CONTINGENCIES

Legal proceedings

During the periods covered by the Group's consolidated financial statements and in subsequent period until their approval, the Group has been, and continues to be, subject to legal proceedings and adjudications

from time to time, none of which has had, individually or in the aggregate, a material adverse impact on the Group. Management believes that the ultimate liability, if any, arising from such proceedings and adjudications, will not have a material adverse impact on the Group's financial position or operating results.

Russian Federation tax and regulatory environment

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by a number of authorities, which may impose severe fines, penalties and interest charges.

Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation and as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. As such, significant additional taxes, penalties and interest may be assessed. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years, while under certain circumstances reviews may cover longer periods.

The Group estimates that possible exposure in relation to the above mentioned tax risks, that are more than remote, but for which no liability is required to be recognized, could be up to approximately 58. This estimation is provided solely for the purpose of tax disclosures in the financial statements and should not be considered as an estimate of the Group's potential tax liability.

Operating environment

The Group's operations are concentrated in the Russian Federation. Consequently, the Group is exposed to the economic and financial environment in the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations and frequent changes which combined with other legal and fiscal impediments, aggravate the challenges faced by entities operating in the Russian Federation.

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against a number of Russian individuals and legal entities. The imposition of the sanctions has led to increased economic uncertainty, including more volatile equity markets, a depreciation of the Russian Ruble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit. As a result, some Russian entities may experience difficulties accessing the international equity and debt markets and may become increasingly dependent on state support for their operations. The long-term effects of the imposed and possible additional sanctions are difficult to determine.

The Group's consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a global pandemic. The highly contagious disease has spread to most of the countries including Russia, creating a negative impact on customers, workforces, and suppliers, disrupting economies and financial markets, and potentially leading to a worldwide economic downturn. The Group aimed to adapt to such adverse changes in conditions by exploring new ways of monetization and promotion of its products and services and cost optimization. As a result, the Group avoided any significant adverse impact on revenue or operating loss. However, the full

impact of the COVID-19 outbreak continues to evolve as of the date of issuance of these consolidated financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Group's financial condition, liquidity, and future results of operations.

21. EVENTS AFTER THE REPORTING PERIOD

In February 2021, the Group received 2,265 in cash by issuing 281 ordinary shares to the existing and new shareholders for financing the acquisition of the N1.ru Group and its operating activity.

In February 2021, the Group completed an acquisition of 100% of the N1.ru Group, one of the leading regional online real estate classifieds in Russia, from a third party for a total cash consideration of 1,785. The primary reason for the business combination was to enhance the Group's position in Russia's regions outside Moscow and Saint-Petersburg. The accounting for this business combination was incomplete at the date of issue of these consolidated financial statements, as far as the valuation of identifiable assets acquired in the business combination was not completed and accepted by management. Therefore, the disclosure of expected goodwill and major classes of acquired assets and liabilities assumed could not be made.

In January and March 2021, the Group granted certain employees 32.1 share-based compensation awards. All these awards are cash-settled.

Starting from January 1, 2021, due to changes in Russian Tax Law, the Group lost the right to use VAT exemption on listing revenue. The Group assessed that this change would not have a significant negative impact on the Group's operational and financial results.

In May 2021, the Group obtained a waiver from the bank with respect to the breach of covenants as of December 31, 2020 (Note 15).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder of N1.ru LLC

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of N1.ru LLC and subsidiaries (the “Group”) as of December 31, 2020 and 2019 and January 1, 2019, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2020 and 2019 and January 1, 2019, and the results of its operations and its cash flows for the two years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group’s consolidated financial statements 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 Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ AO Deloitte & Touche CIS

Moscow, the Russian Federation
June 23, 2021

We have served as the Group’s auditor since 2021.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles, unless otherwise stated)

	Note	2020	2019
Revenue	4	**563**	**645**
Operating expenses:			
Employee-related expenses	5	(214)	(219)
Marketing expenses	6	(171)	(109)
IT expenses		(29)	(31)
Depreciation and amortization		(24)	(22)
Other operating expenses, net		(54)	(64)
Total operating expenses		**(492)**	**(445)**
Operating profit		**71**	**200**
Finance income		1	3
Finance costs		(3)	(4)
Foreign currency exchange gain/(loss), net		3	(7)
Profit before income tax		**72**	**192**
Income tax expense	7	(14)	(40)
Profit for the year		**58**	**152**
Total comprehensive income for the year		**58**	**152**

The accompanying notes are an integral part of these consolidated financial statements

N1 GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020, DECEMBER 31, 2019 AND JANUARY 1, 2019
(in millions of Russian Rubles)

	Note	December 31, 2020	December 31, 2019	January 1, 2019
Assets				
Non-current assets				
Property and equipment		8	7	4
Right-of-use assets	8	23	37	42
Intangible assets		3	3	3
Deferred tax assets		1	1	1
Total non-current assets		**35**	**48**	**50**
Current assets				
Short-term loans issued	13	—	—	90
Advances paid and prepaid expenses		3	11	11
Trade and other receivables	9	3	11	14
Prepaid income tax		6	3	1
Cash and cash equivalents	10	132	89	107
Other current assets		5	5	2
Total current assets		**149**	**119**	**225**
Total assets		**184**	**167**	**275**
Equity and liabilities				
Equity				
Share capital*	11	—	—	—
Retained earnings		114	80	182
Total equity		**114**	**80**	**182**
Liabilities				
Non-current liabilities				
Lease liabilities	8	15	25	32
Total non-current liabilities		**15**	**25**	**32**
Current liabilities				
Contract liabilities	4	25	28	27
Trade and other payables	12	13	15	17
Income tax payable		1	2	3
Other taxes payable		6	4	4
Lease liabilities	8	10	13	10
Total current liabilities		**55**	**62**	**61**
Total liabilities		**70**	**87**	**93**
Total liabilities and equity		**184**	**167**	**275**

* Share capital is equal to 10,792 RUB. The amount of share capital presented as "—" due to rounding.

Approved for issue and signed by Management on June 23, 2021.

/s/ Dmitry Chernov

Dmitry Chernov, Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

N1 GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles)

	Note	Share capital*	Retained earnings	Total equity
Balance at January 1, 2019		—	**182**	**182**
Profit and total comprehensive income for the year		—	152	152
Dividends declared	13	—	(254)	(254)
Balance at December 31, 2019		—	**80**	**80**
Balance at January 1, 2020		—	**80**	**80**
Profit and total comprehensive income for the year		—	58	58
Dividends declared	13	—	(24)	(24)
Balance at December 31, 2020		—	**114**	**114**

* Share capital is equal to 10,792 RUB. The amount of share capital presented as "—" due to rounding.

The accompanying notes are an integral part of these consolidated financial statements

N1 GROUP

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles)

	Note	2020	2019
Cash flows from operating activities			
Profit before income tax		72	192
Adjusted for:			
Depreciation and amortization		24	22
Changes in allowances for trade receivables	9	3	—
Foreign currency exchange (gain)/loss, net		(3)	7
Finance costs		3	4
Finance income		(1)	(3)
Other non-cash items		1	—
Working capital changes:			
Decrease in trade and other receivables		5	3
Decrease in advances paid and prepaid expenses		8	—
Increase in other assets		(1)	(6)
Decrease in trade and other payables		(2)	(2)
(Decrease) / increase in contract liabilities		(3)	1
Increase in other liabilities		3	1
Cash generated from operating activities		**109**	**219**
Income tax paid		(19)	(42)
Interest paid	8	(3)	(4)
Interest received		1	3
Net cash generated from operating activities		**88**	**176**
Cash flows from investing activities			
Purchase of property and equipment		(6)	(7)
Purchase of intangible assets		(5)	(5)
Loans collected		—	90
Net cash (used in /generated from investing activities		**(11)**	**78**
Cash flows from financing activities			
Dividends paid	13	(21)	(219)
Withholding tax on dividends	13	(3)	(35)
Payment of principal portion of lease liabilities	8	(12)	(11)
Net cash used in financing activities		**(36)**	**(265)**
Net increase/(decrease) in cash and cash equivalents		**41**	**(11)**
Cash and cash equivalents at the beginning of the year		89	107
Effect of exchange rate changes on cash and cash equivalents		2	(7)
Cash and cash equivalents at the end of the year		**132**	**89**

The accompanying notes are an integral part of these consolidated financial statements

N1 GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles, unless otherwise stated)

1. GENERAL INFORMATION

The consolidated financial statements of N1.ru LLC (hereinafter, “the Company”) and its subsidiaries (collectively, the “N1 Group” or the “Group”) as of and for the years ended December 31, 2020 and December 31, 2019 were authorized for issue by management on June 23, 2021.

N1.ru LLC is a limited liability company incorporated and domiciled in the Russian Federation (“Russia”). Its registered office is at Deputatskaya street 46, premise 2053, 5th floor, Novosibirsk, 630099, Russia.

The Group is principally involved in online real estate classifieds business within the Russian Federation through the Group’s websites and mobile application.

The principal subsidiaries of the Company, all of which have been included in these consolidated financial statements, are as follows:

		% equity interest		
Subsidiary	**Principal activity**	**December 31, 2020**	**December 31, 2019**	**January 1, 2019**
MLSN LLC	Online real estate classifieds	100%	100%	100%
N1 Technologies LLC	IT services and development	100%	100%	100%

All of the principal subsidiaries of the Company are incorporated in Russia.

The Company’s immediate parent company as of December 31, 2020, December 31, 2019 and January 1, 2019 was Hearst Shkulev Digital Regional Network B.V., a company incorporated and domiciled in the Netherlands. The Company’s ultimate controlling party as of December 31, 2020, December 31, 2019 and January 1, 2019 was HS Holding Digital B.V., a company incorporated and domiciled in the Netherlands.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

The Group’s consolidated financial statements and the accompanying notes have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These are the Group’s first consolidated financial statements prepared in accordance with IFRSs and compiled by the Group for the first time, applying IFRS 1, First-time Adoption of International Financial Reporting Standards. The Group’s date of transition is January 1, 2019. At the date of transition, the Group elected not to restate business combinations that occurred before the date of transition. No other exemptions were applied to the financial statements.

The Group has consistently applied the accounting policies set out in Note 2.4 to all periods presented in these consolidated financial statements.

The Group has not previously compiled any consolidated financial statements under Russian Accounting Standards (“RAS”), with reporting being required only on a standalone basis for each of the Group’s subsidiaries under RAS. Therefore, the impact of the Group’s transition to IFRS on the Group’s financial position, financial operations and cash flows is not disclosed.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Ruble ("RUB"), which is the Company's functional currency, the functional currency of all of the Group's subsidiaries, and the currency in which these consolidated financial statements are presented. All financial information presented in RUB has been rounded to the nearest million, except when otherwise indicated.

2.2 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if any facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control over the subsidiary until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to the transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3 New standards, interpretations and amendments

The Group applied for the first-time all standards, interpretations and amendments, relevant for its operations, which are effective for annual periods beginning on or after January 1, 2020.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following amended standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements:

- IFRS 17 Insurance Contracts (effective date — January 1, 2023).
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform. Phase 2 (effective date — January 1, 2021).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date — January 1, 2023).

- Reference to the Conceptual Framework — Amendments to IFRS 3 (effective date — January 1, 2022);
- Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16 (effective date — January 1, 2022).
- Onerous Contracts — Costs of Fulfilling a Contract — Amendments to IAS 37 (effective date — January 1, 2022).
- IFRS 1 First-time Adoption of International Financial Reporting Standards — Subsidiary as a first-time adopter (effective date — January 1, 2022).
- IFRS 9 Financial Instruments — Fees in the '10 per cent' test for derecognition of financial liabilities ((effective date — January 1, 2022).
- IAS 41 Agriculture — Taxation in fair value measurements (effective date — January 1, 2022).

2.4 Summary of significant accounting policies

a) Foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rates prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized within "Foreign currency exchange gain / (loss), net", in the consolidated statement of profit and loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The RUB is not a fully convertible currency outside Russia. Within the Russian Federation, official exchange rates are determined by the Central Bank of the Russian Federation.

b) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

i. Listing revenue

Listing revenue is derived from offering online listings to real estate professionals on the Group's websites and mobile app based on a cost per time basis. Payment is received prior to the delivery of online listings. The cash collected from the sale of online listings is initially recorded as contract liability (deferred revenue) in the consolidated statement of financial position and subsequently recognized as revenue over time as customers receive and consume the benefits of the access to online listings over the contractual period. The time period between receipt of payment from the customer and delivery of online listings generally does not exceed twelve months.

ii. Display advertising revenue

The Group's advertising services allow third parties to place advertisements in particular areas of the Group's websites and mobile application. Display advertising revenue is recognized over time based on

upfront monthly fees agreed in media plans, which also include targeted number of views or clicks during the period of advertisement. Payment is generally due within 30 days from providing advertising services.

c) Operating expenses

Operating expenses consist primarily of employee-related expenses including payroll, advertising and marketing costs, IT expenses including hosting, technical support and telecommunication services, depreciation and amortization expenses and other expenses such as office maintenance, consulting and other general corporate expenses. Operating expenses are expensed as incurred.

d) Income taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Taxable income of the Group's companies is subject to standard income tax at rate of 20.0% (N1.ru and MLSN) and 16.5% of special tax regime for N1 Technologies. Current tax also includes any tax arising from dividends received from subsidiaries.

e) Property and equipment

Property and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses, if any. The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property and equipment items that extend the useful lives of assets or increase their revenue-generating capacities are capitalized and the replaced part is retired.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over the estimated useful lives of the assets, as follows:

	Useful lives in years
Office equipment	1 – 5

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

Property and equipment are also subject to impairment. Refer to the accounting policies in section (h) Impairment of non-financial assets excluding goodwill.

f) Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated

depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

	Lease term in years
Offices	3 – 5

Right-of use assets are also subject to impairment. Refer to the accounting policies in section (h) Impairment of non-financial assets excluding goodwill.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the option to terminate the lease is expected to be exercised. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the rate that the Group would expect to borrow at over a similar term with a similar security. The lease liability is measured at amortised cost using the effective interest method. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Presentation in the consolidated statement of cash flows

The Group classifies cash payments for the principal portion of lease liabilities within financing activities and cash payments for the interest portion of the lease liabilities within operating activities.

g) Intangible assets

Intangible assets acquired separately are measured upon initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset is reviewed at least at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortization of intangible assets is recorded in depreciation and amortization within the consolidated statements of profit or loss and other comprehensive income.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Useful lives in years
Trademarks	10
Computer software	1
Other	1 – 2

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

h) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

i) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, short-term deposits and amounts receivable under reverse repurchase agreements with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

j) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

k) Value added tax

Expenses and assets are recognized net of the amount of value added tax (“VAT”), except when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item.

The net amount of the VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

m) Financial instruments

Recognition and initial measurement

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

In accordance with IFRS 9, financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In accordance with IFRS 9, financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. A trade receivable without a significant financing

component is initially measured at the transaction price. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's financial assets include cash and cash equivalents, security deposits, trade and other receivables. The Group's financial liabilities include trade and other payables, lease liabilities and borrowings.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value of traded financial instruments is determined on each reporting date on the basis of market quotations or dealers' quotations without transaction costs deduction. For the financial instruments which are not traded on the market, fair value is determined with the use of appropriate valuation methods. These methods include use of market transactions data, use of data on the current fair value of other similar financial instruments, analysis of discounted cash flows or other valuation methods.

The Group uses the following structure for determination and disclosure of valuation methods of fair value of financial instruments:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- *Level 2* inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- *Level 3* inputs are unobservable inputs for the asset or liability.

Subsequent measurement

Financial assets and financial liabilities at amortized cost

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the consolidated statement of profit or loss and other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or is cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset in case of long-term assets. The Group measures loss allowances at an amount equal to lifetime ECLs.

The Group applies a simplified approach in calculating lifetime ECLs for accounts receivable. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default — when the counterparty has an external credit rating of 'investment grade' in accordance with the globally understood definition (rating Baa3 or higher, based on Moody's ratings);
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Allowances for expected credit losses for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements; estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities; and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Management has determined that there are no significant areas of estimation uncertainty or critical judgements in applying accounting policies that have a significant effect on the amounts recognized in the Group's consolidated financial statements.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers by type and timing of revenue recognition:

N1 GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019
(in millions of Russian Rubles, unless otherwise stated)

For the year ended December 31, 2020

	At a point in time	Over time	Total revenue
Listing revenue	—	537	537
Display advertising revenue	—	24	24
Other revenue	2	—	2
Total revenue	**2**	**561**	**563**

For the year ended December 31, 2019

	At a point in time	Over time	Total revenue
Listing revenue	—	621	621
Display advertising revenue	—	23	23
Other revenue	1	—	1
Total revenue	**1**	**644**	**645**

Revenue is generated within the Russian Federation.

4.2 Contract balances

The following table provides information about the Group's trade receivables and contract liabilities from contracts with customers:

	December 31, 2020	December 31, 2019	January 1, 2019
Trade receivables	3	10	13
Contract liabilities	(25)	(28)	(27)

Contract liabilities represent the transaction price allocated to unsatisfied performance obligations, advances received from customers before the Group transfers the related products or services. Contract liabilities are recognized as revenue when the Group transfers control over the related products or services to the customer. The total amount of contract liabilities as of each year end has been or will be recognized as revenue in the subsequent year.

5. EMPLOYEE-RELATED EXPENSES

	2020	2019
Wages, salaries and related taxes	(211)	(210)
Other employee-related expenses	(3)	(9)
Total employee-related expenses	**(214)**	**(219)**

6. MARKETING EXPENSES

	2020	2019
Online marketing	(129)	(71)
Offline marketing	(32)	(27)
Other marketing expenses	(10)	(11)
Total marketing expenses	**(171)**	**(109)**

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Marketing expenses are only purchased advertising exclusive of any employee-related expenses.

7. INCOME TAX

The major components of income tax expense for the years ended December 31, 2020 and December 31, 2019 are:

	2020	2019
Current income tax expense	(14)	(40)
Deferred tax expense	—	—
Income tax expense	**(14)**	**(40)**

Below is a reconciliation of theoretical income tax based on the Russian statutory income tax rate of 20% to the actual tax recorded in the consolidated statement of profit or loss and other comprehensive income:

	2020	2019
Profit before income tax	**72**	**192**
Income tax expense calculated at Russia's statutory income tax rate (20%)	(14)	(38)
Other non-deductible expenses	—	(2)
Income tax expense for the year	**(14)**	**(40)**

8. LEASES

The Group leases several office buildings to provide employees with comfortable working conditions. Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets	Lease liabilities
As of January 1, 2019	**42**	**(42)**
Additions	3	(3)
Modification	5	(4)
Depreciation expense	(13)	—
Interest expense	—	(4)
Payments	—	15
As of December 31, 2019	**37**	**(38)**
Additions	1	(1)
Modification	(2)	2
Depreciation expense	(13)	—
Interest expense	—	(3)
Payments	—	15
As of December 31, 2020	**23**	**(25)**

The Group recognized lease payments in the amount of 3 relating to short-term leases as other operating expenses (2019: 4).

The maturity analysis of lease liabilities based on contractual undiscounted payments is disclosed in Note 14.

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9. TRADE AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019	January 1, 2019
Trade receivables from third parties	15	19	22
Other receivables from third parties	—	1	1
Allowance for expected credit losses (ECL)	(12)	(9)	(9)
Total trade and other receivables	**3**	**11**	**14**

Trade and other receivables are non-interest bearing and are generally on terms of 30 days.

Set out below is the movement in the allowance for expected credit losses of accounts receivable:

	2020	2019
Balance at the beginning of the year	**(9)**	**(9)**
Allowance for expected credit losses and impaired receivables	(3)	—
Balance at the end of the year	**(12)**	**(9)**

Information about the Group's exposure to credit risk is presented in Note 14.

10. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019	January 1, 2019
Cash at banks and on hand	91	89	107
Cash equivalents	41	—	—
Total cash and cash equivalents	**132**	**89**	**107**

Cash equivalents are represented by the reverse repo agreements. As part of these transactions, the Group provides cash to third parties in exchange for bonds of Derzhava Platforma LLC. These bonds may be sold only to the previous owner at the established date at the price determined at the stage of contract conclusion. The agreement is concluded between the Group and a bank for the period of less than 3 months. Information about the credit risk over cash and cash equivalents is presented in Note 14.

11. SHARE CAPITAL

As of December 31, 2020, December 31, 2019 and January 1, 2019, the share capital of the company comprised the following shareholders:

- Hearst Shkulev Digital Regional Network B. V. — 92.66%;
- Individuals — 7.34%.

No changes in share capital took place during 2020 and 2019. All above shares are fully paid.

12. TRADE AND OTHER PAYABLES

	December 31, 2020	December 31, 2019	January 1, 2019
Trade payables	10	11	14
Unused vacation provision	3	4	3
Trade and other payables	**13**	**15**	**17**

Trade payables are non-interest bearing and are normally settled on 60-day terms. The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 14.

13. RELATED PARTIES

Related parties include shareholders, ultimate owners and members of key management personnel as well as companies which are under legal ownership, significant influence or control of shareholders or ultimate owners of the Group.

Transactions with key management personnel

Key management is represented by the Chief Executive Officer.

The remuneration of key management personnel for the years ended December 31, 2020 and December 31, 2019 amounted to:

	2020	2019
Short-term employee benefits	10	5
Total key management remuneration	**10**	**5**

During 2020 and 2019, there were no transactions or outstanding balances with key management personnel. No guarantees have been given or received.

Transactions with shareholders

The aggregate value of transactions with shareholders was as follows:

	2020	2019
Dividends declared	24	254
Dividends paid, net of tax	21	219

Other related party transactions

The following table provides the total amount of transactions that have been entered into with other related parties for the relevant financial year.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Subsidiaries of the Group's parent	2020	—	50	—	—
Subsidiaries of the Group's parent	2019	—	52	—	5

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees given or received.

As of January 1, 2019 a loan in the amount of 90 was issued to a related party. The loan was fully repaid in September 2019. No other loans were issued during 2020 and 2019.

14. FINANCIAL RISK MANAGEMENT

14.1 Financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities. The Group does not hold any financial assets and financial liabilities other than those measured at amortized cost.

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Management assessed that the carrying values of the Group's financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values on the basis of short-term nature or calculation of amortized cost using market rates.

	December 31, 2020	December 31, 2019	January 1, 2019
Financial assets measured at amortized cost			
Cash and cash equivalents (Note 10)	132	89	107
Trade and other receivables (Note 9)	3	11	14
Total financial assets	**135**	**100**	**121**
Financial liabilities measured at amortized cost			
Trade and other payables (Note 12)	(10)	(11)	(14)
Lease liabilities (Note 8)	(25)	(38)	(42)
Total financial liabilities	**(35)**	**(49)**	**(56)**

14.2 Financial risk management

The Group is exposed to risks that arise from its use of financial instruments. The Group has exposure to the following risks arising from financial instruments: market risk, credit risk and liquidity risk.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

14.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk, which mostly impacts the Group, comprises of currency risk. Financial instruments affected by market risk include cash and cash equivalents.

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's cash and cash equivalents. The Group keeps part of its cash and cash equivalents in EUR to manage against the risk of RUB decline or devaluation.

The table below summarizes the Group's exposure to foreign currency exchange rate risk at the end of each reporting period:

	December 31, 2020	December 31, 2019	January 1, 2019
Cash and cash equivalents			
EUR	34	20	35
Total	**34**	**20**	**35**

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14.2.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its cash and cash equivalents held with banks.

Trade receivables

The Group performs an impairment analysis at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome.

The following tables provide information about the exposure to expected credit losses for trade receivables as of December 31, 2020, December 31, 2019 and January 1, 2019.

	Weighted average loss rate	Gross book value	Estimated allowance for impairment	Credit-impaired assets
December 31, 2020				
Neither past due nor impaired	5%	1	—	No
Past due 0 – 30 days	18%	1	—	No
Past due 31 – 90 days	34%	1	—	No
Past due 91 – 180 days	68%	1	—	No
Past due more than 180 days	97%	11	(12)	Yes
		15	**(12)**	

	Weighted average loss rate	Gross book value	Estimated allowance for impairment	Credit-impaired assets
December 31, 2019				
Neither past due nor impaired	3%	5	—	No
Past due 0 – 30 days	9%	2	—	No
Past due 31 – 90 days	35%	1	—	No
Past due 91 – 180 days	34%	1	—	No
Past due more than 180 days	77%	11	(9)	Yes
		20	**(9)**	

	Weighted average loss rate	Gross book value	Estimated allowance for impairment	Credit-impaired assets
January 1, 2019				
Neither past due nor impaired	4%	5	—	No
Past due 0 – 30 days	14%	3	—	No
Past due 31 – 90 days	27%	2	(1)	No
Past due 91 – 180 days	47%	4	(2)	No
Past due more than 180 days	68%	9	(6)	Yes
		23	**(9)**	

N1 GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(in millions of Russian Rubles, unless otherwise stated)

Cash and cash equivalents

The Group held cash and cash equivalents of 132, 89 and 107 at December 31, 2020, December 31, 2019 and January 1, 2019, respectively. The cash and cash equivalents are primarily held with banks, which are rated not less than Baa3, based on Moody's ratings. As of December 31, 2020, the Group held 68% of its cash and cash equivalents with banks having external credit ratings not less than Baa3 (December 31, 2019: 99% and January 1, 2019: 66%).

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. No impairment allowance was recognized at December 31, 2020 (December 31, 2019 and January 1, 2019: nil).

14.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	Carrying amount	Total	Within 1 year	1 to 3 years	3 to 5 years	> 5 years
December 31, 2020						
Lease liabilities	(25)	(29)	(14)	(15)	—	—
Trade and other payables	(10)	(10)	(10)	—	—	—
	(35)	**(39)**	**(24)**	**(15)**	—	—

	Carrying amount	Total	Within 1 year	1 to 3 years	3 to 5 years	> 5 years
December 31, 2019						
Lease liabilities	(38)	(45)	(16)	(29)	—	—
Trade and other payables	(11)	(11)	(11)	—	—	—
	(49)	**(56)**	**(27)**	**(29)**	—	—

	Carrying amount	Total	Within 1 year	1 to 3 years	3 to 5 years	> 5 years
January 1, 2019						
Lease liabilities	(42)	(38)	(11)	(22)	(5)	—
Trade and other payables	(14)	(14)	(14)	—	—	—
	(56)	**(52)**	**(25)**	**(22)**	**(5)**	—

14.3 Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows

were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	January 1, 2020	Financing cash flows	Leases (non-cash)	December 31, 2020
Lease liabilities	38	(12)	(1)	25
	38	**(12)**	**(1)**	**25**

	January 1, 2019	Financing cash flows	Leases (non-cash)	December 31, 2019
Lease liabilities	42	(11)	7	38
	42	**(11)**	**7**	**38**

14.4 Capital management

The Group manages its capital to ensure that companies in the Group will be able to continue as a going concern. This is achieved through effective cash management and continuous monitoring of the Group's forecasts.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2020 and December 31, 2019.

15. CONTINGENCIES

Legal proceedings

During the periods covered by the Group's consolidated financial statements and in subsequent period until their approval, the Group has been, and continues to be, subject to legal proceedings and adjudications from time to time, none of which has had, individually or in the aggregate, a material adverse impact on the Group. Management believes that the ultimate liability, if any, arising from such proceedings and adjudications, will not have a material adverse impact on the Group's financial position or operating results.

Russian Federation tax and regulatory environment

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by a number of authorities, which may impose severe fines, penalties and interest charges.

Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation and as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. As such, significant additional taxes, penalties and interest may be assessed. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years, while under certain circumstances reviews may cover longer periods.

Operating environment

The Group's operations are concentrated in the Russian Federation. Consequently, the Group is exposed to the economic and financial environment in the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and

are subject to varying interpretations and frequent changes which combined with other legal and fiscal impediments aggravate the challenges faced by entities operating in the Russian Federation.

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against a number of Russian individuals and legal entities. The imposition of the sanctions has led to increased economic uncertainty, including more volatile equity markets, a depreciation of the Russian Ruble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit. As a result, some Russian entities may experience difficulties accessing the international equity and debt markets and may become increasingly dependent on state support for their operations. The long-term effects of the imposed and possible additional sanctions are difficult to determine.

The Group's consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a global pandemic. The highly contagious disease has spread to most of the countries including Russia, creating a negative impact on customers, workforces, and suppliers, disrupting economies and financial markets, and potentially leading to a worldwide economic downturn.

Although the Group's business is inextricably linked to online services, the lockdown measures imposed due to COVID-19 had an adverse effect on the Group's operating activities: revenue decreased by 13% in 2020 compared to the previous year and operating profit margin decreased from 31% to 13%. However, the Group continues to generate positive cash flow and maintains positive financial result for the reporting period.

The full impact of the COVID-19 outbreak continues to evolve as of the date of issuance of these consolidated financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Group's financial condition, liquidity, and future results of operations.

16. EVENTS AFTER THE REPORTING PERIOD

In February 2021, Mimons Investments Limited (part of CIAN Group) acquired 100% of voting shares of the Company. As a result of this transaction, Elbrus Capital Fund II L.P. has become the new ultimate controlling party of the Company.

Starting from January 1, 2021, due to changes in Russian Tax Law, the Group lost the right to use VAT exemption on listing revenue. The Group assessed that this change would not have a significant negative impact on the Group's operational and financial results.

American Depositary Shares

Representing Ordinary Shares

Morgan Stanley **Goldman Sachs International** **J.P. Morgan**

BofA Securities **RenCap**

Through and including , 2021 (25 days after the commencement of this offering), all dealers that buy, sell or trade our ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers

Our amended and restated articles of association provide that, subject to certain limitations, we will indemnify our directors and officers against any losses or liabilities which they may sustain or incur in or about the execution of their duties including liability incurred in defending any proceedings whether civil or criminal in which judgment is given in their favor or in which they are acquitted. We expect the service agreements with our independent directors will provide for indemnification of this type.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is theretofore unenforceable.

Item 7. Recent Sales of Unregistered Securities

During the past three years, we issued securities that were not registered under the Securities Act as set forth below. We believe that each of such issuances was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act, Rule 701 and/or Regulation S under the Securities Act.

The following is a summary of transactions during the preceding three fiscal years involving sales of our securities that were not registered under the Securities Act.

During 2018, we issued 2,000 ordinary shares of nominal value EUR 1.00 each, which resulted in an increase in the issued share capital of the Company to EUR 3,000 of issued and fully paid share capital as of December 31, 2018.

During February, 2021, we issued 281 ordinary shares of nominal value EUR 1.00 each, which resulted in an increase in the issued share capital to EUR 3,281 of issued and fully paid share capital as of June 15, 2021.

No underwriter or underwriting discount or commission was involved in any of the transactions set forth in Item 7.

Item 8. Exhibits

(a) The Exhibit Index is hereby incorporated herein by reference.

(b) Financial Statement Schedules.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the audited consolidated financial statements for the years ended December 31, 2020 and 2019, included elsewhere in this prospectus and related notes thereto.

Item 9. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the “Securities Act”) may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities

being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction, the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby further undertakes that:

(i) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

EXHIBIT INDEX

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
3.1*	Amended and Restated Articles of Association of the Registrant
4.1*	Form of Deposit Agreement among the Registrant, as depositary and the holders, from time to time, of the American Depositary Shares issued thereunder
4.2*	Form of American Depositary Receipt (included in Exhibit 4.1)
4.3*	Form of Registration Rights Agreement, dated , among the Registrant and certain shareholders of the Registrant
5.1*	Opinion of Antis Triantafyllides & Sons LLC, counsel to the Registrant, as to the validity of the ordinary shares
10.1*	Form of Indemnification Agreement
10.2*+	Form of Employee Option Plan
10.3++	Facility Agreement between, among others, iRealtor LLC as borrower, AO Raiffeisenbank as the original lender, the facility agent, and the pledge manager, and PAO Rosbank as the original lender, dated July 31, 2019
10.4++	Agreement for the Sale and Purchase of the Share Capital of LLC “N1.RU” among others, Mimons Investments Limited, Hearst Shkulev Digital Regional Network B.V. and HS Holding B.V., Limited Liability Company “HS Publishing”, Limited Liability Company “Hearst Shkulev Media” and Limited Liability Company “InterMediaGroup”, acting as guarantors, dated December 22, 2020
10.5++	Service Agreement between HeadHunter LLC and iRealtor LLC dated July 27, 2017
21.1	List of subsidiaries of the Registrant
23.1*	Consent of AO Deloitte & Touche CIS, an independent registered public accounting firm
23.2*	Consent of Antis Triantafyllides & Sons LLC (included in Exhibit 5.1)
23.3*	Consent of Frost & Sullivan
24.1*	Power of Attorney (included in signature page to the registration statement)

* To be filed by amendment.

\+ Indicates management contract or compensatory plan.

++ Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Moscow, Russia on , 2021.

Solaredge Holdings Limited

By: ______________________

Name: Maxim Melnikov
Title: Chief Executive Officer and Member of the Board

By: ______________________

Name: Mikhail Lukyanov
Title: Chief Financial Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints and and each of them, individually, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead in any and all capacities, in connection with this registration statement, including to sign in the name and on behalf of the undersigned, this registration statement and any and all amendments thereto, including post-effective amendments and registrations filed pursuant to Rule 462 under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on , 2021 in the capacities indicated:

Name	Title
______________________ Maxim Melnikov	Chief Executive Officer and Member of the Board (principal executive officer)
______________________ Mikhail Lukyanov	Chief Financial Officer (principal financial officer and principal accounting officer)
______________________	Member of the Board
______________________	Member of the Board
______________________	Member of the Board
______________________	Member of the Board
______________________	Member of the Board
______________________	Member of the Board

SIGNATURE OF AUTHORIZED U.S. REPRESENTATIVE OF REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of Solaredge Holdings Limited has signed this registration statement on , 2021.

By: ______________________________
Name:
Title:

Exhibit 10.3

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Execution version

July 31, 2019

IREALTOR LIMITED LIABILITY COMPANY

AS THE BORROWER

and

RAIFFEISENBANK JOINT-STOCK COMPANY

AS THE CREDIT MANAGER

and

RAIFFEISENBANK JOINT-STOCK COMPANY

AS THE PLEDGE MANAGER

and

RAIFFEISENBANK JOINT-STOCK COMPANY

ROSBANK PUBLIC JOINT STOCK COMPANY

AS THE ORIGINAL CREDITORS

SYNDICATED CREDIT AGREEMENT

Herbert Smith Freehills CIS LLP

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

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THIS SYNDICATED CREDIT AGREEMENT (hereinafter the "**Agreement**") is made on July 31, 2019 (hereinafter the "**Signing Date**")

BETWEEN:

(1) **Irealtor LLC**, a limited liability company incorporated pursuant to the legislation of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under primary state registration number (OGRN) 1137746481190 and located at 27, ul. Elektrozavodskaya, bldg. 8, room I, floor 5, Moscow, 107023, Russian Federation, as a borrower (hereinafter referred to as the "**Borrower**");

(2) **CREDIT INSTITUTIONS** listed in Annex 1 (*List of the Original Creditors*) as creditors (hereinafter referred to as the "**Original Creditors**");

(3) **RAIFFEISENBANK JSC** as a credit manager (hereinafter referred to as the "**Credit Manager**"); and

(4) **RAIFFEISENBANK JSC** as a pledge manager (hereinafter referred to as the "**Pledge Manager**").

THE PARTIES HAVE AGREED as follows:

1. **DEFINITIONS**

1.1 **Terms**

In this Agreement:

"**Shareholders**" mean jointly:

(a) ELQ INVESTORS II LTD;

(b) MPOC Technologies;

(c) Melnikov M.A.;

(d) JOOX LIMITED and

(e) Ultimate Beneficial Owners.

and any of them referred to as the "Shareholder".

"**Shareholders' Agreement**" means the shareholders' agreement dated 6 August 2018 entered into between Speedtime Trading, Ronder Investments, MPOC Technologies, JOOX Limited, ELQ INVESTORS II LTD, Melnikov M.A. and Solaredge Holdings.

"**Affiliate**" means a Subsidiary or an Associated Company of the person or a Holding Company of the person or any other Subsidiary or Associated Company of such Holding Company.

"**Base Rate**" means the key rate of the Central Bank of the Russian Federation based on the information specified on the official website of the Central Bank of the Russian Federation (on http://cbr.ru or any other official website of the Central Bank of the Russian Federation, if changed) on a daily basis. If the key rate of the Central Bank of the Russian Federation is repealed and (or) no longer used by the Central Bank of the Russian Federation to determine the price terms for financing credit institutions of the Russian Federation, the "Base Rate" (for the purposes of this Agreement) shall be calculated based on the similar indicator as at the moment of such rate's termination as set by the Central Bank of the Russian Federation for pricing in refinancing transactions through repurchase transactions and (or) against security of non-market assets, whichever indicator is greater.

If the specified rate is negative, then it shall be considered to be equal to zero.

"**Majority of Creditors**" means:

(a) Before the first Drawdown Date — the Creditors, which Credit Limits in the aggregate amount to 66 ⅔ per cent or more of the Aggregate Credit Limit;

(b) If there is no Outstanding Credit and the Aggregate Credit Limit was reduced to zero — the Creditors, which Credit Limits in the aggregate amounted to 66 ⅔ per cent or more of the Aggregate Credit Limit immediately before the date of such reduction; or

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(c) During any other period — the Creditors, which participation in the Outstanding Credit along with their share in the Aggregate Unspent Credit Limit and in the sum of the Credits to be provided based on the valid, but not fulfilled Drawdown Requests amounts to 66 ⅔ per cent in the aggregate or more of the total amount of the Outstanding Credit along with the Aggregate Unspent Credit Limit and the total amount of the Credits to be provided based on the valid, but not fulfilled Drawdown Requests.

"**BVA**" means at any time the book value of the Borrower's assets in accordance with the Borrower's latest financial statements under RAS.

"**Drawdown**" means any disbursement of the Credit to the Borrower by the Credit Manager through crediting to the Borrower's Account.

"**Guarantors**" mean jointly legal entities specified in the "Pledger or Guarantor" column in the "Guarantees" section of Annex 9 (*Security Agreements*), and the "**Guarantor**" means any of them.

"**Guarantees**" means jointly guarantees specified in Annex 9 (*Security Agreements*) and the "**Guarantee**" means any of them

"**Civil Code**" means the Civil Code of the Russian Federation.

"**Drawdown Schedule**" means a schedule provided in Annex 7 (*Drawdown Schedule*).

"**Drawdown Date**" means the date, when the Credit or a part thereof is provided to the Borrower through crediting to the Borrower's Account.

"**Final Repayment Date**" means:

(a) With regard to Instalment 1 — the date occurring in 36 months from the Signing Date; and

(b) With regard to Instalment 2 — the date occurring in 60 months from the Signing Date.

"**Interest Rate Determination Date**" means in relation to any Interest Period the date one Business Day before the said Interest Period begins.

"**Pledge Registration Date**" means the date of providing by the Credit Manager of confirmation of the receipt of documents and information listed in Clauses 1(A) and 2(A) of Annex 10 (*Subsequent Conditions*).

"**Test Date**" has the meaning given in Article 17.1 (*Interpretation*).

"**Margin Increase Date**" has the meaning specified in Article 9.2 (*Margin Revision*).

"**Interest Payment Date**" means:

(a) March 15, June 15, September 15, and December 15 of each calendar year; and

(b) Each Final Repayment Date.

"**Participatory Interest Pledge Agreement**" means the participatory interest pledge agreement specified in Annex 9 (*Security Agreements*).

"**Software Rights Pledge Agreement**" means the agreement for pledge of rights to the Software as specified in Annex 9 (*Security Agreements*).

"**Trade Marks Rights Pledge Agreement**" means the Trade Marks rights pledge agreement specified in Annex 9 (*Security Agreements*).

"**Licence Agreements Rights Pledge Agreement**" means the Licence Agreements rights pledge agreement specified in Annex 9 (*Security Agreements*).

“**Double Tax Treaty**” means any double tax treaty entered into by and between a foreign state (territory) and the Russian Federation (or the USSR), which provides for full or partial exemption from payment in the Russian Federation of income tax of foreign legal entities charged on payments provided for by this Agreement.

“**Creditor Rights Assignment Agreement**” means the agreement drawn up mainly in the form of Annex 4 (*Creditor Rights Assignment Agreement Form*) or in any other form, whereby the Existing Creditor (as defined in Article 21 (*Replacement of the Parties*)) assigns its claims and (or) transfers its obligations under this Agreement to a New Creditor (as defined in Article 21 (*Replacement of the Parties*)).

“**Shareholders Loan Agreements**” mean jointly loan agreements between any of the Debtors as a borrower and any of the Shareholders as a lender, which repayment date occurs no earlier than the Final Repayment Date relating to Instalment 2 (inclusively), and the “**Shareholders Loan Agreement**” means any of them.

“**Loan Agreements**” mean jointly subsequent loan agreements (other than the Shareholders Loan Agreement):

(a) Loan agreement between Solaredge Holdings as the borrower and the companies Ronder Investments, Speedtime Trading, JOOX Limited and MPOC Technologies as the lenders dated January 22, 2019 for the amount not exceeding 2,687,600 US dollars;

(b) Loan agreement between the Borrower as a borrower and Solaredge Holdings as a lender dated January 18, 2019 to the amount not exceeding the total amount of the debt under the loan agreement indicated in point (a) of this definition; and

(c) Loan agreement between the Borrower as a borrower and Melnikov M.A. as a lender dated January 18, 2019 to the amount not exceeding 308,660 US dollars,

Provided that:

(i) The aggregate amount of the whole indebtedness under the said Loan Agreements does not exceed 300,000,000 Russian rubles (or the equivalent of this amount in another currency), and for the purpose of calculation of this amount, only indebtedness under the loan agreements indicated in points (b) and (c) of this definition, shall be taken into account; and

(ii) The loans under the said Loan Agreements are granted for the Federal Marketing Campaign,

and “**Loan Agreement**” means any of them.

“**Pledge Agreements**” mean jointly:

(a) Each Share Pledge Agreement;

(b) Participatory Interest Pledge Agreement;

(c) Each Account Pledge Agreement; and

(d) Each Intellectual Property Items Pledge Agreement,

and “**Pledge Agreement**” means any of them.

“**Share Pledge Agreements**” mean jointly share pledge agreements specified in Annex 9 (*Security Agreements*), and the “**Share Pledge Agreement**” means any of them.

“**Intellectual Property Items Pledge Agreements**” mean jointly agreements for pledge of exclusive rights and licence agreement rights as specified in Annex 9 (*Security Agreements*) (including the Software Rights Pledge Agreement, the Trade Marks Rights Pledge Agreement, and the Licence Agreements Rights Pledge Agreement), and the “**Intellectual Property Items Pledge Agreement**” means any of them.

“**Account Pledge Agreements**” mean jointly agreements for pledge of rights under the pledge account as specified in Annex 9 (*Security Agreements*), and the “**Account Pledge Agreement**” means any of them.

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“**Pledge Account Agreements**” mean jointly:

(a) Agreement dated June 19, 2019 for opening and maintaining pledge account No. [***] between the Borrower as a client and Raiffeisenbank JSC as a bank; and

(b) Agreement dated June 13, 2019 for opening and maintaining pledge account No. [***] between the Borrower as a client and Rosbank PJSC as a bank,

and “**Pledge Account Agreement**” means any of them.

“**Security Agreements**” mean jointly:

(a) Each Pledge Agreement; and

(b) each Guarantee,

And "**Security Agreement**" means any of them.

"**Transaction Documents**" mean jointly:

(a) Each Financial Document;

(b) Each Pledge Account Agreement; and

(c) Each Licence Agreement,

And "**Transaction Document**" means any of them.

"**Debtors**" mean jointly the Borrower, each Guarantor, and each Pledger, and the " **Debtor**" means any of them.

"**US dollar**" means the legal currency of the United States of America.

"**Subsidiary**" means any legal entity (the "**First Legal Entity**"), if any other (main) company or partnership:

(a) Owns the majority of voting rights in the First Legal Entity; or

(b) Has a participatory interest and a right to appoint or remove the majority of members of the executive body of the First Legal Entity; or

(c) Has a right to exert dominant influence on the First Legal Entity by virtue of the provisions contained in the constituent documents of such First Legal Entity or in the control agreement; or

(d) Is a member (shareholder) of the First Legal Entity and, independently or as agreed upon with other members, controls the majority of voting rights in the First Legal Entity,

Including any legal entity, the shares or participatory interests in the authorized capital of which are a subject matter of the Encumbrance, and the ownership right to such encumbered shares or participatory interests is registered by virtue of such Encumbrance in favour of a creditor or a nominee acting for such creditor.

"**euro**" means the official currency of the countries being members of the currency union acting in the framework of the European Union.

"**Warranties and Representations**" mean representations made in accordance with Article 15 (*Warranties and Representations*).

"**Associated Company**" means any legal entity, where any other (main) legal entity owns from 20 (inclusively) to 50 (inclusively) per cent of the authorized capital.

"**Bankruptcy Law**" means Federal Law of the Russian Federation No. 127-ФЗ dated October 26, 2002 On Insolvency (Bankruptcy).

"**Credit Records Law**" means Federal Law of the Russian Federation No. 218-ФЗ dated December 30, 2004 On Credit Records.

"**Regulated Procurements Law**" means Federal Law of the Russian Federation No. 223-ФЗ dated July 18, 2011 On Procurements of Goods, Works, or Services by Certain Types of Legal Entities.

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"**Syndicated Credit Law**" means Federal Law of the Russian Federation No. 486-ФЗ dated December 31, 2017 On Syndicated Credit (Loan) and Amendments to Certain Legal Acts of the Russian Federation.

"**Pledgers**" mean jointly legal entities specified in the "Pledger or Guarantor" column in the "Pledge Agreements" section of Annex 9 (*Security Agreements*), and the "**Pledger**" means any of them.

"**Drawdown Request**" means each drawdown request of the Borrower drawn up substantially in the form of Annex 3 (*Drawdown Request Form*).

"**Intellectual Property**" means:

(a) Rights to any trade names, trade marks and service marks, appellations of origin, business names, domain names (domains), data bases, inventions, utility models, industrial designs, secret processes (know how), computer programs, copyrights and allied rights, any other intellectual property rights as well as rights to confidential information or information constituting trade secret (whether existing or arising in the future), both registrable and unregistrable; and

(b) Any rights to use intellectual property items specified in clause (a) of this definition, owned by any Debtor (whether existing or arising in the future) arising from any agreements, both registrable and unregistrable.

"**Ultimate Beneficial Owners**" mean jointly:

(a) Elbrus Capital Fund II L.P., the fund incorporated and registered under the laws of the Cayman Islands, registration number 63023, with the registered office located at: 190 Elgin Avenue, KY1-9005 George Town, Grand Cayman, Cayman Islands, and

(b) Elbrus Capital Fund IIB L.P., the fund incorporated and registered under the laws of the Cayman Islands, registration number 68103, with the registered office located at: 190 Elgin Avenue, KY1-9005 George Town, Grand Cayman, Cayman Islands.

"**Confidential Information**" means any information, including personal data (including any documents and information recorded or saved as electronic files or on any other data storage media) on the Borrower, other Debtors, the Finance Documents, or the Credit that becomes known to the Finance Party or is received by any person intending to become the Finance Party (in each case, as part of exercising its rights or performing its duties under the Finance Documents or in connection with a proposed assignment of rights under the Finance Documents) from:

(a) The Borrower, any other Debtor, or their consultants; or

(b) Other Finance Party, if the information was received by such Finance Party from the Borrower, any other Debtor, or their consultants,

Except for the information that:

(i) Is or becomes available to the general public other than as a result of the Finance Party's breach of the terms and conditions of Article 27 (*Confidentiality*); or

(ii) Is transferred in a documentary form and is not classified in writing as confidential at the time of its transfer by the Borrower, any other Debtor, or their consultants; or

(iii) Was known to the Finance Party before the date when such information was disclosed to it or was lawfully obtained by the Finance Party after such date from the source, which is, as far as such Finance Party is aware, not associated with the Debtors, and which, in any case, as far as such Finance Party is aware, was not obtained in breach of the confidentiality obligation.

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"**Credit**" means monetary funds within the Aggregate Credit Limit being provided by the Creditors on credit to the Borrower under this Agreement.

"**Creditor**" means:

(a) any Original Creditor; and

(b) Any banks, other credit institutions, or any other persons that acquire the rights of claim against the Borrower and (or) an obligation to provide the Credit in accordance with the provisions of Article 21.2 (*Assignment of Rights and Transfer of Obligations by the Creditors*) and the current legislation.

"**Credit Limit**" means the amount of monetary funds that:

(a) In relation to the Original Creditor — such Original Creditor shall provide to the Borrower on credit in accordance with the terms and conditions of this Agreement within the relevant Instalment, and that is indicated in the table opposite the name of the relevant Original Creditor in Annex 1 (*List of the Original Creditors*) for the relevant period specified in Annex 1 (*List of the Original Creditors*); and

(b) In relation to any other Creditor — the relevant Creditor shall provide to the Borrower by virtue of transfer to it by the other Creditor of the obligations to provide the Credit to the Borrower,

And that may be changed in accordance with the terms and conditions of this Agreement.

"**Licence Agreements**" mean jointly the following agreements:

(a) Licence agreement for granting a right to use trade marks under the terms and conditions of non-exclusive licence dated January 18, 2019 (registration date: April 29, 2019; registration number: РД0293578) and entered into by and between Fastrunner Investments as a licensor and the Borrower as a licensee in relation to the Trade Marks with registration numbers 607116, 619822, 628617, 628618 and 628707, being valid for ten years upon its state registration with Rospatent which was made on April 29, 2019;

(b) Licence agreement for granting a non-exclusive right to use trade marks dated January 1, 2017 (registration date: August 3, 2017, registration number: РД0228788) by and between Cyan Technologies Ltd., 17, PISSAS BUILDING, Theklas Lysioti, Apartment/Office 501, Limassol, 3030, Cyprus, as a licensor and the Borrower as a licensee in relation to Trade Marks with registration numbers 389370 and 407622, under which the licensor's rights and duties, including the exclusive rights, were further transferred (by law) to Fastrunner Investments, being valid for ten years upon its state registration with Rospatent which was made on August 3, 2017,

and "**Licence Agreement**" means any of them.

"**Melnikov M.A.**" means the citizen of the Russian Federation, Melnikov Maxim Anatolievich, passport No. [***] issued by OVD of the town of [***] on [***]; date of birth: January 23, 1977.

"**Margin**" means:

(a) in relation to any Credit within Instalment 1:

(i) 3.35 per cent per annum; or

(ii) 5.35 per cent per annum in the cases specified in Article 9.2 (*Margin Revision*); and

(b) in relation to any Credit within Instalment 2:

(i) 3.8 per cent per annum; or

(ii) 5.8 per cent per annum in the cases specified in Article 9.2 (*Margin Revision*)

"**IFRS**" mean International Financial Reporting Standards mentioned in Regulation No.1606/2002 adopted by the European Parliament and the Council of Europe on July 19, 2002, with regard to the part applicable to the respective financial statement.

"**Tax**" means any tax, levy, duty, or any other similar amount charged or withheld (including any fines, penalties, or interest due in connection with any failure to pay or any delay in paying any of the same) set forth by the applicable legislation.

"**Tax Indemnity**" means exemption from the Tax (application of a reduced tax rate or tax indemnity) granted outside the Russian Federation in relation to any Tax pertaining to payments under the Finance Documents.

"**Tax Deduction**" means withholding an amount of any tax or levy, including, in particular, value-added tax and withholding income (profit) tax and any similar taxes that may replace or supplement the existing taxes in accordance with the applicable legislation, from any payment under the Finance Document in the amount and within the period provided for by the legislation.

"**Tax Payment**" means an increase in the payment made by the Debtor to the Finance Party in accordance with the provisions of Article 11.1 (*Reimbursement of Expenses on Tax Deduction*) or the Debtor's payment to the Finance Party in accordance with the provisions of Article 11.2 (*Reimbursement of Expenses in Connection with Tax Payment*).

"**Tax Certificate**" means a document issued by the competent tax authority of the state (territory) being the party to the Double Tax Treaty evidencing that the relevant Creditor is a tax resident of this state (territory) being the party to the Double Tax Treaty.

"**Default**" means:

(a) Event of Default; or

(b) Any event or circumstance that, upon (1) expiration of the period set forth by this Agreement to cure the relevant breach, (2) sending a notice, or (3) taking the relevant decision under the Finance Documents, will become an Event of Default.

"**Unspent Credit Limit**" means in relation to each Creditor the sum of its Credit Limits less (a) the monetary funds already provided to the Borrower by this Creditor and (b) the amount to be provided by this Creditor based on the valid, but not fulfilled Drawdown Request.

"**Outstanding Credit**" means at any time each amount of the monetary funds provided to the Borrower under the Credit in accordance with this Agreement and not repaid to the Creditors.

"**Encumbrance**" means any mortgage, pledge, lien, charge, assignment, right to direct debit funds from an account with advance acceptance of the payer or any similar right to debit or other encumbrance created in order to secure performance of obligations of any person or any other agreement concluded in order to secure performance of obligations.

"**Ordinary Course of Business**" means:

(a) Advertising activities, including advertising in mass media by way of selling space and time for advertisement, as well as the fact of the desired action (including call on telephone numbers placed on information pages on real properties, click on advertising banners, issue of mortgage loan on the basis of a mortgage questionnaire filled in on the site https:/www.cian.ru);

(b) granting non-exclusive rights to the use of computer programs and databases;

(c) software development;

(d) development of Internet sites, advising in this field;

(e) sale of information data;

(f) activities on creating and use of databases and information resources, including database provisioning and maintenance;

(g) advising on acquisition, sale, rent and lease of real properties;

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(h) investigation of the market conditions and opinion survey; and

(i) any administrative and business activities directly related to the activities described in clauses (a) to (h) of this definition.

"**Original Financial Statements**" mean the Borrower's financial statements as at March 31, 2019 prepared in accordance with RAS.

"**Initial Requirements**" have the meaning given in Article 4.1 (*Initial Requirements*).

"**Drawdown Period**" means the period starting on the Signing Date (inclusive) and ending on the date occurring in 18 months after the Signing Date (inclusive).

"**Acceptable Creditor**" means the Creditor being:

(a) A Russian legal entity, or

(b) A tax resident of the state (territory) being the party to the Double Tax Treaty.

"**Software**" means jointly:

(a) computer programs registered with Rospatent under registration numbers [***]

(b) databases registered with Rospatent under registration numbers [***] and

(c) computer programs not registered with Rospatent which description is given in Annex 13 (*Software without Registration*).

"**Pro Rata Share**" means:

(a) For determining the Creditor's participation in the Credit in accordance with any Drawdown Request, the ratio between the Unspent Credit Limit of such Creditor and the Aggregate Unspent Credit Limit.

(b) For any other purposes:

 (i) If there is no Outstanding Credit, the ratio between the Credit Limit of a particular Creditor and the Aggregate Credit Limit, or

 (ii) If there is Outstanding Credit, the ratio between the Outstanding Credit granted to the Borrower by a particular Creditor and the aggregate Outstanding Credit granted to the Borrower by all Creditors.

"**Interest Period**" means in relation to the Outstanding Credit each period, within which the interest is accrued, defined in accordance with the provisions of Article 10 (*Interest Periods*), and in relation to any overdue amount each period defined in accordance with the provisions of Article 9.4 (*Forfeit*).

"**Business Day**" means any day, on which banks are open for general banking business in Moscow (Russian Federation) and exclusively in respect of the actions performed directly by the Debtors, incorporated in the Republic of Cyprus, Nicosia (Cyprus).

"**Permitted Financial Indebtedness**" means:

(a) Indebtedness occurring under the Finance Documents;

(b) Indebtedness occurring in accordance with the Permitted Loans or Permitted Suretyships;

(c) Indebtedness occurring in accordance with the Shareholders Loan Agreements, provided that this indebtedness is repaid solely in accordance with Article 18.12 (*Payments to the Shareholders*);

(d) Indebtedness not being the indebtedness to the banks or other credit institutions and not stipulated by the previous clauses, which, in the aggregate with all other outstanding Financial Indebtedness not specified in the previous clauses, does not exceed 30,000,000 Russian rubles; and

(e) Indebtedness occurring subject to a prior written consent of the Credit Manager acting under the Consent of the Majority of Creditors.

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"**Permitted Encumbrance**" means:

(a) Encumbrance arising in accordance with the Security Agreements;

(b) Encumbrance of the Debtor's property arising by law within the Ordinary Course of Business of the Debtor; and

(c) Encumbrance occurring subject to a prior written consent of the Credit Manager acting under the Consent of the Majority of Creditors.

"**Permitted Alienation**" means the following transactions in sale, leasing (financial leasing) or any other alienation of any property:

(a) Transactions in relation to the Borrower's property (except for shares, securities, participatory interests, real estate, intellectual property, and enterprises) within the Ordinary Course of Business of the Borrower;

(b) Transactions performed in relation to deteriorated or substantially worn-out property of the Borrower, which, as a result of deterioration or substantial wear, is not used in the Borrower's activities;

(c) Solely in relation to the Borrower — transactions in relation to furniture, laptops, personal computers, servers, and any other office equipment;

(d) Solely in relation to the Borrower — transactions in relation to the property, the aggregate book value of which (under all transactions made under this clause (d)) does not exceed 25 per cent of BVA. For the avoidance of doubt, for the purposes of calculating the threshold specified in this clause (d), the property alienated in accordance with clauses (a) to (c) of this definition is not taken into account; and

(e) Transactions performed subject to a prior written consent of the Credit Manager acting under the Consent of the Majority of Creditors;

"**Permitted Payments**" mean:

(a) Payment of the distributed profit by the Borrower to any other Debtor in the amount not exceeding 60,000,000 Russian rubles in the aggregate for the Borrower's financial year;

(b) Payment of the distributed profit by the Debtor not being the Borrower, received by such Debtor from the Borrower in accordance with clause (a) of this definition (the "**Distributed Profit Paid by the Borrower**"), in favour of another Debtor in the amount equal to the amount of the Distributed Profit Paid by the Borrower;

(c) Payment to repay the indebtedness under the Shareholders Loan Agreement, provided that, as a result of such payment:

 (i) As at the Test Date immediately following such payment, the Net Debt does not exceed EBITDA more than twice; and

(ii) There will be no violation of any obligation stipulated by Article 17.2 (*Financial Indicators*); and

(d) Payment performed subject to a prior written consent of the Credit Manager acting under the Consent of the Majority of Creditors.

"**Permitted Loans**" mean:

(a) A loan provided by the Debtor to any other Debtor, provided that no rights (of claim) under such loan are assigned, and no debt is transferred to the persons not being the Debtors;

(b) A loan granted under the Loan Agreement;

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(c) A loan granted under the Shareholders Loan Agreement, provided that:

(i) The indebtedness repayment date under the said Shareholders Loan Agreement does not occur before the Final Repayment Date relating to Instalment 2; and

(ii) The indebtedness under the said Shareholders Loan Agreement is repaid in accordance with the provisions of Article 18.12 (*Payments to the Shareholders*);

(d) The loans not being the indebtedness to the banks or other credit institutions and not stipulated by the previous clauses which, in the aggregate with all other loans not specified in the previous clauses do not exceed 30,000,000 Russian rubles, when calculating for each financial year of the Borrower (in the aggregate with the suretyships and guarantees specified in clause (b) of the definition of the "Permitted Suretyship" term; and

(e) A loan preliminarily approved by the Credit Manager acting under the Consent of the Majority of Creditors.

"**Permitted Suretyships**" mean:

(a) Guarantees provided on the basis of the Guarantees;

(b) Suretyships or guarantees not stipulated by the previous clause, which, in the aggregate with all other guarantees and suretyships not specified in the previous clause and the loans specified in clause (d) of the definition of the "Permitted Loans" term, do not exceed 30,000,000 Russian rubles, when calculating it for each financial year of the Borrower; and

(c) A suretyship or guarantee preliminarily approved in writing by the Credit Manager acting under the Consent of the Majority of Creditors.

"**Advertising Partners**" mean jointly:

(a) each following person:

[***]

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and their Affiliates,

and the "**Advertising Partner**" means any of them.

"**Rospatent**" mean the State Register of Trademarks and Service Marks of the Russian Federation.

"**RAS**" mean the accounting rules in accordance with the Russian legislation.

"**Russian ruble**" or "**RUB**" means a legal tender of the Russian Federation.

"**Remote Banking System**" means the ensemble of software and hardware used in order to provide the service "Remote Banking System" to the Borrower according to the contract entered into between the Credit Manager and the Borrower.

"**Event of Default**" means any event or circumstance specified in Article 19 (*Events of Default*).

"**Aggregate Credit Limit**" means the sum of Credit Limits of all Creditors amounting to 800,000,000 Russian rubles as at the Signing Date.

"**Aggregate Unspent Credit Limit**" means the Unspent Credit Limits of all Creditors in the aggregate.

"**Consent**" has the meaning ascribed to it in Article 22.1 (*Procedure for Decision-Making by the Creditors. Consents of the Creditors*).

"**Party**" means a party to this Agreement.

"**Finance Party**" means each Creditor, the Credit Manager, and the Pledge Manager.

"**Material Adverse Effect**" means a material adverse effect on:

(a) Business activities or financial standing of any Debtor;

(b) Ability of any Debtor to perform any of its obligations under the Financial Document;

(c) Validity or priority of the security that is provided or should be provided under any Finance Document or a possibility to levy an execution upon it; or

(d) Validity of any Finance Document or a possibility to exercise rights of the Finance Parties as provided for by any Finance Document.

"**Ownership Structure Chart**" means the Debtors' ownership structure chart attached as Annex 11 (*Ownership Structure Chart*).

"**Account of the Credit Manager**" means account of the Credit Manager No. [***] or any other account, which details are communicated by the Credit Manager to the relevant Parties.

"Borrower's Account" means settlement account of the Borrower No. [***] opened with Raiffeisenbank JSC and any other account agreed between the Borrower, the Credit Manager, and the Majority of Creditors.

"**Account of the Pledge Manager**" means account of the Pledge Manager No. [***] or any other account, which details are communicated by the Pledge Manager to the relevant Parties.

"**Technical Failure**" means:

(a) A significant failure in the payment systems or the communications systems or on the financial markets, which operation, in each case, is necessary to make payments (or other operations to be performed) in accordance with the transactions provided for by the Finance Documents, for any reasons beyond the control of either Party; or

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(b) An occurrence of any other event, which results in a failure (of a technical or system-related nature) of cash or settlement operations of either Party, which does not allow this or any other Party:

(i) To perform its payment obligations under the Finance Document; or

(ii) To contact the other Parties to the Finance Documents,

And which was not caused by the Party, which operations failed, and occurred for any reasons beyond the control of the Parties.

"**Trade Marks**" mean jointly the trade marks specified in Annex 12 (*Trade Marks*), and the "**Trade Mark**" means any of them.

"**Instalment**" means Instalment 1 or Instalment 2.

"**Instalment 1**" means a part of the Credit granted to the Borrower under the terms and conditions of this Agreement, in the amount not exceeding 500,000,000 Russian rubles.

"**Instalment 2**" means a part of the Credit granted to the Borrower under the terms and conditions of this Agreement, in the amount not exceeding 300,000,000 Russian rubles.

"**Federal Marketing Campaign**" means the system of advertising events aimed at promotion of CIAN brand on the territory of the Russian Federation, including conducting research of the needs of the target group, creation of marketing materials and measuring the brand value.

"**Financial Indebtedness**" means any indebtedness resulting from:

(a) Receiving the funds in the form of a loan or a credit;

(b) Receiving a supplier's credit, a business credit or issuing a letter of credit, in each case, for at least 180 days;

(c) Issuing bonds, bills of exchange, and any other debt instruments;

(d) Entering into a leasing agreement to be classified as "indebtedness" in accordance with RAS being effective as at the Signing Date;

(e) Selling or discounting of accounts receivable (except for any accounts receivable being alienated on a non-recourse basis);

(f) Making transactions in derivatives in order to protect itself, or obtain benefits, from fluctuations of any rates, interest rates, or prices, and the amount of the transaction in such derivatives will be calculated based on trading multiples at any specific time;

(g) Making repurchase transactions or any other transaction that, in accordance with RAS, is to be classified as borrowing;

(h) Making transactions providing for assumption of obligations under a suretyship or a guarantee in relation to performance of any obligations by any third parties or for reimbursement of the guarantor/surety under a guarantee/suretyship for the payments under the guarantee/suretyship, state or municipal guarantee; and (or)

(i) Any other transaction classified as borrowing or indebtedness in accordance with RAS.

"**Finance Documents**" mean:

(a) This Agreement;

(b) Each Security Agreement;

(c) Each Creditor Rights Assignment Agreement;

(d) Each Drawdown Request; and

(e) Any other document that the Credit Manager and the Borrower agreed to deem as a Finance Document in writing,

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and “**Financial Document**” means any of them.

“**Holding Company**” means in relation to a legal entity any other legal entity, for which the first legal entity is a Subsidiary.

“**Net Debt**” has the meaning given in Article 17.1 (*Interpretation*).

“**Equivalent**” means in relation to any amount such amount equivalent in the relevant currency calculated at the rate or the cross rate of the Bank of Russia.

“**Electronic Document**” means the documented information provided in the electronic form, signed with the electronic signature of authorized persons and being of equal validity with an analogous document made on paper, signed manually by such authorized persons and certified (if necessary) with an impress of the seal (if any).

“Legal Reservations” mean restriction on the creditor’s right to judicial protection and enforcement of its claim by virtue of the provisions of the Law on insolvency (bankruptcy) and other laws restricting the creditors’ rights in general.

“**EBITDA**” has the meaning given in Article 17.1 (*Interpretation*).

“**ELQ INVESTORS II LTD**” means ELQ INVESTORS II LTD incorporated and registered under the legislation of the United Kingdom, registration number 6375035, with the registered office located at Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

“**Fastrunner Investments**” means Fastrunner Investments Limited incorporated in the Republic of Cyprus, registration number HE 381684, with the registered office located at *Tassou Papadopoulou, 6, Flat/Office 22, Agios Dometios, 2373, Nicosia, Cyprus*.

“**Mimons Investments**” means Mimons Investments Limited incorporated in the Republic of Cyprus, registration number HE 321042, with the registered office located at *Agiou Georgiou Makri, 64, ANNA MARIA LENA COURT, Flat/Office 201, 6037, Larnaca, Cyprus* .

“**MPOC Technologies**” means MPOC TECHNOLOGIES LIMITED, incorporated and registered under the legislation of the British Virgin Islands, registration number 1697700, with the registered office located at: *Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.*

“**Ronder Investments**” means Ronder Investments Limited, incorporated and registered under the legislation of the British Virgin Islands, registration number 1846514, with the registered office located at: *Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands* .

“**Solaredge Holdings**” means Solaredge Holdings Limited incorporated in the Republic of Cyprus, registration number HE 371331, with the registered office located at *64 Agiou Georgiou Makri Street, ANNA MARIA LENA COURT, Flat/Office 201, 6037 Larnaca, Cyprus* .

“**Speedtime Trading** ” means Speedtime Trading Limited, incorporated in the Republic of Cyprus, registration number HE359694, with the registered office located at: *6 Ioanni Stylianou, 2nd floor, office/flat 202, 2003, Nicosia, Cyprus*.

“**JOOX Limited**” means JOOX LTD, incorporated and registered under the legislation of the British Virgin Islands, registration number 1821787, with the registered office located at: *Quijano Chambers, P.O. Box 3159, Road Town, Tortola, British Virgin Islands* .

1.2 **Interpretation**

1.2.1 In this Agreement, unless the context otherwise requires:

(A) A reference to the Credit Manager, the Pledge Manager, the Finance Party, the Creditor, the Borrower, the Debtor, the Guarantor, the Pledger, the Party, or any other person also is a reference to their successors by law or by virtue of this Agreement;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(B) A document in the agreed form means the document agreed in writing by the Credit Manager and the Borrower or the document drawn up in the form acceptable to the Credit Manager;

(C) Assets and (or) property include any present or future property, revenues and rights of any nature;

(D) A reference to any Finance Document or any other agreement, document, or financial instrument means such Finance Document or any other agreement, document, or financial instrument with all amendments made thereto at any time;

(E) A person includes any individual, legal entity, partnership, state authority, government, or state;

(F) Legislation means any law, decree, ordinance, order, decision, regulation, rules, official instructions, requirements, or recommendations of any legislative or executive state, municipal, transnational, or international authority, ministry, instrument, service, agency, or committee, or any judicial authority as well as any standards and rules of self-regulatory organizations that are binding upon members of such self-regulatory organizations (solely in relation to members of such self-regulatory organizations);

(G) A reference to a legal provision means a reference to such provision with all amendments made thereto at any time;

(H) It is understood that the words "include" and "including" and the expression "including, but not limited to" are followed by the words "among other things";

(I) A reference to a "**day**" (excluding the Business Day) means a reference to a calendar day;

(J) A reference to a "**date of receipt**" by the Party of any notice or information under the Finance Document means the date, on which the relevant notice or the information shall be deemed as received in accordance with Article 24 (*Notices*);

(K) Any Article, Clause, or Annex means a reference to the article, clause of or annex to this Agreement; and

(L) Any time of the day means Moscow time, unless otherwise is particularly specified in the Agreement.

1.2.2 Unless the context otherwise requires, a reference to a "**month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(A) If the relevant day is not a Business Day, such period shall end on the immediately following Business Day, if any, in such month or, if there is no such Business Day in such month, on the preceding Business Day; and

(B) If there is no relevant day in such month, such period shall end on the last Business Day in such month.

1.2.3 Unless otherwise is provided for by this Agreement, interest and remuneration payable under the Finance Document shall be calculated based on the actual number of elapsed days and a year consisting of 365 days (or, in relation to the period occurring during a leap year, 366 days).

1.2.4 A reference to an inability to perform the financial liabilities means, in relation to the Debtor incorporated in the Republic of Cyprus, any of the following events or actions:

(A) The creditor (based on an assignment or otherwise), which has a claim against the Debtor in the amount of more than 5,000 euros, submitted to the Debtor a request to make the relevant payment (by leaving the relevant request at the address of the Debtor's registered office), and the said Debtor failed to perform its obligation to pay the relevant amount, to provide security for payment of such amount, or to enter into any agreement acceptable to the creditor in relation to payment of such amount within three weeks from the date of delivery of such notice; or

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(B) A failure to fulfil the requests of the Debtor's creditor in full or in part within the enforcement proceedings or any other procedure performed in relation to the court decision, ordinance, or order of any court rendered in favour of the Debtor's creditor; or

(C) It is proved at court that the Debtor is unable to perform its financial liabilities (taking into account any contingent and future liabilities) within the set period; or

(D) It is proved at court that the Debtor's liabilities (taking into account any contingent and future liabilities) exceed its assets;

1.2.5 For the purposes of Article 19.16 (*Acceleration*), the Event of Default is considered to continue from the moment when such event or situation occurred, until the moment of receipt by the Borrower of the notice from the Credit Manager informing that the Majority of Creditors agree not to exercise their rights provided for in Article 19.16 (*Acceleration*) in connection with the occurrence of such event or situation.

1.2.6 The headings in this Agreement do not affect its interpretation.

2. SUBJECT MATTER OF THE AGREEMENT

2.1 Credit Relations

2.1.1 Subject to compliance of the Borrower with the provisions of this Agreement, each Creditor shall grant the Credit to the Borrower within the relevant Instalment in the amount of its relevant Credit Limit set forth in Annex 1 (*List of the Original Creditors*) in relation to the period, during which the relevant Drawdown Date occurs, and the Borrower shall, within the term of this Agreement, duly perform the obligations provided for by this Agreement, including the obligation to repay to each Creditor the Outstanding Credit received from such Creditor, to pay interest on it, and to pay the Finance Parties any other amounts provided for by this Agreement.

2.1.2 The Creditor's obligation to grant the Credit to the Borrower within the relevant Instalment within the limits of its relevant Credit Limit shall arise after the Borrower fully complied with the requirements provided for by Article 4 (*Requirements to the Borrower for Granting of the Credit*).

2.1.3 Each Creditor may independently claim that the Borrower should repay the Outstanding Credit (in the part provided by the relevant Creditor), pay interest, and make any other payments provided for by the terms and conditions of this Agreement. Except as provided for by Article 20 (*Credit Security*), each Finance Party may independently require enforcement of its rights under the Finance Documents. At the same time, the Finance Parties shall exercise their rights subject to the provisions of Article 22 (*Finance Parties*).

2.1.4 No Finance Party shall be liable for any other Finance Party's obligations under the Finance Documents. In case any Creditor refuses to grant the Credit on the basis provided for by this Agreement or in case any Creditor breaks its obligation to grant the Credit within its Credit Limit, the Credit amount shall be decreased by the relevant Credit Limit of such Creditor.

2.2 **The Credit Manager**

2.2.1 This Agreement shall determine the terms and conditions and the procedure for appointing the Credit Manager and performing legal and any other actions by it, on behalf and for the benefit of the Creditors. The authority of the person performing the Credit Manager's functions shall be determined in accordance with Article 22.3 (*Appointment of the Credit Manager*). At the same time, the provisions of this Agreement governing the relations between the Credit Manager and the Creditors shall be effective, where there are two or more Creditors.

2.2.2 The Creditors (except for the Creditor performing the Credit Manager's functions) and the Credit Manager do hereby confirm that the Credit Manager performs its functions without and regardless of issuing a power of attorney to it.

2.2.3 During any period, where there is no more than one Creditor, all provisions of this Agreement governing the relations between the Credit Manager and the Borrower as well as between the Majority of Creditors and the Borrower shall be considered as the provisions governing the relations between the relevant sole Creditor and the Borrower.

2.3 **The Pledge Manager**

2.3.1 This Agreement shall determine the terms and conditions and the procedure for appointing the Pledge Manager and performing legal and any other actions by it, on behalf and for the benefit of all Creditors. The powers of the person performing the Pledge Manager's functions shall be determined in accordance with the provisions of Article 20.2 (*Status of the Creditors and Appointment of the Pledge Manager*). At the same time, the provisions of this Agreement governing the relations between the Pledge Manager and the Creditors shall be effective, where there are two or more Creditors.

2.3.2 During any period, where there is no more than one Creditor, all provisions of this Agreement governing the relations between the Pledge Manager and the Borrower shall be considered as the provisions governing the relations between the Creditor and the Borrower.

2.4 **Application of Certain Provisions**

During any period, where there is no more than one Creditor:

2.4.1 The provisions of Article 12.1 (*Remuneration of the Credit Manager and Pledge Manager*), Article 20 (*Credit Security*), Article 22 (*Finance Parties*), Article 23.1 (*Payments to the Credit Manager*), Article 23.2 (*Distribution by the Credit Manager of the Funds Received*), Article 23.4 (*Payments Bypassing the Credit Manager*), and Clause 26.2.2 shall not apply; and

2.4.2 All references to the Credit Manager, the Pledge Manager, the Finance Party, and the Majority of Creditors shall be construed as the references to the Creditor.

2.5 **Legal Nature of the Agreement**

This Agreement is a mixed agreement containing the elements of a syndicated credit agreement, a pledge management agreement, and an intercreditor agreement. Accordingly, this Agreement shall also govern the relations between the Creditors, between the Credit Manager and the Creditors, between the Pledge Manager and the Creditors, and between the Borrower, the Credit Manager, and the Pledge Manager.

3. **PURPOSE**

The Borrower shall use the Credit solely for the following purposes:

3.1.1 Financing of the Borrower's expenses related to the Federal Marketing Campaign; and

3.1.2 Repayment of the indebtedness under the Loan Agreements, to which the Borrower is a party, provided all monetary funds received by Solaredge Holdings from the Borrower in the framework of this clause, should be allocated (and the Borrower shall ensure that such monetary funds are allocated) by Solaredge Holdings to repayment of indebtedness under the loan agreement specified in point (a) of the definition of the term "Loan Agreements".

4. **REQUIREMENTS TO THE BORROWER FOR GRANTING OF THE CREDIT**

4.1 **Initial Requirements**

4.1.1 The Credit may be drawn down only if all following conditions are met:

(A) The Credit Manager acknowledged receipt of the documents and the information listed in Annex 2 (*Requirements to the Borrower for Granting of the Credit*) in the scope and in the number of copies requested by the Credit Manager based on the Creditors' requirements (hereinafter referred to as the "**Initial Requirements**"); and

(B) The Borrower sent the Credit Manager a duly executed Drawdown Request in accordance with Article 4.2 (*Submission of the Drawdown Request*).

4.1.2 The Creditors' duty to grant the Credit shall arise (subject to any other restrictions set forth by this Agreement) only if the Borrower and the Creditors receive acknowledgement from the Credit Manager (via e-mail) that the Borrower duly complied with the Initial Requirements.

4.1.3 The copies of the documents provided by the Borrower to the Credit Manager under the Initial Requirements shall be sent by the Credit Manager to the Creditors via e-mail on the same Business Day (if the documents are received before 5 p.m. (inclusive)) or within the next Business Day (if the documents are received after the said time) specifying the information:

(A) In what form the relevant document was received by the Credit Manager (original, copy, notarized copy, copy certified by the Borrower's authorized representative); and (or)

(B) That the Credit Manager received the acknowledgement from the legal consultant that the legal consultant had received particular documents in a particular form (specifying such form);

4.1.4 Each Creditor acknowledges, within the next Business Day after receiving the relevant documents, to the Credit Manager that (in the opinion of such Creditor) the relevant Initial Requirements are complied with or sends the Credit Manager its questions on and (or) objections to the relevant documents (including via e-mail), and:

(A) The Credit Manager sends, within the next Business Day after receiving such questions and objections, such questions and objections to the Borrower (including via e-mail);

(B) The Creditor, which did not send an acknowledgement, questions, or objections within the specified period, shall be considered to have submitted its acknowledgement in relation to the relevant Initial Requirements.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

4.1.5 The Credit Manager sends (via e-mail) the Borrower and the Creditors the acknowledgements that the Initial Requirements are complied with within the next Business Day after all Creditors submitted (or are deemed to have submitted) their acknowledgements in relation to all Initial Requirements in accordance with Clause 4.1.4.

4.1.6 The Credit Manager shall be under no obligation to independently check whether the Initial Requirements are complied with and shall not be liable to other Parties for compliance or non-compliance with the Initial Requirements, and for the content of the relevant documents. The acknowledgement under Clause 4.1.5 shall be made by the Credit Manager on the basis that the Creditors submitted (or are deemed to have submitted) the relevant acknowledgements.

4.2 **Submission of the Drawdown Request**

4.2.1 Unless otherwise is agreed upon with the Credit Manager, the Borrower may send the Credit Manager any number of duly executed Drawdown Requests, provided that the number of Drawdown Requests sent within a calendar quarter cannot exceed three.

4.2.2 The Credit (or a part thereof) specified by the Borrower in each Drawdown Request cannot be:

(A) Should be multiple of 1,000 Russian rubles;

(B) May not be less than 20,000,000 Russian rubles (unless otherwise is agreed upon with the Credit Manager); and

(C) May not be more than the Unspent Credit Limit.

4.2.3 Unless otherwise agreed upon with the Credit Manager:

(A) The Borrower shall submit the Drawdown Request to the Credit Manager within the period set forth in the Drawdown Schedule;

(B) The Drawdown Request received later than 1 p.m. or not on the Business Day shall be deemed to be submitted on the next Business Day; and

(C) The Drawdown Request submitted (or deemed to be submitted) later than two Business Days before the planned Drawdown Date shall be deemed as not submitted.

4.2.4 The Drawdown Request shall be signed by the Borrower's authorized person. Each Drawdown Request shall specify the requested Credit amount, the Instalment and the Drawdown Date, which is a Business Day within the Drawdown Period.

4.2.5 The Borrower may transfer the Drawdown Request to the Credit Manager in the form of the Electronic Document under the Remote Banking System, provided the powers of the person signing such Drawdown Request are confirmed, and provided that the Credit Manager receives the original of such Drawdown Request on or before the Drawdown Date, in the quantity equal to the number of Creditors in the framework of the respective Instalment.

4.2.6 The Borrower may not revoke the Drawdown Request received by the Credit Manager.

5. **CREDIT ARRANGEMENT**

5.1 **Credit Arrangement. General Provisions**

5.1.1 After receiving the Drawdown Request, the Credit Manager shall, within the period set forth by the Drawdown Schedule, send each Creditor a copy of the Drawdown Request and notify each relevant Creditor of the amount of its participation in the relevant Drawdown (in each case, via e-mail).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

5.1.2 Each Creditor's participation in the Drawdown shall be calculated in accordance with the Pro Rata Share of each Creditor.

5.1.3 The Drawdown amount in relation to each Instalment shall be calculated as at the relevant Drawdown Date pro rata to the ratio between the Credit Limit for the specified Instalment for the relevant period specified in Annex 1 (*List of Creditors and Credit Limits*) and the Aggregate Credit Limit for such period.

5.1.4 If there are no circumstances specified in Article 6 (*Termination of the Creditor's Obligation*), each Creditor shall transfer to the Credit Manager (to the Account of the Credit Manager) the amount calculated in accordance with Clauses 5.1.2 and 5.1.3 within the period specified in the Drawdown Schedule.

5.1.5 Within the period specified in the Drawdown Request, the Credit Manager shall transfer the amount of the Credit specified in the Drawdown Request (but not exceeding the amount actually received by the Credit Manager from the Creditors) to the Borrower's account.

5.1.6 In case an incomplete Credit amount is received from the Creditors, the Credit Manager transfers the amount actually received by the Credit Manager from the Creditors to the Borrower's Account.

5.1.7 Regarding the Credit amount received by the Credit Manager from the Creditor upon expiration of the period set forth for such action by the Drawdown Schedule, the Credit Manager, acting at its discretion, shall either:

(A) Send such amount in full to the Borrower's Account within the period provided for such action by the Drawdown Schedule (for charging interest, commission fees, and any other amounts under this Agreement, such part of the Credit shall be deemed to be granted by the relevant Creditor to the Borrower on the date of its actual crediting to the Borrower's Account); or

(B) Return such amount in full to the relevant Creditor (for this purpose, all expenses related to such return shall be borne by the relevant Creditor and, upon the request of the Credit Manager, the relevant Creditor shall immediately reimburse such expenses to the Credit Manager).

5.1.8 The Creditor, which did not grant the Credit Manager the Credit amount (or the Creditor, to which the relevant amount was returned in accordance with Clause 5.1.7 due to its late granting), shall be deemed as not granted the Credit to the Borrower and shall have no Creditor's rights under this Agreement as to such amount not granted (or returned).

5.1.9 Upon expiration of the Drawdown Period, the Unspent Credit Limit of each Creditor shall be rendered null.

6. **TERMINATION OF THE CREDITOR'S OBLIGATION**

6.1.1 The obligation of each Creditor to grant the Credit to the Borrower shall be terminated in full or in part, depending on the circumstances in relation to each Instalment:

(A) In case the Credit is granted under the relevant Instalment in the amount of the Credit Limit of the relevant Creditor under such Instalment;

(B) Upon expiration of the Drawdown Period under such Instalment;

(C) In case the Borrower refuses from receiving the whole Credit of a part thereof in accordance with Article 8.3. (*Voluntary Refusal of the Credit*); and/or

(D) In other cases stipulated by the legislation.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

6.1.2 Each Creditor may withdraw from the obligation to grant the Credit to the Borrower:

(A) If there are circumstances that clearly evidence that the Credit will not be repaid by the Borrower within the period set forth by this Agreement;

(B) Upon occurrence of any Event of Default; and (or)

(C) If there are circumstances specified in Article 8.1 (*Illegality for the Creditor*) or in Article 8.2 (*Change of Control*).

6.1.3 In case any Creditor refuses to grant the Credit based on this Article, the Parties agree that such Creditor shall not be liable to the Borrower or to any Finance Party for its refusal to grant the Credit.

7. **REPAYMENT OF THE CREDIT**

7.1.1 **Instalment 1**

The Borrower undertakes to repay the Outstanding Credit within Instalment 1 through its transfer to the Account of the Credit Manager in quarterly payments in the amount and according to the procedure stipulated by Part 1 of Annex 8 (*Repayment Schedule under Instalment 1*) and on the Final Repayment Date related to Instalment 1 the Borrower shall return all remaining amounts of the

Outstanding Credit within Instalment 1 in full.

7.1.2 **Instalment 2**

The Borrower undertakes to repay the Outstanding Credit within Instalment 2 through its transfer to the Account of the Credit Manager in quarterly payments in the amount and according to the procedure stipulated by Part 2 of Annex 8 (*Repayment Schedule under Instalment 2*) and on the Final Repayment Date related to Instalment 2 the Borrower shall return all remaining amounts of the Outstanding Credit within Instalment 2 in full.

8. **EARLY REPAYMENT AND REFUSAL OF THE CREDIT**

8.1 **Illegality for the Creditor**

If, in accordance with any applicable legislation, granting of the Credit to the Borrower or participation in it becomes illegal for any Creditor, violates any legislation applicable to such Creditor, or may result in any sanctions or liability for such Creditor, then:

8.1.1 Such Creditor shall notify the Credit Manager and the Borrower thereof as soon as it becomes aware of such event;

8.1.2 Any non-performed obligation of the Creditor to grant the Credit shall terminate on the date of the notice specified in Clause 8.1.1; and

8.1.3 The Borrower shall early repay the amount corresponding to the Pro Rata Share of such Creditor in the Credit on the earliest of the following dates:

(A) the date occurring after 45 days from the date of sending by the Creditor of a notice to the Credit Manager and the Borrower; or

(B) the date specified by the Creditor in the notice sent to the Credit Manager and the Borrower which, if the respective date is established by the legislation, cannot occur earlier than the latest appropriate date set forth by the legislation,

and if according to the legislation, the amount should be reimbursed immediately, the Borrower undertakes to reimburse, immediately and before schedule, the amount corresponding to the Pro Rata Share of such Creditor in the Credit.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

8.2 **Change of Control**

8.2.1 In case of the Change of Control:

(A) The Borrower shall notify the Credit Manager of such Change of Control immediately after the Borrower becomes aware of such event;

(B) Each Creditor may refuse to grant the Credit; and

(C) Upon the request of any Creditor, the Credit Manager shall send the Borrower a notice demanding to early repay the full amount corresponding to the Pro Rata Share of such Creditor in the Credit, including the accrued interest, remuneration, commission fees, and any other amounts due to the Creditor under this Agreement, and the Borrower shall, within the period specified in such notice, early repay and pay the said amounts, and such period shall be at least 15 Business Days from the date of notice receipt by the Borrower.

8.2.2 For the purposes of Clause 8.2.1:

"**Change of Control**" means:

(A) That the Ultimate Beneficial Owners in the aggregate lost the right they had due to their direct or indirect participation in the authorized capital of any Debtor based on a written agreement, by virtue of the legislation, or otherwise, to:

(1) Exercise the voting right (or control exercising of the voting right) based on the participatory interest in the authorized capital of any Debtor; or

(2) Appoint or remove the person performing the functions of the sole executive body or most of the members of any collective governing body of any Debtor; or

(3) Give any instructions binding in relation to the business lines or financial policy of any Debtor (and the Parties acknowledge that the absence of such right of the Ultimate Beneficial Owners as on the Date of Signing, shall not be deemed to be forfeiture of such right); or

(B) A decrease in the participatory interest in the authorized capital or in the number of issued ordinary shares of the Debtor, which is (are) directly or indirectly owned by the Ultimate Beneficial Owners in the aggregate, if, as a result of such decrease, the participatory interest in the authorized capital or the number of issued ordinary shares of such Debtor, which is (are) directly or indirectly owned by the Ultimate Beneficial Owners in the aggregate, does not exceed 51 per cent of the authorized capital or of the total number of issued ordinary shares of the Debtor (as relevant) any longer.

8.3 **Voluntary Refusal of the Credit**

Within the Drawdown Period, the Borrower is entitled, provided a prior notice is sent to the Credit Manager within 10 Business Days before the end of the Drawdown Period (unless a shorter period is agreed with the Majority of Creditors), to refuse of drawdown of the whole Credit or a part thereof in the amount of no less than 20,000,000 Russian rubles. The refusal of the Borrower of drawdown of a part of the Credit reduces pro rata the Credit Limit of each Creditor from the date indicated in the notice to the Credit Manager.

8.4 **Voluntary Early Repayment**

8.4.1. The Borrower may, subject to receipt by the Credit Manager of a prior notice from the Borrower (in the form given in Annex 6 (*Notice of Early Repayment Form*)) (hereinafter referred to as the "**Notice of Early Repayment")** at least five Business Days in advance (unless a shorter period is agreed upon with the Majority of Creditors), early repay the Outstanding Credit or any part thereof. 8.4.2. The Outstanding Credit amount repaid early (unless it is the Outstanding Credit in full) shall be at least 50,000,000 Russian rubles.

8.4.3. The Notice of Early Repayment shall be sent to the Credit Manager in the original. The Borrower may transfer the Notice of Early Repayment to the Credit Manager in the form of the Electronic Document under the Remote Banking System, provided the powers of the person signing such Notice of Early Repayment are confirmed, and provided that the Credit Manager receives the original of such Notice of Early Repayment on or before the early repayment date, in the quantity equal to the number of Creditors.

8.4.4. Any voluntary early repayment in accordance with this Article 8.4. shall be pro rata to all Instalments.

8.4.5. Any partial repayment of the Outstanding Credit within one Instalment shall decrease pro rata the scope of the Borrower's obligation to repay the Outstanding Credit to each Creditor within the relevant Instalment.

8.5 **Miscellaneous**

8.5.1 The Borrower may not revoke its notices sent in accordance with this Article 8.

8.5.2 If the Credit Manager receives any notice pursuant to this Article 8, it shall, within the next Business Day, send a copy of such notice to the Party, to which this notice is addressed.

8.5.3 In case of any early repayment of the Outstanding Credit or a part thereof, the Borrower shall repay the Outstanding Credit (or a part thereof) together with all interest accrued on the repayment amount as at the repayment date, applicable commission fees, remuneration, and any other amounts payable by the Creditor under this Agreement and, in case of early repayment in accordance with Article 8.4 (*Voluntary Early Repayment*), with the Expenses Due to the Change of Dates (as defined in Article 12.4 (*Early Repayment Fee*) according to the procedure provided for in Article 12.4. (*Early Repayment Fee*)).

8.5.4 Any partial repayment of the Credit within the Instalment shall decrease pro rata each repayment amount payable within this Instalment in accordance with the repayment schedule of the Outstanding Credit in relation to such Instalment.

8.5.5 The Borrower may not early repay the Outstanding Credit or any part thereof or refuse to receive the Credit or any part thereof under the terms and conditions not expressly provided for by this Agreement.

8.5.6 The Borrower may not submit the Drawdown Request in relation to the amount of the Outstanding Credit repaid by the Borrower.

9. **INTEREST**

9.1 **Calculation of Interest**

9.1.1 The interest rate on the Outstanding Credit in relation to each Instalment for each Interest Period shall be the annual interest rate equal to the sum of:

(A) Margin for the relevant Instalment; and

(B) Basic Rate.

9.1.2 For each Interest Period, the Base Rate shall be determined on the relevant Interest Rate Determination Date.

9.1.3 The Credit Manager` shall, on the Interest Rate Determination Date, notify each Party of the amount of the interest rate accrued on the Outstanding Credit in relation to each Instalment.

9.2 **Margin Revision**

9.2.1 The Margin shall be automatically increased as follows:

(A) In relation to any Credit within Instalment 1 — up to 5.35 per cent per annum; and

(B) In relation to any Credit within Instalment 2 — up to 5.8 per cent per annum,

In case any Event of Default occurs.

9.2.2 A Margin increase takes effect from the date (hereinafter referred to as the "**Margin Increase Date**") immediately following the earliest of:

(A) The date of sending by the Borrower to the Credit Manager a notice of an Event of Default; or

(B) The date, on which the Credit Manager became aware of the Event of Default;

9.2.3 If, as at the Test Date immediately following the Margin Increase Date, there are no Events of Default, then:

(A) The Margin shall be automatically decreased to the value being in effect before the Margin Increase Date; and

(B) A Margin decrease takes effect on the first day of the Interest Period immediately following the above Test Date (hereinafter referred to as the "**Margin Decrease Date**"), provided that, as at the Margin Decrease Date, there is no Event of Default.

9.3 **Payment of Interest**

The Borrower shall pay the Credit Manager in favour of the Creditors the interest on the Outstanding Credit in relation to each Instalment on each Interest Payment Date relating to such Instalment.

9.4 **Forfeit**

9.4.1 In case the Borrower fails to perform within the established deadline the duty to pay any amount it shall pay under the Finance Document, a forfeit shall be charged on such overdue amount during the period from the date (inclusive) following the due payment date to the actual payment date (inclusive) (both before and after rendering the relevant court decision) at the annual interest rate equal to the doubled interest rate effective on the due payment date of such overdue indebtedness for each day of delay.

For the purposes of this Clause 9.4.1, the Parties agree that, if the overdue amount relates to:

(A) The Outstanding Credit within any Instalment, then a reference to the "interest rate" relating to such overdue amount should be considered as a reference to the interest rate relating to such Instalment;

(B) The interest, then a reference to the "interest rate" relating to such overdue amount should be considered as a reference to the Instalment, to which such interest rate applies; and

(C) Any other amounts, then a reference to the "interest rate" relating to such overdue amount should be considered as a reference to the arithmetical average of the interest rates referring to Instalment 1 and Instalment 2.

9.4.2 The forfeit shall be paid by the Borrower within five Business Days after the relevant claim was sent by the Credit Manager.

9.4.3 The Parties agree that the Borrower's payment of the forfeit provided for in this Article 9.4 shall by no means limit the Creditors' rights to use any other remedies, including a right to claim reimbursement by the Borrower for the losses and expenses incurred due to the Borrower's delay to the extent not covered by the forfeit.

9.4.4 The Parties confirm that no interest provided for by Article 9.3 (*Interest Payment*) shall accrue on the overdue amount, from which the forfeit provided for in this Article 9.4 is charged.

10. **INTEREST PERIODS**

10.1 The first Interest Period in relation to each Instalment shall begin on the date following the first Drawdown Date related to such Instalment and shall end on the nearest Interest Payment Date.

10.2 Each subsequent Interest Period in relation to the relevant Instalment shall begin on the day following the last day of the previous Interest Period in relation to such Credit and shall end on the immediately following Interest Payment Date.

11. **TAXES**

11.1 **Reimbursement of Expenses on Tax Deduction**

11.1.1 Immediately after the Debtor or the Creditor becomes aware that any Debtor shall make a Tax Deduction (or change the rate or the base of the Tax Deduction), the Debtor shall, and the Borrower shall ensure that the Debtor will, or the Creditor shall, as the case may be, notify the Credit Manager thereof. If the Credit Manager receives such notice from the Creditor, it shall notify the relevant Debtor.

11.1.2 If the Debtor is obliged, in accordance with the legislation, to make the Tax Deduction in relation to any amount to be transferred to the Finance Party under the Finance Documents, then the amount being paid by the Debtor to the Finance Party shall be increased so that, after the Tax Deduction, the relevant Finance Party would receive the amount, which it would receive if no such withholding of the Tax Deduction was required. In the absence of the Default, the Debtor shall not increase in such a way the amounts being paid to the Finance Party if, as at the date of the relevant payment, such Finance Party ceased to be the Acceptable Creditor for any reason not related to any change in the legislation.

11.1.3 Within 30 days after making the Tax Deduction, the Borrower shall ensure that the Debtor provides the Credit Manager with the copies of payment documents (acceptable to the Credit Manager in form and substance) confirming that the withheld amount of the Tax Deduction was transferred by the Debtor to the state budget in accordance with the requirements of the applicable legislation in order to transfer such copies to the relevant Finance Party.

11.1.4 The Finance Party registered not in the Russian Federation and being the Acceptable Creditor, within 20 Business Days from the date of receiving the correspondent request of the Borrower, shall provide the Borrower with a copy of the Tax Certificate issued in respect of the said Finance Party.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

11.2 **Reimbursement of Expenses in Connection with Tax Payment**

11.2.1 Within five Business Days after the Credit Manager submits the relevant claim, the Borrower shall ensure that the Debtor pays the Finance Party, which is not a Russian legal entity, an amount equivalent to the Tax paid by the Finance Party or the Tax, which is payable in accordance with the applicable legislation in connection with any Finance Document.

11.2.2 The provisions of Clause 11.2.1 shall not apply:

(A) To the profit tax paid by the Finance Party in accordance with the legislation of the jurisdiction, where it is a tax resident; or

(B) To the extent, where expenses in connection with the Tax payment are compensated by increasing the payment amount pursuant to Article 11.1 (*Reimbursement of Expenses on Tax Deduction*).

11.2.3 The Finance Party submitting, or intending to submit, a claim pursuant to Clause 11.2.1 shall immediately notify the Credit Manager of the event, which will give, or gave, rise to such claim, whereupon the Credit Manager shall notify the Borrower and the relevant Debtor thereof.

11.3 **Tax Indemnity**

If the Debtor made the Tax Payment and the relevant Finance Party finds that:

11.3.1 Any Tax Indemnity may be applied to the additional payment, which includes such Tax Payment, to such Tax Payment, or to the Tax Deduction, due to which such Tax Payment was required; and

11.3.2 Such Finance Party received such Tax Indemnity, and it should notify the Borrower thereon at the earliest convenience.

Then such Finance Party shall transfer to such Debtor the amount that will put such Finance Party (after making such payment) in the position after paying the Taxes, in which it would be if the Debtor did not have to make such Tax Payment.

11.4 **Charges and Duties**

Within five Business Days after receiving the relevant request of the Finance Party, the Borrower shall ensure that the Debtor reimburses this Finance Party for all its costs caused by payment of the stamp duties, registration fees, and all other similar Taxes payable in connection with any Finance Document.

11.5 **Value Added Tax (VAT) and Other Taxes**

11.5.1 Unless otherwise is specified in the Finance Document, all amounts payable by the Debtor shall be specified in the Finance Documents without VAT.

11.5.2 To the extent set forth by the Russian legislation, the remuneration and fees due to the Finance Parties shall be increased by VAT and any other applicable taxes, which levying or charging is not related to profit taxation of the net income received or receivable by the Finance Party.

12. **ADDITIONAL PAYMENTS**

12.1 **Remuneration of the Credit Manager and Pledge Manager**

12.1.1. The Borrower shall pay the Credit Manager and the Pledge Manager remuneration for the services of the Credit Manager and the Pledge Manager related to:

(A) Maintenance by the Credit Manager of a register of the Parties to this Agreement, recording of the Monetary Funds provided to the Borrower by the Creditors in accordance with this Agreement, exercise by the Credit Manager of the Creditors' rights within this Agreement, and performance by the Credit Manager of any other duties provided for by this Agreement; and

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(B) Performance by the Borrower and the Finance Parties of their obligations and exercise by the Finance Parties of their rights under this Agreement and the Security Agreements,

in the amount, according to the procedure, and under the terms and conditions specified in Clauses 12.1.2 and 12.1.3.

12.1.2. Remuneration for rendering services of the Credit Manager shall be paid annually in the amount equal to 1,000,000 Russian rubles per year (net of VAT), and

(A) for the first time, the remuneration shall be paid within 10 Business Days from the Signing Date; and

(B) subsequently, the remuneration shall be paid on or before each anniversary of signing hereof.

12.1.3. Remuneration for rendering services of the Pledge Manager shall be paid annually in the amount equal to 1,000,000 Russian rubles per year (net of VAT), and

(A) for the first time, the remuneration shall be paid within three months from the Signing Date; and

12.2 **(B) subsequently, the remuneration shall be paid on or before each anniversary of signing hereof.Credit Fee**

12.2.1 The Borrower shall pay the Credit Manager (for subsequent distribution by the Credit Manager among the Creditors pro rata to their Pro Rata Share) a Credit fee under this Agreement in the amount and according to the procedure provided for by Clause 12.2.2.

12.2.2 The Credit Fee shall be paid by the Borrower to the Credit Manager:

(A) With regard to Instalment1 — in the amount of 2,500,000 Russian rubles, in one instalment before the first Drawdown Date related to Instalment 1 but in any case within ten Business Days from the Signing Date; and

(B) With regard to Instalment2 — in the amount of 3,000,000 Russian rubles, in one instalment before the first Drawdown Date related to Instalment 2 but in any case within ten Business Days from the Signing Date.

12.3 **Commitment Fee**

12.3.1 The Borrower shall pay the Credit Manager (for subsequent distribution among the Creditors pro rata to their Pro Rata Share) a commitment fee in relation to each Instalment, which is calculated at the rate of 40 per cent of the Margin, which relates to the relevant Instalment and is effective on the payment date, of the Unspent Credit Limit in relation to each Instalment.

12.3.2 The said commitment fee shall be charged for the Drawdown Period and shall be paid on each Interest Payment Date within the Drawdown Period up to the date, when the Aggregate Unspent Credit Limit becomes equal to zero (exclusive of such date).

12.3.3 In case of early repayment of the Outstanding Credit in full before the end of the Drawdown Period, the Borrower shall pay the commitment fee on the date of such early repayment of the Outstanding Credit.

12.4 **Early Repayment Fee**

12.4.1 In case of early repayment of the Outstanding Credit or any part thereof not on the Interest Payment Date for the reasons provided for by this Article 8.4. (*Voluntary Early Repayment*), the Borrower shall (along with the Outstanding Credit to be repaid early or on any other date preliminarily agreed upon with the Credit Manager) pay a fee in the amount provided for by this Article 12.4.

12.4.2 The fee specified in Clause 12.4.1 shall amount, in relation to each early repaid amount of the Credit, to the total Expenses Due to the Change of Dates.

12.4.3 In this Article:

"**Expenses Due to the Change of Dates** " mean an amount, by which:

(A) The interest that the Creditor would receive for the period from the receipt date of the early repaid amount of the Outstanding Credit to the last day of the Interest Period, if the relevant payment to repay the Outstanding Credit was made on the last day of such Interest Period;

Exceeds

(B) The interest that the Creditor could receive for depositing the early repaid amount of the Outstanding Credit received by it in the relevant currency with the Acceptable Bank (at the Creditor's choice) for the period beginning on the following Business Day after receiving such amount from the Borrower and ending on the last day of the relevant Interest Period.

"**Acceptable Bank**" means a bank having a rating of at least "BB" according to the scale of S&P or Fitch or at least "Ba2" according to the scale of Moody's.

12.4.4 With regard to each early repayment of the Credit not on the Interest Payment Date, each Creditor shall provide the Credit Manager with the information on the amount of the Expenses Due to the Change of Dates for this Creditor within two Business Days before the expected early repayment date in order to transfer such information to the Borrower.

13. **ADDITIONAL COSTS**

13.1 **Additional Costs**

13.1.1 Subject to Article 13.3 (*Exceptions*), the Borrower shall, within ten Business Days after the Credit Manager submits the relevant claim, reimburse the relevant Finance Party for the documented Additional Costs incurred by such Finance Party as a result of introduction of any legislation into effect or amendments to the legislation after the Signing Date (or to the practice of its interpretation or application).

13.1.2 In this Article, "**Additional Costs**" mean:

(A) Additional costs, expenses, or losses incurred by the Finance Party due to reduction of any amounts received or receivable; or

(B) Any additional or increased costs, expenses, or losses; or

(C) Expenses or losses related to a decrease in any amount payable by the Debtor in accordance with any Finance Document,

Which arise for any Finance Party due to the fact that it is a Party to this Agreement.

13.2 **Claims to Pay the Additional Costs**

The Finance Party making a claim in accordance with Article 13 (*Additional Costs*) shall notify the Credit Manager of the circumstances that served as a basis for such claim and provide it with the calculation of the Additional Costs, whereupon the Credit Manager shall notify the Borrower thereof within one Business Day and transfer to it the calculation received from the Finance Party.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

13.3 **Exceptions**

The provisions of Article 13 (*Additional Costs*) shall not apply if:

13.3.1 The Additional Costs are reimbursed to the Finance Party in accordance with any other Article of this Agreement;

13.3.2 The Additional Costs are caused by deliberate non-compliance of the Finance Party with the legislation or this Agreement; or

13.3.3 The relevant Finance Party did not take any reasonable measures to avoid or to decrease the Additional Costs.

14. **REIMBURSEMENT OF EXPENSES AND LOSSES**

14.1 **Reimbursement of Currency Expenses**

If any amount (hereinafter referred to as "**Amount**") payable to the Finance Party by any Debtor pursuant to the Finance Documents or based on a decision rendered by court, commercial or arbitration court shall be converted from the currency, in which such amount shall be paid (hereinafter referred to as the "**First Currency**"), into another currency (hereinafter referred to as the "**Second Currency**"), or shall be calculated in the Second Currency, for:

14.1.1 Making any claim against the said Debtor; or

14.1.2 Enforcing any court or commercial court decision within any court, commercial, or arbitration proceedings,

Then the relevant Debtor shall, and the Borrower shall ensure that such Debtor will, within ten Business Days after receiving the relevant claim from the Credit Manager, reimburse each Finance Party, to which such Amount is due, for the expenses and losses arising from such conversion, including any difference between (A) the exchange rate used to convert the said Amount from the First Currency into the Second Currency and (B) the exchange rate available to that person at the time of receipt of the said Amount.

14.2 **Reimbursement of Other Expenses**

Within ten Business Days after receiving the relevant claim from the Credit Manager, the Borrower shall reimburse each Finance Party for all expenses reasonably incurred, documented, and preliminarily agreed upon with the Borrower (including fees of legal and any other consultants subject to the reservations and assumptions with regard to the preliminarily agreed fees) incurred by the relevant Finance Party as a result of:

14.2.1. Occurrence of an Event of Default;

14.2.2. Early repayment of the Outstanding Credit or a part thereof not in accordance with the provisions of this Agreement;

14.2.3. Non-provision of the Credit to the Borrower pursuant to the Drawdown Request due to the Borrower's breach of any provisions of this Agreement; or

14.2.4. Failure to early repay the Outstanding Credit or a part thereof, despite the notice of early repayment submitted to the Credit Manager in accordance with the requirements of this Agreement.

14.3 **Reimbursement of the Credit Manager's Expenses**

Within ten Business Days after receiving the relevant claim, the Borrower shall reimburse the Credit Manager for the amount of all expenses reasonably incurred, documented, and preliminarily agreed upon with the Borrower (including fees of legal and any other consultants subject to the reservations and assumptions with regard to the preliminarily agreed fees) incurred by the Credit Manager as a result of:

14.3.1 Investigation of any event, which the Credit Manager reasonably believes to be an Event of Default; or

14.3.2 Actions based on any notice or instruction of any Finance Party in accordance with this Agreement, which the Credit Manager reasonably believes to be complied with.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

14.4 **Reimbursement of the Pledge Manager's Expenses**

14.4.1 Within ten Business Days after receiving the relevant claim, the Borrower shall reimburse the Pledge Manager for the amount of all Pledge Manager's expenses reasonably incurred, documented, and preliminarily agreed upon with the Borrower (including fees of legal and any other consultants subject to the reservations and assumptions with regard to the preliminarily agreed fees and excluding expenses and property losses which amount was reimbursed by the Debtor earlier in accordance with the Pledge Agreement) incurred by the Pledge Manager as a result of the actions aimed at:

(A) Protecting the rights of the Finance Parties based on the Security Agreements; or

(B) Protecting the property pledged in favour of the Creditors subject to the relevant Security Agreements.

14.4.2 The Pledge Manager may, on a priority basis, reimburse its expenses out of the cost of the property pledged in favour of the Creditors subject to the relevant Security Agreements.

14.5 **Transaction Expenses and Amendment Expenses**

14.5.1 The Borrower shall, within ten Business Days after the date of receipt of the relevant claim from the Credit Manager and (or) the Pledge Manager, reimburse the Finance Parties for all expenses reasonably incurred, documented, and preliminarily agreed upon with the Borrower (including fees of legal and any other consultants and appraisers subject to the reservations and assumptions with regard to the preliminarily agreed fees and excluding expenses which amount was reimbursed by the Debtor earlier in accordance with the Pledge Agreement) due to the Credit arrangement, negotiations, preparation, execution, and signing of the Finance Documents.

14.5.2 The Borrower shall, within ten Business Days after the date of receipt of the relevant claim from the Credit Manager, reimburse the Finance Parties for all expenses reasonably incurred, documented, and preliminarily agreed upon with the Borrower (including fees of legal and any other consultants and appraisers subject to the reservations and assumptions with regard to the preliminarily agreed fees and excluding expenses which amount was reimbursed by the Debtor earlier in accordance with the Pledge Agreement) due to agreeing upon and amending the Finance Documents and (or) obtaining a consent or a waiver from the Finance Parties, in each case, if the relevant amendment, consent, or waiver is initiated by the Borrower or relates to the requirements of the applicable legislation.

14.5.3 If the amount of the relevant expenses is not expressed in Russian rubles, the Borrower shall reimburse the Equivalent of such amount in Russian rubles at the exchange rate on the date, when the relevant expenses are incurred by the relevant Finance Party (unless otherwise is agreed upon between the Borrower and the relevant Finance Party).

14.6 **Enforcement Expenses**

Within ten Business Days after receiving the relevant claim from the Credit Manager, the Borrower shall reimburse each Finance Party for all expenses documented, and preliminarily agreed upon with the Borrower and reasonably incurred (including fees of legal and any other consultants and appraisers and excluding expenses which amount was reimbursed by the Debtor earlier in accordance with the Pledge Agreement) by the relevant Finance Party due to enforcement of any Finance Document or protection by such Finance Party of its rights under the Finance Documents (including court costs).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

14.7. **Compensation of Losses**

14.7.1. Pursuant to Article 406 of the Civil Code, if the obligation of the Borrower, provided for in Article 12.1 (*Remuneration of the Credit Manager and Pledge Manager*), Article 14.3. (*Reimbursement of the Credit Manager's Expenses*) or Article 14.4. (*Reimbursement of the Pledge Manager's Expenses)* is or becomes invalid, illegal and (or) any such obligation is not subject to judicial protection, the Borrower as the independent and principal obligation, upon the request of the Finance Party, will unconditionally reimburse the respective Finance Party for the amounts of any expenses, commission fees, charges and losses which it will incur due to non-payment of any amount, which, save for such invalidity, illegality and (or) impossibility of judicial protection, would be subject to payment in accordance with Article 12.1. (*Remuneration of the Credit Manager and Pledge Manager*), Article 14.3. (*Reimbursement of the Credit Manager's Expenses*) or Article 14.4. (*Reimbursement of the Pledge Manager's Expenses)* on the date of making such payment or discharge of obligation.

14.7.2. The amounts subject to payment by the Borrower in accordance with this Article 14.7 (*Compensation of Losses*), may not exceed the aggregate amount which the Borrower should have paid in accordance with Article 12.1 (*Remuneration of the Credit Manager and Pledge Manager*), Article 14.3. (*Reimbursement of the Credit Manager's Expenses*) and Article 14.4. (*Reimbursement of the Pledge Manager's Expenses)* so, as if the declared amount was subject to payment by virtue of Article 12.1. (*Remuneration of the Credit Manager and Pledge Manager*), Article 14.3. (*Reimbursement of the Credit Manager's Expenses*) or Article 14.4. (*Reimbursement of the Pledge Manager's Expenses).* WARRANTIES AND REPRESENTATIONS

15. **WARRANTIES AND REPRESENTATIONS**

15.1 **Representations and Warranties**

15.1.1 The Warranties and Representations are made by the Borrower to each Finance Party in relation to itself and in relation to each other Debtor not being a party to this Agreement.

15.1.2 Each Finance Party relies on such Warranties and Representations and their reliability is material for the Finance Parties.

15.1.3 The Borrower acknowledges that neither Finance Party would enter into this Agreement if no Warranties and Representations were made in their entirety.

15.2 **Status**

15.2.1 Each Debtor is a legal entity duly organised and validly existing in accordance with the applicable law.

15.2.2 Each Debtor is the owner of its property and carries out its activities in accordance with the applicable legislation.

15.3 **Capacity and Powers**

15.3.1 Each Pledger has legal capacity and powers to enter into and perform the Transaction Documents, a party to which it is, and the transactions contemplated by them and has obtained all requisite approvals (consents) for the entry into and performance of such Transaction Documents in the manner prescribed by the legislation and its constituent and other internal documents, including the approval (provision of consent for the performance) of the transactions contemplated by such Transaction Documents as a major transaction and an interested-party transaction (if such approvals (consents) are required).

15.3.2 The persons acting on behalf of the Debtor have the authority to enter into the Transaction Documents, to which the relevant Debtor is a party.

15.4 **Validity**

15.4.1 Taking into consideration the Legal Reservations, each Transaction Document, to which the Debtor is a party, represents an obligation compliant with the applicable legislation, valid and legally binding upon the Debtor, which is enforceable.

15.4.2 Taking into consideration the Legal Reservations, each Transaction Document, to which the Debtor is a party, is drawn up in the form ensuring its enforceability in the jurisdiction, where the Debtor is incorporated and (or) registered.

15.5 **No Conflict**

Entry into and performance by the Debtor of each Transaction Document, to which it is a party, and the transactions based thereon do not contradict:

15.5.1 Any applicable law;

15.5.2 Its statutory and other internal documents;

15.5.3 Any decisions of its governing bodies; and

15.5.4 Any other documents or agreements that are binding on it, except for the cases when such conflict does not result in and may not result in the Material Adverse Effect.

15.6 **Complying with the Laws**

Business activities of each Debtor are carried out in accordance with the current legislation, including, without limitation, special regulation of the industry, except where any violation of the legislation does not and cannot result in a Material Adverse Effect.

15.7 **Complying with the Anti-Corruption Laws**

The Debtor carries out its business activities in accordance with the applicable anti-corruption legislation, except where any violation of such legislation does not and cannot result in a Material Adverse Effect.

15.8 **Encumbrance and Financial Indebtedness**

15.8.1 There is no Encumbrance in relation to any property of the Debtor, except for the Encumbrance permitted by the Finance Documents.

15.8.2 The Debtor has no outstanding Financial Indebtedness, excluding the Financial Indebtedness permitted by the Finance Documents.

15.9 **No Default**

15.9.1 No Default will arise from entry into or performance by the Debtor of any Finance Documents, to which it is a party, or transactions based thereon.

15.9.2 There are no events or circumstances representing a default on financial obligations by the Debtor under any agreement or any other document binding upon the Debtor, which occurrence results in or may result in the Material Adverse Effect.

15.9.3 There are no other events or circumstances representing a default, non-performance, or breach of the obligations under any document binding upon the Debtor, if such event or circumstance with a reasonable degree of probability can have a Material Adverse Effect.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

15.10 **Permits**

As at the Signing Date, all authorisations and consents required in connection with the conclusion, performance, ensuring validity and enforceability of each Finance Document, to which it is a party, and the transactions contemplated thereby have been obtained by each Debtor and remain valid.

15.11 **Registration Requirements**

No notarial actions in connection with any Finance Document or the registration of any Finance Document are required (and no payment of any state or registration fees or taxes or levies is required in connection with the Finance Documents), including with any state authorities or agencies of the Russian Federation and (or) the Republic of Cyprus, except for:

15.11.1 Notarization of the Participatory Interest Pledge Agreement and payment of the relevant levies and duties;

15.11.2 Entering of notices of the pledge of movable property occurring based on the Intellectual Property Items Pledge Agreements (except for the Trade Marks Rights Pledge Agreement) in the register of notices of the pledge of movable property of the unified information system of notaries, and payment of the relevant levies and duties;

15.11.3 Registration of the pledge occurring based on the Participatory Interest Pledge Agreement in the Unified State Register of Legal Entities, and payment of the relevant levies and duties;

15.11.4 Registration of the pledge occurring based on the Trade Marks Rights Pledge Agreement, if Rospatent performs respective registration, and the Licence Agreements Rights Pledge Agreements with Rospatent;

15.11.5 Registration of the Participatory Interest Pledge Agreement and the Trade Marks Rights Pledge Agreement in accordance with the laws of the Republic of Cyprus in the Register of Companies and the payment of the corresponding levies and fees;

15.11.6 Registration of the Participatory Interest Pledge Agreement, each of the Share Pledge Agreement and Trade Marks Rights Pledge Agreement pursuant to the legislation of the Republic of Cyprus in the internal pledge register of the respective Debtor; and

15.11.7 Payment of stamp duty in Cyprus with regard to the Finance Documents to which the Guarantors are a party.

15.12 **Financial Statements**

15.12.1 The latest financial statements / information (as the case may be) of the Borrower provided to the Credit Manager:

(A) Are prepared in accordance with RAS; and

(B) In all material respects, reliably reflect the Borrower's financial standing (if applicable, on a consolidated basis) as at the date of their preparation.

15.12.2 The latest financial statements / information (as the case may be) of each Debtor incorporated in the Republic of Cyprus, provided to the Credit Manager:

(A) Are prepared in accordance with IFRS; and

(B) In all material respects, reliably reflect the respective Borrower's financial standing (if applicable, on a consolidated basis) as at the date of their preparation.

15.12.3. Since the date, on which the financial statements / information (as the case may be) specified in Clauses 15.12.1 and 15.12.2. were prepared, there were no events that could have a Material Adverse Effect.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

15.13 **Insolvency**

There are no corporate actions, court proceedings, any other procedures, or actions specified in Article 19.7 (*Insolvency*), commenced or expected, as far as the Borrower is aware, against the Debtors, and there are no circumstances specified in Article 19.8 (*Insolvency Proceedings*) and Article 19.9.(*Forcible Withdrawal or Restriction on Disposal of Property*).

15.14 **Taxation**

15.14.1 The Debtor is not liable to make deductions towards Tax payments from the amounts of payments transferred in favour of the Creditors under the terms and conditions of the Finance Documents.

15.14.2 The Debtor timely and duly paid all Taxes and made any other mandatory payments to the budget and (or) extra-budget funds levied on it and its property (assets), and the duty to pay them within the set period was performed without charging any fines or penalties, except where:

(A) The aggregate amount of the indebtedness of all Debtors in respect of Taxes and other obligatory payments to the budget and (or) extra budget funds does not exceed 20,000,000 Russian rubles (or its Equivalent in any other currency); or

(B) in relation to the indebtedness all following conditions are met:

(1) Such payment is challenged in good faith;

(2) Adequate reserves are established for such challenged indebtedness; and

(3) a period is legally established in respect of such payment, during which it is allowed not to make such a payment, and such period has not expired.

15.14.3 The Debtor did not delay submission of tax returns for more than three Business Days.

15.14.4 No claims are lodged against any Debtor due to the Taxes or any other mandatory payments to the budget and (or) extra-budget funds which amount in the aggregate with the amount of claims declared in respect of other Debtors, exceeds 50,000,000 Russian rubles (or its Equivalent in any other currency).

15.14.5 There are no Tax audits being conducted on any Debtor (and there is no reason to expect such claims or audits), which may have a Material Adverse Effect.

15.14.6 For the Taxation purposes:

(A) The Borrower is a tax resident of the Russian Federation only; and

(B) Every other Debtor is a tax resident of the Republic of Cyprus only.

15.15 **Ownership**

15.15.1 The Debtor has valid licences and authorizations, good title, and valid right to lease in relation to the property necessary for the activities the Debtor carries out as at the Signing Date.

15.15.2 The Debtor is the sole owner and beneficiary of the property items (assets), in relation to which it enters into the Pledge Agreements (excluding the Intellectual Property Items Pledge Agreements), has good title and exclusive ownership or any other property rights (as applicable) free from any claims and rights of third parties, claims in relation to such property, apart from the Encumbrance occurring based on the said Pledge Agreements.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

15.16 **Legal Proceedings**

As at the Signing Date, there is no court, arbitration, or administrative proceedings against the Debtor initiated or, as far as the Borrower is aware, expected; no investigative actions resulting in a decision or a high degree of probability of negative decisions that may cause losses in excess of 20,000,000 Russian rubles or its Equivalent as at the calculation date are taken.

15.17 **Information**

15.17.1 All information provided by the Borrower to the Finance Party in writing (including by email) due to the Transaction Documents is true and accurate as at its provision date or (as the case may be) as at the date (if any) specified as a current date.

15.17.2 Any financial forecasts contained in the information specified in Clause 15.17.1. are prepared as at the date of their preparation based on the latest data and assumptions that are reasonable as at the date of their submission.

15.17.3 The Borrower did not conceal any information, which, if disclosed, would result in the fact that any other information specified in Clause 15.17.1. would become untrue or misleading as at the date, on which the relevant information was provided.

15.18 **Intellectual Property**

15.18.1 The Debtor being a party to the Intellectual Property Items Pledge Agreement is the only right holder of exclusive rights and other rights in which respect the Debtor enters into the respective Intellectual Property Items Pledge Agreement, free from any claims and third party rights, claims in respect of such rights, except for (i) the Encumbrance arising under the Intellectual Property Items Pledge Agreements; (ii) the rights granted to the Borrower under the License Agreements, and (iii) non-exclusive rights to use the Software provided by the Borrower to third parties as part of the Borrower's Ordinary Course of Business under the terms of the license agreement posted on the website https://www.cian.ru/help/about/oferta-natural/.

15.18.2 The Debtor is the sole right holder of exclusive rights and other rights in respect of all Intellectual Property Items being material for the Debtor’s business activities and required for the Debtor’s activities being carried out as at the Signing Date.

15.18.3 When carrying out the business activities, the Debtor does not infringe any rights of third parties to the Intellectual Property items, which results in a Material Adverse Effect or reasonable grounds to expect it to occur.

15.18.4 The Debtor took all legal and technical actions (including payment of duties) required to maintain the rights to the items that are the pledged items under the Intellectual Property Items Pledge Agreements, to which the relevant Debtor is a party, and to all Intellectual Property items that are material for the Debtor’s business activities.

15.19 **Shares**

15.19.1 Shares (participatory interests) in the authorized capital of all companies, which are subject matter of the Security Agreements, are fully paid-up; there are no put options or any other similar rights granted.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

15.19.2 The constituent documents of the companies, which shares (participatory interests) in the authorized capital are a subject matter of the Security Agreements, provide for no restrictions and prohibitions to pledge shares (participatory interests) that are a subject matter of the Security Agreements in favour of any third party, to transfer rights to the said shares (participatory interests), when entering into the Security Agreements, and to levy execution upon their subject matter, except for mandatory legal restrictions and requirements.

15.20 **Ranking of Security**

15.20.1 Taking into consideration provisions of Article 15.11 (*Registration Requirements*), the Encumbrance imposed by each Pledge Agreement is a senior security, upon which the Pledge Manager may levy execution as a matter of priority.

15.20.2 Third parties have no rights (to claim) or any other rights in relation to the property and assets of the Debtors that are a subject matter of the Pledge Agreements.

15.21 **Ranking of Obligations**

The Borrower's obligations to repay the Outstanding Credit, to pay the interest accrued on it and the fees provided for by this Agreement as well as any other financial obligations of the Borrower under the Finance Documents are ranked as the obligations to other unsecured creditors under their claims, in relation to which no preferential procedure is set.

15.22 **Regulated Procurements**

The conclusion by the Debtors of this Agreement and other Transaction Documents does not require compliance with any procedures under the Regulated Procurements Law or any similar procedures.

15.23 **Accounting Reference Date**

The Debtor's accounting reference date is December 31.

15.24 **No Immunity**

No immunity is used in relation to the Borrower, any other Debtor, or their property, with regard to filing suits and claims, granting injunctive reliefs, levying execution, or any similar actions.

15.25 **Ownership Structure Chart**

As at the Signing Date, the Ownership Structure Chart is complete and accurate in all respects and corresponds to the facts.

15.26. **Shareholders' Agreement**

15.26.1. There is no corporate agreement, shareholders' agreement or agreement on exercising the rights of the members of the company (including at the level of the respective Debtor and higher) or another analogous document in respect of shares (participatory interests in the charter capital) in the Debtors, except for the Shareholders' Agreement.

15.26.2. The Parties to the Shareholders' Agreement do not include any third parties which are not expressly specified in the definition of the notion of "Shareholders' Agreement".

15.26.3. The Shareholders' Agreement contains no provisions stipulating prohibition or the terms and conditions upon which the Finance Documents or any other analogous documents should be concluded, and contains no terms and conditions on acquisition or alienation of shares (participatory interests in the charter capital) in the Debtors at a fixed price or upon the occurrence of specific circumstances or on the restriction of the right to alienate shares (participatory interests in the charter capital) in the Debtor before or upon the condition of the occurrence of specific circumstances.

15.26.4. Each Debtor received all necessary authorisations, consents and approvals, sent all necessary notices provided for in the Shareholders' Agreement in connection with entering into Finance Documents.

15.27. Effective Periods of the Representations and Warranties

15.27.1. The Representations and Warranties set out in this Article (except for Representations and Warranties set forth in Clause 15.12.2). are given by the Borrower as at the Signing Date.

15.27.2. The Borrower shall ensure that all Representations and Warranties (except for Representations and Warranties set forth in Article 15.11. (*Registration*), Article 15.14 (*Taxation*) and Article 15.16. (*Legal Proceedings*) remain true as if they were provided by the Borrower unchanged:

(A) At the date of each Drawdown Request;

(B) On each Drawdown Date; and

(C) On the first day of each Interest Period.

15.27.3. The Borrower shall ensure that all Representations and Warranties set forth in Article 15.14 (*Taxation*) remain true as if they were provided by the Borrower unchanged:

(A) At the date of each Drawdown Request;

(B) On each Drawdown Date.

16. **UNDERTAKINGS TO PROVIDE INFORMATION**

16.1 **Financial Statements**

The Borrower shall provide the Credit Manager with the number of certified copies corresponding to the number of Creditors (bearing a mark on the method of sending of the document to an office of the Federal Tax Service of Russia, if applicable):

16.1.1 As soon as the same is prepared, but in any case on or before April 15 of each year — of the Borrower's financial statements for the previous financial year prepared in accordance with RAS; and

16.1.2 As soon as the same is prepared, but in any case on or before May 16, August 15, and November 15 of each year — of the Borrower's quarterly financial statements for the previous quarter ending on March 31, June 30, and September 30 of such year, accordingly, prepared in accordance with RAS.

16.1.3 As soon as the same is prepared, but in any case on or before:

(A) in respect of the statements for 2018 – August 15, 2019; and

(B) in respect of the statements for each subsequent year – July 1 of the year following the year under report of the audited consolidated financial statements of Solaredge Holdings for the previous financial year prepared in accordance with IFRS;

16.1.4. As soon as the same is prepared, but in any case on or before September 1 of each year – of the consolidated management statements of Solarenge Holdings for the first six months of the respective year prepared in accordance with IFRS in the form attached hereto in Annex 14 (*Form of Report*).

16.1.5. As soon as the same is prepared, but in any case on or before July 1 of the year following the year under report – of the management statements of each Debtor incorporated in the Republic of Cyprus, for the previous financial year prepared in accordance with IFRS in the form attached hereto in Annex 14 (*Form of Report*).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

16.2 **Confirmation of Compliance with the Financial Indicators**

16.2.1 Along with each set of financial statements provided in accordance with Clauses 16.1.1 and 16.1.2, the Borrower shall provide the Credit Manager with a confirmation of financial indicators calculating the financial indicators contained in Article 17 (*Undertakings to Comply with the Financial Indicators*) as at the preparation date of such financial statements.

16.2.2 The confirmation of financial indicators should be drawn up in the form provided for in Annex 5 (*Confirmation of Compliance with the Financial Indicators Form*) and signed by the Borrower's authorized representative.

16.3 **Requirements to the Financial Statements**

The Borrower shall ensure that each set of financial statements provided in accordance with Article 16.1 (*Financial Statements*) includes:

16.3.1 In case of each statement of the Borrower — the Borrower's balance sheet and profit and loss statement, as well as information and explanation of the balance sheet; and

16.3.2 In case of each statement for the financial year of the Borrower — the Borrower's cash flow statement, as well as information and explanation of the balance sheet; and

16.3.3 In case of each statement of each Debtor incorporated in the Republic of Cyprus – forms of accounting and other statements prepared in accordance with IFRS and reflecting the financial standing and operations of the respective Debtor or, in respect of Clauses 16.1.3 and 16.1.4., of the Debtor and other companies which statements are consolidated with the statements of the Debtor, as well as, in respect of Clause 16.1.3, the letter of the auditor.

16.4 **End of the Financial Year**

The Borrower shall ensure that the financial year of the Borrower ends December 31.

16.5 **Information: Miscellaneous**

The Borrower shall provide the Credit Manager (in the number sufficient for all Creditors, if requested by the Credit Manager):

16.5.1 Immediately, but in any case within three Business Days after it becomes aware, — with the information on any court, arbitration, or administrative proceedings that are conducted, pending, or may be initiated against the Debtor and which may result in liability exceeding 20,000,000 Russian rubles or its Equivalent as at the calculation date;

16.5.2 Immediately, but in any case within five Business Days after occurrence of the relevant circumstance:

(A) With the information on any changes in the Debtor's members (shareholders) owning (together with the Affiliates) 10% and more per cent of the participatory interests in the Debtor's authorized capital or in beneficial owners that may control actions of, or give binding instructions to, the Debtor;

(B) With the information on any change of the Borrower's legal form; and

(C) With the information on changes in the structure of the Debtor's governing bodies or in the list of persons included in such bodies (including a change of the sole governing body and transfer of its functions to a managing company);

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

16.5.3 Immediately, but in any case within ten Business Days after receiving the relevant claim from the Credit Manager:

(A) With the information and documents on the Debtor's financial standing, property, and transactions (including explanations of any item in the financial statements, budgets, or any other documents provided in accordance with the Finance Documents), upon the request of the Credit Manager;

(B) With the certificate showing the calculation of dividends and other payments, to which Article 18.12 (*Payments to the Shareholders*) applies, and confirmation of compliance with the restrictions set forth by the said Article;

16.5.4 Immediately, but in any case within ten Business Days after receiving the relevant claim from the Pledge Manager, with such information that the Pledge Manager may reasonably request on the property pledged under the Security Agreements and on the fulfilment of the conditions of any Security Agreement; and

16.5.5 Within ten Business Days after it becomes aware, with the information on any circumstances relating to the Debtors, which may have a Material Adverse Effect.

16.6 **Notice of Default**

16.6.1 The Borrower shall notify the Credit Manager of any Default (and measures, if any, taken to cure such Default) immediately after it becomes aware thereof.

16.6.2 Upon the request of the Credit Manager, the Borrower shall provide the Credit Manager with the statement signed by the Borrower's authorized representative certifying that the Default was cured or, if the Default continues, detailing the measures taken to cure it.

16.7 **Checking of the "Client Data"**

16.7.1 If, as a result of:

(A) Any changes in any applicable legislation after the Signing Date;

(B) Any changes in the legal form of the Borrower, any other Debtor, or their shareholders (members); or

(C) Assignment or transfer by any Creditor of all its rights and obligations or a part thereof under this Agreement to the party that was not the Creditor before such assignment or transfer, or replacement of the Pledge Manager or any other Finance Party in accordance with this Agreement, or any other change in the Parties to the Agreement;

The Credit Manager, the Pledge Manager, the Creditor, or any other Finance Party (or, in case of clause (C), a potential new party), by virtue of the legislation applicable to them, will have a duty to check the "client data" or to conduct similar client check procedures, and no necessary information was previously provided by the Borrower or any other Debtor, the Borrower shall, and shall ensure that the Debtors will, provide the Credit Manager (acting in its own name, in the name of the relevant Finance Party, or in the name of the potential new party) with the information and documents required for the Credit Manager, the relevant Finance Party, or the potential new party to comply with the "client data" check requirements applicable to them.

16.7.2 Each Finance Party shall provide the Credit Manager with the information and documents required for the Credit Manager to comply with the "client data" check requirements applicable to it.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

16.8 **Intended Use of Funds**

The Borrower shall, within 30 days after the Drawdown Date, provide the Credit Manager with the original of the register of performed payments, duly signed by an authorised person on behalf of the Borrower, in the form and substance satisfactory to the Credit Manager and confirming the intended use of the Credit, and (or) copies of other documents duly certified by the Borrower in the form and substance satisfactory to the Credit Manager and confirming the intended use of the Credit.

17. **UNDERTAKINGS TO COMPLY WITH THE FINANCIAL INDICATORS**

17.1 **Interpretation**

17.1.1 The terms used in this Article and not defined in Article 1.1 (*Terms*) have the meanings specified below:

"**EBITDA**" means the Borrower's profit before taxes (line 2300 of the balance sheet):

(a) Taking into account depreciation (credit turnover on account 02 "Depreciation of Fixed Assets" of the balance sheet);

(b) Taking into account interest payable (line 2330 of the balance sheet);

(c) Taking into account expenses for making payments (except for payments towards the payment of the Outstanding Credit) subject to payment by the Borrower in accordance with the Finance Documents, one-time non-operating expenses, including expenses on sum and exchange rate differences, expenses on currency sale and purchase, expenses for the previous years, expenses on disposal of fixed assets, inventories, investments and any other assets, and expenses on fixed assets and investments revaluation (line 2350 of the balance sheet);

(d) Without taking into account interest receivable (line 2320 of the balance sheet);

(e) Without taking into account income from participation in any other entities (line 2310 of the balance sheet); and

(f) Without taking into account one-time non-operating income, including income from sum and exchange rate differences, income from currency sale and purchase, income for the previous years, income from disposal of fixed assets, inventories, investments and any other assets, and income from fixed assets and investments revaluation, and income from write-off of accounts payable, credits and loans granted (line 2340 of the balance sheet),

in each case, without double-entry accounting.

"**Revenue** " means the revenue from sales (line 2110 of the balance sheet).

"**Test Date**" means the last day of each Test Period.

"**Cash and Cash Equivalents"** mean the amount in "cash and cash equivalents" item in accordance with the latest statements of the Borrower.

"**Extraordinary Income or Expense**" means any extraordinary, one-time, or non-recurring income or expense.

"**Current Liquidity Ratio**" means the ratio between current assets (line 1200 of the balance sheet) and short-term liabilities (line 1500 of the balance sheet); however, short-term liabilities do not include prepaid income (line 1530 of the balance sheet) and provisions for future expenses (line 1540 of the balance sheet).

"**Test Period**" means:

(A) In relation to Clause 17.2.1 — each period of three months ending March 31, June 30, September 30, or December 31;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(B) In relation to Clause 17.2.2 — each period of 12 months ending December 31;

(C) In relation to Clause 17.2.3(A) and Clause 17.2.3(C) — each period of 12 months ending March 31, June 30, September 30;

(D) In relation to Clause 17.2.3(B) –period of three months ending September 30, 2020 and December 31, 2020.

"**Advertising Expenses**" means:

(A) Payments for advertising services to the Advertising Partners.

(B) Payments to any other persons, who are included in the calculation of financial indicators in accordance with this Article 17 (*Undertakings to Comply with the Financial Indicators*) as previously agreed upon by the Credit Manager acting based on the Consent of the Majority of Creditors.

"**Financial Expenses**" mean the aggregate amount of interest, including capitalized interest, commission fees, remuneration, early repayment fees, payments in relation to any liabilities for financial activities and any other payments that are financial expenses in accordance with RAS, paid, charged and (or) payable during the relevant period (except for principal repayment).

"**Net Debt**" means in relation to each Test Period:

(a) Liabilities of the Borrower for financial activities, including indebtedness on credits and loans, including on bonded loans, and liabilities for leasing in accordance with RAS,

Less

(b) Cash and Cash Equivalents,

In each case, as at the Test Date.

17.1.2 Unless otherwise is provided for by this Agreement, the accounting terms used in this Article 17 (*Undertakings to Comply with the Financial Indicators*) shall be interpreted in accordance with RAS.

17.1.3 The indicators specified in this Article 17 (*Undertakings to Comply with the Financial Indicators*) are verified based on the financial statements and the financial information provided in accordance with Clauses 16.1.1 and 16.1.2 as at each relevant Test Date.

17.2 **Financial Indicators**

17.2.1 **Quarterly-Tested Financial Indicators**

(A) The Borrower undertakes to ensure compliance with the following indicators with regard to each relevant Test Period:

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Indicator	Each Test Period ending in 2019, beginning from the Test Period ending on September 30, 2019	Each Test Period ending in 2020	Each Test Period ending in 2021
Revenue	At least [***] Russian rubles	At least [***] Russian rubles	At least [***] Russian rubles
Sum of EBITDA value and Advertising Expenses	at least [***] Russian rubles	A t least [***] Russian rubles	At least [***] Russian rubles
EBITDA	At least "-" [***] Russian rubles	At least "-" [***] Russian rubles	A t least [***] Russian rubles

(B) The Borrower shall ensure that with regard to each relevant Test Period, starting from the Test Period ending December 31, 2019, the Current Liquidity Ratio is at least 1.5:1.

(C) The Borrower shall make the Warranties and Representations provided below to each Finance Party, as at the Signing Date. Each Finance Party relies on such warranties and representations of the Borrower and their reliability is material for the Finance Parties:

Each finance indicator specified in the table below is true and accurate in relation to each relevant Test Period:

Indicator	Test Period ending on December 31, 2018	Each Test Period ending on March 31, 2019 and June 30, 2019
Revenue	At least [***] Russian rubles	At least [***] Russian rubles
Sum of EBITDA value and Advertising Expenses	At least [***] Russian rubles	For the Test Period ending on March 31, 2019 - at least [***] Russian rubles For the Test Period ending on June 30, 2019 - at least [***] Russian rubles
EBITDA	At least "-" [***] Russian rubles	At least "-" [***] Russian rubles

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

17.2.2 **Yearly-Tested Financial Indicators**

The Borrower undertakes to ensure compliance with the following indicators with regard to each relevant Test Period:

Indicator	Each Test Period ending in 2019	Each Test Period ending in 2020	Each Test Period ending in 2021
Sum of EBITDA value and Advertising Expenses	At least [***] Russian rubles	At least [***] Russian rubles	At least [***] Russian rubles
EBITDA	At least "-" [***] Russian rubles	At least [***] Russian rubles	At least [***] Russian rubles

17.2.3 **Other Financial Indicators**

(A) The Borrower undertakes to ensure compliance with the following indicators with regard to each relevant Test Period:

Indicator	Each Test Period ending in 2019, beginning from the Test Period ending on September 30, 2019	Each Test Period ending in 2020	Each Test Period ending in 2021
Sum of EBITDA value and Advertising Expenses	At least [***] Russian rubles	At least [***] Russian rubles	At least [***] Russian rubles

(B) The Borrower shall ensure that EBITDA for the relevant Test Period

(1) ending on September 30, 2020 – is at least [***] Rubles; and

(2) ending on December 31, 2020 – is at least [***] Rubles.

(C) The Borrower shall make the Warranties and Representations provided below to each Finance Party, as at the Signing Date. Each Finance Party relies on such warranties and representations of the Borrower and their reliability is material for the Finance Parties:

Each finance indicator specified in the table below is true and accurate in relation to each relevant Test Period:

Indicator	**Each Test Period ending on March 31, 2019 and June 30, 2019**
Sum of EBITDA value and Advertising Expenses	At least [***] Russian rubles

18. **GENERAL OBLIGATIONS**

18.1 **Authorizations and Corporate Approvals**

18.1.1 The Borrower shall, and shall ensure that each other Debtor will, timely obtain, ensure validity, and comply with the terms and conditions of any authorizations, consents, and approvals required pursuant to the applicable legislation to perform its obligations under the Transaction Documents, to which it is a party.

18.1.2 The Borrower shall ensure that it and each other Debtor timely obtain, ensure validity, and comply with the terms and conditions of all material authorizations, consents, and patents required pursuant to any applicable legislation to carry out its business activities of the relevant Debtor as they were carried out as at the Signing Date, non-obtaining, invalidity or non-compliance with which may have a Material Adverse Effect.

18.2 **Complying with the Laws**

The Debtor shall ensure that it and each other Debtor will comply with all requirements of the applicable legislation, except where any violation of the said requirements does not and cannot result in a Material Adverse Effect.

18.3 **Complying with the Anti-Corruption Laws**

The Borrower shall ensure that it and each other Debtor will:

18.3.1 Carry out its business activities in accordance with the anti-corruption legislation, except where any violation of such legislation does not and cannot result in a Material Adverse Effect; and

18.3.2 Approve and ensure use of the internal policies and procedures aimed at ensuring compliance with the requirements of such legislation.

18.4 **No Encumbrance of Assets**

The Borrower shall not create or permit any Encumbrance in relation to its property as well as shall not create or permit any Encumbrance in relation to the property of any other Debtors, except for the Permitted Encumbrance.

18.5 **Alienation of Assets**

18.5.1 The Borrower shall not, and shall not allow Fastrunner Investments and Mimons Investments to, sell, lease, or otherwise alienate any of its assets or property, except for the Permitted Alienation.

18.5.2 The Parties agree that the Borrower's granting of non-exclusive rights to use the Software provided to third parties as part of the Borrower's Ordinary Course of Business under the terms of the license agreement posted on the website https://www.cian.ru/help/about/oferta-natural/, does not constitute a violation of the obligations provided for in Clause 18.5.1.

18.6 **Transactions**

The Borrower shall ensure that it and each other Debtor will enter into transactions with any parties solely on arm's length conditions, except for

18.6.1 transactions performed between the Debtors which are not the Borrower;

18.6.2 transactions performed between the Borrower and other Debtors, provided:

(A) the price of the transaction under which the Borrower is a debtor (in the meaning of article 307 of the Civil Code of the Russian Federation) is not excessive in comparison with the market price;

(B) the price of the transaction under which the Borrower is a debtor (in the meaning of article 307 of the Civil Code of the Russian Federation) is not underestimated in comparison with the market price; and

18.6.3 transactions based on a prior written consent of the Credit Manager acting in accordance with the Consent of the Majority of Creditors.

18.7 **Issue of Loans and Suretyships**

18.7.1 The Borrower shall not, and shall not allow any other Debtor to, have any rights and duties of a creditor in relation to any Financial Indebtedness, except for the Permitted Loans.

18.7.2 The Borrower shall not, and shall not allow any other Debtors to, act as a guarantor or a surety in relation to the obligations of any person, except for the Permitted Suretyships.

18.8 **Financial Indebtedness**

The Borrower shall not, and shall not allow any other Debtor to, make any transactions, in which the Borrower or any other Debtor incurs Financial Indebtedness, and shall not permit outstanding Financial Indebtedness, except for the Permitted Financial Indebtedness.

18.9 **No Reorganization or Decrease in the Authorized Capital**

The Borrower shall not, and shall not allow any other Debtor to, reorganize or decrease the authorized capital without a prior written consent of the Credit Manager acting under the Consent of the Majority of Creditors.

18.10 **Pari Passu Ranking of Claims**

The Borrower shall ensure that at any time any claims of any Finance Party against the Borrower under the Finance Documents are ranked at least pari passu as the claims of all other unsecured and unsubordinated creditors of the Borrower, except for the claims of the creditors, which priority is established by the legislation.

18.11 **No Amendments**

18.11.1 The Borrower shall not amend without preliminary written consent of the Credit Manager, and shall not allow other Debtors to amend without preliminary written consent of the Credit Manager:

(A) Transaction Documents;

(B) Their constituent documents, if such amendments relate to:

(1) Legal form;

(2) Issue (placement) of shares;

(3) Amount of the charter (share) capital;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(4) Procedure for the election of the General Director and (or) another person authorised to act on behalf of the company, and (or) procedure for transfer of the powers of the sole executive body of the managing company and (or) the manager;

(5) Structure and competence of the managing bodies and procedure for adoption of their decisions (including procedure and (or) necessity to adopt decisions in respect of major transactions and related party transactions);

(6) Procedure and consequences of withdrawal of a member from the company;

(7) Transfer (alienation) of participatory interests (shares), as well as restriction or setting conditions in respect of such transfer (alienation);

(8) The volume of rights and obligations granted to the members (shareholders), as well as transfer of such rights and obligations; and (or)

(9) Pledge of participatory interests (shares) and establishing another encumbrance in respect of participatory interests (shares);

except for amendments to be made in accordance with the applicable legislation.

18.11.2 Without a prior written consent of the Credit Manager acting under the Consent of the Majority of Creditors, the Borrower shall not, and shall not allow any other Debtor and shareholders (participants) of the Borrower and other Debtors to, enter into any shareholders agreement, corporate agreement, or any other agreement for exercise of rights of shareholders (members), except for the Shareholders' Agreement.

18.11.3 In case of receipt of a prior written consent of the Credit Manager to enter into the agreement specified in Clause 18.11.2, the Borrower shall provide the Credit Manager with a copy of such agreement immediately after entering into it.

18.12 **Payments to the Shareholders**

18.12.1 Except for the Permitted Payments, the Borrower shall not, and shall not allow any other Debtor to:

(A) Declare, make or pay any dividends, charges, fees or any other distributions (or interest on any unpaid dividends, charges, fees or any other distributions) (whether in cash or in kind) in relation to its authorized capital (or any class of shares in its authorized capital);

(B) Repay or distribute any dividends or share premiums;

(C) Pay any management, consulting, or any other commission fee to shareholders (members) of the relevant Debtor;

(D) Redeem, acquire, cancel, write off, or repay shares (authorized capital) of the relevant Debtor or make a decision thereon; and

(E) Distribute any provision for dividend payment or any other similar payments.

18.12.2 Except for the Permitted Payments, the Borrower shall not, and shall not allow any other Debtor to, make any payments under any Shareholders Loan Agreement.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

18.13 **Taxation**

The Borrower shall ensure on its behalf, as well as on behalf of each other Debtor, the timey and due payment of all Taxes and other mandatory payments to the budget and (or) extra-budget funds, collected from the respective Debtor and in respect of its property (assets), within the prescribed time limits, without imposing fines or penalties, except for the cases when:

18.13.1. the amount of indebtedness of this Debtor, together with the indebtedness of all Debtors in respect of the Taxes and other mandatory payments to the budget and (or) extra-budget funds does not exceed 20,000,000 Russian rubles (or its Equivalent in any other currency); or

18.13.2. the following conditions are met in respect of the amount of indebtedness:

(A) the payment is challenged in good faith, according to the procedure provided for by the law;

(B) adequate reserves are established for such challenged indebtedness; and

(C) the legislation stipulates a period in respect of such payment, during which it is allowed not to make such payment, and such period has not expired.

18.14 **Change in Nature of the Business Activities**

The Borrower shall not, and shall ensure that any other Debtor will not, make any material changes in the main lines of its business activities as compared to the business activities carried out as at the Signing Date.

18.15 **Net Assets**

The Borrower shall ensure that, as at the end of each financial half-year during the term of this Agreement, the Borrower's net assets determined based on the financial statements under RAS are positive.

18.16 **Insurance**

The Borrower shall, and shall ensure that any other Debtor will, insure property and liability of the relevant Debtor to the extent and against such risks as is provided for by the applicable legislation.

18.17 **Opening of Accounts**

The Borrower shall refrain from opening new accounts, except for the accounts with the Original Creditors, without a prior written consent of the Credit Manager.

18.18 **Right of Access**

18.18.1 Upon the reasonable request of the Credit Manager, the Borrower shall, and shall ensure that any other Debtor will, provide the Credit Manager and (or) its auditors or other professional consultants with a free access to the premises, assets, and primary accounting and tax accounting documents (in hard copy or in electronic form) of the Borrower and any other Debtor.

18.18.2 The Borrower shall, upon the request of the Credit Manager or any Creditor (based on the applicable legislation and (or) the requirements of the Bank of Russia) and (or) the representatives (employees) of the Bank of Russia, and shall ensure that the Pledgers will:

(A) Take all actions necessary for the representatives (employees) of the Bank of Russia to familiarize themselves with the activities of the Borrower and any other Pledger on site, including providing the representatives (employees) of the Bank of Russia with a free access to the premises and assets of the Borrower and any other Pledger and to the documents in relation to the activities of the Borrower and any other Pledger; and

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(B) Provide the Credit Manager, the relevant Creditor, and the representatives (employees) of the Bank of Russia with any documents and information requested by them (including those requested by the Bank of Russia from the Creditor) and take any other actions based on the requirements of the Bank of Russia (including those necessary for inspection by the representatives (employees) of the Bank of Russia of the pledged item under the Pledge Agreements at the place of its storage (location)).

18.18.3 If it is practicable and permitted by the applicable legislation, the Credit Manager shall send to the Borrower a notice on the receipt of the claim of the Bank of Russia on examination of the subject of the pledge under the Pledge Agreements and familiarization with the activities of the Borrower and other Pledgers directly on-site.

18.19 **Additional General Obligations**

18.19.1 The Borrower shall ensure that all actions are timely taken and all documents (including on assignment under condition, transfer, pledge, as well as notices, directives, and instructions) specified by the Pledge Manager and drawn up in the form reasonably required by the Pledge Manager, taking into account the interests of the Pledge Manager and the Creditors, are executed in order to:

(A) Execute the Encumbrance, which occurs by virtue of the Pledge Agreements, certified or implied by them (including executing the pledge, assignment, or any other Encumbrance in relation to the assets or a part thereof that are subject matter of the Pledge Agreements) to ensure exercise of rights, powers, and remedies of the Pledge Manager and the Finance Parties as provided for by, or in accordance with, law or the Finance Documents;

(B) In case of loss of the property that is the subject matter of the Pledge Agreements, provide the Pledge Manager and the Finance Parties with the security, which subject matter is its property and assets, regardless of their location (country), which is equivalent or similar to the security to be provided under the Pledge Agreements; or

(C) Facilitate sale of property (assets) items that are the subject matter of the security pursuant to the Pledge Agreements or specified as their subject matter.

18.19.2 The Borrower shall ensure that all necessary actions are taken within the powers granted (including submitting the documents and performing registration) for establishment, final execution, protection and continued validity of the security created in accordance with the Security Agreements, which is provided to the Pledge Manager and the Finance Parties in accordance with the Finance Documents or expected to be provided to them under the Finance Documents.

18.19.3 The Borrower shall, at its own expense, take any actions and sign any documents that may be requested by the Finance Party for exercising and protecting its rights provided for by the Finance Documents.

18.20 **Subsequent Conditions**

The Borrower shall ensure that documents and information specified in Annex 10 (*Subsequent Conditions*) are provided to the Credit Manager within the time specified in it.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

19. **EVENTS OF DEFAULT**

19.1 **Events of Default**

19.1.1 Each case, event, or circumstance described in this Article 19 (except for this Article 19.1 and Article 19.16 (*Acceleration*)) shall be an Event of Default.

19.2 **Non-Payment**

Non-payment by the Debtor of any amount payable under the Finance Documents when due in such place and in such currency, in which its payment is provided for, except where the following conditions are met:

19.2.1 Such non-payment is caused by any technical or administrative error or by the Technical Deficiency; and

19.2.2 Payment is made within five days of the established payment date.

19.3 **Violation of Financial Indicators and Any Other Violations**

19.3.1 Non-compliance by the Borrower with any obligation stipulated by Article 17.2 (*Financial Indicators*).

19.3.2 Non-compliance by the Borrower with any obligation stipulated by Article 3 (*Purpose*).

19.3.3 Non-compliance by the Borrower with any obligation stipulated by Clause 18.12.2.

19.3.4 Non-compliance by the Borrower with any obligation stipulated by Article 18.13. (*Taxation*), Event of Default in accordance with this Clause 19.3.4. shall not be deemed to occur if such non-compliance can be remedied and is remedied within 30 days after the earliest of the following two dates: (1) date of sending by the Credit Manager of a notice to the Borrower and (if applicable) to another Debtor on such non-compliance, or (2) the date when the Borrower or (if applicable) another Debtor became aware of such non-compliance.

19.4 **Other Obligations**

19.4.1 Non-compliance by the Debtor of any provision of the Finance Document in accordance with the terms and conditions of the Finance Documents (except for those specified in Article 19.2 (*Non-Payment*) and in Article 19.3 (*Violation of Financial Indicators and Any Other Violations*)).

19.4.2 The Event of Default in accordance with Clause 19.4.1 shall not be deemed to have occurred if such non-compliance may be cured and is cured:

(A) In relation to the obligations provided for by Article 16.1 (*Financial Statements*), — within 30 days from the end date of the respective period set forth in Article 16.1 (*Financial Statements*); or

(B) In relation to any other obligations provided for by the Finance Documents, — within 30 days after the earliest of: (1) the date the Credit Manager sends a notice to the Borrower and (if applicable) to any other Debtor of such non-compliance, or (2) the date, on which the Borrower or (if applicable) any other Debtor becomes aware of such non-compliance.

19.5 **Deceiving**

19.5.1 Any warranty or representation (including the Warranties and Representations) made by the Borrower or any other Debtor in the Finance Documents or in connection with them or any documents provided by the Borrower or any other Debtor in connection with the Finance Documents appear to be untrue, inaccurate, ineffective, invalid, or deceiving at the time such warranty or representation is made.

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19.5.2 Non-performance by any Debtor of the obligation to ensure that any warranty or representation made by it in the Finance Documents or in connection with them remains true as at the respective date specified in Article 15.27 (*Effective Periods of the Representations and Warranties*).

19.6 **Default on Obligations to Third Parties**

19.6.1 Any Debtor fails to pay for any Financial Indebtedness when due (or within the grace period agreed upon in advance).

19.6.2 Any Financial Indebtedness of any Debtor is declared or otherwise becomes subject to early repayment as a result of occurrence of any Event of Default, breach of obligations, or default of any nature.

19.6.3 Any creditor of any Debtor is entitled to declare any Financial Indebtedness of such Debtor being subject to early repayment as a result of occurrence of any Event of Default, breach of obligations, or default (of any nature).

19.6.4 The Event of Default in accordance with this Article 19.6 is not deemed to have occurred if the aggregate amount of the Financial Indebtedness specified in this Article 19.6 in respect of all Debtors does not exceed 50,000,000 rubles (or the Equivalent of this amount in another currency).

19.7 **Insolvency**

Any case or event listed below occurs to the Debtor:

19.7.1 The Debtor meets the criterion for insufficient property or meets the criterion or gives reasons for taking measures to prevent bankruptcy in accordance with the Bankruptcy Law or any other law applicable to such Debtor;

19.7.2 The Debtor is unable or acknowledges its inability to perform its financial obligations;

19.7.3 The Debtor’s financial standing gives reasons for taking measures to prevent bankruptcy in accordance with the Bankruptcy Law or any other law applicable to such Debtor;

19.7.4 The net assets of the Debtor registered in accordance with the legislation of the Russian Federation, determined in accordance with Order of the Ministry of Finance of Russia No. 84н dated August 28, 2014 On Approval of the Procedure for Determination of Net Asset Value are:

(A) As at the end of each quarter — less than zero; and

(B) As at the end of each financial year — less than the authorized capital of the said Debtor;

19.7.5 A court or a state authority declares a moratorium on any indebtedness of the Debtor; or

19.7.6 The Debtor meets any other bankruptcy criterion set forth by the Bankruptcy Law or any other law applicable to the Debtor.

19.8 **Procedures of Insolvency**

Performance of one of the following actions with respect to the Debtor:

19.8.1 Carrying out of financial rehabilitation and other measures to prevent bankruptcy;

19.8.2 Initiation of a liquidation or bankruptcy procedure or appointment of a liquidation commission or similar body or official;

19.8.3 Submission to a court of the Debtor's application to recognize the Debtor as bankrupt or to liquidate it (or any other similar procedure) or rendering by the court of a ruling on acceptance of such application;

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19.8.4 Submission to a court of an application of any creditor of the Debtor to recognize the Debtor as bankrupt or to liquidate the Debtor (or to apply any other similar procedure), except for the cases when then court, within 30 days from the date of rendering a ruling on acceptance of the said application (the “**Period of Application Examination**”), renders a ruling to dismiss introduction of supervision and to dismiss the application without hearing on the merits, the ruling to dismiss introduction of supervision and terminate the proceedings in the bankruptcy case, the ruling to remit the application, the ruling to terminate the bankruptcy case, the judgement to refuse to declare bankrupt or any other analogous judicial act which will result in termination of the proceedings in the bankruptcy case or dismissal to initiate such proceedings, and the Event of Default specified in this Clause 19.8.4. shall be deemed to occur on the earliest of the following dates:

(A) Date of rendering by the court of a ruling on recognising the applicant's claims as grounded and introduction of supervision or introduction of another bankruptcy procedure or the date of rendering another analogous judicial act; or

(B) The date of termination of the Period of Application Examination.

19.8.5 Introduction of supervision, receivership, financial rehabilitation, bankruptcy management or reorganization (or any other similar procedure);

19.8.6 Appointment of liquidator, temporary manager, administrator, bankruptcy manager or any other person performing similar functions;

19.8.7 Convening or announcement of an intent to convene a meeting of creditors to consider a settlement agreement in the framework of the bankruptcy procedure of the Debtor;

19.8.8 Convening of a meeting of shareholders, directors or other officials of the Debtor incorporated in the Republic of Cyprus in order to consider a decision on (i) liquidation (in any form), reorganization, supervision, receivership or administrative management in relation to the Debtor or on appointment of a liquidator, administrative manager, administrator, manager or any other person performing similar functions or (ii) on submission of application or any documents to court or Department of Registrar of Companies in Cyprus (as relevant) in relation to the above-mentioned actions or making by shareholders, directors or any other officials of a relevant decision;

19.8.9 Initiating of any other bankruptcy procedure set forth by the Bankruptcy Law or any other law applicable to such Debtor;

19.8.10 Sending by the Borrower of a notice on reorganization (including in the form of merger, acquisition, combination, spin-off, split-up), liquidation or decrease of the authorized capital of the Debtor, except for a cases of availability of a prior written consent of the Credit Manager acting under the Consent of the Majority of Creditors; and

19.8.11 Levying of execution on any property of the Debtor.

19.9 **Forcible Withdrawal or Restriction on Disposal of Property**

Seizure, confiscation, nationalization, requisition, levying of execution or any other forcible withdrawal or restriction on disposal in relation to the Debtor's property, which cost is equal to or exceeds fifteen per cent of the balance value of assets in accordance with the latest financial statement, which is not terminated and is not cancelled within ten days.

19.10 **Repudiation of or Termination of the Agreements**

The Debtor takes actions aimed at challenging the validity or proper approval, challenging of conclusion or termination of any Finance Document.

19.11 **Unlawfulness and Invalidity**

19.11.1 Taking into consideration the Legal Reservations, performance by the Debtor of any of its obligations under the Finance Documents ceases to comply with the legislation.

19.11.2 Taking into consideration the Legal Reservations, any obligation of the Debtor under any Finance Document is not or ceases to be valid and legally enforceable.

19.11.3 Any Finance Document is non-concluded in accordance with law applicable to such Finance Document.

19.12 **Cessation of Business**

The Debtor suspends or terminates (or warns about suspension or termination)

19.12.1. all its business activity; or

19.12.2. substantial part of its business activity, if such suspending or termination results in or can result in the Material Adverse Effect.

19.13 **Court and Administrative Proceedings and Decisions**

19.13.1 Initiation of any court, administrative, commercial court or arbitration proceedings:

(A) With regard to the Finance Documents or transactions stipulated by the Finance Documents; or

(B) In relation to the Debtor or its assets, if the total amount of all claims in all proceedings exceeds 50,000,000 Russian rubles (or its Equivalent in other currency (currencies)).

19.13.2 The Debtor does not perform or does not pay:

(A) If the period is stipulated by the law or any judgement – within the respective period; or

(B) If the respective periods are not stipulated by the law or any judgement - immediately

any amount payable by it based on any final and non-appealable court or arbitration decision rendered or awarded by any competent court or arbitration court, if the amount payable by any Debtor in the aggregate with the amounts payable by other Debtors in accordance with the said judgements, exceeds 50,000,000 Russian rubles (or its Equivalent in other currency (currencies)).

19.14 **Material Adverse Effect**

Occurrence of any event or circumstance, which, in a reasonable opinion of the Majority of Creditors, has or reasonably likely may have the Material Adverse Effect.

19.15 **Ownership Structure Chart**

19.15.1 Any change in the structure of direct or indirect ownership of participatory interests in the authorized capital of any Debtor and (or) issued ordinary shares of any Debtor as compared to the Ownership Structure Chart.

19.15.2 The Event of Default in accordance with Clause 19.15.1. shall not be deemed occurred, if due to a changes in the structure of a direct or indirect ownership of participatory interests in the authorized capital of the said Debtor and (or) issued ordinary shares of the said Debtor, the owners of the said participatory interests and (or) shares together lose the right of a direct or indirect ownership in respect of the participatory interests and (or) shares amounting in the aggregate to no more than 20 per cent of the authorized capital of the said Debtor and (or) of the total number of issued ordinary shares of the said Debtor as compared to the Ownership Structure Chart.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

19.16 **Acceleration**

In case of occurrence of any Event of Default and at any moment upon occurrence of any Event of Default, which continues, the Creditors (subject to obtaining of the Consent of the Majority of Creditors) are entitled:

19.16.1 Not to provide monetary funds to the Borrower under this Agreement; and (or)

19.16.2 To require the Borrower and (or) the Guarantor (as relevant) to perform immediate early repayment of the Outstanding Credit or any part of it, including accrued interest, commission fees, remuneration and any other amounts due and payable to the Finance Parties under the Finance Documents (and the Borrower shall immediately perform early repayment and pay all such amounts as well as ensure performance of the relevant obligations of each Guarantor); and (or)

19.16.3 Reserve the right to require the Borrower and (or) the Guarantor (as relevant) to perform immediate early repayment of the Outstanding Credit or any part of it, including accrued interest, commission fees, remuneration and any other amounts due and payable to the Finance Parties under the Finance Documents at any moment; and (or)

19.16.4 Reserve the right to levy execution on the property being a pledged item under the Security Agreements

The relevant rights shall be exercised through sending by the Credit Manager (as instructed by the Majority of Creditors) of a notice to the Borrower and other Debtors (as relevant). Any consequences stipulated by such a notice shall enter into force immediately upon sending of such a notice.

20. **CREDIT SECURITY**

20.1 **Pledge Agreements**

Each Creditor confirms hereby that it knows the content of each Pledge Agreement and approves its signing by the Pledge Manager.

20.2 **Status of the Creditors and Appointment of the Pledge Manager**

20.2.1 The Parties acknowledge and agree hereby that all Creditors, Credit Manager and Pledge Manager, also being the Creditor, have shared claims against the Borrower, and, in accordance with Article 335[1] of the Civil Code, they are joint and several co-pledgees under the Pledge Agreements having rights of equal seniority.

20.2.2 Pursuant to Article 356 of the Civil Code, each Creditor (excluding the Creditor which acts as the Pledge Manager) and the Credit Manager hereby entrust the Pledge Manager to:

(A) Conclude in the name and on behalf of the Finance Parties the Pledge Agreements with the Pledgers (including amendments to such Pledge Agreements stipulated by this Agreement or approved with the Consent of the Majority of Creditors or Consent of all Creditors in the cases stipulated by Article 26 (*Amendment of Finance Documents*));

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(B) Sign all documents required to perform registration of the relevant Pledge Agreements, encumbrances arising out of the relevant Pledge Agreements, assignment of rights under the relevant Pledge Agreements, sending of messages to a notary as well as notices about occurrence of a pledge, notices about changes in a pledge, notices about exclusion of information about a pledge (excluding the actions which in accordance with the applicable legislation or Finance Documents shall be taken by the Borrower and (or) Pledger); and

(C) Exercise all rights and duties of a pledgee under such Pledge Agreements.

For the avoidance of doubt, the Parties acknowledge that this Agreement (in its relevant part) is, among other things, the pledge management agreement. The Parties agree that the Creditor may perform functions of the Pledge Manager.

20.2.3 The Parties acknowledge and agree that, when concluding the Pledge Agreements on behalf of the Finance Parties and exercising rights and duties of a pledgee under the Pledge Agreements, the Pledge Manager shall exercise rights of a pledgee only in the interests of all Finance Parties being such Finance Parties at any time, until full performance by the Debtors of their obligations under the Finance Documents as set forth in this Agreement. Assignment of rights by the Existing Creditor (within the context of Article 21.2 (*Assignment of Rights and Transfer of Obligations by the Creditors*)) to the New Creditor shall not affect the rights and obligations of the Pledge Manager and Creditors stipulated by this Agreement.

20.2.4 The Creditors undertake hereby not to exercise independently their rights and duties as pledgees, including not to lay any claims against the Debtors and not to levy execution upon assets and property of the Pledgers, excluding cases of termination of this pledge management agreement in accordance with clause 5 of Article 356 of the Civil Code. At the same time, the Creditors and the Borrower agree to take upon request of the Pledge Manager any necessary actions (including participation in court sessions as co-claimants) and sign and issue to the Pledge Manager any necessary documents, including powers of attorney, which, in a reasonable opinion of the Pledge Manager, are required by the legislation and (or) a court to exercise rights and perform obligations of the Pledge Manager stipulated by the Finance Documents.

20.2.5 Exercising by the Pledge Manager of rights and duties of a pledgee under the Pledge Agreement shall not prevent the Pledge Manager from performing any banking transactions with the Debtors, including maintaining of banking accounts, provision of credits and attraction of deposits. If the Pledge Manager is also the Creditor under this Agreement, then it has the same rights and obligations under the Finance Documents as any other Creditor and may exercise these rights and perform obligations as if it were not the Pledge Manager.

20.2.6 The Pledge Manager shall not be liable to the Creditors for its acts (or omission) if it acts (or refrains from acts) in accordance with the Consent of the Majority of Creditors or all Creditors.

20.2.7 The Pledge Manager shall be liable to the Parties (excluding the Creditor which acts as the Pledge Manager) only for direct losses, proven in a court of law, which were caused by the Pledge Manager intentionally or as a result of gross negligence.

20.2.8 The Creditors (except for the Creditor performing the Pledge Manager’s functions) and the Pledge Manager do hereby confirm that the Pledge Manager performs its functions without and regardless of issuing a power of attorney to it.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

20.3 **Rights and Duties of the Pledge Manager**

20.3.1 The Pledge Manager shall:

(A) Conclude as a pledgee in the name and on behalf of the Finance Parties the Pledge Agreements, including amendments to such Pledge Agreements, stipulated by this Agreement or approved with the Consent of the Majority of Creditors or Consent of all Creditors in the cases stipulated by Article 26 (*Amendment of Finance Documents*)) with the Pledgers; and

(B) Exercise all rights and duties of a pledgee under the Pledge Agreements in accordance with the terms and conditions of the Finance Documents.

In particular (but not limited to this), the Pledge Manager shall take all necessary measures to perform registration of the relevant Pledge Agreements, encumbrances arising out of the relevant Pledge Agreements, assignment of rights under the relevant Pledge Agreements, sending of messages to a notary as well as notices about occurrence of a pledge, notices about changes in a pledge, notices about exclusion of information about a pledge (excluding the actions which in accordance with the applicable legislation or Finance Documents shall be taken by the Borrower and (or) the relevant Pledger) within the time-limits specified in the relevant Finance Document.

20.3.2 Immediately upon acquiring by any Creditor, other than the Original Creditors, of any rights or obligations under the Finance Documents in accordance with the provisions of Article 21.2 (*Assignment of Rights and Transfer of Obligations by the Creditors*), the Pledge Manager shall take any actions necessary to perform registration of the pledge management agreement contained in this Agreement and (or) sending to a notary of a notice about conclusion of the pledge management agreement contained in this Agreement as well as take any other actions necessary to register the Finance Parties as joint and several co-pledgees under the Pledge Agreements.

20.3.3 The Pledge Manager may at its own discretion exercise any rights of a pledgee stipulated by the Pledge Agreements, excluding a right to levy execution upon the property being a pledged item under the Pledge Agreements, which may be sold only subject to the Consent of the Majority of Creditors, which should specify judicial or non-judicial levying of execution as well as determine a method for sale of the pledged item.

20.3.4 The Pledge Manager levies execution upon the pledged item according to the procedure provided for in the relevant Pledge Agreement and at the same time:

(A) Property received by the Pledge Manager in the interests of the Finance Parties as a result of levy of execution upon a pledged item under the Pledge Agreements as well as any payments of insurance indemnity in relation to the property pledged under the Pledge Agreements shall come into the shared ownership of the Finance Parties pro rata to sizes of their claims secured by pledge and between the Creditors — according to the Pro Rata Share of each Creditor; and

(B) If, despite the provisions of Clause 20.3.4(A), the property received by the Pledge Manager in the interests of the Finance Parties as a result of levy of execution upon the pledged item under the Pledge Agreements comes into the ownership of the Pledge Manager, then the Pledge Manager undertakes to act in accordance with instructions of the Majority of Creditors subject to the relevant Consent in order to sale (alienate) the said property and distribute the received funds between the Finance Parties pro rata to the amount of their claims secured by pledge, and between the Creditors, in accordance with the Pro Rata Share of each Creditor (unless specified otherwise in the Consent of the Majority of Creditors).

20.3.5 The Monetary Funds received by the Pledge Manager as a result of levy of execution upon property being the pledged item under the Pledge Agreements as well as any payments of insurance indemnity in relation to the property pledged under the Pledge Agreements and (or) as a result of its subsequent sale pursuant to Articles 20.3.3 and 20.3.4 and the monetary funds remaining after compensation of expenses of the Pledge Manager to levy of execution and payment of any other mandatory payments shall be credited to the Account of the Pledge Manager and then shall be distributed by the Pledge Manager between the Finance Parties pro rata to sizes of their claims secured by pledge and between the Creditors — according to the Pro Rata Share of each Creditor.

20.4 **Replacement of the Pledge Manager**

20.4.1 The Creditors may, and in case of presence of signs of bankruptcy in relation to Pledge Manager or availability of petition at the court to declare the Pledge Manager bankrupt or availability of an application for liquidation of the Pledge Manager, revocation of a banking licence of the Pledge Manager, the Creditors undertake to terminate subject to the Consent of the Majority of Creditors powers of the Pledge Manager since the date specified in the relevant Consent of the Majority of Creditors and to determine a candidature of a new pledge manager from among the Creditors (excluding the Creditor exercising functions of the Pledge Manager as at the date of making of the relevant decision by the Creditors) (hereinafter referred to as the "**New Pledge Manager**"). Each Creditor and Borrower hereby gives its consent to replacement of the Pledge Manager with the New Pledge Manager in accordance with the provisions of this Article 20.4 (*Replacement of the Pledge Manager*).

20.4.2 The Pledge Manager may unilaterally refuse to perform powers of a pledge manager subject to notification by the Pledge Manager of each Creditor and Credit Manager at least 30 days prior to the anticipated date of termination of powers of the Pledge Manager. The Creditors undertake by the Consent of Majority of Creditors to determine a candidature of the New Pledge Manager on or before the anticipated date of termination of powers of the Pledge Manager.

20.4.3 The Creditors shall ensure that the New Pledge Manager started to perform its duties of a pledge manager specified in Article 20.3 (*Rights and Duties of the Pledge Manager*) since the date of termination of powers of the Pledge Manager. The Pledge Manager shall at its own cost sign and transfer any documents possessed by the Pledge Manager, which the New Pledge Manager may reasonably request for the purposes of performing its functions as the Pledge Manager under the Pledge Agreements.

20.4.4 The Parties agree that the New Pledge Manager will become a party of this Agreement as a pledge manager upon the date of signing of an agreement on making amendments to this Agreement and, in the cases stipulated by the applicable laws, to the Pledge Agreements, unless such agreement provides for any other date. Upon occurrence of the relevant date, any mention of the Pledge Manager in this Agreement will relate to the New Pledge Manager. For the avoidance of doubt, appointment of the New Pledge Manager in accordance with this Agreement shall not be a termination of the pledge management agreement within the context of Clause 20.2.4.

20.4.5 Since the date of appointment of the New Pledge Manager, the New Pledge Manager shall ensure opening of a new nominal account in favour of the Finance Parties as beneficiaries of such account and notify the Borrower and Finance Parties about replacement of the Account of the Pledge Manager.

20.4.6 The Parties agree that the provisions of this Agreement related to the rights and duties of the Pledge Manager may be changed by an additional agreement to be concluded between the Borrower, Credit Manager, Pledge Manager and Creditors (except for the Creditor which performs functions of the Pledge Manager). A content of such additional agreement shall be approved before its conclusion by the Consent of the Majority of Creditors, which may stipulate a right of a single Creditor to conclude such agreement with the Pledge Manager on behalf of and in the interests of all Creditors (except for the Creditor which performs functions of the Pledge Manager). The Creditors shall provide necessary documents and powers of attorney to ensure conclusion of a single Creditor of such additional agreement on behalf of all Creditors (except for the Creditor which performs functions of the Pledge Manager).

21. **REPLACEMENT OF THE PARTIES**

21.1 **Assignment by the Debtors**

The Borrower is not entitled to assign its rights or transfer its obligations under the Finance Documents without a prior written consent of all Creditors and the Borrower shall ensure that other Debtors do not assign their rights and do not transfer their obligations under the Finance Documents without a prior written consent of all Creditors.

21.2 **Assignment of Rights and Transfer of Obligations by the Creditors**

21.2.1 Subject to the provisions of this Article 21.2 (*Assignment of Rights and Transfer of Obligations by the Creditors*) as well as subject to compliance with the provisions of Article 16.7 (*Checking of the "Client Data"*) and the provisions of clause 7 of Article 8 of the Syndicated Credit Law, the Creditor (hereinafter referred to as the "**Existing Creditor**") may at any time:

(A) Without the prior consent of the Borrower:

(1) Fully or partially assign its rights (including any rights to take any unilateral actions under the Finance Documents) under the Finance Documents to the Central Bank of the Russian Federation with a possibility of their further transfer or assignment by the Central Bank of the Russian Federation in full or in part to any person without any restrictions;

(2) Fully or partially assign its rights (including any rights to take any unilateral actions under the Finance Documents) and (or) transfer obligations under the Finance Documents to the Affiliate of the said Creditor which meets the criteria specified in clause 3 of Article 2 of the Syndicated Credit Law; and

(3) In case of the Event of Default — fully or partially assign its rights (including any rights to take any unilateral actions under the Finance Documents) and (or) transfer obligations under the Finance Documents to any other bank, any other credit or financial institution, fund or any third party specified in clause 3 of Article 2 of the Syndicated Credit Law. The provisions of this clause (3) shall not cover assignment and (or) transfer of obligations to the Central Bank of the Russian Federation or any Affiliate of the said Creditor.

(B) Subject to a prior consent of the Borrower and in case of absence of the Event of Default — fully or partially assign its rights (including any rights to take any unilateral actions under the Finance Documents) and (or) transfer obligations under the Finance Documents to any other bank, any other credit or financial institution, fund or any third party specified in clause 3 of Article 2 of the Syndicated Credit Law. The provisions of this clause (B) shall not cover assignment and (or) transfer of obligations to the Central Bank of the Russian Federation or any Affiliate of the said Creditor,

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(hereinafter each person, to which the rights and obligations under the Finance Documents are assigned and (or) transferred in full or in part, is referred to as the "**New Creditor**").

21.2.2 For the purposes of Article 388 of the Civil Code, the Borrower hereby confirms that a personality of the Creditors has no substantial significance for it.

21.2.3 In case of assignment by the Existing Creditor of its rights and transfer of its obligations to the New Creditor in accordance with this Agreement, the Borrower and each Creditor hereby give its prior consent to a simultaneous transfer to the New Creditor of the relevant obligations of the Existing Creditor (debt transfer), if any.

21.2.4 For the purposes of clause 7 of Article 8 of the Syndicated Credit Law, the Parties agree that if the Creditor, which is at the same time the Credit Manager, assigns its rights and (or) transfers its obligations as the Creditor under the Finance Documents, the Credit Manager shall keep its powers in accordance with this Agreement, until termination of its powers in accordance with the terms and conditions of this Agreement.

21.2.5 Each Creditor may also pledge all or part of its rights under this Agreement to any person, to which assignment of the Creditor's rights is allowed under this Agreement.

21.2.6 Each Creditor may without any limitations pledge all or part of its rights to claim under this Agreement with regard to the Outstanding Credit to the Central Bank of the Russian Federation (represented by its territorial subdivisions). In case of levy of execution by the Central Bank of the Russian Federation (represented by its territorial subdivisions) upon such pledged rights to claim of the Creditor under this Agreement, the relevant rights to claim may be freely transferred or assigned in full or in part to any person without any restrictions.

21.3 **Procedure for Assignment of Rights and Transfer of Obligations**

21.3.1 Assignment of rights and (or) transfer of debt shall be performed through signing of the Creditor Rights Assignment Agreement between the Existing Creditor, New Creditor and Credit Manager.

21.3.2 On the date of signing of the Creditor Rights Assignment Agreement or on any other date specified in the Creditor Rights Assignment Agreement:

(A) The Existing Creditor assigns to the New Creditor the Existing Creditor's rights to the extent stipulated by the Creditor Rights Assignment Agreement;

(B) The New Creditor assumes the Existing Creditor's obligations transferred to it to the extent stipulated by the Creditor Rights Assignment Agreement;

(C) The Existing Creditor shall be released from its obligations to the extent, to which those obligations are assumed by the New Creditor;

(D) The New Creditor becomes the Creditor under this Agreement and will be bound by the terms and conditions of this Agreement as the Creditor, it confirms, among other things, appointment of the Pledge Manager as a pledge manager in accordance with Article 20.2 (*Status of the Creditors and Appointment of the Pledge Manager*); and

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(E) The Credit Manager:

(1) Makes any necessary amendments to the register of all Parties, which the Credit Manager maintain subject to Clause 22.4.1(K); and

(2) Sends to the Pledge Manager (if the functions of the Credit Manager and Pledge Manager are performed by different persons) a notice about assignment of rights and (or) transfer of debt.

21.3.3 Since the date of signing of any Creditor Rights Assignment Agreement or since any other date specified in the Creditor Rights Assignment Agreement, a reference in this Agreement to the Creditor includes any New Creditor.

21.3.4 The Credit Manager shall, not later than the signing date of the Creditor Rights Assignment Agreement or another date specified in the Creditor Rights Assignment Agreement, inform the Borrower and other Debtors of the assignment of rights under this Agreement and shall immediately after the signing of the Creditor Rights Assignment Agreement transfer to the Borrower and each Debtor a signed copy of the Creditor Rights Assignment Agreement.

21.4 **Payment of Interest in Case of Assignment**

Unless otherwise provided for by the Creditor Rights Assignment Agreement:

21.4.1 Interest on the Outstanding Credit, forfeit and commission fees in the amount corresponding to the Pro Rata Share of the Existing Creditor and accrued prior to the date of signing of the Creditor Rights Assignment Agreement or any other date specified in the Creditor Rights Assignment Agreement (including such date) and received from the Borrower (hereinafter referred to as the "**Accrued Amounts**") as well as any other payments specified in the Creditor Rights Assignment Agreement shall be paid by the Credit Manager to the Existing Creditor on the Interest Payment Date which immediately follows the date of signing of the Creditor Rights Assignment Agreement or any other date specified in the Creditor Rights Assignment Agreement;

21.4.2 The rights assigned by the Existing Creditor to the New Creditor will not include the right to claim the Accrued Amounts; and

21.4.3 The New Creditor will receive the amount of interest accrued on the Outstanding Credit in the amount corresponding to the Pro Rata Share of the New Creditor for the part of the Interest Period which follows the date of signing of the Creditor Rights Assignment Agreement or any other date specified in the Creditor Rights Assignment Agreement (excluding the signing date) and ends on the date of expiry of the relevant Interest Period.

21.5 **Limitation of Responsibility of the Existing Creditors**

None of the Existing Creditors provides to the New Creditor any representations and assumes any obligations towards the New Creditor with regard to:

21.5.1 Financial position of the Borrower and any other Debtor;

21.5.2 Compliance or performance by the Borrower and any other Debtor of its obligations under the Finance Documents or any other documents; or

21.5.3 Accuracy of any information contained in any Finance Document.

Each New Creditor confirms to the Existing Creditor, other Finance Parties and the Borrower that it reviewed all Finance Documents, conducted (and will continue to conduct) its own independent study on and assessment of financial condition of the Borrower and each other Debtor, and it did not rely on any information submitted to it by the Existing Creditor while taking decision on signing the Creditor Rights Assignment Agreement.

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22. **FINANCE PARTIES**

22.1 **Procedure for Decision-Making by the Creditors. Consents of the Creditors**

22.1.1 The Creditors hereby agree that in the cases expressly stipulated by this Agreement or other Finance Documents the Creditors may exercise their rights under this Agreement or take any actions only subject to availability of the consent of the Majority of Creditors or all Creditors (hereinafter referred to as the "**Consent**").

22.1.2 A decision to provide the Consent shall be made by the Creditors through voting, the procedure for which is stipulated by this Article 22.1. In such a case, the provision of Article 9^1 (*Decisions of Meetings*) of the Civil Code shall not apply.

22.1.3 In all cases, when the Creditors vote for the purposes of the Finance Documents, a vote of each Creditor is equal to its Pro Rata Share.

22.1.4 The Credit Manager may, upon its own initiative, or shall, upon a request by any Creditor or Borrower, put an issue to a vote and in such a case it shall inform all Creditors (other than the Creditor being the Credit Manager) about an issue being put to a vote (hereinafter referred to as the "**Issue Put to a Vote**") through sending of a notice containing a description of such Issue Put to a Vote and any other information, which is necessary in the Credit Manager's opinion (hereinafter referred to as the "**Notice about Putting to a Vote**"). The Notice about Putting to a Vote shall specify a period for sending to the Creditors notices containing results of voting of each Creditor with regard to the Issues Put to a Vote (hereinafter each of such notices is referred to as the "**Notice about the Creditor's Decision**"). Such a period may not be less than five Business Days, except for the cases when it follows from the circumstances of the Issues Put to a Vote that the Creditors' votes are required within a shorter period.

22.1.5 The Notice about the Creditor's Decision shall be signed by the authorized person of the relevant Creditor and shall contain an unambiguous answer of the Creditor with regard to the question whether such Creditor votes for or against granting of the Consent to each of the relevant Issues Put to a Vote. The Credit Manager shall not check powers of the person having signed the Notice about the Creditor's Decision and may presume that such person was authorized, if until the date of sending the relevant Notice about the Creditor's Decision the relevant Creditor did not informed the Credit Manager that such a person is not an authorized representative of the relevant Creditor.

22.1.6 If any Creditor (other than the Creditor being the Credit Manager) did not sent within the period specified in the Notice about Putting to a Vote the relevant Notice about the Creditor's Decision, the Credit Manager considers that such Creditor voted against provision of the Consent with regard to the relevant Issues Put to a Vote.

22.1.7 Upon the expiry of the period for sending the Notices about the Creditor's Decision stipulated by the relevant Notice about Putting to a Vote, the Credit Manager shall within five Business Days determine a number of votes of the Creditors for provision of the Consent with regard to each relevant Issue Put to a Vote and shall send to the Creditors and the Borrower a notice of the voting results with regard to each of the Issues Put to a Vote (hereinafter referred to as the "**Notice of the Voting Results**").

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22.1.8 If in accordance with the provisions of the Finance Documents, the Consent with regard to the Issue Put to a Vote requires votes of the Majority of Creditors (but not all Creditors), the Credit Manager shall (irrespective of expiration of the period specified in the relevant Notice about Putting to a Vote) send the Notice of the Voting Results within five Business Days upon receipt of the Notice about the Creditor's Decision, from which follows that the Majority of Creditors voted for provision of such Consent or that provision of such Consent was voted against by the Creditors, votes of which are sufficient to prevent provision of such Consent by the Majority of Creditors.

22.1.9 If provision of the Consent was voted for by the Creditors, votes of which, in accordance with the Finance Documents, are sufficient to provide such Consent, such Consent shall be deemed effective upon sending by the Credit Manager of the Notice of the Voting Results, unless any later effective date is specified in the relevant Notice of the Voting Results.

22.1.10 Notices about Putting to a Vote, Notices about the Creditor's Decision and Notices of the Voting Results shall be sent by e-mail to the e-mail addresses specified in Article 24.2 (*Addresses*).

22.1.11 Except as otherwise expressly provided by any Finance Document, any Consents provided according to the procedure stipulated in this Article 22.1 are mandatory for all Finance Parties.

22.1.12 For the avoidance of doubt, the Creditors hereby entrust the Credit Manager and the Credit Manager agrees to act subject to a prior consent of the Majority of Creditors or of all Creditors subject to the relevant Consent of the Majority of Creditors or of all Creditors, in the cases when availability of such Consent is expressly provided for by this Agreement.

22.1.13 The Credit Manager may refuse to take any actions based on the instructions of the Majority of Creditors (or, as applicable, of all Creditors) until obtaining of such security, which it may require in relation to any costs, losses or liabilities (together with any relevant VAT amount), which it may incur due to compliance with such instructions.

22.1.14 For the avoidance of doubt, a consent of the Credit Manager to any actions or omissions during the process of designating any documents as the Finance Documents, any consent of the Credit Manager within the context of Articles 15 (*Warranties and Representations*), 16 (*Undertakings to Provide Information*), 17 (*Undertakings to Comply with the Financial Indicators*), 18 (*General Obligations*), 19 (*Events of Default*), 27.4 (*Obligations of the Borrower*) as well as agreeing upon the form and content of the documents being submitted under this Agreement (if it is provided for that they shall be agreed upon with the Creditors or Credit Manager or if there is a requirement that they shall be acceptable for the Creditors or Credit Manager) shall be provided or not provided by the Credit Manager on the basis of the Consent of the Majority of Creditors (or all Creditors, in the cases expressly stipulated by this Agreement).

22.1.15 In the absence of instructions from the Majority of Creditors (or, if appropriate, from all Creditors), the Credit Manager may act (or refrain from taking actions) as it considers to be in the interests of the Creditors.

22.1.16 The Credit Manager shall be liable to the Parties (except for the Creditor performing functions of the Credit Manager) only for direct losses, proven in a court of law, which were caused by the Credit Manager intentionally or as a result of gross negligence.

22.1.17 Provisions of this Article 22.1 do not apply to agreeing upon the form and content of the documents submitted in accordance with Article 4.1 (*Initial Requirements*).

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22.2 Votes of the Creditors not Taken into Account when Making Decisions

22.2.1 In this Article, "**Related Party**" means the Borrower, each other Debtor and Affiliate of any of them and any other person, which, in the opinion of the Majority of Creditors, acts in the interests of the Borrower or any Debtor against interests of the Creditors.

22.2.2 If the Related Party:

(A) Is the Original Lender; or

(B) Concluded any agreement for participation (subparticipation) in the Credit (or any similar agreement) with any Creditor,

Then when determining votes of the Majority of Creditors or all Creditors for the purposes of making decisions and (or) provision of consents under this Agreement, a vote and share of the Related Party (or the Creditor, with which the Related Party concluded an agreement for participation (subparticipation) in the Credit (or any similar agreement) with regard to participation of the Related Party)

shall not be taken into account.

22.2.3 If the Creditor assigns its rights under this Agreement to the Related Party or concludes an agreement for participation (subparticipation) in the Credit (or any similar agreement) with the Related Party (and the Creditor knows this), it shall immediately inform the Credit Manager about such assignment or conclusion of an agreement for participation in the Credit (or any similar agreement) as well as, in case of termination of such an agreement, about such termination.

22.2.4 The Credit Manager shall not send the Related Party any information related to making of decisions and (or) provision of consents of the Creditors.

22.2.5 Each Creditor being a Related Party shall immediately inform the Credit Manager about its status.

22.2.6 The Credit Manager is not obliged to check whether the Creditor is a Related Party or whether the Related Party is a party to an agreement for participation (subparticipation) in the Credit (or any similar agreement) and may rely upon the relevant notice from the Creditor (or its absence).

22.3 **Appointment of the Credit Manager**

22.3.1 The Parties agree that the Creditor may perform functions of the Credit Manager. Each Finance Party (excluding the Creditor which performs functions of the Credit Manager) appoints hereby the Credit Manager as its attorney for the entire period of this Agreement and entrusts it with performance of actions stipulated by the Finance Documents on behalf and at the expense of such Finance Party.

22.3.2 For the avoidance of doubt, the Parties confirm that the Creditor performing functions of the Credit Manager has the same rights and obligations under the Finance Documents as any other Creditor and may exercise these rights, including a voting right when providing the Consents, and perform obligations as if it were not the Credit Manager.

22.3.3 Exercising by the Credit Manager of its duties under this Agreement and other Finance Documents shall not prevent the Credit Manager from performing any banking transactions with the Borrower and any Debtor, including maintaining of banking accounts, provision of credits and attraction of deposits.

22.3.4 If the compensation amount received from the Creditors (excluding the Creditor which performs functions of the Credit Manager) does not cover the amount of expenses or losses incurred by the Credit Manager due to performance by it of the functions of the Credit Manager in accordance with the terms and conditions of the Finance Documents, the Credit Manager may lodge a claim against the Creditors (excluding the Creditor which performs functions of the Credit Manager) and each Creditor (excluding the Creditor which performs functions of the Credit Manager) undertakes within 15 Business Days upon lodging of a claim by the Credit Manager compensate it in the amount corresponding to its Pro Rata Share for any documented expenses or losses incurred by the Credit Manager (excluding cases of gross negligence or wilful misconduct) due to performance by it of the functions of the Credit Manager in accordance with the terms and conditions of the Finance Documents to the extent not covered by the compensation amount previously received by the Credit Manager from any Debtor.

22.3.5 The Credit Manager shall not be liable to the Creditors for its acts (or omission) in accordance with the Consent of the Majority of Creditors or the Consent of all Creditors.

22.3.6 The Credit Manager shall be liable to the Finance Parties (except for the Creditor performing functions of the Credit Manager) only for direct losses proven in a judicial proceeding, which were caused by the Credit Manager intentionally or as a result of gross negligence.

22.3.7 If the terms and conditions of the Agreement do not require the Consent of the Majority of Creditors or Consent of all Creditors, the Credit Manager may act (or refrain from taking actions) as it considers necessary but in the best interest of the Creditors..

22.4 **Duties of the Credit Manager**

22.4.1 Subject to Clause 22.4.2, each Finance Party (excluding the Credit Manager) entrusts the Credit Manager and the Credit Manager agrees to perform the following actions:

(A) Maintain accounting of the monetary funds provided to the Borrower by each Creditor in accordance with this Agreement;

(B) Obtain to the Account of the Credit Manager any payments due to the Finance Parties from the Debtors under the Finance Documents and transfer any amounts obtained from the Debtors to the relevant Finance Party in accordance with the terms and conditions of this Agreement;

(C) Obtain to the Account of the Credit Manager any amounts of the Credit from the Creditors and transfer any amounts obtained from the Creditors to the Borrower in accordance with the terms and conditions of this Agreement;

(D) Notify the Borrower and Creditors about an interest rate for each Interest Period;

(E) Sign on behalf of all Finance Parties any amendments to this Agreement as well as any consents, confirmations, waivers of rights and other documents stipulated by this Agreement under the terms and conditions agreed upon in the Consent of the Majority of Creditors or all Creditors, depending on the nature of changes, consents, confirmations, waivers or other documents;

(F) Inform the Creditors about compliance (non-compliance) by the Borrower of the requirements stipulated by this Agreement as a condition for submission of the Drawdown Request;

(G) Send to the relevant Party an original or copy of any document received by the Credit Manager from any other Party for transfer to this Party, in such a case the Credit Manager is not obliged to review or check the adequacy, accuracy or completeness of such document;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(H) Notify the Finance Parties about receipt of a message from any Party containing a description of any event or circumstance and assertion that such event or circumstance is a Default;

(I) Inform the Creditors about receipt by the Credit Manager of the Borrower's request to provide a waiver of exercising rights under this Agreement;

(J) Arrange provision of the Consents by the Majority of Creditors or all Creditors upon its own initiative or upon request of any Creditor or the Borrower;

(K) Maintain the register of all Parties (specifying addresses, contact details of all Creditors at each point of time and the Pro Rata Share of each Creditor) and provide a copy of such register for informational purposes upon request of any Party;

(L) Inform the Creditors about non-payment by the Borrower or other Debtor of any amount of the Outstanding Credit, interest, remuneration or other amounts payable to any Finance Party (other than the Credit Manager or Pledge Manager) under the Finance Documents;

(M) In case of termination of powers of the Credit Manager, transfer to the New Credit Manager (as defined in Clause 22.5.5) all documents possessed by the Credit Manager, received by the Credit Manager from the Parties or created by the Credit Manager during performance of its duties;

(N) In case of the Event of Default, inform the Creditors about an amount of indebtedness of the Borrower under this Agreement as at the relevant date and transfer to the Creditors any documents required to lodge a claim to the Debtors under the Finance Documents; and

(O) Perform any other actions (or refrain from any actions) which are stipulated by this Agreement and other Finance Documents or required for exercising by the Creditors of their rights under this Agreement or other Finance Documents upon receipt of the relevant Consent of the Majority of Creditors or all Creditors, as the case may be.

22.4.2 The Credit Manager is entitled to not exercise any rights and powers granted to it in accordance with Clause 22.4.1, if the Consent of the Majority of Creditors or Consent of all Creditors is required for exercising of such rights and powers in accordance with the terms and conditions of this Agreement and the Credit Manager did not receive such Consent of the Majority of Creditors or Consent of all Creditors according to the procedure stipulated by this Agreement.

22.5 **Termination of Powers of the Credit Manager**

22.5.1 The Credit Manager may, having notified other Finance Parties and the Borrower at least ten Business Days in advance, refuse to perform the duties of the Credit Manager, subject to compliance with the provisions of clause 7 of Article 8 of the Syndicated Credit Law. In such a case, the Majority of Creditors (upon obtaining the Borrower's consent) may appoint a successor of the Credit Manager.

22.5.2 The retiring Credit Manager shall, at its own cost, provide to the successor Credit Manager any documents possessed by the Credit Manager and provide such assistance as the successor Credit Manager may reasonably request for the purposes of performing its functions as the Credit Manager under the Finance Documents.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

22.5.3 Subject to the Consent of the Majority of Creditors, the Creditors may terminate the powers of the Credit Manager. No consent of the Credit Manager, the Borrower or other Debtors is required for such termination.

22.5.4 In case of revocation of a banking licence of the Credit Manager:

(A) Powers of the Credit Manager shall be automatically terminated from the date of revocation of a banking licence; and

(B) The Credit Manager or any Creditor having obtained information about revocation of a banking licence of the Credit Manager shall notify about this other Parties (hereinafter the "**Licence Revocation Notice**") within the Business Day following the day when the Credit Manager or such Creditor obtained information about revocation of a banking licence of the Credit Manager.

22.5.5 In case of termination of powers of the Credit Manager upon its own initiative or upon an initiative of the Creditors, the Creditors shall, subject to the Consent of the Majority of Creditors, appoint a new Credit Manager from among the Creditors (excluding the Creditor performing functions of the Credit Manager as at the date of making by the Creditors of the relevant decision) and exclusively in the absence of the Default, and provided that such person is the Acceptable Creditor) (hereinafter referred to as the "**New Credit Manager**") and each Finance Party and the Borrower (the Borrower undertakes to ensure the same in relation to other Debtors) hereby confirms its consent to such possible appointment. In their Consent, the Creditors shall determine a date for termination of powers of the Credit Manager and the procedure for sending by the New Credit Manager a notice of termination of powers of the Credit Manager to other Parties (hereinafter referred to as the "**Powers Termination Notice**"). And in a case of termination of powers of the Credit Manager upon an initiative of the Credit Manager its powers shall automatically terminate in ten Business Days after sending by the Credit Manager of a notice in accordance with Clause 22.5.1, unless an earlier date is stipulated by the Consent of the Creditors or the Credit Manager does not agree to a later date for termination of powers.

22.5.6 The Parties agree that the New Credit Manager will become a party of this Agreement as the Credit Manager upon granting of the Consent of the Majority of Creditors to appointment of the New Credit Manager upon the date of signing of an agreement on making relevant amendments to this Agreement, unless such agreement provides for any other date (hereinafter referred to as the "**Date of the New Credit Manager Accession**"). After this, any mention of the Credit Manager in this Agreement will relate to the New Credit Manager.

22.5.7 Since the Date of the New Credit Manager Accession, the New Credit Manager shall ensure opening of a new account and notify the Borrower and Finance Parties about replacement of the Account of the Credit Manager.

22.5.8 Since the date of termination of powers of the Credit Manager and until the Date of the New Credit Manager Accession, the Parties hereby agree that functions of the credit manager under this Agreement shall be temporarily performed by the Creditor with the maximum Pro Rata Share or, in absence of such Creditor, the Creditor appointed in accordance with the Consent of the Majority of Creditors (hereinafter referred to as the "**Temporary Credit Manager**").

22.5.9 The Parties agree that upon the date of obtaining by the Borrower of the Powers Termination Notice or Licence Revocation Notice and until the Date of the New Credit Manager Accession, the Borrower shall make all payments stipulated by this Agreement to the account of the Temporary Credit Manager.

22.5.10 If the Credit Manager, whose powers were terminated due to any reasons, receives any payments from the Parties, its shall, subject to compliance with the requirements of the applicable legislation, within two Business Days transfer such payments to the Temporary Credit Manager in order to transfer the relevant amounts to the Party, to which they were due.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

22.6 **Pledge Manager**

22.6.1 The Parties agree that the Pledge Manager is the Finance Party, the status, rights and obligations of which are determined in Article 20 (*Credit Security*).

22.6.2 For the purposes of clause 3 of Article 4 of the Syndicated Credit Law, the Parties hereby confirm that the Credit Manager may perform functions of the Pledge Manager in accordance with the provisions of this Agreement.

23. **PAYMENT MECHANISM**

23.1 **Payments to the Credit Manager**

23.1.1 Unless otherwise expressly provided for by the Finance Documents:

(A) On each date, on which the Borrower, other Debtor or the Finance Party shall, pursuant to the terms and conditions of any Finance Document, make any payment to any Party, the Borrower, relevant Debtor (and the Borrower undertakes to ensure performance of the relevant duty by the said Debtor) or Finance Party shall transfer the relevant amount to the Account of the Credit Manager (unless the context of the Finance Document otherwise requires) with valuating on the due date of payment;

(B) The Debtor's monetary obligation to the Finance Party shall be deemed as performed upon crediting the relevant amount in the proper currency to the Account of the Credit Manager.

23.1.2 All payments being made by the Debtor under any Finance Document shall be transferred to the Account of the Credit Manager until 11:00 a.m.. Any payments coming to the Account of the Credit Manager later than the specified time shall be deemed obtained on the following Business Day.

23.1.3 Unless otherwise expressly provided for by the Finance Documents, on each date, on which the Finance Party shall, pursuant to the terms and conditions of any Finance Document, make any payment to any Party, the Finance Party shall transfer the relevant amount to the Account of the Credit Manager (unless the context of the Finance Document otherwise requires) with crediting on the due date of payment.

23.1.4 If for payment of any amount under the Finance Documents any period is stipulated, during which such amount shall be paid, then such amount shall be paid on or before the last Business Day of such a period.

23.2 **Distribution by the Credit Manager of the Funds Received**

23.2.1 Any monetary funds received by the Credit Manager from the Debtor in discharge of its obligations towards the Creditors under the Finance Documents shall be distributed between the Creditors:

(A) In relation to each Credit, interest on the Credit and relevant amounts of forfeit — based on a participation share of each Creditor in the provided Credit;

(B) In any other aspects, unless this Agreement provides for otherwise, — according to the Pro Rata Share of each Creditor.

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23.2.2 Each amount of monetary funds obtained at the Account of the Credit Manager for other Finance Party shall be transferred by the Credit Manager on or before the next Business Day to the Finance Party, for which this monetary amount was intended:

(A) For the Original Creditor — as per the contact details specified in Annex 1 (*List of the Original Creditors*); and

(B) For other Creditors — as per the details specified in the relevant Creditor Rights Assignment Agreement,

Or to any other account according to the details provided by the relevant Creditor to the Credit Manager at least three Business Days prior to the payment date. The Credit Manager shall transfer the applicable amount to the relevant Party after it satisfies itself that it obtained the required amount in full.

23.2.3 Each amount to be transferred to the Party may be rounded by the Credit Manager to the second digit after the dot in accordance with the mathematical rounding rules. For the avoidance of doubt, when calculating the Pro Rata Shares, rounding off shall not be used.

23.2.4 The Credit Manager shall not pay interest for using of monetary funds received by it from any Party in connection with performance by the Credit Manager of its functions under this Agreement.

23.3 **Partial Payments**

23.3.1 If the Credit Manager receives an amount insufficient to repay in full all amounts payable by the Debtor under the Finance Documents from time to time, the Credit Manager shall use such an amount to discharge the Debtor's obligations under the Finance Documents in the following order of priority, unless otherwise provided for by the legislation:

(A) **Firstly**, to compensate the Finance Parties for non-paid expenses incurred by the Finance Parties in connection with the Finance Documents;

(B) **Secondly**, to pay accrued interest under the Outstanding Credit, commission fees and remunerations due but not paid to the Finance Parties under the Finance Documents;

(C) **Thirdly**, to repay a due amount of the Outstanding Credit as at the relevant date;

(D) **Fourthly**, for payment of any other amounts payable by the Debtor under the Finance Documents; and

(E) **Fifthly**, for payment of an accrued forfeit.

23.3.2 Taking into account the statutory requirements, the Credit Manager may subject to the Consent of the Majority of Creditors change the order of priority stated in Clause 23.3.1.

23.4 **Payments Bypassing the Credit Manager**

Transfer by the Debtor of any Monetary Funds towards the payments due to the Finance Parties under the Finance Documents, bypassing the Account of the Credit Manager, is not a proper performance by the Debtor of its obligations under the Finance Documents, excluding remuneration and any other payments due to the Creditor performing functions of the Credit Manager or Pledge Manager in relation to provision of services of a credit manager or pledge manager, if the relevant agreement provides for direct payment of the relevant remuneration or any other payments, bypassing the Account of the Credit Manager. If the Creditor receives any payment, which is due to it under the Finance Document, directly from the Debtor (but not from the Credit Manager), such Creditor shall transfer on the same Business Day the amount received by it from the Debtor to the Account of the Credit Manager for its distribution between all Finance Parties according to their Pro Rata Share pursuant to the procedure stipulated by Article 23.3 (*Partial Payments*). After that, the Debtor will be deemed as performed its monetary obligations under the relevant Finance Document only to the extent of the amount which was received by all Finance Parties from the Credit Manager in accordance with the provisions of this Article.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

23.5 **No Set-Off**

23.5.1 The Borrower undertakes (and shall ensure the same on the part of any other Debtors) to make any payments under the Finance Documents without set-off of any similar counter claims, which the Debtor may have against any Finance Party.

23.5.2 Full or partial discharge of obligations under the Finance Documents through a set-off (including through debiting by a bank of monetary funds from the client’s account) is not allowed.

23.6 **Payment Currency**

23.6.1 Except as otherwise expressly stated in the Finance Document, the Borrower shall ensure on its part and on the part of other Debtors making of all payments under this Agreement in Russian ruble, excluding compensation to the Finance Parties of any expenses incurred in relation to the Finance Documents, which shall be paid in the currency, in which they were incurred.

23.6.2 If due to changes in the legislation of any jurisdiction any Party cannot make and (or) accept payments under the Finance Documents in the currency, in which expenses in relation to the Finance Documents were incurred, the relevant Party shall as soon as possible notify other Parties about this and payments to such Party and from such Party shall be made in Russian rubles, in the amount of the Equivalent as at the payment date.

23.6.3 Monetary obligations of the Debtor shall be deemed as performed only if the relevant amounts are obtained by the Credit Manager in proper currency in accordance with the Finance Documents (hereinafter referred to as the "**Currency of the Agreement**"). If any amounts under this Agreement are received towards obligations of the Debtor in a currency other than the Currency of the Agreement and the Credit Manager converts the received amount into the Currency of the Agreement, the Borrower shall ensure on its part and on the part of other Debtors:

(A) Compensation to the Credit Manager of its expenses related to conversion (at the internal exchange rate of the Credit Manager) of the received amount to the Currency of the Agreement; and

(B) Performance of monetary obligations of the Debtors in the amount corresponding to a difference between the amount payable by the Debtor in the Currency of the Agreement and the amount received by the Credit Manager as a result of conversion of funds received from the Debtor into the Currency of the Agreement.

23.7 **Payments Due Dates**

Unless any Finance Document stipulates a due date for any payment, such payment shall be made within three Business Days upon receipt from the Credit Manager of a request of the relevant Finance Party.

23.8 **Business Days**

23.8.1 If the last day of the period for performance of the monetary obligation under the Finance Document falls on the day which is not a Business Day, the day of ending of a period for performance of such monetary obligation shall be deemed the next following Business Day.

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23.8.2 Within the said period of extension of performance of the monetary obligation under the Finance Document, if interest is to be accrued on the relevant payment amount, then such interest shall be accrued at the rate, which was applied in relation to such amount as at the initial payment date.

23.8.3 The procedure stipulated by Clauses 23.8.1 and 23.8.2 shall not apply to any Final Repayment Date. If any Final Repayment Date falls on the day which is not a Business Day, then the relevant Final Repayment Date shall be deemed the immediately preceding Business Day.

24. **NOTICES**

24.1 **Written Form**

Any messages sent by the Parties under the Finance Documents shall be made in writing and may be sent by courier, by post with a delivery receipt or by email. For the purposes of this Agreement, a message sent by electronic means of communications shall be deemed a written message. If the Financial Document expressly provides for the delivery of any document in original or another specific form, such document must be provided in the relevant form.

24.2 **Addresses**

24.2.1 Save as stipulated below, the contact details of each Party for all messages in connection with this Agreement shall be the details of which such Party has notified the Credit Manager for this purpose.

24.2.2 Contact details of the Borrower:

Irealtor LLC

Address: 27, Elektrozavodskaya str., bldg.8, prem.I, floor 5, Moscow 107023

E-mail address: [***]@cian.ru, [***]@cian.ru

Attention of: [***]

24.2.3 Contact details of the Credit Manager:

[***] JSC

Address: 17, Troitskaya str., bldg.1, Moscow 129090

E-mail address: [***]@raiffeisen.ru;

[***]@raiffeisen.ru;

[***]@raiffeisen.ru;

Syndicate_info@raiffeisen.ru;

[***]@raiffeisen.ru

Attention of: [***],

[***]

24.2.4 Contact details of the Pledge Manager:

Raiffeisenbank JSC

Address: 17, Troitskaya str., bldg.1, Moscow 129090

E-mail address: [***]@raiffeisen.ru;

[***]@raiffeisen.ru;

[***]@raiffeisen.ru ;

Syndicate_info@raiffeisen.ru ;

[***]@raiffeisen.ru

Attention of: [***],

[***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

24.2.5 Contact details of the Original Creditors are specified in Annex 1 (*List of the Original Creditors*).

24.2.6 Contact details of other Creditors are specified in the relevant Creditor Rights Assignment Agreement as well as are specified in the register of the Creditors, which is maintained by the Credit Manager in accordance with Clause 22.4.1(K).

24.2.7 Any Party may change its contact details by serving a corresponding prior notice on the Credit Manager at least three Business Days in advance. The Credit Manager notifies all other Parties about changes in the contact details.

24.2.8 If a Party indicates a specific department or officer as the recipient of the message, the message shall not be deemed made if such department or officer has not been indicated as the recipient.

24.2.9 If more than one email address is indicated for a Party, the email notices shall be sent to such Party to all such email addresses.

24.3 **Serving of Notices**

24.3.1 Any message or document being served by one party on the other party in connection with the Finance Document shall be deemed received:

(A) If sent by e-mail — after it has been received in a legible form;

(B) If sent by courier — upon delivery to the corresponding address; or

(C) If sent by mail — upon delivery to the corresponding address or ten Business Days after it has been left at the post office as a mailing with delivery receipt, whichever occurs earlier.

24.3.2 Clause 24.3.1 shall not apply to the documents being sent by the Borrower in accordance with Article 4 (*Requirements to the Borrower for Granting of the Credit*) (except for the Drawdown Request). The said documents shall be sent by the Borrower to the Credit Manager as original document, unless this Agreement expressly provides for otherwise, and shall be deemed as received only upon their actual receipt by the Credit Manager.

24.3.3 All notices being sent by the Borrower or to the Borrower shall be transferred through the Credit Manager. A notice transferred by the Borrower to the Finance Party through the Credit Manager shall be deemed received by the Finance Party upon its actual receipt by the Credit Manager. A notice transferred by the Finance Party to the Borrower through the Credit Manager shall be deemed received at the moment when it is deemed received by the Borrower in accordance with Clause 24.3.1.

24.3.4 A copy of any message or document being sent in accordance with subclauses 24.3.1.(B) and 24.3.1 (C), should be also sent to the respective addressee by email.

24.4 **Language**

Unless otherwise provided for by the Finance Document, any notice or message being sent by the Party in connection with any Finance Document shall be executed in Russian. For the avoidance of doubt, the text in Russian may be accompanied by a translation into another language and in such a case the text in Russian shall prevail.

25. **PARTIAL INVALIDITY**

If any provision of this Agreement is or becomes unlawful, invalid or unenforceable, this shall not affect the lawfulness, validity or enforceability of any other provision of this Agreement.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

26. **AMENDMENT OF THE FINANCE DOCUMENTS**

26.1 **Creditors' Waiver of their Rights**

26.1.1 Pursuant to the provisions of Article 450[1] of the Civil Code, the Creditors may provide a waiver of exercising of their rights under the Finance Documents, including of exercising of their rights stipulated by Article 19 (*Events of Default*).

26.1.2 A waiver by the Creditors of exercising of their rights under the Finance Documents shall be executed through sending by the Credit Manager to the Borrower of a notice about a unilateral waiver of exercising of the Creditors' rights. The said notice shall be sent by the Credit Manager to the Borrower subject to the Consent of the Majority of Creditors, excluding the cases stipulated in Clause 26.1.3.

26.1.3 Provision of a waiver of exercising by the Creditors of their rights in relation to the issues requiring the Consent of all Creditors specified in Clause 26.2.2 shall be allowed only subject to the Consent of all Creditors.

26.1.4 A waiver of exercising of rights may be provided by the Credit Manager acting under the relevant Consent of the Majority of Creditors or the Consent of all Creditors, as the case may be, and shall not entail any changes in the Finance Documents or waiver of the Creditors of exercising of any other rights under the Finance Documents in relation to similar circumstances, whether occurred or potential.

26.1.5 The Borrower may not raise objections in relation to (i) a waiver of exercising of rights provided by the Credit Manager upon request of the Borrower, and (or) (ii) non-provision by the Credit Manager of a waiver of exercising of rights upon request of the Borrower with reference to non-compliance by the Credit Manager with the procedure for agreeing upon of provision of a waiver of exercising of rights of the Creditors stipulated by this Agreement.

26.1.6 A waiver of rights of the Creditors under the Finance Documents shall be valid subject to its execution in writing and signing by the Credit Manager, excluding the cases of application of Clause 26.1.7.

26.1.7 A waiver of rights in relation to the Initial Requirement may be executed by an e-mail message from the Credit Manager, acting under the Consent of the Majority of Creditors, to the Borrower. If such a message contains terms and conditions of providing such a waiver (for instance, an obligation to submit a relevant document within a certain period), then such a waiver shall become effective upon its confirmation by a duly authorized employee of the Borrower through e-mail and the Borrower undertakes to perform (and undertakes to ensure performance by any other relevant persons) such terms and conditions and the relevant obligation shall be deemed the obligation of the Borrower under this Agreement (including for the purposes of Article 19.4 (*Other Obligations*)).

26.2 **Amendment of the Agreement**

26.2.1 Any term or condition of this Agreement may be changed with a written agreement signed by the Borrower and Credit Manager acting in accordance with the Consent of the Majority of Creditors, excluding the cases stipulated in Clause 26.2.2.

26.2.2 The terms and conditions of this Agreement and (if applicable) any other Finance Document relating to:

(A) Definition of term "Majority of Creditors" in Article 1 (*Definitions*);

(B) Delay in payment of any amount under the Finance Documents or any change in payment date of any amount under the Finance Documents;

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(C) Changes in interest rate, commission fees, remuneration or size of any other amount payable by any Debtor, excluding commission fees (remuneration) due to the Credit Manager and (or) Pledge Manager;

(D) Increase in any Credit Limit or Aggregate Credit Limit under any Instalment or extension of the Drawdown Period, changes in the drawdown schedule, repayment schedule or changes in the Final Repayment Date;

(E) Any provision of this Agreement expressly stipulating a necessity of a Consent of all Creditors;

(F) Provisions of Article 21 (*Replacement of the Parties*) and of this Article 26 (*Amendment of the Finance Documents*); and

(G) Change of the Borrower;

(H) Any issues related to termination, change and (or) replacement of the pledged item under the Pledge Agreements;

(I) Any terms and conditions of the Pledge Agreements relating to the structure of property being a subject of pledge and to a procedure for levying of execution upon pledged property; and

(J) Changes in the Currency of the Agreement (except for the cases stipulated by Clause 23.6.2),

May be changed only by written agreements signed by the Borrower, Credit Manager and (where necessary) by the Pledge Manager subject to the Consent of all Creditors.

26.2.3 Material change of circumstances described in Article 451 of the Civil Code may not be a basis for amendment or termination of this Agreement by the Pledger.

27. **CONFIDENTIALITY**

27.1 **Confidential Information**

27.1.1 Each Finance Party agrees to keep any Confidential Information confidential using all means and applying the same degree of care which such Finance Party applies to its own confidential information and not to disclose it to any third parties, excluding the cases listed in Article 27.2 (*Disclosure of the Confidential Information*).

27.1.2 Each Finance Party undertakes to take all reasonable measures to ensure that all persons, to which the Confidential Information may be disclosed (excluding disclosures in accordance with Clause 27.2.1(B)(4)), maintain a non-disclosure mode in relation to such information established by this Agreement, as if they were a Party.

27.2 **Disclosure of the Confidential Information**

27.2.1 The Finance Party may as and when necessary disclose the Confidential Information:

(A) To its Affiliates, professional advisors and auditors, if a person, to which such Confidential Information is provided, is informed in writing about its confidential nature, and there is no need in such informing if its recipient shall keep confidential such information due to his/her/its professional duties;

(B) To any persons:

(1) To which the Finance Party transfers (or intends to transfer) any of its rights and (or) obligations under the Finance Documents or which may become a new Credit Manager or new Pledge Manager and, in each case, also to professional advisors of the said persons, provided that such persons (excluding professional advisors, which shall keep confidential such information due to their professional duties) assume an obligation to keep the Confidential Information confidential under the terms and conditions stipulated by this Agreement for the purposes of such transfer or possible transfer of rights and (or) duties;

(2) With which the Finance Party concludes an agreement for participation in the Credit or any other transaction, payments under which may be made with a reference to any Finance Documents and (or) to the Borrower, Debtor, and to their professional advisors, provided that such persons (excluding professional advisors, which shall keep confidential such information due to their professional duties) assume an obligation to keep the Confidential Information confidential under the terms and conditions stipulated by this Agreement for the purposes of such participation in the Credit;

(3) Specified in a request of a prosecutor's office, court, investigative authorities, administrative, banking or currency supervisory authority (including the Central Bank of the Russian Federation), tax authority or any other state authority acting within their competence stipulated by the legislation;

(4) Who are a Party;

(5) With the prior consent of the Borrower;

(6) To any rating agency (including its professional advisors) for the purposes of assigning a rating to the Finance Documents and (or) the Borrower, if a rating agency, to which the Confidential Information is provided, is informed about its confidential nature;

(7) To the Central Bank of the Russian Federation and state authorities; and

(8) To any credit records bureau pursuant to the Credit Records Law. The Borrower does not object to submission by the Creditors to the credit records bureau of any information about the Borrower stipulated by the Credit Records Law and gives its consent to its obtaining and provision. The Borrower hereby confirms that it is informed about the Creditors' duty to provide information to credit records bureau pursuant to the legislation of the Russian Federation.

27.2.2 The Finance Parties may also inform, subject to a preliminary written consent of the Borrower, CBonds, Dealogic, Bloomberg, LoanRadar and other similar agencies and databases about the structure of the Parties, currency and amount of the credit facility under this Agreement as well as, subject to a preliminary consent of the Borrower and Credit Manager, other information in relation to this Agreement.

27.2.3 Powers of the Finance Parties to disclose the Confidential Information constituting a bank secret shall not apply to the information about transactions against accounts of the Borrower opened with the relevant Finance Party and information about cash balances on such accounts.

27.2.4 With regard to any Confidential Information related to personal data, the Borrower, being a personal data operator, entrust the Finance Parties with processing of such personal data.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

27.3 **Disclosure Notification**

27.3.1 Each of the Finance Parties agrees to inform the Borrower about the circumstances of disclosure of the Confidential Information made pursuant to Clause 27.2.1(B)(3), except for disclosure of such information to a state authority during performance by it of its general supervisory or regulating functions.

27.3.2 The Creditors hereby inform the Borrower that the information about the Borrower and this Agreement specified in article 4 of the Credit Records Law will be sent to a relevant credit records bureau in accordance with the Credit Records Law.

27.4 **Obligations of the Borrower**

The Borrower shall keep confident all terms and conditions of the Finance Documents, except for disclosure of this information to:

27.4.1 Banks through which settlements under this Agreement and other Finance Documents are made;

27.4.2 Its members;

27.4.3 Its professional advisers and auditors provided that due to their professional duties they shall maintain confidentiality with regard to relevant information or assume an obligation for maintaining confidentiality under the terms and conditions stipulated by this Agreement;

27.4.4 Its Affiliates;

27.4.5 In accordance with legal requirement, if requested by public prosecution office, court, investigative authorities, administrative, bank or currency supervision authority, tax authority or any other government authority acting within their competence stipulated by the legislation or in connection with any court or arbitration proceeding; or

27.4.6 Subject to a consent of the Credit Manager.

27.5 **Continuing Obligations**

Provisions set out in this Article 27 (*Confidentiality*) shall remain in force and continue to be binding for each Finance Party within twelve months from the date on which all amounts to be paid by the Borrower under this Agreement are paid in full.

28. **APPLICABLE LAW**

This Agreement and the rights and duties of the Parties arising out of it shall be governed by and construed in accordance with the laws of the Russian Federation.

29. **DISPUTE RESOLUTION**

29.1.1 All disputes, disagreements or claims arising out of or in connection with this Agreement, including pertaining to its entry into force, conclusion, amendment, performance, breach, termination or validity, shall be considered by the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation in accordance with its applicable rules and regulations.

29.1.2 The arbitration award shall be final for the Parties.

29.1.3 The following is excluded:

(A) Filing an application with a state court seeking a judgment to be rendered that the arbitration court lacks jurisdiction in connection with a separate resolution rendered by the arbitration court that it had jurisdiction, as a preliminary matter; and

(B) The possibility for a state court to consider a challenge of the arbitrators or termination of their powers for other reasons.

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30. **FORCE MAJEURE**

In accordance with article 401 of the Civil Code, performance by the Pledger of its obligations under this Agreement shall not terminate and may not be delayed due to force majeure.

31. **SIGNING**

This Agreement is signed by the Parties as a single document in any number of authentic counterparts (but not fewer than one counterpart for each of the Parties) of equal legal force.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 1
LIST OF THE ORIGINAL CREDITORS

Before the Pledge Registration Date (not including such date), the following Credit Limits shall be valid:

Name of the Original Creditor	Credit Limit under Instalment 1	Credit Limit under Instalment 2

Raiffeisenbank JSC Details of Raiffeisenbank JSC Beneficiary: Raiffeisenbank JSC Bank: Raiffeisenbank JSC, Moscow Location: 17, Troitskaya str., bldg.1, Moscow 129090 SWIFT code: RZBMRUMM Correspondent account: [***] Settlement account: [***] BIK: [***] Taxpayer Identification Number (INN): 7744000302 Address: 17, Troitskaya str., bldg.1, Moscow 129090 Emails: [***]@raiffeisen.ru; [***]@raiffeisen.ru; [***]@raiffeisen.ru; Syndicate_info@raiffeisen.ru; [***]@raiffeisen.ru Contact persons: [***], [***], [***], [***] or other details specified by the relevant Original Creditor in writing.	62,500,000 Russian rubles	187,500,000 Russian rubles

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Rosbank PJSC Details of Rosbank PJSC Beneficiary: Rosbank PJSC Bank: Rosbank PJSC Location: 34, Mashi Poryvaevoy str., Moscow 107078, Russia SWIFT Code: RSBNRUMM Correspondent account: [***] in GU of the Bank of Russia for CFO VTS on loan operations with legal entities: [***] BIK: [***] Address: 34, Mashi Poryvaevoy str., Moscow 107078, Russia Email: [***]@rosbank.ru, [***]@rosbank.ru Contact persons: [***] or other details specified by the relevant Original Creditor in writing.	250,000,000 Russian rubles	0 Russia rubles

After the Pledge Registration Date (including such date), the following Credit Limits shall be valid:

Name of the Original Creditor	**Credit Limit under Instalment 1**		**Credit Limit under Instalment 2**	
	From the Signing Date until November 30, 2019	**From December 1, 2019 until the last date of the Drawdown Period**	**From the Signing Date until November 30, 2019**	**From December 1, 2019 until the last date of the Drawdown Period**

Raiffeisenbank JSC Details of Raiffeisenbank JSC Beneficiary: Raiffeisenbank JSCBank: Raiffeisenbank JSC, Moscow Location: 17, Troitskaya str., bldg.1, Moscow 129090 SWIFT code: [***] Correspondent account: [***] Settlement account: [***] BIK: [***] INN: 7744000302 Address: 17, Troitskaya str., bldg.1, Moscow 129090 Emails: [***]@raiffeisen.ru; [***]@raiffeisen.ru; [***]@raiffeisen.ru; Syndicate_info@raiffeisen.ru; [***]@raiffeisen.ru Contact persons: [***], [***], [***], [***] or other details specified by the relevant Original Creditor in writing.	75,000,000 Russian rubles	100,000,000 Russian rubles	225,000,000 Russian rubles	300,000,000

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Rosbank PJSC Details of Rosbank PJSC Beneficiary: Rosbank PJSC Bank: Rosbank PJSC Location: 34, Mashi Poryvaevoy str., Moscow 107078, Russia SWIFT code: [***] Correspondent account: [***] with GU Bank of Russia for CFO VTS on loan operations with legal entities: [***] BIK: [***] Address: 34, Mashi Poryvaevoy str., Moscow 107078, Russia Email: [***]@rosbank.ru, [***]@rosbank.ru Contact persons: [***] ot other details specified by the relevant Original Creditor in writing.	300,000,000 Russian rubles	400,000,000 Russian rubles	0 Russian rubles	0 Russian rubles

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 2

REQUIREMENTS TO THE BORROWER FOR GRANTING OF THE CREDIT

1. **Finance Documents**

Each Finance Document (excluding the documents specified in clauses (c) – (e) of the definition of the term “Finance Documents”) duly signed by each Party (hereinafter for the purposes of this Appendix referred to as the “**Documents**”).

2. **Transaction Documents**

(a) A copy of each License Agreement certified by the Borrower.

(b) A copy of each Pledge Account Agreement certified by the Borrower.

(c) A copy of each Loan Agreement certified by the Borrower.

3. **Necessary Corporate Documents in Relation to the Borrower**

(a) A notarized copy of the certificate of state registration issued by the relevant registration authority in accordance with Federal Law No. 129-ФЗ dated August 8, 2001 On State Registration of Legal Entities and Individual Entrepreneurs.

(b) A notarized copy of the current edition of the Articles of Association and amendments thereto as well as the edition of the Articles of Association valid on the date of appointment of the sole executive body and the edition of the Articles of Association valid on the date of issue of the power of attorney specified below, as amended and supplemented; in each case, the Articles of Association and amendments thereto shall have a mark of their state registration.

(c) Notarized copies of the certificates (record sheets) of state registration of the Articles of Association and amendments specified above.

(d) Notarized copy of the certificate of registration with a tax authority in the territory of the Russian Federation.

(e) Copies, certified by an authorized representative, or the original or notarised copies of the decision on appointment of the sole executive body and, if applicable, the decision on extension of powers of the sole executive body.

(f) An original or a notarized copy of the specimen signature form of persons authorized to sign documents on transaction on the Borrower’s behalf;

(g) An original of the letter signed by the Borrower’s authorized representative and prepared according to the form agreed with the Credit Manager’s legal adviser, confirming, inter alia, the following:

(i) Each document (either original or copy) submitted by the Borrower or on its behalf in accordance with this Annex 2 is genuine, has full legal force, has not been amended, supplemented, replaced, cancelled, withdrawn or terminated, and no other new documents were issued in connection with the issues dealt with in this document;

(ii) Transactions stipulated by the Documents, to which the Borrower is a party, are duly approved (a consent is given to make these transactions) in accordance with the requirements of constituent documents of the Borrower and the legislation of the Russian Federation;

(ii) Assumption and performance by the Borrower of obligations under the relevant Documents do not violate any decisions of the Borrower’s management bodies;

(iv) There are no insolvency/bankruptcy proceedings against the Borrower;

(v) There are no corporate agreements, shareholders' agreements, agreements on the exercise of the members’ rights and similar agreements with regard to the Borrower, except for the Shareholders’ Agreement;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(vi) There are no persons interested in making transactions provided for by the Documents, or there are persons interested in making transactions provided for by the Documents specifying a full list of persons interested in making transactions and grounds on which each of these persons is acknowledged as interested in a transaction;

(vii) The Regulated Procurements Law does not apply to the Borrower; and

(viii) No Default or any event or circumstance which has or reasonably likely may have the Material Adverse Effect.

(h) If applicable, a notarized copy of the power of attorney in the name of representatives authorized to sign the Documents, to which the Borrower is a party.

(i) Originals of all necessary consents with regard to conclusion of the Documents, to which the Borrower is a party.

4. **Necessary documents with regard to each Guarantor**

(a) An apostilled copy of the incorporation certificate issued by the Department of Registrar of Companies in Cyprus.

(b) An apostilled copy of the Memorandum and the Articles of Association (including all amendments and supplements thereto) in Greek (stamped by the Department of Registrar) and in English.

(c) An apostilled original of the certificate of registered address issued by the Department of Registrar of Companies in Cyprus and dated by the date occurring no earlier than 30 days before the date of this Agreement.

(d) An apostilled original of the certificate of directors and secretary issued by the Department of Registrar of Companies in Cyprus and dated by the date occurring no earlier than 30 days before the date of this Agreement.

(e) An apostilled original of the certificate of shareholders issued by the Department of Registrar of Companies in Cyprus and dated by the date occurring no earlier than 30 days before the date of this Agreement.

(f) An apostilled original of the good standing certificate issued by the Department of Registrar of Companies in Cyprus and dated by the date occurring no earlier than 30 days before the date of this Agreement.

(g) An apostilled original of the no winding up certificate issued by the Department of Registrar of Companies in Cyprus and dated by the date occurring no earlier than 30 days before the date of this Agreement.

(h) A certified copy of the register of directors and secretaries dated by the date occurring no earlier than one day before the date of this Agreement.

(i) A certified copy of the register of members dated by the date occurring no earlier than one day before the date of this Agreement.

(j) A certified copy of the register of mortgage and other pledges dated by the date occurring no earlier than one day before the date of this Agreement.

(k) The original incumbency certificate which, by its form and nature, is acceptable for the Credit Manager, together with all documents submitted in accordance with such incumbency certificate.

(l) The original of the document signed by the authorized representative of the relevant Guarantor confirming, inter alia, that each document (either original or its copy) submitted by the relevant Guarantor or on its behalf in accordance with this Annex 2 is genuine, contains full and accurate information, has full legal force, has not been amended, cancelled, withdrawn or terminated, and that as at the date no earlier than the date of this Agreement no new documents were issued with regard to the issues covered by the relevant document, attaching specimen signature of each person authorized to sign the Finance Document on behalf of the relevant Guarantor.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(m) An apostilled original of the power of attorney for granting necessary powers to authorized representatives of the relevant Guarantor to sign the Finance Documents to which the relevant Guarantor is a party.

(n) The original of the decision by the Board of Directors with regard to execution of the Finance Documents to which the relevant Guarantor is a party.

(o) (With regard to Fastrunner Investments and Mimons Investments) the original of the decision of the shareholders with regard to execution of the Finance Documents to which the relevant Guarantor is a party.

(p) (With regard to Solaredge Holdings) a copy of the decision of the shareholders with regard to execution of the Finance Documents to which Solaredge Holdings is a party.

5. Documents relevant to execution of the Security Agreements

(a) Participatory Interest Pledge Agreement

(i) The original of the list of the Borrower's members containing information as at the date no earlier than 30 days before the date of the Participatory Interest Pledge Agreement.

(ii) A copy of the decision by the general meeting of members of the Borrower, certified by the Borrower's authorized representative, on approval of the pledge stipulated by the Participatory Interest Pledge Agreement.

(iii) A confirmation of sending a notice by the notary to the federal tax authority to make an entry in the Unified State Register of Legal Entities concerning creation of the pledge in accordance with the Participatory Interest Pledge Agreement.

(iv) A copy of the list of the Borrower’s members certified by the Borrower’s authorized representative confirming (A) the title of Mimons Investments to the share in the Borrower’s authorized capital transferred in pledge in accordance with the Participatory Interest Pledge Agreement; (B) recording in the register of the Borrower’s members of the pledge created in accordance with the Participatory Interest Pledge Agreement; and (C) the absence of any Encumbrances with regard to interests being the pledged item under the Participatory Interest Pledge Agreement, excluding the Encumbrance created in accordance with the Participatory Interest Pledge Agreement.

(v) A certified copy of the Register of Mortgage and Other Pledges of Mimons Investments confirming making of an entry on the Participatory Interest Pledge Agreement.

(b) Share Pledge Agreements

With regard to each Share Pledge Agreement:

(i) All share certificates for initial shares (in accordance with their definition in the relevant Share Pledge Agreement);

(ii) Blank transfer instrument signed, undated and made according to the form provided for by the relevant Share Pledge Agreement;

(iii) Signed irrevocable power of attorney in the name of the pledge holder according to the form provided for by the relevant Share Pledge Agreement;

(iv) Signed and undated statements of voluntary early termination of powers (resignation) by directors and officers of Fastrunner Investments and Mimons Investments;

*** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.***

(v) Letters of obligations and powers executed substantially according to the form specified in the relevant Share Pledge Agreement and signed by all directors and officers of Fastrunner Investments and Mimons Investments;

(vi) A certified copy of the decision on pledge approval and shares transfer made in writing by the Boards of Directors of Fastrunner Investments and Mimons Investments and executed substantially according to the form specified in the relevant Share Pledge Agreement;

(vii) Certificate confirming making of an entry on the pledge executed substantially according to the form specified in the relevant Share Pledge Agreement and a certified copy of the register of members;

(viii) Signed undated confirmations of a secretary issued by Fastrunner Investments and Mimons Investments with regard to submission to the Department of Registrar of Companies in Cyprus of information on changes in composition of officers and shareholders in case of levying of execution upon the pledged item under the relevant Share Pledge Agreement;

(ix) A certified copy of the Register of Mortgage and Other Pledges of the relevant Pledger confirming making of an entry on the Participatory Interest Pledge Agreement pursuant to clause 99(1) of the Companies Law of the Republic of Cyprus, Chapter 113; And

(x) exclusively in respect of each Share Pledge Agreement relating to the shares in Mimons Investments – the original of the waiver of the shareholders of their pre-emptive right to acquire shares.

(c) Account Pledge Agreements

The Credit Manager's evidence of opening of the Borrower's accounts with regard to which the Account Pledge Agreements are concluded.

(d) Intellectual Property Items Pledge Agreements

(i) With regard to each Trade Mark — a copy duly certified by the Borrower, of the certificate of registration of an exclusive right to each Trade Mark.

(ii) With regard to the pledged item under the Software Rights Pledge Agreement — a copy duly certified by the Borrower, of the certificate of registration of computer programs and databases registered with Rospatent.

(iii) With regard to the pledged item under the Licence Agreements Rights Pledge Agreement:

(1) A duly certified copy of the notice of pledge occurring in accordance with the Licence Agreements Rights Pledge Agreement sent by the Borrower to Fastrunner Investments and containing a confirmation of receiving such pledge notice duly signed by Fastrunner Investments; and

(2) A duly certified copy of Fastrunner Investments's consent to the pledge occurring in accordance with the Licence Agreements Rights Pledge Agreement.

(iv) A duly certified copy of the notice on disposal of exclusive rights to the Trade Marks, duly signed by the respective Pledger, submitted to Rospatent for registration.

(v) A duly certified copy of the notice on disposal of rights under the Licence Agreements, duly signed by the respective Pledger, for the purposes of submission of the said notice to Rospatent for registration.

*** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.***

(vi) A duly certified copy of each application for registration of the pledge arising from the Trade Marks Pledge Agreement and Licence Agreements Rights Pledge Agreement, with the stamp of Rospatent, as well as duly certified copy of the extract issued by Rospatent and confirming the acceptance by Rospatent of each application mentioned above.

(vii) An original of each notarized irrevocable power of attorney issued by the Borrower in accordance with each Intellectual Property Items Pledge Agreement, to which the Borrower is party, and a copy of a notarized irrevocable power of attorney issued by Fastrunner Investment in accordance with the Trade Marks Rights Pledge Agreement.

(viii) A certified copy of the Register of mortgage and other pledges of Fastrunner Investments confirming that an entry on the Trade Marks Rights Pledge Agreement is made.

6. Legal Opinions

(a) Legal opinion prepared by Herbert Smith Freehills CIS LLP, a legal adviser of the Credit Manager regarding Russian legislation in relation to the Finance Documents.

(b) Legal opinion prepared by Alexandros Economou LLC, a legal adviser of the Credit Manager regarding Cypriot legislation in relation to the Finance Documents.

7. Other documents and evidence

(a) A copy, certified by the Borrower, of the Borrower's Original Financial Statements with relevant breakdowns.

(b) Documents confirming payment of a commission fee provided for by Article 12.2 (*Credit Fee*) and expenses due and payable by the Borrower under the Finance Documents before sending the Drawdown Request with regard to the first Drawdown Date.

(c) Originals of the Borrower's written consent (in the quantity equal to the quantity of the Original Creditors) for receiving of a credit report on the Borrower, stipulated by the Credit Records Law, by each Creditor from any credit bureau included in the state register of credit records bureaus.

(d) Documents required for the Creditors to check the "client data" or similar procedures for checking the client in relation to each Debtor.

(e) Documents which, by their form and content, satisfy the Credit Manager and confirm sending of instructions with regard to the transfer by the Borrower of monetary funds in accordance with Clause 3.1.2. of Article 3 (*Purpose*).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 3
DRAWDOWN REQUEST FORM

DRAWDOWN REQUEST

Sender: [*name of the Borrower*]

Recipient: [*name of the Credit Manager*]

Date: [•]

Dear Sirs,

DRAWDOWN REQUEST

Syndicated Credit Agreement dated July 31, 2019 (hereinafter referred to as the "Agreement")

1. We refer to the Agreement. The terms defined in the Agreement have the same meaning in this Drawdown Request unless given a different meaning in this Drawdown Request.

   We kindly ask to grant the Credit on the following terms and conditions:

   Instalment: [·]

   Drawdown Date: [·]

   Currency of the Credit: Russian ruble

   Amount: [·]

2. We confirm that as at the date of this Drawdown Request all Initial Requirements and all warranties and representations listed in Article 15 (*Warranties and Representations*) of the Agreement remain accurate.

3. Funds under this Credit shall be transferred to [*please specify details of the relevant Borrower's Account*].

4. This Drawdown Request is irrevocable.

Yours faithfully,

____

authorized representative

[name of the Borrower]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 4
CREDITOR RIGHTS ASSIGNMENT AGREEMENT FORM

AGREEMENT
FOR ASSIGNMENT OF RIGHTS TO CLAIM [AND TRANSFER OF DEBT]

dated [●] 20_____

BETWEEN
[THE EXISTING CREDITOR]
[THE NEW CREDITOR]
AND
[THE CREDIT MANAGER]

1. INTERPRETATION 88

2. SUBJECT MATTER OF THE CREDITOR RIGHTS ASSIGNMENT AGREEMENT 89

3. PROCEDURE FOR PERFORMANCE OF OBLIGATIONS OF THE PARTIES 89

4. REMUNERATION OF THE CREDIT MANAGER AND PLEDGE MANAGER 90

5. PAYMENTS 90

6. NOTICES 91

7. APPLICABLE LAW 91

8. DISPUTE RESOLUTION 91

9. EXECUTION 91

10. DETAILS OF THE NEW CREDITOR 91

ANNEX 1 92

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

THIS AGREEMENT FOR ASSIGNMENT OF RIGHTS TO CLAIM [AND TRANSFER OF DEBT] (hereinafter referred to as the "**Creditor Rights Assignment Agreement**") is entered into on [●]

BETWEEN:

(1) [●], [open/public]/[closed] joint-stock company]/[limited liability company] incorporated under the laws of the Russian Federation, registered with the Unified State Register of Legal Entities of the Russian Federation under number (OGRN (Primary State Registration Number)): [●], located at the address: [address][, represented by [please specify full name], acting under [the power of attorney][the Articles of Association]] OR [company/legal entity /limited liability company /[open/public]/[closed] joint-stock company] [incorporated]/[organized and existing] in accordance with legal rules of [jurisdiction], [located/registered/with its registered office] at the address [address], represented by [please specify full name], acting under [the power of attorney][the Articles of Association], as the assignor (hereinafter referred to as the "Existing Creditor");

(2) [●], [open/public]/[closed] joint-stock company]/[limited liability company] incorporated under the laws of the Russian Federation, registered with the Unified State Register of Legal Entities of the Russian Federation under number (OGRN): [●], located at the address: [address][, represented by [please specify full name], acting under [the power of attorney][the Articles of Association]] OR [company/legal entity /limited liability company /[open/public]/[closed] joint-stock company] [incorporated]/[organized and existing] in accordance with legal rules of [jurisdiction], [located/registered/with its registered office] at the address [address], represented by [please specify full name], acting under [the power of attorney][the Articles of Association], as the assignee (hereinafter referred to as the "New Creditor"); and

(3) [●] [please specify the full name of the bank being the Credit Manager] as the Credit Manager (hereinafter referred to as the "Credit Manager").

THE PARTIES HAVE AGREED as follows

1. **INTERPRETATION**

The terms defined in the Credit Agreement have the same meaning in this Creditor Rights Assignment Agreement unless given a different meaning in this Creditor Rights Assignment Agreement.

In this Creditor Rights Assignment Agreement:

Bank Account means a banking account of the Existing Creditor specified in clause 4(b) of this Creditor Rights Assignment Agreement.

Transaction Date means [date of this Creditor Rights Assignment Agreement]/[please specify an agreed calendar date on which assignment of rights to claim and transfer of debt will occur].

[**Debt** means an obligation of the Existing Creditor to grant the Credit to the Borrower within its Credit Limit which is [●] as at the date of this Creditor Rights Assignment Agreement.

Borrower means [●] incorporated pursuant to the legislation of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under number (OGRN (Primary State Registration Number)): [●], located at the address: [address].

Credit Agreement means the Syndicated Credit Agreement dated [please specify the date of the credit agreement] concluded, inter alia, between the Existing Creditor and the Borrower.

Parties mean the Existing Creditor, New Creditor and Credit Manager and a **Party** means each of them.

[**Claims** mean claims to repay the Outstanding Credit in the amount of [please specify amount of the credit granted to the Borrower by the Existing Creditor as at the date of this Assignment Agreement and the applicable Instalment], interest and other payments due to the Existing Creditor from the Borrower under the Credit Agreement as well as any rights connected with the said claims including rights to perform unilateral actions under the relevant Finance Documents.][*If the scope of the transferred Rights to Claim does not comply with article 21.4, relevant amendments shall be made to the definition and the Creditor Rights Assignment Agreement*]

Notice means a notice of assignment of Rights to Claim of the Existing Creditor under the Credit Agreement on the terms and conditions of this Creditor Rights Assignment Agreement executed according to the form specified in Annex No. 1 to the Creditor Rights Assignment Agreement and sent to the Borrower by the Credit Manager.

Price of the Rights to Claim means an amount equal to [●] ([●]).

2. **SUBJECT MATTER OF THE CREDITOR RIGHTS ASSIGNMENT AGREEMENT**

2.1 [On the Transaction Date, the Existing Creditor shall assign and the New Creditor shall accept the Rights to Claim in accordance with the procedure and on the terms specified in Article 21 (*Replacement of the Parties*) of the Credit Agreement and in this Creditor Rights Assignment Agreement.]/[On the Transaction Date, the Existing Creditor shall transfer and the New Creditor shall accept the Debt in accordance with the procedure and on the terms specified in Article 21 (*Replacement of the Parties*) of the Credit Agreement and in this Creditor Rights Assignment Agreement.]

2.2 The Rights to Claim under the Credit Agreement shall be transferred to the New Creditor without any Encumbrances.

3. **PROCEDURE FOR PERFORMANCE OF OBLIGATIONS OF THE PARTIES**

3.1 [On the Transaction Date, the New Creditor shall pay the Existing Creditor the Price of the Rights to Claim with Regard to the Bank Account.]

3.2 On the Transaction Date, the Existing Creditor shall cease being the Creditor under the Credit Agreement [to the extent corresponding to the Rights to Claim], and the New Creditor shall become the Creditor under the Credit Agreement [to the extent corresponding to the Rights to Claim] and all provisions of the Credit Agreement and of other Finance Documents shall apply to it.

3.3 The Existing Creditor confirms that it does not have any information on the Borrower’s objections against such Existing Creditor which the Borrower may raise against the New Creditor in accordance with Article 386 of the Civil Code.

3.4 The New Creditor confirms that it read and understood all terms and conditions of the Credit Agreement and other Finance Documents, conducted (and will continue to conduct) its own independent study on and assessment of financial condition of the Borrower and each other Debtor, and it did not rely on any information submitted to it by the Existing Creditor while taking decision on signing this Creditor Rights Assignment Agreement.

3.5 The New Creditor confirms appointment of:

3.5.1 The Pledge Manager as a pledge manager in accordance with Article 20.2 (*Status of the Creditors and Appointment of the Pledge Manager*) of the Credit Agreement; and

3.5.2 The Credit Manager as the Credit Manager in accordance with Article 22.3 (*Appointment of the Credit Manager*) of the Credit Agreement.

3.6 On the Transaction Date, the Existing Creditor shall:

3.6.1 Transfer to the New Creditor documents confirming all rights to claim of the Existing Creditor as the Creditor under the Credit Agreement, including the original of the Credit Agreement and other Finance Documents to which the Existing Creditor is a party, all amendments and supplements thereto, copies of the Drawdown Requests as well as all documents confirming the extent of the Rights to Claim [and the Debt] as at the Transaction Date;

3.6.2 Give the New Creditor the information significant to exercise the Rights to Claim, including information on the violation of the Credit Agreement by the Borrower; and

3.6.3 [Send the Credit Manager a notice of assignment of the Rights to Claim and] hand over to the Credit Manager the evidence of the Rights to Claim of the New Creditor, which, by their form and content, are acceptable for the Credit Manager.

3.7 On the Transaction Date, the Credit Manager shall send to the Borrower and immediately after the Transaction Date shall hand over to the Borrower a copy of this Creditor Rights Assignment Agreement.

3.8 The New Creditor’s obligations for payment of the Price of Rights to Claim shall be considered fulfilled upon crediting amount of the Price of Rights to Claim to the Existing Creditor’s Bank Account.

3.9 Parties shall perform all other actions necessary for performance of their obligations under this Article 3 (*Procedure for Performance of Obligations of the Parties*).

4. **[REMUNERATION OF THE CREDIT MANAGER AND PLEDGE MANAGER**

4.1 The New Creditor shall pay lump-sum remuneration of the Credit Manager and lump-sum remuneration of the Pledge Manager in the amount and in accordance with the procedure established by Article 21.3 (*Procedure for Assignment of Rights and Transfer of Obligations*) of the Credit Agreement.

4.2 A duty to pay remuneration to the Credit Manager and the Pledge Manager shall be considered fulfilled by the New Creditor after crediting of full amount of remuneration to the banking account in accordance with Article 5 (*Payments*).]

5. **PAYMENTS**

All payments under this Creditor Rights Assignment Agreement shall be made by bank transfer using the following details:

The New Creditor (if applicable):

Beneficiary: [●]

Location: [●]

Bank: [●]

SWIFT: [●]

IBAN: [●]

Account number: [●]

or to another account specified by the New Creditor in writing;

The Existing Creditor:

Beneficiary: [●]

Bank: [●]

Location: [●]

SWIFT code: [●]

Correspondent account: [●]

Settlement account: [●]

BIK: [●]

or to another account specified by the Existing Creditor in writing.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

6. **NOTICES**

Any notices or other official messages being sent in accordance with this Creditor Rights Assignment Agreement shall be executed in writing and may be delivered personally, sent by registered mail with delivery confirmation or by e-mail to the following addresses:

The New Creditor: [●]

Attention of: [●]

E-mail: [●]

Tel: [●]

The Existing Creditor: [●]

Attention of: [●]

E-mail: [●]

The Credit Manager:

Attention of: [●]

E-mail: [●]

Tel: [●]

7. **APPLICABLE LAW**

This Creditor Rights Assignment Agreement shall be regulated by the Russian law.

8. **DISPUTE RESOLUTION**

In case of occurrence of any dispute in connection with this Creditor Rights Assignment Agreement, including with regard to interpretation of its provisions, its existence, validity or termination, such dispute shall be considered by the [Moscow City Commercial Court] OR [●].

9. **EXECUTION**

This Creditor Rights Assignment Agreement is signed in three (3) copies, one copy for each Party to the Creditor Rights Assignment Agreement.

10. **DETAILS OF THE NEW CREDITOR**

Contact information of the New Creditor for the purposes of Article 24 (*Notices*) of the Credit Agreement: [information specified in Article [6]] / [other].

Payment details of the New Creditor for the purposes of Article 23 (*Payment Mechanism*) of the Credit Agreement: [details specified in Article [5]] / [other]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

ANNEX 1
TO THE CREDITOR RIGHTS ASSIGNMENT AGREEMENT

BORROWER NOTIFICATION FORM

From: [the Credit Manager]

For: [to the Borrower]
[Address of the Borrower]

Copy: [[to the New Creditor]
[Address of the New Creditor]

NOTICE OF THE OCCURRED ASSIGNMENT OF RIGHTS TO CLAIM

[●], registration number [●], location: [●] (the Credit Manager) hereby notifies [●], OGRN (Primary State Registration Number) [●], location: Russian Federation, [●] (the Borrower) of transfer of [all] rights to claim under [Syndicated Credit Agreement No. [●]] between the Borrower, Existing Creditor and [●] dated [●] (the Credit Agreement) from the Existing Creditor to [●], location: [●] (the New Creditor) on the terms and conditions specified in the Agreement for Assignment of Rights to Claim between the Existing Creditor, New Creditor and Credit Manager contained in Annex 1.

[After receipt of this notice, [the Borrower] shall continue to fulfil its financial [and other] obligations to the New Creditor under the Credit Agreement/[*please specify the Finance Documents*] to the Credit Manager in accordance with the provisions of the Credit Agreement.]

Annex 1: A copy of the Agreement for Assignment of Rights to Claim between the Existing Creditor and the New Creditor.

SIGNATURES OF THE PARTIES

[THE NEW CREDITOR]

[●]) ________________________________
[●])

[L. S.]

[THE CREDIT MANAGER]

[●]) ________________________________
[●])

[L. S.]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 5
CONFIRMATION OF COMPLIANCE WITH THE FINANCIAL INDICATORS FORM

CONFIRMATION OF COMPLIANCE WITH THE FINANCIAL INDICATORS

Sender: [*name of the Borrower*] [*details of the Borrower*] (hereinafter referred to as the “**Borrower**”)

Recipient: [*name of the Credit Manager*] [*details of the Credit Manager*]

Date: [•]

1. Based on the Syndicated Credit Agreement dated July 31, 2019 (hereinafter referred to as the "**Agreement**"), the Borrower shall inform the Credit Manager of compliance with the financial indicators as at the Test Date in accordance with the terms and conditions specified in article 17 (*Undertakings to Comply with the Financial Indicators*) of the Agreement.

2. The terms defined in the Agreement have the same meaning in this confirmation of compliance with the financial indicators unless given a different meaning herein.

3. We confirm that the list of financial indicators specified in Annex 1 to this confirmation of compliance with the financial indicators conforms to the list of financial indicators specified in article 17 (*Undertakings to Comply with the Financial Indicators*) of the Agreement.

4. We confirm that we calculated the financial indicators specified in Annex 1 to this confirmation of compliance with the financial indicators based on the financial statements prepared in accordance with RAS as at the Test Date.

5. We confirm that the data specified below on turnover on all our accounts with credit institutions, are true and up-to-date as at the date hereof [*all Borrower's accounts with credit institutions should be indicated below]*:

    5.1. turnover on account [*please specify the account*] with [*please specify the credit institution*];

    5.2. turnover on account [*please specify the account*] with [*please specify the credit institution*]; and

    5.3. turnover on account [*please specify the account*] with [*please specify the credit institution*].

6. We confirm that the data given below, on the amount of our total revenue and its distribution between our accounts with credit institutions are true and up-to-date as at the date hereof [*please specify the total revenue and all accounts of the Borrower with credit institutions*]:

    6.1. revenue in the amount of [*please specify*] received on account [*please specify*] with [*please specify the credit institution*];

    6.2. revenue in the amount of [*please specify*] received on account [*please specify*] with [*please specify the credit institution*];

    6.3. revenue in the amount of [*please specify*] received on account [*please specify*] with [*please specify the credit institution*];

7. [We confirm that each condition for compliance with the financial indicators specified in article 17 (*Undertakings to Comply with the Financial Indicators*) of the Agreement is fulfilled.] / We confirm that as at the date of this confirmation of compliance with the financial indicators the following conditions specified in article 17 (*Undertakings to Comply with the Financial Indicators*) of the Agreement are not fulfilled: [*please specify the financial indicators violations of which were committed*]]

8. We confirm that there is no Event of Default /[the following Events of Default took place and we are taking the following measures to eliminate them: [*please specify*].]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

The Borrower

By:

Full name:

Position:

Annex 1 — calculation of the financial indicators in accordance with Article 17.2 (*Financial Indicators*)

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 6
NOTICE OF EARLY REPAYMENT FORM

NOTICE OF EARLY REPAYMENT

Sender: [*name of the Borrower*] [*details of the Borrower*] (hereinafter referred to as the "**Borrower**")

Recipient: [*name of the Credit Manager*] [*details of the Credit Manager*]

Date: [•]

Syndicated Credit Agreement dated July 31, 2019 (hereinafter referred to as the "Agreement")

1. We refer to the Agreement. This letter is a Notice of Early Repayment. The terms defined in the Agreement have the same meaning in this Notice of Early Repayment unless given a different meaning in this Notice of Early Repayment.

2. We hereby notify the Credit Manager of early return (repayment) of the Credits within all Instalments in accordance with Article 8.4. (*Voluntary Early Repayment*) of the Agreement.

3. Early repayment date: [date].

4. Early repayment currency: [please specify].

5. Principal amount of debt subject to early repayment: [amount].

6. The amount of early repayment per each Instalment in the currency specified above shall be calculated in accordance with Article 8.4. (*Voluntary Early Repayment*) of the Agreement.

7. This notice is irrevocable.

The Borrower

[name]

By:

Name:

Position:

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 7
DRAWDOWN SCHEDULE

Action	**Time**
Confirmations from the Credit Manager that all Initial Requirements are received (if such confirmation may be submitted in accordance with the terms and conditions of this Agreement)	No later than 12:00 on T-2
Submission of the Drawdown Request	No later than 13:00 on T-2 (unless later date is established by the Credit Manager at its discretion),
The Credit Manager shall send the Creditors a copy of the Drawdown Request and shall inform each relevant Creditor of the amount of its participation in the relevant Instalment	No later than 15:00 on T-2
Each Creditor shall transfer to the Credit Manager (to the account of the Credit Manager) the amount of its participation in the Credit	No later than 11:00 on T
The Credit Manager shall transfer the amount of the Credit specified in the Drawdown Request (but not exceeding the amount actually received by the Credit Manager from the Creditors) to the Borrower's account	No later than 14:00 on T
Acting at its own discretion, the Credit Manager shall transfer the amount of the Credit, received from the Creditor upon expiration of the relevant period, to the Borrower's account	No later than 12:00 on T +1

For the purposes of this Appendix 7 (*Drawdown Schedule*):

"**T**" means the Drawdown Date (or expected Drawdown Date).

"**T-1**" means the date occurring one Business Day before the Drawdown Date.

"**T-2**" means the date occurring two Business Days before the Drawdown Date.

"**T-1**" means the date occurring on the next Business Day after the Drawdown Date.

All actions shall be performed under the terms and conditions and within the limits stipulated by this Agreement.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 8
REPAYMENT SCHEDULE

PART 1
REPAYMENT SCHEDULE UNDER INSTALMENT 1

Date	**Credit repayment amount under Instalment 1** (as a percentage of the Credit amount under Instalment 1 as at the last day of the Drawdown Period related to Instalment 1)
Interest Payment Date occurring in December 2020	14.286%
Interest Payment Date occurring in March 2021	14.286%
Interest Payment Date occurring in June 2021	14.286%
Interest Payment Date occurring in September 2021	14.286%
Interest Payment Date occurring in December 2021	14.286%
Interest Payment Date occurring in March 2022	14.286%
Final Maturity Date relating to Instalment 1	Remaining amount of the Outstanding Credit under Instalment 1 in full

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

PART 2
REPAYMENT SCHEDULE UNDER INSTALMENT 2

Date	**Credit repayment amount under Instalment 2** (as a percentage of the Credit amount under Instalment 2 as at the last day of the Drawdown Period related to Instalment 2)
Interest Payment Date occurring in March 2021	7.143%
Interest Payment Date occurring in June 2021	7.143%
Interest Payment Date occurring in September 2021	7.143%
Interest Payment Date occurring in December 2021	7.143%
Interest Payment Date occurring in March 2022	7.143%
Interest Payment Date occurring in June 2022	7.143%
Interest Payment Date occurring in September 2022	7.143%
Interest Payment Date occurring in December 2022	7.143%
Interest Payment Date occurring in March 2023	7.143%
Interest Payment Date occurring in June 2023	7.143%
Interest Payment Date occurring in September 2023	7.143%
Interest Payment Date occurring in December 2023	7.143%
Interest Payment Date occurring in March 2024	7.143%
Final Maturity Date relating to Instalment 2	Remaining amount of the Outstanding Credit under Instalment 2 in full

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 9
SECURITY AGREEMENTS

Security Agreement	Pledger or Guarantor	Subject Matter of the Agreement
Guarantees		
Guarantee of Mimons Investments	Mimons Investments	Guarantee as security for the obligations of the Borrower under this Agreement
Guarantee of Fastrunner Investments	Fastrunner Investments	Guarantee as security for the obligations of the Borrower under this Agreement

Guarantee of Solaredge Holdings	Solaredge Holdings	Guarantee as security for the obligations of the Borrower under this Agreement
Pledge Agreements		
Fastrunner Investments share pledge agreement	Solaredge Holdings	Pledge of 100% shares of Fastrunner Investments as security for the obligations of the Borrower under this Agreement
Mimons Investments share pledge agreement	Solaredge Holdings	Pledge of 99% shares of Mimons Investments as security for the obligations of the Borrower under this Agreement
Mimons Investments share pledge agreement	Fastrunner Investments	Pledge of 1% shares of Mimons Investments as security for the obligations of the Borrower under this Agreement
Borrower's Participatory Interests Pledge Agreement	Mimons Investments	Pledge of 51% participatory interests in the authorized capital as security for the obligations of the Borrower under this Agreement
Agreement for pledge of rights under the pledge account with regard to the Pledge Account Agreement with Raiffeisenbank JSC	The Borrower	Pledge of rights under the pledge account opened with Raiffeisenbank JSC as security for the obligations under this Agreement
Agreement for pledge of rights under the pledge account with regard to the Pledge Account Agreement with ROSBANK PJSC	The Borrower	Pledge of rights under the pledge account opened with ROSBANK PJSC as security for the obligations under this Agreement

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Agreement for Pledge of Rights to Use the Software	The Borrower	Pledge of exclusive rights to the Software as security for the obligations under this Agreement
Trade Marks Rights Pledge Agreement	Fastrunner Investments	Pledge of exclusive rights to the Trade Marks as security for the obligations under this Agreement
Licence Agreements Rights Pledge Agreement	the Borrower	Pledge of rights under the Licence Agreements as security for the obligations under this Agreement

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 10
SUBSEQUENT CONDITIONS

Subsequent Condition	**Performance Term**
Intellectual Property Items Pledge Agreements	
1. With regard to the Trade Marks Rights Pledge Agreement —	
(A) Confirmation of registration with Rospatent of the Encumbrance occurred based on the Trade Marks Rights Pledge Agreement, which by its form and content is satisfactory to the Credit Manager;	55 Business Days from the Signing Date
(B) proof of submission of the Trade Marks Rights Pledge Agreement for registration by the Registrar of Companies in Cyprus, and payment of respective duties;	Ten Business Days from the date of the Trade Marks Rights Pledge Agreement, but in any case within 60 Business Days from the Signing Date
(C) The original certificate of pledge registration issued by the Registrar of Companies in Cyprus evidencing that this Trade Marks Rights Pledge Agreement has been registered within the prescribed period by the Registrar of Companies in Cyprus in accordance with Section 90 of the Companies Act, Cap. 113	30 Business Days from the date of the Trade Marks Rights Pledge Agreement, but in any case within 60 Business Days from the Signing Date

(D) The original notarized irrevocable power of attorney issued by Fastrunner Investment in accordance with the Trade Marks Rights Pledge Agreement	7 Business Days from the Signing Date
2. With regard to the Licence Agreements Rights Pledge Agreement —	

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(A)Confirmation of registration with Rospatent of the Encumbrance occurred based on the Licence Agreements Rights Pledge Agreement, which by its form and content is satisfactory to the Credit Manager; *Or* A copy of Rospatent's refusal to register the Encumbrance occurred based on the Licence Agreements Rights Pledge Agreement or another document confirming that such registration is not performed.	55 Business Days from the Signing Date
Pledge Agreements	
3. Legal opinion of Gorodissky and Partners firm with regard to the Trade Marks Rights Pledge Agreement and the Licence Agreements Rights Pledge Agreement as well as with regard to the relevant Pledger's title to the Trade Marks.	Five Business Days after the latest of the following dates (i) the date of submission of the document specified in clause 1(A) above; or (ii) the date of submission of the document specified in clause 2(A) above, but in any case within 60 Business Days from the Signing Date.
4. The original of the certificate on making entry of accounting the pledge occurred based on each Intellectual Property Items Pledge Agreement (except for the pledge occurred based on the Trade Marks Rights Pledge Agreement) in the register of personal property pledge notices of the unified information system of notaries.	Ten Business Days from the date of the respective Pledge Agreement, but in any case within 60 Business Days from the Signing Date
5. The original of an extract from the register of personal property pledge notices of the unified information system of notaries confirming the absence of any Encumbrances with regard to the pledged item under each Intellectual Property Items Pledge Agreements (except for the pledge occurred based on the Trade Marks Rights Pledge Agreement), excluding the Encumbrance created in accordance with the relevant Intellectual Property Items Pledge Agreement.	Ten Business Days from the date of the respective Pledge Agreement, but in any case within 60 Business Days from the Signing Date
Participatory Interest Pledge Agreement	
6. Evidence of submission of the Participatory Interest Pledge Agreement for registration with the Registrar of Companies in Cyprus and payment of respective duties.	Ten Business Days from the date of the Participatory Interest Pledge Agreement, but in any case within 60 Business Days from the Signing Date.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

7. The original certificate of pledge registration issued by the Registrar of Companies in Cyprus evidencing that this Participatory Interest Pledge Agreement has been registered within the prescribed period by the Registrar of Companies in Cyprus in accordance with Section 90 of the Companies Act, Cap. 113.	30 Business Days from the date of the Participatory Interest Pledge Agreement, but in any case within 60 Business Days from the Signing Date

8.	The original extract from the Unified State Register of Legal Entities issued by the competent tax authority and containing information on the Borrower signed with an enhanced encrypted and certified digital signature, or the original or notarised copy of an extract from the Unified State Register of Legal Entities issued by the competent tax authority as a paper document and evidencing: (A) the title of the relevant Pledger to the share in the Borrower's authorized capital transferred in pledge in accordance with the Participatory Interest Pledge Agreement; (B) recording in the Unified State Register of Legal Entities of the pledge created in accordance with the Participatory Interest Pledge Agreement; and (C) the absence of any Encumbrances with regard to interests being the pledged item under the Participatory Interest Pledge Agreement, excluding the Encumbrance created in accordance with the Participatory Interest Pledge Agreement.	Ten Business Days from the date of the Participatory Interest Pledge Agreement, but in any case within 60 Business Days from the Signing Date
	Miscellaneous	
9.	Confirmation of payment of stamp duty in Cyprus with regard to the Finance Documents to which the Guarantors are a party.	In respect of each said Finance Document – 30 days from the date of the respective Finance Document, but in any case within 60 Business Days from the Signing Date
10.	Financial statements of each Debtor incorporated in the Republic of Cyprus, for the financial year ending on December 31, 2018, prepared in accordance with IFRS	On or before September 31, 2019.
11.	Original of the decision of shareholders with regard to execution of the Finance Documents to which Solaredge Holdings is a party	Within 10 Business Days from the Signing Date

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 11
OWNERSHIP STRUCTURE CHART

[***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 12
TRADE MARKS

[***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 13
SOFTWARE WITHOUT REGISTRATION

[***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

APPENDIX 14
FORM OF REPORT

Financial result	**Period**
Revenue	
-	

Operating expenses	
EBITDA	
-	
Depreciation	
Non-operating income and expenses	
Financial income and expenses	
Profit / (loss) before taxes	
-	
Profit tax	
Net profit / (loss)	
-	
Operating expenses	
Staff remuneration	
Production infrastructure	
Development and support of sites/mob. applications	
Content and Moderation	
Customer service	
Call Center	
Call tracking	
Payment system commissions	
Online marketing	
Offline marketing	
PR and other promotional materials	
Marketing research	
Office rent and maintenance	
Corporate events	
HR brand development and recruitment	
Consulting and other services	
Hospitality expenses	
Travel and other staff costs	
Other operating expenses/income	
Total operating expenses	
-	
-	
Cash flow	
Cash flow from operating activities	
Proceeds from the sale of services	
Other income	
Payment for goods and services	
incl. development and support of sites/mob. applications	
incl. hosting and domain registration	
incl. marketing research	
incl. content and moderation	
incl. call tracking	
incl. online marketing	
incl. offline marketing	
incl. office rent and maintenance	

incl. royalties	
-	
Staff remuneration	
Payment of insurance premiums	
Interest paid	
Tax payment	
Other operating charges	
Total from operating activities	
Cash flow from investment activities	
Income from repayment of issued loans	
Interest received	
Income from other investment activities	
Purchase of software licenses	
Buying computers and technical equipment	
Development capitalization	
Other investments in fixed assets and intangible assets	
Granting loans	
Payments for other investment activities	
Total for investment activities	
-	
Cash flow from financial activities	
Income from loans and borrowings	
Income from monetary contributions to authorized capital and/or capital in excess of par	
Income from grant funding	

Income from other financial activities	
Repayment of loans and borrowings	
Dividends paid	
Payments for other financial activities	
Total for financial activities	
-	
Change in cash for period	
Impact of changes in foreign exchange rates	
Cash at start of period	
Cash at end of period	

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SIGNATURES OF THE PARTIES

The Borrower

IREALTOR LLC

By: /s/ Lukianov Mikhail Alexandrovich

Name: Lukianov Mikhail Alexandrovich

Position: Acting under the power of attorney

L. S.

Credit Manager, Original Creditor and Pledge Manager

RAIFFEISENBANK JSC

By: /s/ Bogachev Evgeniy Evgenievich

Name: Bogachev Evgeniy Evgenievich

Position: Acting under the power of attorney

L. S.

ORIGINAL CREDITOR

ROSBANK PJSC

By: /s/ Shaikhina Perizat Shaimuratovna

Name: Shaikhina Perizat Shaimuratovna

Position: Acting under the power of attorney

L. S.

Exhibit 10.4

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

EXECUTION VERSION

DATED 22 DECEMBER 2020

HEARST SHKULEV DIGITAL REGIONAL NETWORK B.V.
DOROZHKIN EVGENY ALEXEEVICH
ASTAPENKO SERGEY VITALIEVICH
BAIBARATSKY ALEXANDR IVANOVICH
HS HOLDING B.V.
LIMITED LIABILITY COMPANY "HS PUBLISHING"
LIMITED LIABILITY COMPANY "HEARST SHKULEV MEDIA"
LIMITED LIABILITY COMPANY "INTERMEDIAGROUP"

- AND-

MIMONS INVESTMENTS LIMITED

AGREEMENT
for the sale and purchase of the share capital of

LIMITED LIABILITY COMPANY "N1.RU"

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EXECUTION PAGE 133

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

This agreement is made as a deed on 22 December 2020 (this " **Agreement**").

PARTIES

(1) **Hearst Shkulev Digital Regional Network B.V.**, a company incorporated in the Netherlands (with registered number: 66548306), whose registered office is at Moermanskkade 500, 1013 BC Amsterdam, the Netherlands ("**Seller 1**");

(2) **Dorozhkin Evgeny Alexeyevich** (Дорожкин Евгений Алексеевич), a citizen of the Russian Federation with Russian Internal Passport Number [***] and with his normal residential address at [***] ("**Seller 2**");

(3) **Astapenko Sergey Vitalievich** (Астапенко Сергей Витальевич), a citizen of the Russian Federation with Russian Internal Passport Number [***] and with his normal residential address at [***] ("**Seller 3**");

(4) **Baibaratsky Alexander Ivanovich** (Байбарацкий Александр Иванович), a citizen of the Russian Federation with Russian Internal Passport Number [***] and with his normal residential address at [***] ("**Seller 4**" and, together with Seller 1, Seller 2 and Seller 3, the "**Sellers**" and a "**Seller**" means any of them);

(5) **HS Holding B.V.,** a private company with limited liability incorporated in accordance with the laws of the Netherlands with registered number 61301760, whose registered office is at Moermanskkade 500, 1013 BC Amsterdam, the Netherlands;

(6) **Limited Liability Company "HS Publishing"**, a limited liability company incorporated under the laws of the Russian Federation with registered number 1157746721395 whose registered office is at 115114, Moscow, Derbenevskaya street, building 15B, Floor 6, office VI;

(7) **Limited Liability Company "Hearst Shkulev Media"**, a limited liability company incorporated under the laws of the Russian Federation with registered number 1027739654986 whose registered office is at 115114. Moscow, Derbenevskaya street, building 15B, floor 4, office VI;

(8) **Limited Liability Company "InterMediaGroup"**, a limited liability company incorporated under the laws of the Russian Federation with registered number 5147746032176 whose registered office is at 115114, Moscow, Derbenevskaya Street, bld. 15B, Floor 7, office I (each party listed at (5) - (8), being a "**Guarantor**"); and

(9) **Mimons Investments Limited**, a company incorporated in the Republic of Cyprus (with registered number: HE 321042), whose registered office is at Agiou Georgiou Makri, 64, ANNA MARIA LENA COURT, Flat/Office 201, 6037, Larnaca, Cyprus (the "**Buyer**").

BACKGROUND

(A) The Sellers have agreed to sell and the Buyer has agreed to buy the Participation Interests on the terms of this Agreement.

(B) Unless otherwise provided, each Guarantor is a party to this Agreement only in respect of Clause 14 (***Guarantees***), Clause 15 (***Guarantor Warranties***), and Clauses 1 and 17 to 38 (inclusive) of this Agreement on and from Completion subject to Completion occurring.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is**

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"**Accounts**" means the annual financial statements of each Group Company (which are audited for the Company), in each case prepared in accordance with RAS as at, and for the Financial Year ended, 31 December 2019, comprising, in each case, a balance sheet, a profit and loss account, a cash flow statement, and, where applicable, notes to such financial statements, copies of which have been Disclosed.

"**Accounts Date**" means 31 December 2019.

"**Affiliate**" means:

(a) in relation to an individual:

(I) a "**relative**", that is that individual's children or remoter issue, step-child, brother, sister, parent, grandparent, spouse or civil partner;

(II) an undertaking which is Controlled by that individual or a relative (as defined in paragraph (I) above) of that individual, or by two (2) or more of them;

(III) any person with whom that individual or an Affiliate of that individual is in partnership;

(IV) a person acting in his capacity as a trustee of a trust of which that individual or an Affiliate of that individual is a beneficiary or the terms of which confer a power on the trustees that may be exercised for the benefit of that individual or an Affiliate of that individual; and

(V) who is himself directly or indirectly a beneficiary under a trust, any other person that is a beneficiary under that same trust and any of their Affiliates; and

(b) in relation to an undertaking:

(I) a person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, that undertaking; and

(II) a legal entity that acts solely as bare nominee holder on behalf of that undertaking, or a fund for which that undertaking acts as bare nominee,

(c) provided that:

(I) for purposes of this Agreement, both IPH B.V. and VSA and their respective Affiliates (except, for purposes of Clauses 12.3, 13.3, 13.4, 17.1, 17.3, 17.4, any person that Controls IPH B.V. and each such person's Affiliates other than IPH B.V. and its subsidiary undertakings) shall be deemed to be Affiliates of the Sellers;

(II) each of HS Holding and HS Publishing and their respective Affiliates shall be deemed to be Affiliates of the Sellers (except for purposes of Clauses 12.3, 17.1, 17.3, 17.4); and

(III) no Individual Shareholder Guarantor shall be deemed to be an Affiliate of the Sellers.

"**Agreed Statement**" has the meaning given to it in Clause 19.2.

"**Applicable Law**" means any law, statute, order, decree, binding decision, licence, permit, consent, approval, agreement, regulation of any Governmental Authority having jurisdiction over the matter or person in question, or other legislative or administrative action of a Governmental Authority, or a final, binding, or executive decree, injunction, judgment or order of a court or tribunal that affects and has the authority to affect the matter or person in question.

"**Application**" means the application for state registration of the changes to the information about the Company pertaining to the transfer of the Participation Interests to the Buyer in the Legal Entities Register in accordance with the Russian Federation Federal Law No. 129-FZ "On State Registration of Legal Entities and Individual Entrepreneurs" dated 8 August 2001 (as amended).

"**Arbitration Clause**" means the arbitration agreement set out in Clause 36.

"**Bank**" means a bank where an account is opened by a Group Company, including each of the following banks: JSC Raiffeisenbank with main state registration number (OGRN) 1027739326449; PJSC Sberbank with main state registration number (OGRN) 1027700132195; Bank GPB JSC with main state registration number (OGRN) 1027700167110; and JSC Tinkoff Bank with main state registration number (OGRN) 1027739642281.

"**Big Four Firm**" means Deloitte Touche Tohmatsu, EY, KPMG or PricewaterhouseCoopers, or any successor in title to any of their respective accounting and/or valuation businesses.

"**Business Day**" means a day other than a Saturday or Sunday or public holiday on which banks are ordinarily open for the transaction of normal banking business in Moscow, Russian Federation; Nicosia, Cyprus; Amsterdam, the Netherlands; and New York, the United States of America.

"**Business IPR**" means all Intellectual Property Rights which are material to the operation of the Group's business which are used as of the date of this Agreement in relation to the business of any Group Company being the Owned IPR and Used IPR, details of which are set out in

Schedule 15 (***The Intellectual Property Rights***).

"**Business IT**" means all Information Technology which is owned or currently used by any Group Company and which is material to the operation of the Group's business (excluding "shrink wrapped", "click wrapped" or other software commercially available off the shelf).

"**Buyer Conditions Precedent**" has the meaning given in Clause 7.5.

"**Buyer Document**" means a Transaction Document to which the Buyer is a party.

"Buyer Warranties" means the warranties of the Buyer contained in Schedule 7 (***Buyer Warranties***).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

"**Buyer's Accountants**" means BDO Unicon Business Solutions AO.

"**Buyer's Bank Account**" means the following bank account opened with BANK OF CYPRUS PUBLIC LTD (INTERNATIONAL BUSINESS UNIT):

Account name: Mimons Investments Limited

Account Number: [***]

IBAN: [***]

SWIFT: [***]

Correspondent Bank: JSC VTB Bank, Moscow

Correspondent Account Number: [***]

Correspondent Bank BIC: [***]

"**Buyer's Counsel**" means Dentons Europe AO, Business Center, Lesnaya ulitsa, 7 White Gardens, Moscow, 125196.

"**Buyer's Group**" means the Buyer and each of its Affiliates from time to time (including, for the avoidance of doubt, after Completion, each Group Company).

"**Buyer's Relief**" means any Relief available to a Group Company arising from an event or transaction occurring after Completion or a period or part of a period after Completion, provided, that, any Relief available to an Indemnified Person under Clause 10.15 in respect of an indemnity payment shall not be considered a Buyer's Relief.

"**Buyer's Transaction Team**" means the following individuals: (a) Mikhail Lukyanov, (b) Alexander Garbuzov and (c) Irek Akhunianov.

"**Chief Executive Officer**" means the director (sole executive body) of the Company;

"**CIS Countries**" means Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan.

"**City Portals**" has the meaning given in the Traffic Purchase Agreement.

"**City Portals Entity**" means Limited Liability Company "Regional Network", a limited liability company incorporated under the laws of the Russian Federation, primary state registered number 1175476024096, located at: Lenina St., 12, 6th Floor, office 611, Novosibirsk, Novosibirsk region, 630099, Russian Federation, which owns the majority interest in and/or operates the City Portals.

"**Claim**" means any claim against a Seller under or in connection with this Agreement or the Transfer Instrument.

"**Company**" means Limited Liability Company "N1.RU" (in Russian: Общество с ограниченной ответственностью "Н1.РУ"), a company incorporated in the Russian Federation (with state registered number: 1175476080724), further details about which are set out in part (ii) of Schedule 1.

"**Company Related Person**" means any Group Company and/or any Director, officer or Employee of any Group Company.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

"**Competing Business**" means any individual or company operating in a Real Estate Classified Business (example: AVITO (Авито), Domofond (Домофонд), Yandex.Realty (Яндекс Недвижимость), Youla (Юла), Novostroy-M (Новострой-М), Gipernn), as well as the Real Estate Classified Businesses of real estate agencies (example: Etazhi agency's classified business), Real Estate Classified Businesses of banks (example: Domclick project of Sberbank, VTB housing ecosystem, DOM.RF project), industry associations of real estate agencies (example: Yekaterinburg City's Ural Real Estate Chamber). Projects and products of developers (excluding real estate classifieds), real estate agent services, financial projects and products of banks, as well as non-real estate projects of Internet companies (example: Yandex.Taxi, Yandex.Eda, Avito.AVTO, etc) are not the Competing Business.

"**Completion**" means completion of the purchase of the Participation Interests in accordance with Clause 9 (***Completion***).

"**Completion Consideration**" has the meaning given to it in Clause 3.2.

"**Completion Date**" means the date on which Completion occurs.

"**Completion Notice**" has the meaning given to it in Clause 3.3(d).

"**Completion Statements**" means the statements prepared and agreed or determined in accordance with Clause 6 and Schedule 6 (***Completion Statements***) in order to determine Net Debt and Net Working Capital.

"**Condition Precedent**" means a condition to Completion as specified in Clause 7.1.

"**Confidential Information**" means any confidential or proprietary information that belongs to the relevant person, or any of its clients or users, including without limitation, technical data, market data, trade secrets, databases, trademarks, service marks, copyrights, other intellectual property, know-how, research, business plans, product information, projects, services, client lists and information, client preferences, client transactions, user information, software, source code, algorithms, technology, inventions, developments, processes, formulas, designs, drawings, marketing methods and strategies, pricing strategies, sales methods, financial information, revenue figures, account information, credit information, contract terms, information with respect to counterparties or employees, financing arrangements.

"**Consideration**" means the consideration payable for the Participation Interests, being the sum of the Completion Consideration and the Deferred Consideration.

"**Contract**" means any deed (including any deed poll), agreement, arrangement, understanding or commitment, in each case in writing, to which any Group Company is a party, or by which any Group Company is bound.

"**Control**" means, with respect to any person, (a) the possession, directly or indirectly, of power to direct or cause the direction of management and policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) of such person; (b) the ability, whether exercised or held directly or indirectly, to exercise more than fifty per cent (50%) of the votes at any general meeting (or equivalent) of such person; or (c) the ability to appoint more than fifty per cent (50%) of the members to the board of directors (or the closest equivalent governing body) of such person, and the correlative terms "**Controlled**" and "**under common Control with**" shall be similarly construed.

"**Covenant Claim**" has the meaning given in Schedule 4.

"**Critical Contracts**" means each of the Contracts listed in items 1 to 24 of Schedule 17.

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"**Deferred Consideration**" means RUB fifteen million (15,000,000) payable by the Buyer to the Sellers in accordance with Clause 3.1(b).

"**Covid Restrictions**" means any Applicable Laws introduced in response to the COVID-19 pandemic.

"**Data Protection Legislation**" means Federal Law No. 152-FZ "On Protection of Personal Data" dated 27 July 2006 (as amended), and all other similar privacy laws, to the extent they are applicable to a Group Company.

"**Data Room**" means the documents, materials and information on the Group Companies made available for inspection by the Buyer's Accountants and the Buyer's Counsel, in the data room hosted by Donnelley Financial LLC.

"**Deed of Undertaking**" means a deed setting out certain undertakings of the Seller Beneficiaries, HS Holding, HS Holding Digital B.V. and IPH B.V. to be entered into on or before signing of this Agreement among the Seller Beneficiaries, HS Holding, HS Holding Digital B.V. and IPH B.V. and the Buyer.

"**Determined**" means a final award of a Claim by the arbitrators appointed under Clause 36 (***Arbitration Agreement***) or otherwise by written agreement of the Buyer and a Seller settling such Claim.

"**Director**" means, in respect of any Group Company, a person who is its sole executive body, a member of its collective executive body, board of directors, supervisory board and/or internal audit committee (internal auditor).

"**Disclosed**" means:

(a) in respect of the Warranties given as of the date of this Agreement, fairly disclosed by the Sellers to the Buyer in the Disclosure Letter; and

(b) in respect of the Warranties given as at Completion, fairly disclosed in the Disclosure Letter and the Supplementary Disclosure Letter, if any,

provided in each case that a matter shall be fairly disclosed only to the extent that sufficient details of the relevant matter are contained in the Disclosure Letter or the Supplementary Disclosure Letter, as applicable, to enable the Buyer properly to identify its nature and scope.

"**Disclosure Bundle**" means, in respect of each of the Disclosure Letter and the Supplementary Disclosure Letter, the bundle of documents agreed between the Buyer and the Sellers, in the case of the Disclosure Letter, prior to the signing of this Agreement or, in the case of the Supplementary Disclosure Letter, no later than three (3) Business Days prior to Completion, electronically stored in a format agreed between the Buyer and the Sellers and attached as an annex to the Disclosure Letter or the Supplementary Disclosure Letter, as the case may be.

"**Disclosure Letter**" means the letter dated the same date as this Agreement from the Sellers to the Buyer relating to the Warranties, together with the corresponding Disclosure Bundle.

"**Dispute**" has the meaning given in Clause 36.2.

"**Due Diligence Reports**" means any due diligence reports based on the review of the Data Room prepared by BDO and any other advisors to the Buyer, in relation to the Transaction.

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"**Employee**" means any employee of a Group Company recognised as such in accordance with Applicable Law.

"**Encumbrance**" means any right, interest or equity of any other person (including any right to acquire, option, preference, right of pre-emption or right of first refusal) or any mortgage, charge, pledge, lien, restriction, arrest, assignment, hypothecation, security interest, title retention, power of sale or any other encumbrance, security agreement or arrangement or other third party right, or any agreement, arrangement or obligation to create, or any claim by any person to have, any of the same.

"**Event**" means any event, fact, circumstance, action, omission, transaction, payment, death of any person or other occurrence.

"**Exchange Rate**" means with respect to a particular currency on a particular date, the rate of exchange for that currency into RUB as set out by the Central Bank of the Russian Federation on the relevant date.

"**Extract**" has the meaning given to it in the LoC Instructions.

"**Financial Year**" means the period from 1 January to 31 December.

"**FCPA**" means the Foreign Corrupt Practices Act of 1977 of the United States of America, as amended by the Foreign Corrupt Practices Act Amendments of 1988 and 1998, and as may be further amended and supplemented from time to time.

"**Fundamental Warranties**" means:

(a) if a Warranty is given by Seller 1, the Warranties contained in paragraphs 1(a) to 1(k) (inclusive) and 1(m) to 1(t) inclusive, 2(a), 2(b), 2(c), 2(d), 2(e)(I)(1), 2(e)(I)(3), 2(e)(II)(1), 2(e)(II)(3), 2(e)(III)(1), 2(e)(III)(3), 2(g), 3(a) to 3(f) inclusive, 3(h) and 3(i) and;

(b) if a Warranty is given by each of Seller 2, Seller 3 or Seller 4, the Warranties contained in paragraphs 1(a) to 1(j) (inclusive) and 1(l) to 1(t) (inclusive), 2(b), 2(c), 2(d), 2(f), 2(h), 3(a) to 3(f) inclusive, 3(h) and 3(i), both as set out Schedule 3Part 1 (***Non-tax Sellers Warranties***).

"**Governmental Authority**" means any government or its administrative territories, any organisation, institution or authority with the executive, judicial, regulating or administrative functions (including any governmental authority, ministry, agency, service, committee, commission, institution or any other organisation and their structural subdivisions) acting on behalf of the government or its administrative territory, any court arbitrator or judge and/or any self-regulating organisation acting on behalf of the government in compliance with the rights granted thereto under Applicable Law.

"**Group**" or "**Group Companies**" means the Company and the Subsidiaries, and a " **Group Company**" means any of them.

"**Guarantee**" means any guarantee, indemnity, suretyship, letter of comfort or other assurance or security given or undertaken by a person to secure or support the obligations (actual or contingent) of any other person and whether given directly or by way of counter-indemnity to any other person who has provided a Guarantee.

"**Guarantor Payment**" has the meaning given to it in paragraph 18(a) of Schedule 4.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

"**Guarantor Warranties**" means the warranties set out in Schedule 19 (***Guarantor Warranties***).

"**HSHD**" means Hearst Shkulev Holding Digital B.V., a private limited liability company, incorporated under the laws of the Netherlands, having its registered office in Amsterdam, the Netherlands, with the place of business at: Moermanskkade 500, 1013 BC Amsterdam, the Netherlands, and registered with the Dutch Commercial Register under number 61897094.

"**HS Holding**" means HS Holding B.V., a private company with limited liability incorporated in accordance with the laws of the Netherlands with registered number 61301760, whose registered office is at Moermanskkade 500, 1013 BC Amsterdam, the Netherlands.

"**HS Media**" means Limited Liability Company "Hearst Shkulev Media", a limited liability company incorporated under the laws of the Russian Federation with registered number 1027739654986 whose registered office is at 115114, Moscow, Derbenevskaya street, building 15B, floor 4, office VI.

"**HS Publishing**" means Limited Liability Company "HS Publishing", a limited liability company incorporated under the laws of the Russian Federation with registered number 1157746721395 whose registered office is at 115114, Moscow, Derbenevskaya street, building 15B, Floor 6, office VI.

"**Indebtedness**" means, in respect of any Group Company, any borrowing or indebtedness in the nature of borrowing (including any indebtedness for monies borrowed or raised under any bank or third party Guarantee, acceptance credit, bond, note, bill of exchange or commercial paper, letter of credit, finance lease, hire purchase agreement, forward sale or purchase agreement or conditional sale agreement or other transaction having the commercial effect of a borrowing and all finance, loan and other obligations of a kind required to be included in the balance sheet of such person pursuant to applicable accounting standards, and any amounts owing or payable under any financing or quasi-financing arrangement which would not need to be shown or reflected in any such balance sheet) except for any accounts payable arising in the Ordinary Course of Business.

"**Indemnified Person**" means each of the Buyer and each Group Company.

"**Indemnities**" means the indemnity obligations of the Sellers pursuant to Clause 10.15 and " **Indemnity**" shall mean any one of them.

"**Indemnity Claim**" means a Claim under any Indemnity.

"**Individual Shareholder Guarantees**" means the suretyship agreements to be entered into between each of the Individual Shareholder Guarantors and the Buyer on Completion substantially in the form set forth in Schedule 11 (***Form of individual Shareholder Guarantees***) and "**Individual Shareholder Guarantee**" means each and any of the Individual Shareholder Guarantees.

"**Individual Shareholder Guarantor**" means each of the following individuals: (i) Mr. Veriasov Gennadii Vladimirovich; (ii) Ms. Shevchenko Iuliia Viktorovna; (iii) Mr. Lisitsin Vladislav Vyacheslavovich; (iv) Mr. Shevchenko Vladimir Sergeyevich; (v) Mr. Gorfman Ilya Vadimovich; (vi) Mr. Bagautdinov Raul Shamilievich; (vii) Mr. Sidorkin Maksim Petrovich; (viii) Mr. Protsenko Demid Nikolaevich; (ix) Mr. Astapenko Sergey Vitalievich; and (x) Mr. Zhuley Ivan Sergeyevich and "**Individual Shareholder Guarantors**" means all of the Individual Shareholder Guarantors.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

"**Individual Shareholders Share**" has the meaning given to it in paragraph 18(a) of Schedule 4.

"**Information Technology**" means computer systems, communication systems, software, hardware and related services.

"**Integration**" means the list of actions set out in Schedule 9 (***Integration Plan***).

"**Integration Period**" means three (3) months, during which the Integration shall occur.

"**Intellectual Property Rights**" means all rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: patent and industrial property rights including invention patents, utility model patents and design patents; trade secret rights, rights in know-how and Confidential Information; rights associated with works of authorship, including exclusive exploitation rights, copyrights, neighbouring rights and moral rights, rights in designs, rights in computer software and database rights; trademark, whether registered or unregistered, and any similar rights, including domain names; other Intellectual Property Rights in each case whether registered or unregistered; and rights in or relating to registrations, renewals, extensions, combinations, divisions, and reissues of, and applications for, any of the rights referred to above.

"**Interim 2020 Accounts**" means the unaudited financial statements of each Group Company, in each case prepared in accordance with RAS as at, and for the 9-month period ended, 30 September 2020, comprising, in each case, a balance sheet, a profit and loss account, notes to such financial statements, copies of which have been Disclosed.

"**InterMediaGroup**" means Limited Liability Company "InterMediaGroup", a limited liability company incorporated under the laws of the Russian Federation with registered number 5147746032176 whose registered office is at 115114, Moscow, Derbenevskaya Street, bld. 15B, Floor 7, office I.

"**Intra-group Indebtedness**" means all debts, liabilities (whether actual, contingent or prospective) or obligations owed by a Group Company to the other Group Company.

"**IP Claim**" means a Claim by the Buyer in relation to or for breach of any Warranty in paragraph 16 of Part 1 of Schedule 3.

"**Key Employee**" means any of Chernov Dmitry Leonidovich (Чернов Дмитрий Леонидович) (Chief Sales Officer), Vilchinsky Alexey Igorevich (Вильчинский Алексей Игоревич) (Chief Technology Officer), Reshetnikova Lyubov Alexandrovna (Решетникова Любовь Александровна) (Head of HR), Pshenichnikov Vladislav Valeryevich (Пшеничников Владислав Валерьевич) (Promotion Manager), Medvedeva Anna Vasilyevna (Медведева Анна Васильевна) (Chief Accountant).

"**Leases**" means the leases of the Properties set out in Schedule 5 Part 1 (***Leases***).

"**Legal Entities Register**" means the Unified State Register of Legal Entities in the Russian Federation.

"**Letter of Credit 1**" means the letter of credit issued by Raiffeisenbank substantially in the form of Part A of Schedule 13 Part 3

"**Letter of Credit 2**" means the letter of credit issued by Raiffeisenbank substantially in the form of Part B of Schedule 13 Part 3.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

"**Letter of Credit 3**" means the letter of credit issued by Raiffeisenbank substantially in the form of Part C of Schedule 13 Part 3.

"**Letter of Credit 4**" means the letter of credit issued by Raiffeisenbank substantially in the form of Part D of Schedule 13 Part 3.

"**Letters of Credit**" means the Letter of Credit 1, the Letter of Credit 2, the Letter of Credit 3 and the Letter of Credit 4, and " **Letter of Credit**" means any of them.

"**Liquidation Event**" means any liquidation, winding up, termination as an entity by any other means or other insolvency process being initiated or commenced against Seller 1 (including the application for or the making of any order, or the passing of any resolution).

"**LLC Law**" means Russian Federation Federal Law No. 14-FZ "On Limited Liability Companies" dated 8 February 1998 (as amended).

"**LoC Agreement**" means an agreement entered into by and between the Buyer and Raiffeisenbank for the purposes of the issuance of the Letters of Credit substantially in the form of Schedule 13 Part 1.

"**LoC Instruction 1**" means an instruction given by the Buyer to Raiffiesenbank to issue the Letter of Credit 1, substantially in the form of Part A of Schedule 13 Part 2.

"**LoC Instruction 2**" means an instruction given by the Buyer to Raiffiesenbank to issue the Letter of Credit 2, substantially in the form of Part B of Schedule 13 Part 2.

"**LoC Instruction 3**" means an instruction given by the Buyer to Raiffiesenbank to issue the Letter of Credit 3, substantially in the form of Part C of Schedule 13 Part 2.

"**LoC Instruction 4**" means an instruction given by the Buyer to Raiffiesenbank to issue the Letter of Credit 4, substantially in the form of Part D of Schedule 13 Part 2.

"**LoC Instructions**" means the LoC Instruction 1, the LoC Instruction 2, the LoC Instruction, 3 and the LoC Instruction 4, and " **LoC Instruction**" means any of them.

"**Long Stop Date**" means 15 February 2021 (or such other date as the Buyer and Seller 1 shall agree in writing).

"**Losses**" means all awards, judgments, settlements, costs, expenses, liabilities, sanctions imposed by any Governmental Authority or arbitral panel, damages and losses (including all interests, fines, penalties and legal and other professional costs and expenses).

"**Lower Target Net Working Capital**" means RUB negative [***] (- RUB [***]).

"**Management Accounts**" means the management accounts of each Group Company, comprising the profit and loss account, for the period beginning on 1 July 2020 and ending on the last day of the calendar month immediately preceding the month during which this Agreement is dated.

"**Market Conditions**" means the prevailing market conditions in the Russian Federation during the relevant period caused by the COVID-19 pandemic in various regions of the Russian Federation and the corresponding economic crisis.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

"**Material Contract**" means each of the Contracts listed in Part 2 of Schedule 17 (***Material Contracts***).

"**Material Counterparty**" has the meaning given to it in paragraph 12(a) of Schedule 3 (***Seller Warranties***), Part 1 (***Non-tax Seller Warranties***).

"**Material IT Contract**" means a Material Contract pursuant to which any Group Company uses Business IT.

"**Material License**" means each of the Contracts listed in Schedule 21 (***Material Licenses***).

"MoU" means the memorandum of understanding between the Buyer and the Sellers in relation to the Transaction dated 17 February 2020, as amended on 12 August 2020.

"**Mutual Conditions Precedent**" has the meaning given in Clause 7.5.

"**N1 Restructuring**" means (i) - submission of application to Federal Service for Intellectual Property (Rospatent) with respect to the assignment of trademark No 767628 and trademark No 767629, registered in the Russian Federation, based on the trade mark agreement between LLC N1 Technologies and the Company and in accordance with the corporate resolution for the distribution of dividends in kind at a balance sheet value of RUB [***] (ii) the assignment of the "N1" web product and mobile applications N1.ru on Android and iOS platforms based on the software assignment agreement between LLC N1 Technologes and the Company and in accordance with the corporate resolution for the distribution of dividends in kind at a balance sheet value of approximately RUB [***] and (iii) execution of the IT development services between LLC N1 Technologies and the Company whereby LLC N1 Technologies will provide certain services to the Company with respect to the "N1" web product and mobile applications N1.ru on Android and iOS platforms.

"**N1 Restructuring Expenses**" means an amount equal to [***].

"**Net Debt**" means the consolidated net debt of the Group as at Completion as determined in accordance with Schedule 6 (***Completion Statements****).*

"**Net Working Capital**" means the working capital of the Group as determined in accordance with Schedule 6 (***Completion Statements***).

"**Notary**" means notary public Tochkin Dmitry Valerievich, a notary of the City of Moscow whose office is located at: 12 Presnenskaya embankment, "Federation East Tower", 56th floor, office 19, Moscow, 123317, Russian Federation, agreed by the Buyer and Seller 1, or such other notary that the Buyer and Seller 1 may agree.

"**OECD Convention**" means the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.

"**Ordinary Course of Business**" means the ordinary and usual course of business consistent with the way the business operations and routine transactions of the Group were conducted during the 24-month period preceding the date of this Agreement (including pricing policies, price levels, marketing expenses, staff turnover and measures taken in response to the Covid Restrictions).

"**Organisational Documents**" means any articles of incorporation, articles of association, charter, by-laws or other constituent or organisational document of any person required or contemplated by the Applicable Law for the creation or operation of such person.

"**Owned IPR**" means the Intellectual Property Rights owned by the Group Companies details of which are set out in Schedule 15 (***The Intellectual Property Rights***), Part 1 (***Owned IPR***).

"**Owned Registered IPR**" means any Owned IPR that is registered or is the subject of applications for registration.

"**Party**" means a party to this Agreement and " **Parties**" shall mean the parties to this Agreement from time to time. Unless otherwise provided, each of the Guarantors shall be a party to this Agreement only in respect of Clause 1, Clause 14, Clause 15 and Clauses 17 to 38 (inclusive) on and from Completion subject to Completion occurring.

"**Participation Interests**" means individually and collectively, the Seller 1 Participation Interest, the Seller 2 Participation Interest, the Seller 3 Participation Interest and the Seller 4 Participation Interest or any of them, together comprising one hundred per cent (100%) of the charter capital of the Company, with a nominal value of RUB ten thousand seven hundred and ninety two and fourteen kopeks (10,792.14).

"**Permitted Bonuses**" means the transaction bonuses in the amounts disclosed in writing to the Buyer, to be paid by the Company prior to Completion using a letter of credit or escrow mechanism where the monies are released after Completion to [***] in an aggregate amount not to exceed RUB [***] gross.

"**Personal Data**" has the meaning given to it in paragraph 17(a) of Schedule 3 (***Seller Warranties***), Part 1 (***Non-tax Seller Warranties***).

"**Product Range**" means any and all bespoke software systems, databases and other bespoke computer programmes and/or services of any member of the Group developed (including those under development), licensed, marketed, sold, distributed or otherwise commercially exploited in the normal course of the business of a Group Company. This definition includes the software products known as "**products**" including all source code, tools, data, databases and all updates, enhancements, additions, work in progress, user and/or technical documentation.

"**Properties**" means the properties described in Schedule 5 (***Properties***) and "**Property**" means any of them.

"**Provisional Payment**" means RUB one billion seven hundred and forty five million (1,745,000,000), payable by the Buyer to the Sellers pursuant to the Letters of Credit or in accordance with Clause 3.7.

"**Raiffeisenbank**" means the "Bank", as such term is defined in the LoC Agreement.

"**RAS**" means the rules of accounting and financial reporting as adopted for use in the Russian Federation in accordance with Federal Law No. 402-FZ "On Accounting" (as amended) and other applicable legislation of the Russian Federation in force from time to time.

"**Real Estate Classified Business**" means a business whose business model includes the placement of listings and/or advertisements from real estate agents, real estate agencies, developers, real estate brokers and individuals in the segments of sale/purchase of residential, commercial property, country houses and new housing developments; rent/lease of residential, commercial property, country houses (short and/or long-term); sale of leads (including, but not limited to, in the form of calls, emails, electronic messages) to real estate agents, real estate agencies, developers, real estate brokers and individuals.

"**Registering Authority**" means Interdistrict Inspectorate of the Federal Tax Service No. 16 for Novosibirsk region or a replacing Governmental Authority.

"**Related Party Agreement**" means those agreements listed in Schedule 14 (***Related Party Agreements***).

"**Relevant Actual Knowledge**" has the meaning given in paragraph 12(a) of Schedule 4.

"**Relevant Matter**" has the meaning given to it in paragraph 6 of Schedule 4 (***Seller Limitations***).

"**Relevant Proportion**" shall mean the percentage set out against each Seller's name in Part 2 of Schedule 4; the Relevant Proportion in respect of a Seller's liability shall mean the maximum proportion of any Claim which each Seller may be held individually liable. To the extent the Relevant Proportion is used to calculate a numeral such calculation shall be made to the nearest Rouble.

"**Relief**" means any allowance, credit, deduction in relation to Tax, or set-off or any right to repayment of Tax.

"**Reporting Accountants**" has the meaning given to it in Clause 6.3.

"**Representative**" means with respect to any person, any officer, manager, director, employee, agent, attorney, accountant or advisor of such person.

"**Response Actions**" means steps and actions which are reasonably required to be promptly or immediately taken by any Group Company to counteract the adverse effect of any Covid Restrictions imposed during the period between the date of this Agreement and Completion Date in the regions of the Russian Federation where the Group operates.

"**Restricted Period**" has the meaning given to it in Clause 12.1(a).

"**Restricted Person**" means any person listed in Schedule 18.

"**Restricted Territory**" means the Russian Federation and the CIS Countries.

"**Retained Records**" has the meaning given to it in Clause 13.3(b).

"**RUB**" or "**Rouble**" means the lawful currency of the Russian Federation.

“**Sanctioned Person**” means any person included in a Sanctions List, or in the OFAC Sectoral Sanctions Identification (SSI) List, or otherwise targeted by or with whom trading is restricted under any Sanctions Laws, or an Affiliate of any of the foregoing.

“**Sanctions Laws**” means the financial, economic, sectoral and other sanctions laws, rules and regulations issued, administered or enforced by the United Nations Security Council; any United States Governmental Authority, including OFAC, the U.S. Department of State, the U.S. Department of Commerce or any other U.S. government authority or department; the European Union, including restrictive measures implemented pursuant to any EU Council or Commission Regulation or Decision; the United Kingdom, including Her Majesty’s Treasury or any other United Kingdom government department or agency; or the Russian Federation.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

“**Sanctions List**” means the Specially Designated Nationals and Blocked Persons List maintained by OFAC, the Consolidated List of Financial Sanctions Targets and Investment Ban List maintained by Her Majesty’s Treasury, or any similar list maintained by, or public announcement of sanctions designations made by, the economic sanctions authorities of the United States, the European Union, the United Nations or the Russian Federation, each as amended, supplemented or substituted from time to time.

“**Seller 1 Participation Interest**” means a [***]% participatory interest in the charter capital of the Company, with the nominal value of RUB [***].

“**Seller 1 Obligations**” means all monies, debts and liabilities of any nature from time to time due or owing from Seller 1 to the Buyer (including, without limitation, any amounts payable under the Indemnities or in connection with a breach of any Warranty or any other obligation of the Sellers under any Transaction Document).

“**Seller 2 Participation Interest**” means a [***]% participatory interest in the charter capital of the Company, with the nominal value of RUB [***].

“**Seller 3 Participation Interest**” means a [***]% participatory interest in the charter capital of the Company, with the nominal value of RUB [***].

“**Seller 4 Participation Interest**” means a [***]% participatory interest in the charter capital of the Company, with the nominal value of RUB [***].

“**Seller Beneficiaries**” means the following individuals: Seller 3, Mr. [***], Mr. [***], Mr. [***] and Mr. [***] and “ **Seller Beneficiary**” means any one of them.

“**Sellers Claim**” means a claim against the Buyer under or in connection with this Agreement or the Transfer Instrument.

“**Seller Document**” means a Transaction Document to which a Seller is a party.

“Seller Related Entities” means in respect of the Individual Shareholder Guarantors and their respective Affiliates and in respect of each of Seller 2, Seller 3 and Seller 4 such Seller and his Affiliates.

“**Seller Relevant Matter”** has the meaning given to it paragraph 5 of Schedule 8.

“**Seller Retained Records**” has the meaning given to it in Clause 13.4(a).

“**Seller Third Party Claim**” has the meaning given to it in paragraph 6 of Schedule 8.

“**Sellers’ Accountants**” means finance employees of the Seller 1 Group.

“**Seller 1 Bank Account**” means the following account with HSBC France Amsterdam Branch:

Account name: Hearst Shkulev Digital Regional Network, B.V.
Address: Moermanskkade 500, 1013BC, Amsterdam, The Netherlands
Account Number: [***]
IBAN: [***]
Beneficiary Bank: HSBC FRANCE, AMSTERDAM BRANCH, Swift HSBCNL2A
Correspondent Bank (Beneficiary): HSBC Bank PLC, LONDON, Swift MIDLGB22
Account: [***]
Correspondent Bank: OOO HSBC Bank (RR) Moscow, Swift BLICRUMM
BIK: [***]
cor.acc/ [***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

“**Seller 2 Bank Account**” means the following account:

Payee Bank: Tinkoff Bank AO
Correspondent Account: [***]
BIC: [***]
Payee: Dorozhkin Evgeny Alexeyevich
Payee Account: [***]

“**Seller 3 Bank Account**” means the following account:

Payee Bank: Tinkoff Bank AO
Correspondent Account: [***]

BIC: [***]
Payee: Astapenko Sergey Vitalievich
Payee Account: [***]

"**Seller 4 Bank Account**" means the following account:

Payee Bank: Tinkoff Bank AO
Correspondent Account: [***]
BIC: [***]
Payee Baibaratsky Alexander Ivanovich
Payee Account: [***]

"**Sellers' Bank Accounts**" means each of the Seller 1 Bank Account, Seller 2 Bank Account, Seller 3 Bank Account and Seller 4 Bank Account, as the case requires.

"**Sellers' Counsel**" means Morgan, Lewis & Bockius LLP.

"**Sellers' Group**" means each Seller, HS Media, HSHD and VSA (each, a " **Seller Group Company**").

"**Sellers' Representative**" has the meaning given to it in Clause 33.

"**Senior Employee**" means an Employee whose remuneration (including any bonuses, commissions, share option, share incentive, profit related pay or other incentive pay) exceeds RUB two million (2,000,000) per annum;

"**Staff Member**" means an Employee, a Director, and/or an individual who is otherwise engaged by a Group Company on the basis of a contract for works or services, consultancy, copyright or any other type of contract.

"**Statement**" has the meaning given to it in Clause 19.2.

"**Subsidiaries**" means each company listed in Schedule 1 Part 2 (***Details of the Subsidiaries***).

"**Subsidiary Participation Interest**" means the participation interest in the charter capital of each of the Subsidiaries owned by the Company.

"**Supplementary Disclosure Letter**" has the meaning given to it in Clause 10.13.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

"**Surviving Provisions**" means Clause 1 (***Definitions and Interpretation***), Clause 7.3, Clause 17 (***Announcements and Confidentiality***), Clause 18 *(**Assignment***), Clause 19 (***Entire Agreement***), Clause 21 (***Costs***), Clause 22 (***Effect of Termination***), Clause 23 (***Payments***), Clause 25 (***Cumulative Rights***), Clause 26 (***Third Party Rights***), Clause 27 (***Waiver***), Clause 28 (***Variations***), Clause 29 (***Invalidity***), Clause 32 (***Communications***), Clause 33 (***Counterparts***)*,* Clause 35 (***Governing Law***) and Clause 36 (***Arbitration Agreement***).

"**Tax**", and "**Taxation**" means all forms of taxation including withholdings, duties, imposts, levies, value added tax, social security contributions imposed, assessed or enforced by any Governmental Authority (whether in the Russian Federation or any other jurisdiction as applicable), in all cases being in the nature of taxation, and any interest, penalty, surcharge or fine in connection therewith, in each case whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments to a Governmental Authority on account of tax, whenever and wherever imposed and whether chargeable directly or primarily against or attributable directly or primarily to a Group Company or any other person.

"**Tax Audit**" means an examination and verification of a person's financial, Tax and accounting records and supporting documents by a competent Tax Authority for the purpose of verifying such person's tax calculations and payments as well as overall compliance with the applicable Tax law conducted in-chambers or at such person's place of business.

"**Tax Authority**" means any Governmental Authority competent to impose any Tax, or responsible for the administration and/or collection of Tax or enforcement of any law in relation to Tax, in any jurisdiction.

"**Tax Claim**" means a Claim by the Buyer or any other Indemnified Party in relation to or for breach of the Tax Indemnity and/or Tax Warranties.

"**Tax Indemnity**" means the indemnity set out in Clause 10.15(b)

"**Tax Liability**" means:

(a) any liability of any Group Company to make payment or increased payment of Tax; and

(b) the utilisation of Buyer's Relief against any Tax where, but for such utilisation, the Group Company would have had a Tax Liability falling within (a), in which case the amount of the Tax Liability shall be equal to the amount of the Tax saved.

"**Tax Warranty**" means any Warranty set out in Schedule 3 (***Seller Warranties***), Part 2 (***Tax Warranties***).

"**Third Party Claim**" has the meaning given to it in Schedule 4 (***Seller Limitations***).

"**Title Claim**" means a Claim by the Buyer or any other Indemnified Party in relation to or for breach of any Fundamental Warranty or the Indemnity in Clause 10.15(a).

"**Traffic Purchase Agreement**" means the Agreement between the Company and the City Portals Entity to be entered into on or prior to Completion substantially in the form of Schedule 10 (***Form of Traffic Purchase Agreement***).

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"**Transaction**" means the transaction contemplated by this Agreement (or any part of that transaction).

"**Transaction Documents**" means this Agreement, the Disclosure Letter, the Deed of Undertaking, the Individual Shareholder Guarantees, the Transfer Instrument and all other documents entered into in connection with any of them.

"**Transfer Instrument**" means the sale and purchase agreement to be executed by the Sellers and the Buyer and certified by the Notary for the transfer of the Participation Interests from the Sellers to the Buyer substantially in the form set forth in Schedule 12 (***Form of Transfer Instrument***).

"**Upper Target Net Working Capital**" means negative RUB [***] (- RUB [***]).

"**USD**" means United States dollars, the lawful currency of the United States of America.

"**Used IPR**" means any Business IPR other than the Owned IPR.

"**VAT**" means value added tax levied in accordance with the Russian Tax Code.

"**VAT Transition**" has the meaning given to it in paragraph 17 of Schedule 4.

"**VIAC**" has the meaning given to it in Clause 36 (***Arbitration Agreement***).

"**Vienna Rules**" has the meaning given to it in Clause 36 (***Arbitration Agreement***).

"**VSA**" means VS Alliance Limited, registered office at Dixcart House Addlestone Road, Bourne Business Park, Addlestone, Surrey, KT15 2LE.

"**Warranties**" means the representations and warranties given by each Seller contained in Schedule 3 (***Seller Warranties***).

"**Warranty Claim**" means a Claim involving or relating to a breach of any of the Warranties (other than Tax Claim).

1.2 In this Agreement, unless otherwise stated:

(a) reference to this Agreement is to this agreement as varied, supplemented, novated or restated from time to time;

(b) reference to a document or a provision of a document is to that document or provision as varied, supplemented, novated or restated from time to time;

(c) reference to a document being in "**agreed form**" is to that document in the form approved and for identification purposes signed or initialled by or on behalf of the Buyer and Seller 1;

(d) reference to a statute or statutory provision includes a reference to:

(i) any statutory amendment, consolidation or re-enactment of it;

(ii) all orders, regulations, instruments or other subordinate legislation made under it; and

(iii) any statute or statutory provision of which it is an amendment, consolidation or re-enactment;

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(e) reference to a "**Party**" is to a party to this Agreement and includes a reference to that Party's successors and permitted assignees;

(f) reference to a "**person**" includes a legal or natural person, partnership, association, trust, company, corporation, joint venture, government, state or agency of the state or other body;

(g) reference to a governmental, regulatory or administrative authority or other agency or body that ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed, means the agency or body which performs most closely the functions of that authority, agency or body;

(h) a Clause or Schedule is to a Clause of or Schedule to this Agreement and any reference to this Agreement includes its Schedules;

(i) the terms "**parent undertaking**", "**subsidiary undertaking**" and "**undertaking**" shall be interpreted in accordance with the Companies Act 2006;

(j) the term "**connected person**" has the meaning given to it in section 1122 Corporation Tax Act 2010 and any references to persons being "**connected**" shall have a corresponding meaning;

(k) a reference to one gender is a reference to all or any genders, and references to the singular include the plural and vice versa, unless the context requires otherwise; and

(l) reference to the time of day is to the time in Moscow.

1.3 In this Agreement the interpretation of general words shall not be restricted by words indicating a particular class or particular examples and "**including**" means "**including without limitation**".

1.4 The interpretation of any indemnity given by the Sellers shall not be limited by reference to any provision in Schedule 3 (***Seller Warranties***) and the Parties agree that any such indemnity is a separate standalone right of the Buyer (which may overlap with and extend beyond other rights it has save in so far as double recovery in respect of any Loss is not permitted). This Clause 1.4 does not in any way limit the application of Schedule 4 (***Seller Limitations***) to any indemnity herein.

1.5 "To the extent that" and "if and to the extent that" both mean "if and then only in so far as"; they shall operate in a measured way, proportionate to the degree to which the relevant condition, matter or circumstance has been satisfied, exists or is the case; and they do not mean simply "if".

1.6 The headings in this Agreement are for ease of reference only and are to be ignored when interpreting this Agreement.

1.7 To determine whether a monetary limit or threshold set out in this Agreement has been reached or exceeded, any amounts not stated in RUB or for which a conversion rate is not stated, shall be converted into RUB at the Exchange Rate on the relevant date. The relevant date is;

(a) when determining whether a limit or threshold in a Warranty has been reached or exceeded, the date at which the Warranty is given;

(b) when determining whether a threshold in Schedule 4 (***Seller Limitations***) has been exceeded, the date a Warranty Claim is notified; and

(c) when determining whether a threshold in Clause 8.2 has been exceeded, the date the relevant transaction was entered into or undertaken (as the case may be) in the relevant period.

2. SALE AND PURCHASE

2.1 On and subject to the terms and conditions of this Agreement, the Sellers agree to sell, and the Buyer agrees to purchase, the ownership title to the Participation Interests.

2.2 The Participation Interests shall be sold at and with effect from Completion free from all Encumbrances and together with all rights attached to or accruing to them at Completion (including the right to receive all distributions attributable to the Participation Interests after the Completion Date).

2.3 Each Seller covenants to the Buyer on a several basis that it has, and shall have at the Completion Date, the right to transfer ownership title to its Participation Interest to the Buyer.

2.4 Each Party agrees and acknowledges that:

(a) this Agreement shall be governed by and construed in accordance with the laws of England and Wales and shall not be subject to the provisions of the Civil Code of the Russian Federation (including, without limitation, articles 429, 429.1, 429.3, 431.2, 434.1 and/or 435 of the Civil Code of the Russian Federation);

(b) this Agreement establishes obligations of the Buyer and the Sellers to execute, subject to the Conditions Precedent and the terms and conditions of this Agreement and following the fulfilment by the other of its relevant obligations in accordance with Schedule 2 (***Completion Formalities***), the Transfer Instrument to transfer the Participation Interests from each Seller to the Buyer on the terms and conditions of this Agreement, as well as other obligations of the Buyer and the Sellers (including, without limitation, Warranties and Indemnities); and

(c) the Buyer shall not be obliged to complete the purchase of any of the Participation Interests unless the sale of all the Participation Interests is completed simultaneously in accordance with this Agreement.

3. CONSIDERATION

3.1 The aggregate Consideration payable by the Buyer for the sale of the Participation Interests shall be equal to the sum of:

(a) the Completion Consideration (comprising the Provisional Payment payable to the Sellers in the Relevant Proportion pursuant to the Letters of Credit or Clause 3.6, as the case may be, and any adjustment payable by the Buyer to the Sellers or the Sellers to the Buyer in accordance with Clause 4); and

(b) the Deferred Consideration.

3.2 The completion consideration is RUB one billion seven hundred and forty five million (1,745,000,000) (the "**Completion Consideration**"), subject to adjustment in accordance with the provisions of Clause 4 (***Adjustments to Consideration***).

3.3 LoC Agreement and the Completion Notice

The Buyer shall:

(a) Execute the LoC Agreement, in good faith, promptly following the date of this Agreement; then

(b) subject to the LoC Agreement being entered into by Raiffeisenbank, within fifteen (15) Business Days from the date of this Agreement deposit the amount equal to the Provisional Payment in Raiffeisenbank; then

(c) subject to Clause 3.3(b) occurring, acting in good faith, promptly following the deposit of the Provisional Payment provide the LoC Instructions to Raifeissenbank; and then

(d) upon establishment of the Letters of Credit by Raiffeisenbank and not earlier than five (5) Business Days from date of this Agreement, acting in good faith, give written notice to the Sellers (such notice to enclose the Letters of Credit, if the Letters of Credit are not received by the Sellers from Raiffeisenbank directly) (the "**Completion Notice**").

3.4 The Buyer undertakes to the Sellers to comply with the LoC Agreement for as long as the Letters of Credit are in force.

3.5 The Buyer shall, acting in good faith, provide a notarized copy of the Transfer Instrument to Raiffeisenbank, promptly following the execution and notarization of the Transfer Instrument.

3.6 If the information about the transfer of the Participation Interests from the Sellers to the Buyer was duly registered in the Legal Entities Register, but Raiffiesenbank refuses to release funds under a Letter of Credit for the reason of a discrepancy between the documents provided to Raiffeisenbank by a Seller and the terms of such Letter of Credit, the Buyer and the Sellers shall use their commercially reasonbale endeavours to procure that Raiffeisenbank amends the terms and conditions of such Letter of Credit in a way that would allow Raiffeisenbank to process the payment to such Seller under such Letter of Credit.

3.7 If the Sellers have duly submitted all documents to Raiffeisenbank so that the funds could be remitted to the Sellers under the Letters of Credit, but Raiffeisenbank fails to pay to any Seller under a Letter of Credit and, thereafter, the Sellers and the Buyer have exhausted their commercially reasonbale endeavours to have the terms and conditions of the Letters of Credit amended so that the unpaid funds could be remitted to the Sellers under the Letters of Credit as set out in Clause 3.6 above, and Raiffeisenbank has returned the funds (or the relevant portion thereof) deposited by the Buyer in Raiffeisenbank pursuant to Clause 3.3(b), and the information about the due transfer of the Participation Interests from the Sellers to the Buyer is duly registered in the Legal Entities Register, the Buyer shall pay to such Seller his Relevant Portion of the Provisional Payment within three (3) Business Days of the receipt of the payment demand from such Seller.

3.8 Subject to the provisions of Clause 4 (***Adjustments to Consideration***), the Buyer shall pay the balance of the Completion Consideration to each of the Sellers' Bank Accounts, if any, being the amount of the Completion Consideration reduced by the Provisional Payment, once the Completion Statements have been agreed or determined in accordance with Clause 6 and Schedule 6 (***Completion Statements***).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

3.9 Subject to the terms of Clause 3.8, the Buyer shall pay the balance of the Completion Consideration (if any) and the Deferred Consideration at the same time. Such payment shall be paid to and allocated amongst the Sellers in the Relevant Proportions.

3.10 Any amount paid (or otherwise satisfied) by a Seller to or in favour of the Buyer by way of:

(a) any downward adjustment to the Completion Consideration;

(b) any Claim; or

(c) otherwise pursuant to this Agreement,

(d) shall be and shall be deemed (as far as legally permitted) to be pro tanto a reduction to the Consideration. If any payment is made in respect of any Indemnity Claim to any Indemnified Person (other than the Buyer) the Consideration shall similarly be deemed to have been reduced by amount of such payment thereunder. The Buyer shall not be concerned with or obliged to procure in any way that any reduction in the Consideration is re-allocated amongst the Sellers in accordance with the Relevant Proportions.

3.11 The Buyer shall pay any and all fees and commissions of Raiffeisenbank associated with the issuance and performance of the Letters of Credit.

3.12 The fees and expenses of the Notary shall be borne by the Buyer and the Sellers in equal proportions. The Sellers' share of Notary costs shall be allocated amongst the Sellers according to the Relevant Proportions.

3.13 Each Party shall pay its own Taxes under Applicable Law in connection with the transactions contemplated by this Agreement, including the payment of the Consideration.

4. ADJUSTMENTS TO CONSIDERATION

4.1 The Completion Consideration shall be subject to adjustment as follows:

Net Debt and Net Working Capital

(a) if Net Debt is a negative amount, the Completion Consideration shall be reduced (on a Rouble for Rouble basis) by an amount equal to the absolute value of Net Debt; or

(b) if Net Debt is a positive amount, the Completion Consideration shall be increased (on a Rouble for Rouble basis) by an amount equal to the amount of Net Debt;

(c) if Net Working Capital is less than the Lower Target Net Working Capital, the Completion Consideration shall be reduced (on a Rouble for Rouble basis) by an amount equal to the deficit; and

(d) if Net Working Capital is greater than the Upper Target Net Working Capital, the Completion Consideration shall be increased (on a Rouble by Rouble basis) by an amount equal to the excess; and

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4.2 The Buyer and each of the Sellers shall procure that the Completion Statements shall be prepared and agreed or determined in accordance with Clause 6 and Schedule 6 (***Completion Statements***) in order to ascertain Net Debt and Net Working Capital and, accordingly, the amount of the Completion Consideration and:

(a) if the Completion Consideration exceeds the Provisional Payment, the Buyer shall pay to the Sellers an amount equal to such excess, and such excess payment shall be paid to and allocated amongst the Sellers in the Relevant Proportions; or

(b) if the Completion Consideration is less than the Provisional Payment the Sellers in the Relevant Proportions shall pay to the Buyer an amount equal to such shortfall.

4.3 The Buyer and the Sellers shall each procure that any payments required to be made pursuant to Clause 4.2 shall be made within ten (10) Business Days after the Completion Statements have been agreed or determined in accordance with Clause 6 and Schedule 6 (***Completion Statements***). If a payment under Clause 4.2 is due to the Sellers, it shall be made by the Buyer in RUB to each the Sellers' Bank Accounts and if a payment under Clause 4.2 is due to the Buyer, it shall be made by the Sellers or any of them in RUB to the Buyer's Bank Account.

5. TRANSFER OF TITLE TO PARTICIPATION INTERESTS

5.1 At Completion, the Buyer and each of the Sellers shall take the steps required of the Buyer and a Seller under Applicable Law to procure that the Transfer Instrument is duly certified by the Notary and information about the transfer of the Participation Interests from a Seller to the Buyer is duly registered in the Legal Entities Register as soon as practicable in accordance with Applicable Law and the terms and conditions of this Agreement.

5.2 Each Party shall, acting in good faith, promptly provide the other Party, the Notary and the Registering Authority (as the case may be) with all assistance, information and documents that the Registering Authority and/or the Notary may require for the purposes of notarial certification of the Transfer Instrument, execution and submission of the Application and/or procuring state registration of the transfer of the Participation Interests from the Sellers to the Buyer with the Legal Entities Register.

5.3 The Buyer and the Sellers agree and acknowledge that the Transfer Instrument is executed with the purpose to effect the transfer of the Participation Interests from the Sellers to the Buyer in accordance with Applicable Law and is subject to certification by the Notary in accordance with clause 11 of article 21 of the LLC Law. If there is a conflict or discrepancy between the Transfer Instrument and this Agreement, this Agreement shall prevail.

5.4 The Buyer and the Sellers agree and acknowledge that any claims (including counterclaims) or defences that a Party may otherwise have against the other Party under or in relation to the Transfer Instrument shall be made or raised solely under the terms of this Agreement.

6. COMPLETION STATEMENTS

6.1 The Sellers shall prepare and deliver a draft of the Completion Statements to the Buyer within twenty one (21) Business Days after Completion. The Completion Statements shall be drawn up in accordance with the provisions set out in this Clause 6 and Schedule 6 (***Completion Statements***). The Buyer shall provide, and shall procure that the Buyer's Accountants provide, all assistance reasonably requested by the Sellers or the Seller 1 Accountants in the preparation of the Completion Statements.

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6.2 The Buyer may within ten (10) Business Days following the delivery of the draft Completion Statements deliver to the Sellers a report setting out the details of any items in the draft that it disputes, specifying any adjustments which in its opinion should be made and providing supporting evidence for them; if it does so, all other items in the draft shall be deemed to be agreed. If the Buyer does not provide a report complying with the preceding provisions of this Clause 6.2, the draft Completion Statements shall be deemed to be agreed.

6.3 The Buyer and the Sellers shall use their reasonable endeavours to reach agreement as to the adjustment (if any) required to be made in connection with any matter of disagreement notified in accordance with Clause 6.2 above, but if any such matter remains in dispute ten (10) Business Days after notification, the dispute shall at the request of the Buyer or the Sellers be referred for final determination to the Reporting Accountants (as such term is defined in the next sentence). For the purposes of this Agreement, "**Reporting Accountants**" means such Big Four Firm as may be agreed between the Buyer and the Sellers within five (5) Business Days of a written request from either Party to the other to so agree, or failing such agreement, an accounting firm nominated by the President of the Institute of Chartered Accountants in England & Wales upon request of either Party. The Reporting Accountant shall not be the current auditor for the Company or either Party.

6.4 The following provisions shall apply to the appointment of the Reporting Accountants:

(a) the Buyer and the Sellers shall each prepare a written statement of, and confined to, the matters in dispute and submit it, together with any supporting documents, to the Reporting Accountants promptly and in any event within fifteen (15) Business Days of their appointment;

(b) the Reporting Accountants' terms of reference shall be to determine what adjustments (if any) are in their opinion required to be made to the Completion Statements in relation to the matters in dispute (as notified to them in accordance with paragraph a above);

(c) the Buyer and the Sellers shall co-operate in good faith to do everything reasonably necessary to procure the appointment of the Reporting Accountants and shall not unreasonably refuse to agree on the Reporting Accountants' terms of engagement;

(d) the Buyer and the Sellers shall each provide the Reporting Accountants with any further information which they reasonably request and the Reporting Accountants shall be entitled (to the extent they consider it appropriate) to base their opinion on such information;

(e) the Reporting Accountants shall be requested to make their determination as soon as reasonably practicable and in any event within twenty (20) Business Days of their receipt of the Buyer and the Sellers' written statements (pursuant to paragraph (a) above);

(f) the Reporting Accountants shall act as experts and not arbitrators and their determination shall (in the absence of manifest error) be final and binding on the Buyer and the Sellers; and

(g) the Reporting Accountants' costs shall be borne equally by the Buyer and the Sellers.

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6.5 Upon the draft Completion Statements being agreed (or being deemed to be agreed) by the Buyer and the Sellers or being determined by the Reporting Accountants, those statements as so agreed (or deemed to be agreed), or determined, shall be the Completion Statements for the purposes of this Agreement and shall be final and binding on the Buyer and the Sellers and, without limitation, the amount of Net Debt and Net Working Capital shall be as stated on those statements.

7. CONDITIONS AND TERMINATION

7.1 Completion is conditional upon satisfaction (or waiver by the applicable Party) of each of the following conditions precedent (the "**Conditions Precedent**"):

(a) each of the Key Employees shall continue to be employed by the relevant Group Company and an employment agreement of such Key Employee shall have not been revoked or otherwise repudiated by the relevant Group Company. For the avoidance of doubt the voluntary resignation of a Key Employee is not covered by this Clause 7.1(a);

(b) no material breach of the Warranties by the Sellers shall have occurred, provided that for purposes of this Clause 7.1(b) "**material breach**" means: (i) a breach of a Fundamental Warranty or (ii) a breach (or a series of breaches) of any Warranties for which the liability of the Seller, if the Buyer were to bring a Claim(s) (assuming for these purposes that the Buyer did not have any right of termination under this Agreement and Completion was effected notwithstanding the breach(es)), could reasonably be expected to exceed RUB [***] in aggregate;

(c) a Seller shall not be in material breach of any provision of Clauses 8.2(c), 8.2(e), 8.2(h), 8.2(i), 8.2(k), 8.2(l), 8.2(n), 8.2(p), 8.2(q), 8.2(r), 8.2(s), 8.2(t), 8.2(w), 8.2(y), 8.2(z) 8.2(aa), 8.2(bb), 8.2(cc) and 8.2(dd) provided that for the purposes of this Clause 7.1(c) "**material breach**" means a breach for which the liability of the Sellers or any of them, if the Buyer were to bring a Claim(s) (assuming for these purposes that the Buyer did not have any right of termination under this Agreement and Completion was effected notwithstanding the breach(es)), could reasonably be expected to exceed RUB [***] in aggregate;

(d) no Applicable Law, including a decision or action of a Governmental Authority, shall have been enacted, issued, promulgated or enforced, and no change in Applicable Law shall have occurred, which has the effect of making any transactions contemplated by this Agreement or the other Transaction Documents illegal, or otherwise restraining or prohibiting consummation of such transactions, or causing any of such transactions to be rescinded following Completion; and no legal proceedings or action of any Governmental Authority shall have been commenced against any Party that seeks to prohibit, restrict or invalidate any transactions contemplated by this Agreement or other Transaction Documents; and

(e) none of the Parties (nor any of their Affiliates) nor any of the Group Companies is included on any Sanctions List, or shall have become a Sanctioned Person, and no Sanctions Laws shall prohibit or restrict the execution or performance of this Agreement or the other Transaction Documents or impose material Losses on a Party in connection with such execution or performance.

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7.2 The Sellers shall use their reasonable endeavours to procure satisfaction of the Condition Precedent set out in Clause 7.1(a) as soon as reasonably practicable and in any event prior to the Long Stop Date.

7.3 Each Party will notify the other Party promptly upon the satisfaction of any of the Conditions Precedent for which it is responsible under Clause 7.1 (other than in respect of those Mutual Conditions which can only be satisfied on the Completion Date). Upon written request from a Party, the other Party shall promptly provide an update on its progress concerning the satisfaction of the Conditions Precedent for which it is responsible pursuant to Clause 7.1 (other than in respect of those Mutual Conditions which can only be satisfied on the Completion Date).

7.4 If, at any time, a Party becomes aware of a fact or circumstance that is reasonably likely to prevent any Condition Precedent from being satisfied by the Long Stop Date, it shall promptly provide written notice of the same to the other Party, including reasonable details and relevant supporting documentation with respect to such matters.

7.5 The Buyer shall be entitled at its sole discretion to waive any or all of the Conditions Precedent set forth in Clauses 7.1(a) through 7.1(e) ("**Buyer Conditions Precedent**") by notice to the Sellers at any time prior to 5.00 p.m. (Moscow time) on the Long Stop Date. The Buyer and the Sellers may jointly by agreement in writing waive any or all of the Conditions Precedent set forth in Clauses 7.1(d) and 7.1(e) ("**Mutual Conditions Precedent**").

7.6 This Agreement may be terminated:

(a) by either Seller 1 for and on behalf of the Sellers or the Buyer upon written notice to the other Party, if any of the Mutual Conditions Precedent has not been satisfied or waived by 5.00 p.m. (Moscow time) on the Long Stop Date; or

(b) by the Buyer upon written notice to the Sellers, if any of the Buyer Conditions Precedent has not been satisfied or waived by 5.00 p.m. (Moscow time) on the Long Stop Date.

7.7 Any termination pursuant to this Clause 7 shall be subject to Clause 20 (***Further Assurance***).

7.8 If the Agreement is terminated by the Buyer pursuant to Clause 7.6(b), as a result of non-satisfaction of the Conditions Precedent in Clauses 7.1(b) or 7.1(c), the Buyer shall provide to the Sellers a detailed written explanation setting out the circumstances on the basis of which the Buyer is exercising its termination right.

8. PRE-COMPLETION COVENANTS

8.1 Until the earlier of Completion and this Agreement being terminated in accordance with its terms the Sellers shall (except only in relation to the extent that it first obtains the Buyer's prior written consent expressly for the purposes of this Clause 8 (***Pre-Completion Covenants***), such consent not to be unreasonably withheld, or such consent is deemed obtained in accordance with Clause 8.3):

(a) procure that the business of each Group Company is carried on only in the Ordinary Course of Business (including with respect to pricing, incentives, discounts, marketing, customer acquisition and support) so as to maintain it as a going concern and so as to maintain its assets, subject to the Response Actions;

(b) procure that each Group Company operates its business in accordance with: (a) Applicable Law, (b) the terms of all material licences, registrations, concessions, permits, notifications and consents which are required for it to own or operate its assets or conduct its business or corporate affairs and (c) all agreements and arrangements which are binding on it, in each case in all material respects;

(c) refrain from doing, and shall procure that each Group Company shall refrain from doing, procuring or allowing anything which constitutes a breach of any of the Warranties.

8.2 Without prejudice to the generality of Clause 8.1, the Sellers shall procure that prior to Completion no Group Company shall do, or agree or commit to do, any of the following (except only to the extent that it first obtains the Buyer's prior written consent expressly for the purposes of this Clause 8 (***Pre-Completion Covenants***), such consent not to be unreasonably withheld):

(a) Create any share capital or loan capital;

(b) Allot or issue or agree to allot or issue any share or loan capital (or an option to subscribe for or exchange conversion rights in respect of the same), or alter or agree to alter any of the rights attaching to its share or loan capital;

(c) Reduce, repay, redeem, purchase or effect any other reorganisation with respect to any of its share capital;

(d) Change or resolve to change its name or alter or resolve to alter its Organisational Documents, except as required by the Applicable Laws;

(e) Resolve to be voluntarily wound up;

(f) Declare or pay any dividend or make any other distribution of its assets or profits to any participant or other person;

(g) Pass any shareholder resolution, except in the Ordinary Course of Business, or as required to comply with Applicable Laws;

(h) Grant or issue or agree to grant or issue any mortgage, charge, debenture or security for money or redeem or agree to redeem any such mortgage, charge, debenture or security;

(i) Dispose of or agree to dispose of or grant any option in respect of its business or any part of its business;

(j) Enter into any agreement or incur any commitment involving any capital expenditure in excess of RUB ten million (10,000,000) per agreement or commitment;

(k) Enter into or amend in any material respect any agreement or incur any commitment which is not capable of being terminated without compensation at any time with three (3) months' or shorter notice and which involves or may involve total annual expenditure in excess of RUB ten million (10,000,000) except in the Ordinary Course of Business.

(l) Incur any Indebtedness in excess of RUB seventy five million (75,000,000) in the aggregate or vary material terms of any existing Indebtedness, except for a Response Action;

(m) Make any loan (other than the granting of any trade credit in the Ordinary Course of Business) to any person (other than another Group Company);

(n) Enter into, modify or terminate any contract, arrangement or commitment relating to, or affecting a material part of its business, including any Material Contract, except in the Ordinary Course of Business or as a Response Action and except for the termination of the agreements listed in items 26 and 27 of Schedule 17 (***Material Contracts***) in accordance with paragraph 1(g) of Schedule 2 (***Completion Formalities***) and except the replacement of the party to the agreements listed in items 17, 24, 38, 39, 42, 44, 46 of Schedule 17 from the Subsidiary N1 Technologies LLC to the Company (***Material Contracts***).

(o) Acquire or dispose of, or agree to acquire or dispose of, any material asset involving consideration, expenditure or liabilities in excess of RUB ten million (10,000,000) except in the Ordinary Course of Business;

(p) Acquire or enter into a legally binding agreement to acquire any shares or other interest in any entity;

(q) Enter into a partnership or joint venture agreement or arrangement;

(r) Dispose of any interest or grant any right in respect of any real estate or acquire any interest in real estate;

(s) Enter into any leasing, hire purchase, conditional sale or other agreement or arrangements for payment on deferred terms with a value in excess of RUB ten million (10,000,000) per annum in relation to each transaction (or series of related transactions);

(t) Make any change in the terms and conditions of employment (including in relation to salaries, fees or benefits) or pension benefits of any Staff Member, except in the Ordinary Course of Business, except for: (i) payment of the Permitted Bonuses and (ii) the Response Actions which, in the aggregate, do not cause an increase in the overall expenses of the Group for remuneration of its Staff Members (including any bonuses) or a reduction in the overall expenses of the Group for remuneration of its Staff Members (including any bonuses) of more than twenty per cent (20%);

(u) Save with respect to the appointment of a new Chief Executive Officer, employ or appoint, or make any changes to the terms and conditions of employment of any Senior Employee;

(v) Save with respect to the appointment of a new Chief Executive Officer, terminate the employment or consultancy arrangement of any Director or Senior Employee other than (i) “for cause” on grounds that justify summary termination; or (ii) by voluntary termination of such Director or Employee;

(w) Institute, settle or agree to settle any legal proceedings relating to its business where the amount of the claim in question is in excess of RUB one million (1,000,000) (save for debt collection in the Ordinary Course of Business) except for a Response Action;

(x) Permit or suffer any of its insurances to lapse or do anything which could make any such policy of insurance void or voidable, except in the Ordinary Course of Business;

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(y) Incur any liabilities between itself and a Seller or a Seller Related Entity except for remuneration in the Ordinary Course of Business and at the rates current before the date of this Agreement;

(z) grant or modify or agree to terminate any rights or enter into any agreement relating to the Intellectual Property Rights or otherwise permit any of its rights relating to the Intellectual Property Rights to lapse, except in the Ordinary Course of Business and for the Response Actions and except for the termination of the agreement listed in item 28 of Schedule 17 (***Material Contracts***) in accordance with paragraph 1(g) of Schedule 2 (***Completion Formalities***).

(aa) Make any material change to any of its methods, policies, principles or practices of Tax accounting or methods of reporting or claiming income, losses or deductions for Tax purposes, save as required by Applicable Law;

(bb) Enter into any material agreement with any Tax Authority, or terminate or rescind any material agreement with a Tax Authority that is in effect on the date of this Agreement, save as required by Applicable Law;

(cc) Make or amend any material claim, election or option relating to Taxation or amend any Tax return in any material respect or change its residence for Tax purposes or establish a permanent establishment in a jurisdiction in which it did not previously have such an establishment, save as required by Applicable Law; or

(dd) Make any change to its accounting practices or policies, save as required by Applicable Law.

8.3 For the purposes of this Clause 8, the consent of the Buyer shall be deemed to be given if:

(a) consent is requested by a Seller and the Buyer does not respond within five (5) Business Days;

(b) the action or matter in question is required under Applicable Law; or

(c) the action or matter in question is required to comply with any of the Transaction Documents.

8.4 For the purposes of Clause 8.3(a):

(a) the Sellers shall make any such request to the following email addresses: mikhail.lukianov@cian.ru and alexander.garbuzov@cian.ru; and

(b) the Buyer shall respond to any such requests to the following email addresses: jtsipileva@hsmedia.ru.

8.5 For the avoidance of doubt, the restrictions set forth in Clauses 8.1 and 8.2 apply only to the business and activities of the Group Companies, and not to any third parties.

8.6 Until Completion, upon reasonable notice and during normal business hours, the Sellers shall provide the Buyer and its Representatives with such information regarding each Group Company and such access to the Properties and to the books and records of each Group Company as the Buyer may reasonably request and as may be permitted under Applicable Laws.

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9. SIGNING AND COMPLETION

9.1 At signing:

(a) the Sellers must ensure that that following items are delivered to the Buyer:

(i) a copy of this Agreement, duly executed by the Sellers, with the original to follow as soon as possible thereafter; and

(ii) a copy of the Disclosure Letter, duly executed by the Sellers, with the original to follow as soon as possible thereafter;

(b) the Buyer must ensure that the following items are delivered to the Seller:

(i) a copy of this Agreement, duly executed by the Buyer, with the original to follow as soon as possible thereafter; and

(ii) a copy of the Disclosure Letter, duly executed by the Buyer, with the original to follow as soon as possible thereafter.

9.2 Subject to clause 7.1, Completion shall take place at the offices of the Buyer's Counsel (or such other place as the Buyer and Seller 1 may agree) one (1) Business Day following receipt (or deemed receipt) from the Buyer of the Completion Notice, or on such other date as the Buyer and Seller 1 may agree in writing.

9.3 On Completion, the Sellers and the Buyer shall comply with their respective obligations in Schedule 2 (***Completion Formalities***).

9.4 At Completion:

(a) each Seller shall do, or procure the carrying out of, each of those relevant things which are to be done or procured by it as set out in Schedule 2 (***Completion Formalities***); and

(b) the Buyer shall do those relevant things which are to be done by it as set out in Schedule 2 (***Completion Formalities***).

9.5 Prior to Completion taking place, any item delivered to a Party pursuant to Schedule 2 (***Completion Formalities***) shall be held on trust by the recipient and to the order of deliverer, pending Completion.

9.6 Completion shall not be deemed to have occurred for any reason until all of the actions and steps listed in Clause 9.4 and Schedule 2 (***Completion Formalities***) shall have been completed.

9.7 The Buyer may waive any of the requirements contained in paragraph 1 of Schedule 2 (***Completion Formalities***) either unconditionally or subject to the condition that a Seller gives, on Completion, a written indemnity or undertaking to the Buyer in such form as the Buyer requires.

9.8 Seller 1 may waive for and on behalf of the Sellers any of the requirements contained in paragraph 2 of Schedule 2 (***Completion Formalities***) either unconditionally or subject to the condition that the Buyer gives, on Completion, a written indemnity or undertaking to Seller 1 in such form as Seller 1 requires.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

9.9 If any of the transactions set out in Schedule 2 (***Completion Formalities***) does not take place materially as provided in that Schedule, the Buyer, in the case of non-compliance by a Seller, or Seller 1 for and on behalf of the Sellers, in the case of non-compliance by the Buyer, may at their own discretion and, in each case, without prejudice to its other rights and remedies:

(a) defer Completion for up to ten (10) Business Days;

(b) proceed to Completion so far as is practicable; or

(c) either immediately or following the deferral (if the transactions have still not taken place) terminate this Agreement in which case the provisions of Clause 22 (***Effect of Termination***) shall apply.

9.10 If the Buyer fails to comply with any of its obligations in Schedule 2 (***Completion Formalities***), and as a direct consequence Completion does not occur and this Agreement is terminated in accordance with its terms, the Buyer shall, upon a written demand from the Sellers, reimburse each Seller its Relevant Proportion of the reasonable and documented costs and expenses (including 100% of the N1 Restructuring Expenses) incurred in connection with negotiations regarding the entry into the Transaction, up to a maximum of [***], by electronic transfer of immediately available funds to such bank account as each Seller shall specify in writing.

9.11 If any of the Sellers fails to comply with any of its obligations in Schedule 2 (***Completion Formalities***), and as a direct consequence Completion does not occur and this Agreement is terminated in accordance with its terms, the Sellers shall on a several basis, upon a written demand from the Buyer, reimburse to the Buyer all its reasonable and documented costs and expenses, up to a maximum of RUB [***] incurred in connection with negotiations regarding the entry into the Transaction, by electronic transfer of immediately available funds to such bank account as the Buyer shall specify in writing. Each Seller makes the reimbursement to the Buyer in its Relevant Proportion.

10. SELLER WARRANTIES AND INDEMNITIES

10.1 Unless otherwise provided for specifically within the relevant Warranty, each Seller warrants to the Buyer in terms of the Warranties.

10.2 On Completion each Seller shall be deemed to repeat the Warranties with reference to the facts, matters and circumstances then existing (and as if any express or implied reference in a Warranty to the date of this Agreement was replaced by a reference to the date of Completion).

10.3 Each Seller shall promptly notify the Buyer in writing (setting out full details of the relevant matter) of anything which becomes known to it before Completion which causes or is likely to cause a Warranty (as given by it on the date of this Agreement or as repeated on Completion with reference to the facts, matters and circumstances then existing) to become inaccurate or misleading.

10.4 The Buyer shall promptly notify the Sellers in writing (setting out full details of the relevant matter) of anything which becomes known to it before Completion which causes or is likely to cause a Buyer's Warranty (as given by it on the date of this Agreement or as repeated on Completion with reference to the facts, matters and circumstances then existing) to become inaccurate or misleading.

10.5 The liability of the Sellers under the Warranties and otherwise under the Transaction Documents is limited in accordance with the provisions of Schedule 4 (***Seller Limitations***).

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10.6 No Party shall be entitled to terminate or rescind this Agreement based on a misrepresentation. The Misrepresentation Act 1967 shall not apply for the purposes of this Agreement.

10.7 The Warranties shall not be extinguished or affected by Completion.

10.8 The Sellers or any of them shall not be liable in respect of a Warranty Claim or a Tax Claim under any of the Tax Warranties to the extent that the facts and circumstances giving rise to the Warranty Claim or Tax Claim under any of the Tax Warranties have been Disclosed. The Warranties are only qualified by a matter that is Disclosed.

10.9 Where a Warranty refers to the knowledge, belief or awareness of a Seller (or any similar expression), the knowledge, belief or awareness (or the like) of a Seller shall be deemed to include the knowledge of the following persons: Sergey Astapenko, Ivan Zhuley, Nikita Krykin, Alexey Prokofiev, Oleg Bobylev, Viktor Shkulev, Julia Tsipileva, Dorozhkin Evgeny Alexeevich and Baibaratskiy Aleksandr Ivanovich who shall be deemed to have knowledge of such matters as they would have discovered, had they made such enquiries as are reasonable in the circumstances.

10.10 None of the information supplied or statements made by a Company Related Person shall be deemed to include a representation to a Seller as to its accuracy.

10.11 Each Seller waives any right or claim it may have against any Company Related Person in respect of any error or omission in connection with any misrepresentation or error in, or omission from, any information or opinion supplied or given by such Company Related Person in the course of providing any information or responses to a Seller or any of its Affiliates, negotiating this Agreement or of the preparation of the Disclosure Letter or the Supplementary Disclosure Letter (and acknowledges and agrees that any such right or claim shall not constitute a defence to any claim by the Buyer), except for any deliberate concealment and/or intentional misstatement by a Company Related Person who is a director, officer or employee of any Group Company. Each Company Related Person may enforce the terms of this Clause 10.11. in accordance with the Contracts (Rights of Third Parties) Act 1999, provided that, as a condition precedent thereto, any such Company Related Person shall obtain the prior written consent of the Buyer. No Company Related Person may assign its rights under this Clause 10.11.

10.12 Each of the Warranties is without prejudice to the other Warranties and, except where expressly stated otherwise, the meaning and extent of any Warranty or any part of it shall not be qualified or limited by any other Warranty or any other part of a Warranty.

10.13 Each Seller may deliver to the Buyer, at any time between the date of this Agreement and the day falling not less than two (2) Business Days prior to the Completion Date, one further disclosure letter together with the corresponding Disclosure Bundle (the "**Supplementary Disclosure Letter**"), substantially in the same form as the Disclosure Letter, disclosing any facts, matters or circumstances that would otherwise render any of the Warranties untrue or inaccurate as at the Completion Date which facts, matters or circumstances have occurred only after the execution of this Agreement.

10.14 If any fact, matter or circumstance disclosed in the Supplementary Disclosure Letter (if any) would, but for such disclosure, result in a material breach of any of the Warranties given by a Seller as at Completion, then the Buyer shall have the right to treat the Condition Precedent set out in Clause 7.1(d) as not being satisfied. For the purpose of this Clause 10.14, "materiality" of a breach means a breach of a Fundamental Warranty or a breach (or series of breaches) of any Warranties for which the aggregate liability of the Sellers, if the Buyer were to bring a Claim(s) (assuming for these purposes that the Buyer did not have any right of termination under this Agreement and Completion was effected notwithstanding the breach(es)), could reasonably be expected to exceed RUB [***].

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10.15 Subject to Clause 10.16, each Seller shall, on a several basis, indemnify and hold harmless the Buyer and each other Indemnified Person against, and covenants to pay to the Buyer and each other Indemnified Person an amount equal to, all Losses incurred or suffered by the Buyer or any other Indemnified Person arising out of or in connection with any of the following matters:

(a) any claim, demand or action in respect of any title defect with respect to the relevant Participation Interest or the Subsidiary Participation Interest (including, in each case, any Encumbrance) on any ground, in each case, in connection with or as a result of any Event that took place prior to Completion; and

(b) any Tax Liability of a Group Company arising (i) in respect of any Event occurring (or deemed to occur for Tax purposes by operation of Applicable Law) on or before Completion, (ii) in respect of or by reference to income or profits which were (or were deemed to have been for Tax purposes by operation of Applicable Law) earned or accrued on or before (or partly before) Completion or in respect of a period ending on or before (or partly before) the Completion Date (but for the avoidance of doubt, only in respect of the pre-Completion part), (iii) by reason of the Company and/or any of the Group Companies having been (or ceasing to be) a member of the Sellers' Group on or following execution or completion of this Agreement, in all cases together with any reasonable third party costs and expenses properly incurred by the Buyer or a Group Company in connection with any Tax Liability in respect of which the Seller is liable under this Clause 10.15(b) and in respect of any claim by a Tax Authority in respect of such Tax Liability, and (iv) (to the extent not already indemnified under this Clause 10.15(b)) with prior written consent from Seller, any third party costs and expenses properly incurred by the Buyer or a Group Company in connection with defending a claim, demand or action by a Tax Authority alleging a Tax Liability in respect of which the Seller could be liable under this Clause 10.15(b).

10.16 The Buyer shall, and shall procure that each Indemnified Person shall (subject to and in accordance with paragraph 7 of Schedule 4 ***(Third Party Claims)***, take such steps as are reasonable in the circumstances and/or as a Seller may reasonably request to mitigate any Losses upon becoming aware of any Event that it reasonably expects to give rise to a Claim under Clause 10.15, including, to the extent reasonable, incurring costs only to the minimum extent necessary to remedy the Event that gives rise to such Losses (and provided always, for the avoidance of doubt and notwithstanding any other provision, that all such costs shall, on demand by the Buyer, be paid by a Seller).

10.17 All amounts due under the Indemnities shall be paid by the Sellers to an Indemnified Person in full, without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax required by Applicable Law). If any deductions or withholdings are required by Applicable Law to be made from any of the sums payable under the Indemnities, the Sellers shall pay to such Indemnified Person any sum as will, after the deduction or withholding is made, and after taking into account the availability of any Relief available to that Indemnified Person in respect of the payment and any increased payment made under this Clause 10.17, leave such Indemnified Person with the same amount as it would have been entitled to receive without that deduction or withholding.

11. BUYER WARRANTIES

11.1 The Buyer warrants to the Sellers in the terms of Schedule 7 (***Buyer Warranties***).

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11.2 On Completion the Buyer shall be deemed to repeat the Buyer Warranties with reference to the facts, matters and circumstances then existing (and as if any express or implied reference in a Warranty to the date of this Agreement was replaced by a reference to the date of Completion).

11.3 The Buyer Warranties shall not be extinguished or affected by Completion.

11.4 Each of the Buyer Warranties is without prejudice to the other Buyer Warranties and, except where expressly stated otherwise, the meaning and extent of any Buyer Warranty or any part of it shall not be qualified or limited by any other Buyer Warranty or any other part of a Buyer Warranty.

11.5 The Buyer shall promptly notify the Sellers in writing (setting out full details of the relevant matter) of anything which becomes known to it before Completion which causes or is likely to cause a Buyer Warranty (as given by it on the date of this Agreement or as repeated on Completion with reference to the facts, matters and circumstances then existing) to become inaccurate or misleading.

12. PROTECTION OF GOODWILL

12.1 Each of Seller 1, Seller 2, Seller 3 and Seller 4, covenants with the Buyer and each Group Company that it shall not, without the written consent of the Buyer:

(a) at any time during the period of three (3) years commencing on the Completion Date (the "**Restricted Period**"), directly or indirectly operate, carry on, invest in or be engaged in any existing or new Competing Business in the Restricted Territory, or provide any technical, commercial or financial support, advisory or consulting services, or investment to any person with the intention of supporting or facilitating in any way, any Competing Business in the Restricted Territory;

(b) at any time during the Restricted Period, directly or indirectly acquire, own, have an equity interest in, lend money to, manage, control or participate in the ownership, management or control of, or consult with, advise for compensation or pro bono, any person engaged, directly or indirectly, in any Competing Business in the Restricted Territory;

(c) at any time during the Restricted Period, place or distribute digital advertisements of third parties whose primary business is the Competing Business in the Restricted Territory; provided, however, that this covenant shall not apply to any digital advertisements that are placed by third parties on the resources through programmatic or similar online display advertising platforms of a Seller or Sellers' Related Entities;

(d) at any time during the Restricted Period:

(I) offer employment to, enter into a contract for the services of, or otherwise entice or attempt to entice away from any Group Company, any Restricted Person (whether or not that person would commit any breach of their contract of employment or engagement), except (i) only with respect to attempts to entice away, pursuant to a general solicitation which is not directed specifically to any such Restricted Persons, or (ii) any Restricted Person whose employment was terminated by the relevant Group Company more than six (6) months prior to any such action by a Seller; or

(II) procure or facilitate in relation to a Restricted Person, the making of any such offer or attempt by any other person;

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(e) at any time after Completion:

(i) engage in any trade or business or be associated with any person firm or company engaged in any trade or business, using:

(1) the name "N1.ru", "Н1.ру", "MLSN.ru", "МЛСН.ру", or any name incorporating the words "N1.ru" or "Н1.ру", "MLSN.ru" or "МЛСН.ру";

(2) in the Restricted Territory, any trade or service mark, business or domain name, design or logo which, at Completion, will be or will have been used by any Group Company in connection with the Business; or

(3) in the Restricted Territory, anything which is, reasonably capable of confusion with any word, mark, name, design or logo referred to in 6.2 and (ii) above; or

(ii) interfere with the use by the Buyer or any Group Company of any name, trade or service mark, business or domain name, design or logo referred to in Clause 12.1(e)(i)(1) or Clause 12.1(e)(i)(2) above.

(f) at any time after Completion, present itself or permit itself to be presented as connected in any capacity with any Group Company after Completion.

12.2 The covenants in Clause 12.1 are intended for the benefit of, and shall be enforceable by the Buyer and each Group Company and shall apply to actions carried out by (i) Seller 1, and (ii) Seller 2, Seller 3, Seller 4 (or any of their respective Affiliates), in any capacity (including as shareholder, partner, director, principal, consultant, officer, employee, agent, adviser or otherwise) and whether directly or indirectly, on its own behalf or on behalf of, or jointly with, any other person.

12.3 Nothing in Clause 12.1 shall prevent Seller 1, and each of Seller 2, Seller 3 and Seller 4 and its Affiliates: (a) holding as a passive financial investment not more than ten per cent (10%) of the outstanding securities of any entity involved in a Competing Business in the Restricted Territory, provided that such shareholding shall not entitle a Seller, as the case may be, to disproportionate voting rights or enable it to exercise control or significant influence over such Completing Business; or (b) owning or holding, directly or indirectly, solely as a passive financial investment, less than ten per cent (10%) of any class of securities of any person involved in a Competing Business in the Restricted Territory and traded on any recognized securities exchange), (c) the placement and distribution of advertising of any real estate agencies and other persons engaged in real estate advertising, in magazines, websites and in other activities of any of the Seller as long as such advertising is placed or ordered by real estate agencies and/or their Affiliates themselves; (d) participation, appearance or presentation of any directors or employees of the Seller in any public conferences or exhibitions; (e) conversations and/or discussions by any directors or employees of the Seller with persons engaged in a Competing Business in the Restricted Territory as long as such conversations and/or discussions do not result in any engagement of that member of the Seller in a Competing Business in the Restricted Territory and do not amount to advisory or consulting support; or (f) any non-material common transactions that are made within a usual course of business as of the date of this Agreement, such as rent, content licensing or similar transactions by the Seller with persons engaged in a Competing Business in the Restricted Territory. Each of the covenants in Clause 12.1 is a separate undertaking by each of Seller 1, Seller 2, Seller 3 and Seller 4 and shall be enforceable by the Buyer and each Group Company separately and independently of their right to enforce any one or more of the other covenants contained in that Clause. Each of Seller 2, Seller 3 and Seller 4 shall procure that each of its respective Affiliates complies with Clause 12.1 as if each Affiliate was a party hereto.

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12.4 Each Seller acknowledges that it has had the opportunity to take independent advice on the provisions of this Clause 12. While those provisions are considered by the Parties to be reasonable in all the circumstances, it is agreed that if any of those restrictions, by themselves or taken together, are adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interests of the Buyer but would be adjudged reasonable if part or parts of their wording were deleted or amended or qualified or the periods referred to were reduced or the range of products and/or services or area dealt with were reduced in scope, then the relevant restriction or restrictions shall apply with such modification or modifications as may be necessary to make it or them valid and effective.

12.5 The consideration for the covenants in Clause 12.1 is included in the Consideration.

12.6 Each Group Company may enforce the terms of this Clause 12 in accordance with the Contracts (Rights of Third Parties) Act 1999, provided always that, as a condition thereto, any such Group Company shall:

(a) obtain the prior written consent of the Buyer; and

(b) not be entitled to assign its rights under this Clause 12.

12.7 Each Seller agrees that each of the undertakings contained in Clause 12 are reasonable and are entered into for the purpose of protecting the goodwill, Confidential Information and trade connections of the businesses of the members of the Group.

13. COVENANTS AND UNDERTAKINGS

13.1 Prior to Completion, each Seller shall:

(a) procure the repayment in full of all amounts owing (even if not due for repayment) to any Group Company by a Seller, its Affiliates (other than the Group Companies) or any Seller Related Entity;

(b) with the exception of any Guarantee or indemnity granted by or binding upon any Group Company in respect of or arising out of any liabilities (actual or contingent) of a Seller, its Affiliates or any Seller Related Entity in connection with the sale and purchase of the share capital of Limited Liability Company “Zarplata.ru”, procure that all Guarantees or indemnities given by or binding on any Group Company in respect of or arising out of any liabilities (actual or contingent) of a Seller, its Affiliates or any Seller Related Entity are fully and effectively released without cost to any Group Company or any member of the Buyer’s Group (and the Seller shall indemnify and keep indemnified the Buyer and each Group Company against all Losses which the Buyer or any Group Company may suffer or incur in respect of any claim made under any such Guarantee or indemnity after Completion); and

(c) procure that all powers of attorney issued by any Group Company to a Seller, its Affiliates or any Seller Related Entity are effectively revoked and returned to a relevant Group Company.

13.2 Each Seller:

(a) confirms, warrants and undertakes that at Completion neither it nor any of its Affiliates will have any claim on any account whatsoever outstanding against any Group Company or against any of the Directors, officers, Employees or professional advisers of any Group Company and that no agreement or arrangement will be outstanding under which any Group Company or any such person has or could have any obligation of any kind to a Seller; and

(b) to the extent that any such claim or obligation exists or may exist, irrevocably and unconditionally waives such claim or obligation and releases each Group Company and any such person from any liability whatsoever in respect of such claim or obligation except as otherwise expressly provided herein.

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13.3 Each Seller shall, and shall procure that each of its Affiliates shall, following Completion:

(a) forthwith send to the Buyer all books and records relating wholly or substantially to any Group Company/ies which are not kept at the offices of the Group Companies, excluding for the avoidance of doubt any internal documentation prepared as communications between management of the Company and its shareholders;

(b) during the period of three (3) years following Completion, upon the reasonable request of the Buyer and at all reasonable times during normal business hours and on reasonable advance notice, provide the Buyer and each Group Company, together with their respective officers, Employees, advisers and agents, with reasonable access to, and copies of, any other papers, books, accounts or other records (in whatever form) which relate to any Group Company (the "**Retained Records**") other than those referred to in Clause 13.3(a);

(c) retain safely and securely all Retained Records, and not dispose of or destroy any Retained Records, until at least the seventh (7th) anniversary of Completion, and thereafter not dispose of or destroy any of the Retained Records, without first giving the Buyer at least one month's notice of the intention to do so and giving the Buyer the opportunity to review and to take possession of or copy of any of such Retained Records; and

(d) perform the actions listed in Schedule 9 (***Integration Plan***).

13.4 The Buyer shall:

(a) during the period of seven (7) years following Completion, upon the reasonable request of a Seller, provide such Seller and each Seller Related Entity and Representatives at all reasonable times during normal business hours and on reasonable advance notice with access to and copies of all documents and other information in the possession or control of the Buyer, any member of the Buyer's Group or any Group Company to the extent that they relate to the assets, business or affairs of a Group Company in the period prior to Completion (the "**Seller Retained Records**"), including for the purposes of Tax, securities reporting or other compliance by a Seller, each Seller Related Entity and their Affiliates, respectively; and

(b) retain safely and securely all Seller Retained Records, and not dispose of or destroy any Seller Retained Records, until at least the seventh (7th) anniversary of Completion, and thereafter not dispose of or destroy any of the Seller Retained Records, without first giving the Seller at least one (1) months' notice of the intention to do so and giving the Seller and each Seller Related Entity the opportunity to review and to take possession of or copy any of such Seller Retained Records.

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14. GUARANTEES

14.1 In consideration of the Buyer entering into this Agreement, each Guarantor irrevocably and unconditionally jointly and severally with each other Guarantor from Completion:

(a) guarantees to the Buyer that if Seller 1 does not pay any of the Seller 1 Obligations as and when they fall due, the Guarantors shall make due and punctual payment to the Buyer on demand of the Seller 1 Obligations;

(b) undertakes with the Buyer that whenever Seller 1 does not pay any amount when due under or in connection with this Agreement, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with the Buyer that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Buyer immediately on demand against any cost, loss or liability it incurs as a result of Seller 1 not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under this Agreement on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 14 if the amount claimed had been recoverable on the basis of Clause 14.1(a).

14.2 The aggregate maximum liability of the Guarantors recoverable by the Buyer under this Agreement in respect of any Seller 1 Obligations shall be 78.72% (seventy eight point seven-two per cent) of such Seller 1 Obligations. Following a Liquidation Event, the maximum liability of each Guarantor recoverable by the Buyer under this Agreement in respect of any Seller 1 Obligations shall be 100% (one hundred per cent) of such Seller 1 Obligations provided that any such Liquidation Event was not commenced by the Buyer or any of its Affiliates.

14.3 The obligations of the Guarantors under this Clause 14 are continuing obligations and will extend to the ultimate balance of sums payable by Seller 1 with respect to the Seller 1 Obligations, regardless of any intermediate payment or discharge in whole or in part. The Buyer may make one or more demands to each of the Guarantors under this Clause 14.

14.4 If any discharge, release or arrangement in respect of the Seller 1 Obligations is made by the Buyer in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 14 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

14.5 The obligations of each Guarantor under this Clause 14 will not be affected by an act, omission, matter or thing which, but for this Clause 14, would reduce, release or prejudice any of its obligations under this Clause 14 (without limitation and whether or not known to the Buyer) including:

(a) any time, waiver or consent granted to, or composition with, Seller 1 or other person;

(b) the release of Seller 1, any other Guarantor or any other person under the terms of any composition or arrangement with any creditor of such Guarantor;

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(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, Seller 1, any Guarantor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of Seller 1, a Guarantor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of this Agreement or any other document;

(f) any unenforceability, illegality or invalidity of any obligation of any person under this Agreement or any other document or security; or

(g) any insolvency or similar proceedings.

14.6 Each Guarantor waives any right it may have of first requiring the Buyer to proceed against or enforce any other rights or security or claim payment from any person before claiming from such Guarantor under this Clause 14. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

14.7 Until all amounts which may be or become payable by Seller 1 under or in connection with this Agreement have been irrevocably paid in full and unless otherwise agreed in writing with the Buyer, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Transaction Documents or by reason of any amount being payable, or liability arising, under this Clause 14:

(a) to be indemnified by Seller 1;

(b) to claim any contribution from any other Guarantor;

(c) to take the benefit (in whole or in part and whether by way or subrogation or otherwise) of any rights of the Buyer under the Transaction Documents;

(d) to bring legal or other proceedings for an order requiring Seller 1 to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under this Clause 14;

(e) to exercise any right of set-off against Seller 1; and/or

(f) to claim or prove as a creditor of Seller 1 in competition with the Buyer.

If a Guarantor receives any benefit, payment or distribution in relation to the rights referred to in 14.5 (a) through (f) above, it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Buyer by Seller 1 under or in connection with this Agreement to be repaid in full on trust for the Buyer and shall promptly pay or transfer the same to the Buyer.

15. GUARANTOR WARRANTIES

15.1 Each Guarantor warrants to Seller 1 in the terms of Schedule 19 (***Guarantor Warranties***).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

15.2 The Guarantor Warranties shall not be extinguished or affected by Completion.

15.3 Each of the Guarantor Warranties is without prejudice to the other Guarantor Warranties and, except where expressly stated otherwise, the meaning and extent of any Guarantor Warranty or any part of it shall not be qualified or limited by any other Guarantor Warranty or any other part of a Guarantor Warranty.

16. POST-COMPLETION MATTERS

16.1 Each Seller shall procure that all communications, notices, correspondence, information, orders or enquiries relating to any business of any Group Company which are intended to be sent to the Buyer or any Group Company and received by a Seller on or after Completion shall be passed to the Buyer as soon as reasonably practicable following receipt.

16.2 If any benefit under an agreement or arrangement relates to the business of a Group Company but is owned by a Seller, the Seller shall notify the Buyer and procure that following Completion that benefit shall, to the extent that it relates to a Group Company, be held on trust for the relevant Group Company and assigned to it promptly upon the Buyer's request.

17. ANNOUNCEMENTS AND CONFIDENTIALITY

17.1 Subject to the following provisions of this Clause 17 (***Announcements and Confidentiality***), no announcement shall be made in relation to this Agreement by the Parties and their respective Affiliates unless:

(a) it is in the agreed form; or

(b) it is required to be made by Applicable Law or by any securities exchange, regulatory body or Governmental Authority to which a Party or any of its Affiliates is subject, in which case that Party shall to the extent reasonably practicable consult with the other Party as to the form, content and timing of the announcement.

17.2 Nothing in this Agreement shall restrict the Buyer after Completion from communicating with the Employees of any Group Company, any parties to any contract made with any Group Company and with any current or prospective customer of or supplier to any Group Company in relation to the fact of the acquisition of any Group Company or matters incidental to the future operations of any business of any Group Company.

17.3 The Parties shall not, and shall procure that none of their respective Affiliates shall, disclose or otherwise make use of (and shall use all reasonable endeavours to prevent the publication or disclosure of) the contents or terms of any of the Transaction Documents, unless and then only to the extent that disclosure is:

(a) made by a Party or its Affiliate on a confidential basis to its professional advisers in connection with their provision of professional services (subject to their agreement to grant confidential treatment to the information);

(b) made by a Party or its Affiliate on a confidential basis to its financiers or potential financiers in connection with its financing or refinancing arrangements (subject to their agreement to grant confidential treatment to the information);

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(c) made by the Buyer on a confidential basis to a prospective purchaser of it or any Group Company or its respective business (subject to its agreement to grant confidential treatment to the information);

(d) required by a Party or its Affiliate in connection with an application for a tax clearance, grant or other concession, or for tax compliance and reporting;

(e) required by a Party or its Affiliates in order to enforce its rights under, or otherwise afford it the full benefit of, any of the Transaction Documents;

(f) made under the terms of an announcement permitted by this Agreement;

(g) required to be made by Applicable Law or by any securities exchange, regulatory body or Governmental Authority to which the disclosing Person or its Affiliate is subject, provided that where any such disclosure is required such Party shall (to the extent permitted) notify the other Party as soon as reasonably practicable of this fact and take into account the other Party's reasonable requirements as to the timing, content and manner of making such disclosure; or

(h) restricted to information which at the time of disclosure is in the public domain (other than as a result of a breach by the disclosing Party or any of its Affiliates of any of the Transaction Documents).

17.4 Each Party undertakes to the other Party that it shall not and shall procure that none of its Affiliates from time to time shall, directly or indirectly and whether on its own behalf or otherwise:

(a) disclose to another person, or itself use for any purpose, any Confidential Information of the other Party or its Affiliates (provided that this paragraph (a) shall not apply to the disclosure by the Buyer or its Affiliates of any Confidential Information of the Group Companies as Affiliates of the Sellers prior to Completion); or

(b) with respect to the Sellers and their Affiliates after Completion, Confidential Information of any Group Company, or relating to the business, transactions or affairs of the clients or customers of any Group Company.

17.5 The provisions of Clause 17.4 shall not apply to any information:

(a) disclosed by a Party or its Affiliate on a confidential basis to its professional advisers in connection with their provision of professional services (subject to their agreement to grant confidential treatment to the information);

(b) disclosed by a Party or its Affiliate in order to enforce its rights under, or otherwise afford it the full benefit of, any of the Transaction Documents;

(c) which at the time of disclosure is in the public domain (other than through breach by the disclosing Party or its Affiliates of its obligations of confidentiality under this Agreement); or

(d) which the disclosing Party or its Affiliate is compelled to disclose by Applicable Law or by the rules of any securities exchange or other market or regulatory body to which it is subject, or for tax compliance and reporting purposes, provided that where any such disclosure is required such Person shall (to the extent permitted) notify the other Party as soon as reasonably practicable of this fact and take into account the other Party's reasonable requirements as to the timing, content and manner of making such disclosure.

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18. ASSIGNMENT

18.1 No Party may without the written consent of the other Parties assign, transfer, grant any security interest over or hold on trust any of its rights or obligations under this Agreement or any interest in them.

19. ENTIRE AGREEMENT

19.1 The Transaction Documents contain the entire agreement between the Parties, and replace all previous agreements and understandings between them, relating to their subject matter, including the MoU.

19.2 Each Party acknowledges that, in entering into this Agreement and the other Transaction Documents, it is not relying on any statement, representation, assurance or warranty of any person (whether a Party or not) (a "**Statement**") other than any Statement (an "**Agreed Statement**") as expressly set out in this Agreement.

19.3 Each Party agrees and undertakes to the other Party that:

(a) it shall have no rights, claims or remedies (and hereby irrevocably waives any such rights, claims or remedies) in relation to any Statement (including for any Statement made, repeated or deemed made, whether negligent or innocent) other than an Agreed Statement; and

(b) the only rights and remedies available to it arising out of or in connection with any Agreed Statement shall be solely for breach of contract, in accordance with the provisions of this Agreement (and each Party hereby irrevocably waives any other rights and remedies in relation to any Agreed Statement (including those in tort or arising under the Misrepresentation Act 1967 or any other statute)).

20. FURTHER ASSURANCE

Each Party shall:

(a) execute any document and do anything else the other Party reasonably requires to give effect to this Agreement and the Transaction; and

(b) use reasonable endeavours to procure that any relevant third party does the same.

21. COSTS

Except as provided otherwise in any Transaction Document, each Party shall pay the costs and expenses incurred by it in connection with each Transaction Document.

22. EFFECT OF TERMINATION

22.1 This Agreement may be terminated only as stated in Clauses 7.6, and 9.9.

22.2 Upon termination of this Agreement pursuant to Clause 7.6, or 9.9, no Party shall have any claim under this Agreement except in respect of any rights and liabilities which have accrued in consequence of a breach of this Agreement before the termination becomes effective or under any of the Surviving Provisions.

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22.3 If this Agreement is terminated and Completion does not take place, each of the Buyer and the Sellers shall return to the other Party (or at the request of the other Party, destroy) all documents (including information in electronic form) concerning the other Party or its Affiliates (and for this purpose, the Group Companies and the Seller Related Entities are deemed Affiliates of the Seller) which have been provided to it in connection with this Agreement; and for avoidance of doubt, Clause 17 (***Announcements and Confidentiality***) shall continue to apply to such information.

22.4 The Surviving Provisions shall survive the termination of this Agreement.

23. PAYMENTS

23.1 Subject to Clauses 3.3, 3.4 and 10.17, all sums payable under or pursuant to this Agreement shall be paid free of:

(a) any counterclaim or set-off of any kind; and

(b) any other deduction or withholding, except those required by Applicable Law.

23.2 If any deduction or withholding of Tax is required by Applicable Law as described in Clause 23.1(b), the payer shall also pay to the recipient such amount as will ensure that the net receipt, after Tax, is the same as it would have been had there been no Tax deduction or withholding.

24. EFFECT OF COMPLETION

Obligations under this Agreement, which have not been fully performed by or on Completion and the rights and remedies available under it, shall remain in full force and effect despite Completion.

25. CUMULATIVE RIGHTS

25.1 The rights and remedies of any Party expressly conferred by this Agreement are cumulative and additional to any other rights or remedies it may have.

25.2 A Party's exercise of any right or discretion conferred on it under or in connection with this Agreement shall be a matter of its absolute discretion, unless otherwise expressly provided herein, including:

(a) if a right is granted, whether or not to exercise that right;

(b) if an election is to be made by it, the election made; and

(c) if something is subject to its consent or approval, whether or not it consents or approves and, if it does, the terms upon which it does so.

26. THIRD PARTY RIGHTS

26.1 The Parties do not intend any third party to have the right to enforce any provision of this Agreement under the Contracts (Rights of Third Parties) Act 1999 except that:

(a) each Company Related Person may with the consent of the Buyer enforce and rely on Clause 10.11;

(b) each Group Company may with the consent of the Buyer enforce and rely on the obligations of the Sellers under Clause 12 (***Protection of Goodwill***);

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(c) each Indemnified Person may with the consent of the Buyer enforce the rights and benefits under Clause 10.15; and

(d) any party to a Transaction Document may enforce Clause 36 (***Arbitration Agreement***).

26.2 The Parties may terminate or vary or waive any right or obligation under this Agreement without the consent of any third party.

27. WAIVER

A failure or delay in exercising any right or remedy under this Agreement shall not constitute a waiver of that right or remedy. A single or partial exercise of any right or remedy shall not prevent the further exercise of that right or remedy. A waiver of a breach of this Agreement shall not constitute a waiver of any other breach.

28. VARIATIONS

No variation of this Agreement shall be effective unless it is in writing and signed by each of the Sellers and the Buyer. The other Parties agree that any variation of this Agreement shall be binding upon them in accordance with the terms of this Agreement, as varied.

29. INVALIDITY

29.1 The illegality, invalidity or unenforceability of any provision of this Agreement under any law of any jurisdiction shall not affect or impair the legality, validity or enforceability of the rest of this Agreement, nor the legality, validity or enforceability of that provision under the law of any other jurisdiction.

29.2 If any provision of this Agreement is held to be illegal, invalid or unenforceable under any law of any jurisdiction:

(a) that provision shall if possible apply in that jurisdiction with whatever modification or deletion is necessary so as best to give effect to the intention of the Parties as recorded in this Agreement; or

(b) a Party shall at the request of the other Party enter into a deed in the terms of the original provision amended as reasonably specified in order to make it legal, valid and enforceable, but not so as to increase the liability of any Party beyond the liability it would have had if all the provisions of this Agreement had been legal, valid and enforceable.

30. NON-RECOURSE

This Agreement may only be enforced against, and any claim, action, suit or other legal proceeding based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the persons that are expressly named as Parties hereto and then only with respect to the specific obligations set forth herein with respect to such Party. Except as specifically provided for in this Agreement, no past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, Affiliate, agent, attorney or other Representative of any Party hereto or of any Affiliate of any Party hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of any Party hereto under this Agreement or for any claim or action based on, in respect of or by reason of the transactions contemplated hereby, except as otherwise expressly stated in a Transaction Document.

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31. COMPLIANCE

31.1 Each Party shall conduct all transactions contemplated by the Transaction Documents in compliance with Applicable Laws, including all anti-corruption laws, and cooperate fully with any bona fide investigation of any suspected breach of this Clause 31.1, and provide the other Party with all information reasonably requested about such matter.

32. COMMUNICATIONS

32.1 Any communication under or in connection with this Agreement must be in English (or accompanied by an English translation) in writing, signed by or on behalf of the person making it and delivered by hand or sent by recorded delivery post (or airmail, if the destination is outside the country of origin), or email to the relevant Party at its address and for the attention of the individual set out below (or as notified in accordance with Clause 32 (***Communications***)).

(a) In the case of Seller 1, as follows:

Address: Moermanskkade 500, 1013 BC Amsterdam, the Netherlands
Telephone: [***]
Email: [***]@hearst.nl
Attention: [***]

with a copy to Hearst Office of General Counsel.

Address: The Hearst Corporation, 300 West 57th Street, New York, New York 10019 USA
Fax: [***]
Email: [***]@hearst.com
Attention: [***] Executive Vice President and Chief Legal Officer;

(b) in the case of HS Holding B.V. (as a Guarantor), as follows:

Address: Moermanskkade 500, 1013 BC Amsterdam, the Netherlands
Telephone: [***]
Email: [***]@hearst.nl
Attention: [***]

with a copy to Seller 1;

(c) in the case of Limited Liability Company "HS Publishing" (as a Guarantor), as follows:

Address: Russian Federation, 115114, Moscow, Derbenevskaya Street, bld. 15B, 6th Floor, office VI
Telephone: [***]
Email: [***]@hspub.ru
Attention: [***] President,

with a copy to Seller 1 and to [***] General Counsel:

Email: [***]@hsmedia.ru;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(d) in the case of Limited Liability Company "Hearst Shkulev Media" (as a Guarantor), as follows:

Address: Russian Federation, 115114, Moscow, Derbenevskaya Street, bld. 15B, floor 4, office VI
Telephone: [***]
Email: [***]@hsmedia.ru
Attention: [***] President,

with a copy to Seller 1 and to [***] General Counsel:

Email: [***]@hsmedia.ru;

(e) in the case of Limited Liability Company "InterMediaGroup" (as a Guarantor), as follows:

Address: Russian Federation, 115114, Moscow, Derbenevskaya Street, bld. 15B, floor 4, office VI
Telephone: [***]
Email: [***]@hsmedia.ru
Attention: [***] President,

with a copy to Seller 1 and to [***] General Counsel:

Email: [***]@hsmedia.ru;

(f) in the case of Seller 2, to the Sellers' Representative, as follows:

Address: [***]
Telephone: [***]
Email: [***]
Attention: [***]

with a copy to Seller 1;

(g) in the case of Seller 3, to:

Address: [***]
Telephone: [***]
Email: [***]
Attention: [***]

with a copy to Seller 1;

(h) in the case of Seller 4, to the Sellers' Representative, as follows:

Address: [***]
Telephone: [***]
Email: [***]
Attention: [***]

with a copy to Seller 1; and

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(i) in the case of the Buyer, as follows:

Address: Agiou Georgiou Makri, 64, ANNA MARIA LENA COURT, Flat/Office 201, 6037, Larnaca, Cyprus
Email: admin@fiduserve.com
Attention: the Directors,

with a copy to [***]@dentons.com, [***]@cian.ru and [***]@cian.ru.

32.2 A party may notify a change to its details specified in Clause 32.1. The new address shall take effect three (3) Business Days after receipt of that notice or such later date as may be specified in the notice.

32.3 A notice or other communication shall not be sent solely by email, and may be sent by email for convenience in addition to delivery by hand or courier or sending by fax. A notice provided solely by email shall not be deemed received.

32.4 Without evidence of earlier receipt, communications complying with Clause 32.1 are deemed received:

(a) if delivered by hand, at the time of delivery;

(b) if sent by "Special Delivery 9.00am/Next Day" or "Recorded Signed For" delivery, at 9.00am on the second Business Day after posting, or (if sent by airmail) fifth, Business Day after posting; or

(c) if sent by fax, at the time of its transmission, unless, the sender receives notification that the fax has not been successfully sent,

except that if deemed receipt would occur before 9.00am on a Business Day, it shall instead be deemed to occur at 9.00am on that day and if deemed receipt would occur after 5.00pm on a Business Day, or on a day which is not a Business Day, it shall instead be deemed to occur at 9.00am on the next Business Day. References in this Clause 32 (***Communications***) to a time of day are to the time of day at the location of the recipient.

32.5 In proving the giving of a communication, it shall be sufficient to prove that delivery was made to the appropriate address, the communication was properly addressed and posted by prepaid recorded delivery post or prepaid airmail, or the email was sent to the appropriate email address and dispatch of transmission from the sender's external gateway was confirmed as specified pursuant to Clause 32.1.

32.6 If a person for whose attention communications must be marked or copied has been specified pursuant to Clause 32.1, a communication will be effective only if it is marked for that person's attention or copied to that person (as the case may be).

32.7 This Clause 32 (***Communications***) does not apply to the service of any document required to be served in relation to legal proceedings.

33. SELLERS' REPRESENTATIVE

Each of Seller 2 and Seller 4 irrevocably appoints Seller 3 (the **Sellers' Representative**) as its agent to receive on its behalf all notices under this Agreement and/or service of any legal proceedings to settle any dispute. Such service shall be deemed completed on delivery to Seller 3 (whether or not it is forwarded to and received by Seller 2 and Seller 4) and shall be valid regardless of whether or not Seller 3 ceases to be able to act as agent.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

34. COUNTERPARTS

This Agreement may be executed in any number of counterparts, which shall each constitute an original and together constitute one agreement. If this Agreement is executed in counterpart, it shall not be effective unless each party has executed at least one counterpart. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

35. GOVERNING LAW

This Agreement and any non-contractual obligations arising in connection with it shall be governed by and construed in accordance with English law.

36. ARBITRATION AGREEMENT

36.1 The arbitration agreement set out in this Clause 36 (the "**Arbitration Clause**") and any issue regarding its scope, interpretation, entry into effect, conclusion, variation, performance, breach, termination or validity, shall be governed by and construed in accordance with English law.

36.2 Any dispute, controversy or claim arising out of or in connection with any Transaction Document, including its scope, interpretation, entry into effect, conclusion, variation, performance, breach, termination or validity, including non-contractual claims and, for the avoidance of doubt, including any dispute or controversy in relation to a Claim, Indemnity Claim, IP Claim, Tax Claim, Third Party Claim, Title Claim, or Warranty Claim (a "**Dispute**"), shall be submitted to the Vienna International Arbitral Centre of the Austrian Federal Economic Chamber (" **VIAC**") and shall be finally resolved by arbitration under the Rules of Arbitration of VIAC ("**Vienna Rules**") and this Arbitration Clause.

36.3 The number of arbitrators shall be three (3) appointed in accordance with the Vienna Rules and this Clause 36.3. The chairperson shall be an English Queen's Counsel, or if no such person can be found within fourteen (14) days, a lawyer trained in a common law jurisdiction with similar substantive experience in legal practice. The seat of arbitration shall be Vienna, Austria.

36.4 The language of arbitration shall be English.

36.5 An arbitral award shall be final and binding and come into effect from the date it is rendered. A judgment upon the award may be entered in any court having jurisdiction.

36.6 The Parties hereby acknowledge and agree:

(a) that they wish to resort to arbitration as the exclusive means of resolving in final, binding, cost-effective and consistent manner all Disputes;

(b) that any party to any Transaction Document may enter into this Arbitration Clause by way of reference, incorporation, accession, assumption, execution or otherwise;

(c) to consolidation and that all claims arising out of or in connection with any Transaction Document may be brought in a single arbitration and commenced in the same Statement of Claim.

36.7 Nothing in this Arbitration Clause shall limit a right of a party to a Transaction Document to apply to any court of competent jurisdiction for an interim or provisional relief in aid of the arbitration or for enforcement of an arbitral award

36.8 Unless otherwise defined in this Arbitration Clause, capitalised terms used in this Arbitration Clause shall have the meaning given to them in the Transaction Documents or in the Vienna Rules.

37. ENGLISH LANGUAGE

37.1 If there is a conflict between the English language version of this Agreement and a translation of it, the English language version shall prevail. Schedule 13Part 2 (***Forms of LoC Instructions***), Schedule 13Part 3 (***Forms of Letters of Credit***) and Schedule 11 (***Form of individual Shareholder Guarantees***) are in the Russian language only.

38. LIABILITY

38.1 The liability of the Sellers for their obligations and liabilities arising under this Agreement shall be several and extend only to any loss or damage arising out of their own breaches.

This Agreement has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Schedule 1 **Details of the Group**

Part 1 **Details of the Company**

Full name in Russian	Общество с ограниченной ответственностью «Н1.РУ»
Short name in Russian	ООО «Н1.РУ»
Official name in English	LLC N1.RU
Participants (%)	Hearst Shkulev Digital Regional Network B.V. – [***]%; Dorozhkin Evgeny Alekseevich – [***]%; Baibaratskiy Aleksandr Ivanovich – [***]%; and Astapenko Sergey Vitalevich – [***]%
Main State Registration Number (OGRN)	1175476080724
Date of registration	19/07/2017
Registered office	630099, Russia, Novosibirsk, st. Deputatskaya, 46, floor 5, office 3053
Charter capital	RUB 10,792.14
Director	Krykin Nikita Sergeevich

Board of Directors	Shkulev Victor Mikhailovich Astapenko Sergey Vitalievich Tsipileva Julia Vladimirovna Krykin Nikita Sergeevich Zhuley Ivan Sergeevich

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Part 2 **Details of the Subsidiaries**

Full name in Russian	Общество с ограниченной ответственностью «МЛСН»
Short name in Russian	ООО «МЛСН»
Official name in English	LLC MLSN
Participants (%)	LLC N1.RU – 99%; and LLC N1 Technologies – 1%
Main State Registration Number (OGRN)	1175543035876
Date of registration	09/11/2017
Registered office	630099, Russia, Novosibirsk, st. Deputatskaya, 46, floor 5, office 3053
Charter capital	RUB 10,000.00
Director	Krykin Nikita Sergeevich
Board of Directors	Shkulev Victor Mikhailovich Astapenko Sergey Vitalievich Tsipileva Julia Vladimirovna Krykin Nikita Sergeevich Dorozhkin Evgeny Alexeevich

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Full name in Russian	Общество с ограниченной ответственностью «Н1 Технологии»
Short name in Russian	ООО «Н1 Технологии»
Official name in English	LLC N1 Technologies
Participants (%) as of the date of this Agreement	LLC N1.RU – 100% Please note that it is expected that on or about 23 December 2020, ownership will be officially registered as: LLC N1.RU – 99% LLC MLSN – 1%
Main State Registration Number (OGRN)	1165476052862
Date of registration	15/01/2016
Registered office	630099, Russia, Novosibirsk, st. Deputatskaya, 46, floor 5, office 3053
Charter capital as of the date of this Agreement	RUB 10,000.00
Charter capital as of Completion Date	RUB 10 101.01
Director	Krykin Nikita Sergeevich

Board of Directors	Shkulev Victor Mikhailovich Astapenko Sergey Vitalievich Tsipileva Julia Vladimirovna Krykin Nikita Sergeevich Zhuley Ivan Sergeevich

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Schedule 2 **Completion Formalities**

1. The Sellers shall deliver to the Buyer:

(a) the Traffic Purchase Agreement duly executed by the City Portals Entity and the Company;

(b) the Individual Shareholder Guarantees duly executed by the Individual Shareholder Guarantors;

(c) the Supplementary Disclosure Letter duly executed by the Seller (if any);

(d) if not delivered earlier, the Deed of Undertaking duly executed by the Seller Beneficiaries, HS Holding, HS Holding Digital B.V. and IPH B.V.;

(e) certified copies of the certified and apostilled corporate approvals of the authorised corporate governance bodies of Seller 1 and of HS Holding Digital B.V. authorising the execution, delivery and performance by Seller 1 of the Transaction Documents;

(f) copies of the corporate approvals of HS Holding B.V., InterMediaGroup LLC, Hearst Shkulev Publishing LLC, and Hearst Shkulev Media LLC in respect of each such entity's entry into this Agreement as a Guarantor;

(g) copies of duly notarised spousal consents from the spouses of each of Seller 2, Seller 3 and Seller 4, respectively, executed in agreed form, in which such spouse consents to the transactions contemplated by the Transaction Documents to which a relevant Seller is a party to, together with a copy of such spouse's passport;

(h) a copy of the internal passport of each of Seller 2, Seller 3 and Seller 4;

(i) written confirmation of the appointment of Prokofiev Alexey Sergeevich (Прокофьев Алексей Сергеевич) as the new Chief Executive Officer of the Company;

(j) written evidence that all Indebtedness, outstanding amounts, liabilities or outstanding obligations owed by the Company in connection with the Company's REPO accounts opened with Gazprombank JSC (or any other bank) have been fully paid and the funds have been transferred from the brokerage account to the current account;

(k) written evidence that the following agreements with Affiliates have been terminated and that the Affiliate waives and releases any and all claims against the Company and its Affiliates in connection with such agreements:

(I) Service agreement № 146 as of February 1, 2018 made between the Company and Management company Hearst Shkulev Digital LLC .

(II) Service agreement № 148 as of February 1, 2018 made between the Company and Management company Hearst Shkulev Digital LLC and

(III) License agreement for the software № 149 as of February 1, 2018 between the Company and Management company Hearst Shkulev Digital LLC.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(l) written evidence of the payment of the entirety of the Permitted Bonuses, in the form of authenticated copies of a payment order (платежное поручение) and certificate about the escrow account balance (справка об остатке на счете эскроу);

(m) written evidence of the termination of powers and payment of all compensation due and payable to the members of the Company and each Subsidiary Board of Directors, if applicable;

(n) copies of the corporate approvals from HS Holding B.V., HS Holding Digital B.V. and IPH B.V. in respect of execution, delivery and performance of the Deed of Undertaking;

(o) letter signed by the sole executive body and the chief accountant of the Company including the calculation in accordance with the Letter of the Federal Tax Service of the Russian Federation dated 20 November 2019 № СД-4-3/23559@ (or a relevant replacing document) confirming that the Participatory Interest derives less than fifty per cent (50%) of its value directly or indirectly from immovable property located in the Russian Federation on the date of this Agreement and on Completion;

(p) if not delivered earlier, the certified copies of (i) the certified and apostilled copies of the Organisational Documents of Seller 1; and (ii) the up-to-date apostilled extract from trade register confirming legal existence and legal status of Seller 1 and its authorised directors;

(q) the certified copies of the apostilled certificate of tax residency of Seller 1 issued by an authorised tax authority in the Netherlands, and the certified and if issued not in the Russian Federation, apostilled letter signed by Seller 1 confirming that Seller 1 is the actual beneficiary of the income from the sale of the Seller 1 Participation Interest;

(r) if not delivered earlier, certified copies of the Organisational Documents, up-to-date extracts from companies register, state registration or incorporation certificates, tax registration certificates, approvals of the authorised corporate governance bodies with respect to entry into, execution and performance of the relevant Transaction Documents, resolutions on appointment of directors and proxies, original powers of attorney (if applicable) authorising respective signatories to enter into the relevant Transaction Documents, and other documents confirming the legal existence, powers and capacity of each Guarantor, HS Holding Digital B.V., IPH B.V. and the City Portals Entity and their respective signatories;

(s) if not delivered earlier (but in any event, no later than the delivery of the Individual Shareholder Guarantee), a passport copy and a consent of a spouse of each Individual Shareholder Guarantor (in a form substantially similar to the spousal consents delivered by Seller 2, Seller 3 and Seller 4 at signing) with respect to his/her entry into and performance of the Individual Shareholder Guarantee, if applicable;

(t) list of participants of the Company signed by the Company's sole executive body, confirming each Sellers' title to the relevant Participation Interest and the absence of any Encumbrances over each relevant Participation Interest dated no earlier than one (1) Business Day prior to Completion;

(u) list of participants of each of the Subsidiaries signed by each Subsidiary's sole executive body, confirming the Company's title to the Subsidiary Participation Interest and the absence of any Encumbrances over the Subsidiary Participation Interest dated no earlier than one (1) Business Day prior to Completion;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(v) waivers of pre-emption right of the Company and the Sellers with respect to the sale of the Participation Interests to the Buyer certified by a Russian notary, substantially in the form of the waivers set out in Schedule 20 (***Pre-Emption Waivers***);

(w) statements of all bank accounts of each Group Company, issued by each relevant Bank as at a date no earlier than one (1) Business Day prior to Completion;

(x) if not delivered earlier, all valid up to Date of Completion the powers of attorney (originals) and the letters of revocation of all the powers of attorney, issued by any Group Company to any Seller Related Entity and/or any Affiliate and/or Employee of a Seller Related Entity, containing signatures of all such former attorneys evidencing that they have received and accepted the relevant letter(s) of revocation, if applicable;

(y) copies of Bank specimen signatories cards certified by each relevant Bank;

(z) if not delivered earlier, original certified and apostilled power(s) of attorney issued by a Seller authorising such Seller's signatories to sign the Transaction Documents on behalf of the Seller, and the certified copy of the certified and, in respect of Seller 1, apostilled resolution of the authorised corporate governance body of Seller 1 in respect of the issuance of the power of attorney;

(aa) if not delivered earlier, a copy of a legal opinion of Houthoff Coöperatief U.A. or another reputable Dutch law firm in the agreed form with respect to powers and capacity of Seller 1 to enter into, deliver and perform this Agreement and the Transfer Instrument;

(bb) a written confirmation and waiver in the agreed form from Seller 1 that as of Completion, each of the Key Employees continues to be employed by the relevant Group Company and the employment of such Key Employee shall have not been terminated by such Key Employee subject to the provision of Clause 7.1(a); and

(cc) any authorisations, consents and approvals of any third person (if any are required) required by a Seller or any Group Company for the consummation of the Transaction and execution of the Transaction Documents.

2. The Buyer shall deliver to the Sellers:

(a) the Supplementary Disclosure Letter (if any) duly executed by the Buyer;

(b) the Individual Shareholder Guarantees duly executed by the Buyer;

(c) if not delivered earlier, the Deed of Undertaking duly executed by the Buyer;

(d) if not delivered earlier, copies of all board, shareholder (or other) corporate approvals of the Buyer authorising the execution, delivery and performance by the Buyer of the Transaction Documents to which the Buyer is a party to; and

(e) if not delivered earlier, copies of the Organisational Documents, approvals of the authorised corporate governance bodies with respect to entry in, execution and performance of the relevant Transaction Documents.

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3. Each Seller shall deliver to the Notary all the documents with respect to the Seller, the Company and each Participation Interest, which the Notary may require in order to certify the Transfer Instrument, sign and submit the Application with the Registering Authority and register the transfer of the relevant Participation Interest from a Seller to the Buyer in the Legal Entities Register; and the Buyer shall deliver to the Notary all the documents with respect to the Buyer which the Notary may require in order to certify the Transfer Instrument and register the transfer of the relevant Participation Interest from a Seller to the Buyer in the Legal Entities Register.

4. Upon delivery of the documents in accordance with 1-3 above by each relevant Party:

(a) each Seller and the Buyer shall execute the Transfer Instrument before the Notary;

(b) each relevant Party shall do all things and provide all assistance that may be necessary in order to ensure that:

(I) the Transfer Instrument is certified by the Notary in accordance with Applicable Law;

(II) the Notary submits the Application with the Registering Authority; and

(III) the transfer of the Participation Interests to the Buyer is duly registered with the Legal Entities Register.

5. Seller 1 shall make available to the Buyer in the office premises of the Company at the address: Deputatskaya Street 46, floor 6, office 3063, Novosibirsk 630099, Russian Federation and/or at the address where Completion takes place, the originals of the Organisational Documents of the Group Companies and the originals of the certificates of state registration, of the certificates of tax registration and of the lists of entry in the Legal Entities Register with respect to the Group Companies.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Schedule 3 **Seller Warranties**

Part 1 **Non-Tax Warranties**

Unless otherwise provided for specifically within the relevant Warranty, each Seller warrants to the Buyer as follows:

1. **THE GROUP**

(a) The information relating to each Group Company, which is set out in Schedule 1 (***Details of the Group***) is true and accurate. The Company does not hold any share or interest in any legal entity other than the Subsidiaries.

(b) All Group Companies are properly incorporated and validly existing under the laws of the Russian Federation.

(c) Any reorganisation with participation of any Group Company and/or any of its legal predecessors has been carried out in all material respects in compliance with Applicable Laws and without any breach of a creditor's right or any material breach of other party's rights, and has been duly completed and registered. No written claim, dispute or proceeding has been received, or, so far as such Seller is aware, is pending or threatened in connection with any reorganisation and, so far as such Seller is aware, there is no Event that gave or may give rise to any such claim, dispute or proceeding.

(d) No resolution has been taken or arrangement made by such Seller and/or a Group Company and/or so far as such Seller is aware, the Registering Authority and/or, by any party for the liquidation and/or reorganisation of any Group Company on any ground or its exclusion from the Legal Entities Register.

(e) Such Seller:

(I) is the sole legal and beneficial owner of its Participation Interest; and

(II) has the right to exercise all voting and other rights attaching to its Participation Interest; and has the right to transfer the full legal and beneficial interest in its Participation Interest to the Buyer without the consent of any other person.

(f) The Participation Interests constitute the whole of the charter capital of the Company.

(g) The Subsidiary Participation Interest constitutes the whole of the charter capital of the Subsidiaries.

(h) The Company:

(I) is the sole legal and beneficial owner of the Subsidiary Participation Interest; and

(II) has the right to exercise all voting and other rights attaching to the Subsidiary Participation Interest.

(i) The entire charter capital of each Group Company:

(I) has been properly and validly formed, documented and registered in compliance with Applicable Laws and Organisational Documents; and

(II) is fully paid.

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(j) There is no Encumbrance on, over or affecting the Participation Interest of such Seller and there is no written agreement or commitment of such Seller to give or create any such Encumbrance and no person has made any claim in writing to such Seller or any Group Company to be entitled to any right over or affecting the Participation Interest of such Seller.

(k) Warranty given by Seller 1 only. Other than the approval of the authorised corporate governance body of Seller 1 authorising the execution, delivery and performance by Seller 1 of the Transaction and the Transaction Documents as provided at Completion, no consent is required from any person for Seller 1 to sell and transfer its Participation Interest to the Buyer under this Agreement.

(l) Warranty given by Seller 2, Seller 3 and Seller 4 only. Other than the spousal consents for Seller 2, Seller 3 and Seller 4, authorising the execution, delivery and performance by Seller 2, Seller 3 and Seller 4 of the Transaction and the Transaction Documents as provided at Completion, no consent is required from any person for each of Seller 2, Seller 3 and Seller 4 to sell and transfer their Participation Interest to the Buyer under this Agreement. Such spousal consents for Seller 2, Seller 3 and Seller 4, authorising the execution, delivery and performance by each of Seller 2, Seller 3 and Seller 4 of the Transaction and the Transaction Documents as provided by Completion have been duly received.

(m) There is no Encumbrance on, over or affecting the Subsidiary Participation Interest, and there is no written agreement or commitment of the Company to give or create any such Encumbrance and no person has made any claim in writing to such Seller or any Group Company to be entitled to any right over or affecting the Subsidiary Participation Interest.

(n) No person has the right (whether exercisable now or in the future and whether contingent or not), nor has any person claimed the right in writing to such Seller or any Group Company, to require the transfer, creation, issue, allotment, conversion, registration, sale, redemption or repayment of the Participation Interest of such Seller or any part of it, the Subsidiary Participation Interest or any part of it, the whole or any part of any charter or loan capital or other securities (or any rights or interests in them or referenced to them) of any Group Company (including any option or right of conversion, exchange or pre-emption), and neither such Seller nor any Group Company has agreed to confer or create any such right.

(o) No agreement on carrying out rights of participants, corporate agreement and/or quasi-corporate agreement in the meaning of article 67.2 clauses 1 and 9 of the Civil Code of the Russian Federation, has been concluded by such Seller and/or a Group Company with respect to any Group Company and/or any participation interest in the charter capital of any Group Company, and no offer, preliminary agreement, memorandum of understanding or any other arrangement is made in order to conclude any such agreement.

(p) The Participation Interest of such Seller, or any part of it, is not and has never been the subject of any claim made in writing to such Seller or any Group Company, dispute or proceeding, pending or threatened in writing, and, so far as such Seller is aware, there is no circumstance that might give rise to any claim, dispute or proceeding in its regard.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(q) No Subsidiary Participation Interest or any part of it is or has ever been the subject of any claim made in writing to such Seller or any Group Company, dispute or proceeding, pending or threatened in writing, and, so far as such Seller is aware, there's no circumstance that might give rise to any claim, dispute or proceeding in its regard.

(r) No Group Company's securities are now or have at any time been listed or publicly quoted or traded on any stock exchange, regulated market or other securities market or trading platform. No Group Company has ever filed or published, or been required to file or publish, a prospectus in relation to the issue of any securities, whether in the Russian Federation or elsewhere.

(s) No Group Company:

(I) holds or beneficially owns, or has agreed or is obliged to acquire, any shares, loan capital or any other securities or other investment or ownership interest in any company (other than the Subsidiaries);

(II) has any subsidiaries or subsidiary undertakings, other than the Subsidiaries;

(III) is, or has agreed or is obliged to become, a member of any partnership or other unincorporated association, joint venture or consortium or arrangement for sharing profit (other than recognised trade associations);

(IV) is a party to any corporate or quasi-corporate agreement in the meaning of article 67.2 clauses 1 and 9 of the Civil Code of the Russian Federation;

(V) controls or takes part in the management of any company or business organisation (other than the Subsidiaries), nor has it agreed to do so; or

(VI) has, or has made a corporate decision to have, any branch, agency, permanent establishment or other operations outside its country of incorporation.

(t) All the transfers of any participation interest in the charter capital of any Group Company have been made in material compliance with Applicable Laws and the Organisational Documents of the relevant Group Company, and if required by Applicable Law certified by a Russian notary and duly registered with the Legal Entities Register. Any consent, approval and/or waiver necessary to be obtained with respect to any such transfer has been duly received and all pre-emption rights have been observed. Consideration with respect to the transfer of any participation interest in the charter capital of any Group Company has been paid in full and in timely fashion.

(u) True, accurate and complete copies of the Organisational Documents of each Group Company currently in effect have been delivered to the Buyer. For each Group Company, such Organisational Documents fully set out all of the rights, restrictions and obligations attaching to participation interests in the charter capital of such Group Company, in each case, to the extent required by Applicable Law.

(v) No Group Company has at any time:

(I) purchased, redeemed, reduced, forfeited or repaid its charter capital (or agreed to do any of the same); nor

(II) given or agreed to give any financial assistance in contravention of any Applicable Law or regulation.

(w) No Group Company carries out any of the activities specified in the list of sectors of the Russian economy most affected by deteriorating conditions as a result of the spread of the new coronavirus infection, approved by Decree of the Government of the Russian Federation No. 434 of 3 April 2020.

(x) No Group Company is a system-forming organization and is not included in any of the sectoral lists of system-forming organizations approved by the Government Commission for Improving the Sustainability of the Russian Economy.

(y) No Group Company is included in the list of strategic enterprises and strategic joint-stock companies approved by Decree of the President of the Russian Federation No. 1009 of 4 August 2004.

(z) Real estate assets comprise less than fifty percent (50%) of the total assets value of the Group.

(aa) Each separate subdivision (in Russian: обособленное подразделение) outside the jurisdiction of incorporation of a Group Company has been duly registered, if and when required by law, with the relevant authorities (including Tax Authority) in compliance with applicable laws and the constitutional documents of such Group Company; and such separate subdivision (in Russian: обособленное подразделение) outside the jurisdiction of incorporation were opened in compliance with the constitutional documents of such Group Company and with Applicable Laws.

2. **AUTHORITY OF SELLERS**

(a) Warranty given by Seller 1 only. Seller 1 is a company duly incorporated and organised and validly existing under the laws of its jurisdiction of incorporation.

(b) Such Seller has the right, power and authority and has taken all actions necessary to execute and deliver, and to exercise its rights and perform its obligations under this Agreement and each Seller Document, insofar that such Seller is a party to the Seller Document.

(c) This Agreement constitutes, and each Seller Document (insofar that such Seller is a party to the Seller Document) constitutes or will, when executed, constitute legal, valid and binding obligations of such Seller enforceable in accordance with their respective terms.

(d) Such Seller is entitled to sell and transfer or procure the sale and transfer of the full legal and beneficial ownership in its respective Participation Interest to the Buyer on the terms set out in this Agreement.

*** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.***

(e) Warranty given by Seller 1 only. Execution and delivery by Seller 1, and the performance by Seller 1 of its relevant obligations under and compliance by Seller 1 with the provisions of this Agreement and the Transaction Documents will not:

(I) conflict with, or result in a violation of, any provision of the Organisational Documents of:

(1) Seller 1;

(2) shareholders of Seller 1; or

(3) any Group Company; or

(II) result in a material breach of, or constitute a material default under, any instrument or agreement to which any of the following persons is a party or by which any of the following persons is bound:

(1) Seller 1;

(2) shareholders of Seller 1; or

(3) any Group Company; or

(III) conflict with, or result in a violation of, any law or regulation in any jurisdiction having the force of law or of any order, judgment, injunction or decree of any court or governmental agency by which any of the following persons is bound:

(1) Seller 1;

(2) shareholders of Seller 1; or

(3) any Group Company.

(f) Warranty given by Seller 2, Seller 3 and Seller 4 only. Execution and delivery by each of Seller 2, Seller 3 and Seller 4, and the performance by each of Seller 2, Seller 3 and Seller 4 of their relevant obligations under and compliance by Seller 2, Seller 3 and Seller 4 with the provisions of this Agreement and the Transaction Documents will not:

(I) conflict with, or result in a violation of, any provision of the Organisational Documents of any Group Company; or

(II) result in a material breach of, or constitute a material default under, any instrument or agreement to which any of the following persons is a party or by which any of the following persons is bound:

(1) Seller 2, Seller 3 and Seller 4; or

(2) any Group Company; or

(III) conflict with, or result in a violation of, any law or regulation in any jurisdiction having the force of law or of any order, judgment, injunction or decree of any court or governmental agency by which any of the following persons is bound:

(1) Seller 2, Seller 3 and Seller 4; or

(2) any Group Company.

(g) Warranty given by Seller 1 only. Seller 1 has obtained all consents, authorisations and approvals from its corporate governance bodies, any Governmental Authority and any other party, as required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Transaction Documents or the performance of the Seller 1 obligations under the Transaction Documents or will be required as a consequence of any Transaction Document.

(h) Warranty given by Seller 2, Seller 3 and Seller 4 only. Each of Seller 2, Seller 3 and Seller 4, on a several basis, has obtained all consents, including spousal consents, authorisations and approvals from any Governmental Authority and any other party, as required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Transaction Documents or the performance of the respective Seller 2, Seller 3 and Seller 4 obligations under the Transaction Documents or will be required as a consequence of any Transaction Document.

(i) Warranty given by Seller 2, Seller 3 and Seller 4 only. Each of Seller 2, Seller 3 and Seller 4 warrants severally that he is legally capable, that his legal capacity has not been restricted, that he is not in custody, under tutelage or under patronage, that the state of his health enables him to independently exercise and protect any rights of as a Seller and to perform any obligations as a Seller, and that he does not suffer from any disease (including mental disorders, alcohol or drug addiction) preventing him from entering into this Agreement, as well as any Transaction Document.

(j) As of Completion, the Company has waived its pre-emption right (if any) with respect to the sale of each of the Participation Interests in accordance with this Agreement, and such waiver has not been revoked.

(k) Save for the recipients of the Permitted Bonuses, no one is entitled to receive from any Group Company any commission, fee, bonus, profit sharing or benefit of similar nature in connection with the sale of the Participation Interests.

3. **SOLVENCY**

(a) Such Seller:

(I) is not insolvent or unable to pay its debts within the meaning of the laws of its jurisdiction of incorporation or any other applicable insolvency legislation;

(II) has not stopped or suspended paying its debts as they fall due; and/or

(III) confirms that no process has been initiated (including the application for or the making of any order, or the passing of any resolution (or the convening of any meeting for such purpose)) by such Seller or a Group Company, which could reasonably be expected to lead to such Seller being wound up, dissolved or declared bankrupt and/or its assets being distributed among its creditors, shareholders or other contributors.

(b) No Group Company is insolvent under the laws of its jurisdiction of incorporation or unable to pay its debts as they fall due and will not become insolvent or unable to pay its debts as a result of such Seller entering into this Agreement or has stopped or suspended paying its debts as they fall due or has by reason of actual or anticipated financial difficulties commenced negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness.

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(c) No proceedings have been applied for, initiated with respect to insolvency of any Group Company, its winding up or exclusion from the Legal Entities Register.

(d) So far as such Seller is aware, no step has been taken in any applicable jurisdiction to initiate any process by or under which:

(I) the ability of the creditors of any Group Company to take any action to enforce their debts is suspended, restricted or prevented;

(II) some or all of the creditors of any Group Company accept, or it is proposed that some or all such creditors will accept, by agreement or in pursuance of a court order or otherwise, an amount due from any Group Company less than the sums owed to them by the respective Group Company in satisfaction of those sums with a view to preventing the dissolution of any Group Company, as applicable in each case;

(III) a person is appointed (nor has any such person been appointed) to manage the affairs, business and/or assets of any Group Company (or any part thereof) on behalf of its creditors, whether in the role of liquidator, receiver, manager, trustee, supervisor, administrative receiver or otherwise howsoever, nor has any power to appoint any such person become exercisable under any Encumbrance in respect of all or any assets of any Group Company; or

(IV) the holder of a charge over any of the assets of any Group Company (or any person nominated by any such holder) is appointed (nor has any such person been appointed) to control the business and/or any assets of such Group Company.

(e) So far as such Seller is aware, no creditor of any Group Company has taken steps to enforce, or has become entitled to enforce, any debt or other sum in excess of RUB 300,000 (three hundred thousand Roubles) owed by such Group Company, as applicable, whether by legal proceedings, the serving of a statutory demand or otherwise (where such debt or sum remains unpaid).

(f) No Guarantee, loan capital, borrowed money or interest is overdue for payment by any Group Company and no other obligation or Indebtedness is outstanding which is substantially overdue for performance or payment.

(g) No Group Company has suspended or ceased to carry on all or a material part of its business, neither has any governing body of such Group Company initiated a procedure to propose possible suspension or termination of all or a material part of such Group Company's business nor has such Seller or any Group Company received written notice that a Governmental Authority has initiated any such proceedings.

(h) No event analogous to any of the foregoing has occurred in the Russian Federation and in particular none of the following has occurred in relation to any Group Company:

(I) implementation of bankruptcy prevention measures, including, but not limited to, out-of-court sanction (dosudebnaya *sanatsya*);

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(II) the appointment of a liquidation commission (*likvidatsionnaya komissiya*) or similar officer;

(III) its seeking, consenting to or acquiescing in the introduction of the proceedings for its liquidation or bankruptcy or the appointment of a liquidation commission (*likvidatsionnaya komissiya*) or similar officer;

(IV) the presentation or filing of a petition in any court, arbitrazh court or before any agency alleging or for the bankruptcy, insolvency, dissolution, liquidation (or any analogous proceeding) of such Group Company;

(V) the institution of the supervision (*nabludeniye*), financial recovery (*finansovoye ozdorovleniye*) external management (*vneshneye upravleniye*), liquidation procedure (*konkursnoye proizvodstvo*) and/or the appointment of a temporary manager (*vremenniy upravlyayuschiy*) , administrative manager (*administrativniy upravlyayuschiy*), external manager (*vneshniy upravlyayuschiy*), bankruptcy manager (*konkursniy upravlayushiy*) or similar officer;

(VI) the convening or announcement of an intention to convene a meeting of creditors for the purposes of considering a voluntary arrangement (*mirovoye soglasheniye*); or

(VII) any extra-judicial winding-up, striking off from registry, liquidation or analogous act by any Governmental Authority in or of the Russian Federation.

(i) For each:

(I) Group Company which exists for more than three (3) years, each such Group Company has maintained for the last three (3) years and continues to maintain the level of the charter capital and the net assets as required by Applicable Law; and

(II) Group Company which exists for less than three (3) years, each such Group Company has maintained since its incorporation and continues to maintain the level of the charter capital and the net assets as required by Applicable Law.

(III) No Group Company has an insufficient level of charter capital or the net assets.

4. **COMPLIANCE WITH LAW**

(a) Each Group Company is conducting and at any time within the three (3) years preceding to the date of this Agreement has conducted its business in all material respects in accordance with Applicable Laws.

(b) So far as such Seller is aware, during the three (3) years prior to the date of this Agreement, no current or past Director of any Group Company has been convicted or charged of an offence, or losses claimed from him, in relation to the business or affairs of any Group Company.

(c) So far as such Seller is aware, there is no order decree, decision or judgment of any court, tribunal, arbitrator, Governmental Authority, in any jurisdiction, outstanding or anticipated against any Group Company or any of their Directors or officers in relation to the business or affairs of any Group Company.

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(d) So far as such Seller is aware, no investigation, enquiry or criminal proceedings is being or has been conducted by any Governmental Authority in any jurisdiction, in respect of the affairs of any Group Company or any Director in relation to the business or affairs of any Group Company, and, so far as such Seller is aware, there are no circumstances that are reasonably expected to give rise to any such investigation, enquiry or proceedings in respect of any Group Company or Director.

(e) All applications, notifications and other documents required by law to file with, or deliver to, any Governmental Authority in connection with any transfer of a participation interest in its charter capital have been made up, in all material aspects, correctly and duly filed or delivered on in a timely fashion.

(f) True and complete copies of all resolutions and other documents required by law to be attached to them passed by a sole participant and/or general meeting of participants and/or board of directors of any Group Company have been Disclosed.

5. **AUTHORISATIONS AND CORPORATE MATTERS**

(a) Each Group Company is entitled to carry on the business now carried on by it in all material respects without conflict with any valid right of any person, firm or company.

(b) No licence or any other permission or authorisation is required by any Group Company from any Governmental Authority under the Applicable Law in order to carry on its business in all material respects in the same manner as carried out as of the date of this Agreement.

(c) None of the material activities, contracts or rights of any Group Company is ultra vires, unauthorised, invalid or unenforceable or in material breach of any contract or covenant by which such Group Company is bound. Limited liability company “N1 Technologies” is validly included in the Register of accredited organisations operating in the field of Information Technology held by the Ministry of Digital Development, Communications and Mass Media of the Russian Federation.

(d) All statutory records and registers as required by the Applicable Law of each Group Company have been properly kept, are written up to date and contain a true, complete and accurate record of all matters to the extent required by the Applicable Law, in each case, in all material respects.

(e) Any dividends or distribution (whether in cash, stock or in kind, of profits or assets, or otherwise) declared, paid or made by any Group Company to its respective participants have been declared, paid or made in compliance with Applicable Law and with its Organisational Documents in effect at the relevant time.

(f) Each Group Company has held general meetings of participants (whether annual or extraordinary), or sole participant’s resolutions in writing have been made, in compliance in all material respects with applicable laws and constitutional documents of the respective Group Company.

(g) No power of attorney or other authorisation issued on behalf of a Group Company in respect or in favour of such Seller or any Seller Related Entity and/or their Affiliates or Employees remains in or takes effect on or at any moment after Completion.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

6. **FINANCIAL REPORTING**

(a) The Accounts:

(I) have been prepared in accordance with RAS as at the date they were prepared;

(II) show a true and fair view of the state of affairs of each Group Company, and of assets, liabilities, profits and losses and the cash position of each Group Company, in each case for the period to which they relate; and

(III) make full provision for all actual liabilities at the Accounts Date to the extent required by RAS.

(b) The profits and losses of the Group, as shown by the Accounts, have not (except as noted in the Accounts) been affected by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms or by any other factors rendering such profits and losses for all or any of such periods exceptionally high or low.

(c) The accounting records of each Group Company:

(I) contain due and accurate records of all matters required by law to be entered in them, in each case, in all material respects; and

(II) are in the possession of the Group Company to which they relate.

(d) In all material respects, the Interim 2020 Accounts:

(I) have been prepared in accordance with RAS as at the date they were prepared;

(II) show a true and fair view of the state of affairs of each Group Company, and of assets, liabilities, profits and losses and the cash position of each Group Company, in each case for the period to which they relate; and

(III) make provision for all actual liabilities at 30 September 2020 to the extent required by RAS.

(e) The Management Accounts:

(I) have been prepared from the respective Group Company’s RAS accounting records on a basis consistent in all material respects with, and using accounting policies, practices and principles consistent with, the US GAAP;

(II) fairly represent a view of the assets and liabilities as at the date to, and the profits and losses during the period for, which the Management Accounts are stated to have been prepared, with respect to the respective Group Company; and

(III) do not materially under-state the extent of the liabilities of the relevant Group Company as at the date which they are stated to be prepared.

(f) No Group Company has any material liabilities (including contingent liabilities) other than as disclosed in the Accounts or incurred in the Ordinary Course of Business since the Accounts Date.

7. **BUSINESS SINCE THE ACCOUNTS DATE**

Since the Accounts Date:

(I) each Group Company has conducted its business, and entered into transactions and incurred liabilities, in the Ordinary Course of Business and as a going concern, and without any interruption or alteration, subject to the Market Conditions;

(II) no Group Company has issued (increased) or allotted or agreed to issue (increase) or allot any charter or loan capital or created or granted any other right over or interest in its charter or loan capital;

(III) no Group Company has redeemed or purchased or agreed to redeem or purchase any of its charter capital;

(IV) no dividend or other distribution of profits or assets has been, or agreed to be, declared, made or paid by any Group Company;

(V) no participants' resolution nor resolution of the board of directors of any Group Company has been passed or approved, other than in the Ordinary Course of Business or as required to effect any actions or transactions as required under the Agreement or other Transaction Documents;

(VI) no Group Company has incurred any additional Indebtedness;

(VII) no loan or loan capital has been repaid by any Group Company in whole or in part or has become liable to be so repaid;

(VIII) save to the extent provided for in the Accounts, no part of the amounts included in the Accounts or (in the case of an amount arising after the Accounts Date) in the books of the relevant Group Company as due from debtors has been released on terms that any debtor pays less than the full book value of his debt or has been written off or has proved to any extent irrecoverable or is now regarded as irrecoverable;

(IX) no Group Company has acquired or disposed of, or agreed to acquire or to dispose of, any material assets (including any interest in land or buildings) (material for these purposes meaning (in the case of an acquisition) where the total consideration payable exceeded (or will exceed) RUB 10,000,000 (ten million Roubles) in aggregate or (in the case of a disposal) either the book value or the total consideration receivable exceeded (or will exceed) RUB 7,000,000 (seven million Roubles) in aggregate;

(X) no material capital commitments have been entered into or proposed by any Group Company (material for these purposes meaning capital commitments involving capital expenditure in excess of RUB 7,000,000 (seven million Roubles) exclusive of VAT) in aggregate; and no capital commitments involving capital expenditure exceeding in the aggregate RUB 7,000,000 (seven million Roubles) exclusive of VAT have been entered into or proposed by all Group Companies;

(XI) there has been no material reduction in the net asset value of any Group Company other than as a result of any dividends distributed after the Accounts Date;

(XII) other than services and management agreements with Management Company Hearst Shkulev Digital LLC as Disclosed, which will terminate, and all amounts payable under which will be fully paid, prior to Completion, no management charge is payable by any Group Company to such Seller, any Seller Related Entity and/or their Affiliates or Staff Members;

(XIII) at Completion, save for the Permitted Bonuses, there will be no outstanding management charge payment payable (or which may become payable) by any Group Company to such Seller, any Seller Related Entity and/or their Affiliates or Staff Members; and

(XIV) each Group Company has paid its creditors materially within the time limits agreed with such creditors.

8. **FINANCE**

(a) Such Seller has delivered to the Buyer complete and accurate copies of all documentation relating to:

(I) all money borrowed by and currently outstanding from each Group Company (in case any Indebtedness by any Group Company has been Disclosed to the Buyer);

(II) all loans, overdrafts or other financing facilities currently outstanding or available to any Group Company (whether or not any monies are currently borrowed under any such facility);

(III) any hedging transactions, futures, swaps, options, derivatives or similar financial arrangements to which any Group Company is a party; and

(IV) any Encumbrance over any assets of any Group Company.

(b) No Group Company has any Indebtedness other than the Intra-group Indebtedness.

(c) Such Seller has delivered to the Buyer the following details about all bank accounts maintained or used by each Group Company: the name and address of the Bank with which each such account is kept and the number and nature of such account.

(d) In relation to each of the matters and arrangements referred to in paragraph (a) above:

(I) each such matter or arrangement remains in full force and effect, and there has been no alteration in their terms and conditions;

(II) no Indebtedness of any Group Company under any such matter or arrangement is due and payable (whether as a result of the stated maturity date of such Indebtedness having been reached or otherwise), and no Group Company has received any notice from any creditor or other counterparty demanding payment thereunder;

(III) so far as such Seller is aware, no Event has occurred or been alleged to have occurred which is or, with the passage of time and/or the giving of any notice, certificate, declaration or demand, would become an event of default under, or a breach of any of, the terms of any loan capital, borrowing, debenture or financial facility of any Group Company or would entitle any third party to call for repayment before normal maturity;

(IV) neither such Seller nor a Group Company has received written notice that any step to enforce any such Encumbrance or repayment of any facility has been taken or threatened, and no Encumbrance is now being enforced; and

(V) with the exception of any Guarantee or indemnity granted in connection with the sale and purchase of the share capital of Limited Liability Company "Zarplata.ru", none depends on any Guarantee provided by such Seller, any Seller Related Entity or any other person which is not a Group Company.

(e) No Group Company:

(I) has outstanding any loan capital;

(II) has incurred or agreed to incur any borrowing which it has not repaid or satisfied;

(III) has lent or agreed to lend any money which has not been repaid to it; and/or

(IV) is a party to or has obligations under:

(1) any loan agreement, debenture, acceptance credit facility, bill of exchange, promissory note, finance lease, debt or inventory financing, discounting or factoring arrangement, securitisation or sale and lease back arrangement; or

(2) any financing or quasi-financing arrangement which would not need to be shown or reflected in the Accounts (or any subsequent audited accounts of such Group Company prepared on the same basis as the Accounts).

(f) No Group Company has:

(I) subscribed for or has any obligation to purchase shares or other securities; or

(II) given or entered into, or agreed to give or enter into, any Encumbrance or Guarantee in favour or for the benefit of any other party and/or in order to secure any debt, indebtedness or obligation of any other person.

(g) No Encumbrance or Guarantee which remains outstanding has been given or entered into by any Seller Related Entity or by any other person to support the obligations of any Group Company.

(h) Save as Disclosed, there is no outstanding indebtedness on any account whatsoever owed by any Group Company to any Seller Related Entity or by any Seller Related Entity to any Group Company.

(i) No Encumbrance over any asset of any Group Company will be created, crystalised or become enforceable as a result of the signing of this Agreement or Completion.

(j) No Group Company has received any grant or subsidy or other financial aid or assistance from any Governmental Authority or non-governmental organisation.

9. **EFFECT OF THE TRANSACTION**

(a) So far as such Seller is aware, neither the entering into nor performance by the Buyer and such Seller of their obligations under this Agreement (including Completion) will:

(I) cause (or result in) any Group Company to lose (or losing) the benefit of, or suffer (or suffering) an adverse impairment of, any material asset, right or privilege which it now enjoys;

(II) result in any Group Company's losing, or any adverse variation in the terms of, or any default under, any licence, authorisation or consent reasonably required by any Group Company in relation to its business;

(III) result in any present Indebtedness of any Group Company becoming due and payable (or capable of being declared due and payable) prior to its stated maturity date;

(IV) cause (or result in) any customer, client, supplier, agent, distributor or any other person who normally does business with any Group Company and is material to the Business and not easily replaceable by the relevant Group Company not to continue to do so, either at all or on the same basis;

(V) relieve any person of any obligation (whether contractual or otherwise) to any Group Company; or

(VI) result in:

(1) a material breach of;

(2) any third party having the right to terminate, vary, or exercise any right under; or

(3) the creation, crystallisation or enforcement of any material Encumbrance under,

any Material Contract to which any Group Company is a party.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

10. **CONTRACTS**

(a) A full, complete, accurate and up-to-date copy of each of the Critical Contracts (including any variation or restatement of any such Critical Contract, and any assignment or novation relating to any such Critical Contract) has been Disclosed. Schedule 17 (***Material Contracts***) includes the actual, true and complete list of the Contracts: (i) which are material to the business of any Group Company or on which any Group Company is substantially dependent in order to operate its business, and/or (ii) which involve obligations (including contingent or otherwise) of or to, or payments by or to, any Group Company in excess of ten million Roubles (RUB 10,000,000) per annum per Contract or set of related Contracts.

(b) Except for the Material Contracts Disclosed under paragraph 10(a), no Group Company is a party to any Contract which:

(I) is outside the Ordinary Course of Business;

(II) is of a long term nature (that is, unlikely to have been fully performed in accordance with its terms within twelve (12) months after the date on which it was entered into or undertaken) (other than any Contract entered into by a Group Company for an indefinite term and capable of being terminated with a not more than a six (6) months' notice);

(III) gives to any party an option to acquire or dispose of any material asset or permits or requires another person to do so;

(IV) restricts the freedom of any Group Company in any material respect, to carry on any business (whether or not the same constitutes business of a type currently conducted by such Group Company) in any part of the world in such manner as it considers fit;

(V) creates or otherwise relates to any:

(VI) agency or distributorship relationship;

(VII) partnership, joint venture, consortium, joint development relationship, unincorporated association, profit sharing or any similar relationship;

(VIII) any purchasing, manufacturing, licensing (other than in the Ordinary Course of Business) or licensing (other than licences to standard third party off-the-shelf software) agreement;

(IX) the grant of any licence, where the licensee has the right to grant sub-licences to any person; or

(X) any corporate (shareholders') agreement or other similar agreement between its shareholders;

(XI) involves or relates to the grant of any sole or exclusive rights by or to any Group Company;

(XII) involves or is reasonably expected to involve, or relates to, the supply of goods or services or a granting a license by a Group Company to a person, other than a Group Company (A) the aggregate sales value of which will represent in excess of five per cent (5%) of the turnover of the Group Company for the preceding Financial Year; or (B) on terms under which any discount, rebate, price reduction, credit or similar financial arrangements are given or received otherwise than in the Ordinary Course of Business and in accordance with the Disclosed pricing policies of the Group Companies, or

(XIII) will prevent the Buyer from enjoying the full benefit of this Agreement.

*** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.***

(c) No Group Company is a party to a Contract which imposes any non-compete obligations on a Group Company or a Contract with any Competing Business in the Restricted Territory for any pricing, market sharing or similar arrangements.

(d) With regard to each of the Material Contracts:

(I) so far as such Seller is aware, each such Material Contract is legally binding on the parties to it and is in full force and effect;

(II) so far as such Seller is aware, none of the parties (including the relevant Group Company) is in default of its obligations under such Material Contract (and no claim has been made by any person that any party is in default under any such Material Contract, and no such default has been threatened by any such party); and

(III) there is no dispute in relation to any Material Contract nor, so far as such Seller is aware, do any circumstances exist which are reasonably expected to give rise to such a dispute.

(e) So far as such Seller is aware, there are no circumstances which constitute a ground on which any Material Contract may be avoided, rescinded, repudiated, prematurely determined (whether as a result of this Agreement, the sale of the Participation Interest of such Seller, a breach, event of default or other termination right under such Contract), or declared to be invalid or which would give any other contracting party the right to impose any obligation on (whether to make payment or otherwise) or exercise any right against any Group Company. So far as such Seller is aware, no Group Company has received any notice of any claim to that effect or notice indicating that such a claim may be made.

(f) So far as such Seller is aware, no Group Company has extended or has received any offer, tender or the like which is capable of being converted, by any acceptance or other act by a Group Company or any other person, into a Material Contract (had such Contract been in existence at the date of this Agreement).

(g) As of Completion there are no powers of attorney which are outstanding or effective to or in favour of any person to enter into any Contract or to do anything on behalf of any Group Company.

(h) No material part of the business of any Group Company is carried on under the assent or consent of a third party.

11. **RELATED PARTY TRANSACTIONS**

(a) Save as Disclosed, there is no indebtedness, liability or other obligation (actual or contingent), between any Group Company, on one hand, and such Seller or any of its Affiliates or any Seller Related Entity, on the other hand.

*** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.***

(b) There is no Guarantee issued by any Group Company in favour of such Seller or any of its Affiliates or any Seller Related Entity.

(c) Save as Disclosed, there are no agreements or arrangements between any Group Company on one hand, and such Seller or any of its Affiliates or any Seller Related Entity, on the other hand, for the supply of any goods or services or the use by any Group Company of the property, rights or assets of such Seller or any of its Affiliates or any Seller Related Entity (or *vice versa*). There are no management agreements, consultancy or similar arrangements between any Group Company and such Seller or any of its Affiliates or any Seller Related Entity.

(d) Neither such Seller, nor any of its Affiliates, nor, as far as such Seller is aware any Seller Related Entity is entitled to a claim of any nature against any Group Company, or has assigned to any person the benefit of any such claim which remains outstanding or reasonably expected to be made.

(e) Save for the Related Party Agreements, no Group Company is party to, bound by, or subject to, any agreement or arrangement with such Seller or any of its Affiliates or any Seller Related Entity other than pursuant to a confidentiality agreement or any other agreement of similar nature entered into in the Ordinary Course of Business.

(f) The particulars in relation to the Related Party Agreements contained in Schedule 14 (***Related Party Agreements***) are true and accurate. A true and accurate copy of each Related Party Agreement has been Disclosed.

(g) No Group Company is dependent on any service, asset or facility shared with or provided by such Seller or any of its Affiliates or any Seller Related Entity, in each case other than under and in accordance with the express terms of any Related Party Agreement.

(h) All Related Party Agreements, to which any Group Company is a party (or was a party during any of the three (3) Financial Years ending before the date of this Agreement) have been entered into on market terms in accordance with the transfer pricing rules under the Applicable Laws.

12. **CUSTOMERS AND SUPPLIERS**

(a) In this paragraph, the following term shall have the following meaning:

"**Material Counterparty**" means any counterparty to any Material Contract.

(b) In the period of twelve (12) months ending on the date of this Agreement, other than due to the Market Conditions:

(I) no Material Counterparty has ceased (or threatened to cease) to do business with, or reduced (or threatened to reduce) in any material respect the extent to which it does business with any Group Company; and

(II) there has been no material change in the basis or terms on which any Material Counterparty does business with any Group Company which has had a material adverse effect on the Business.

13. **ASSETS**

(a) The Properties comprise all of the premises, buildings and land owned, occupied or otherwise used in connection with the businesses of the Group Companies.

(b) The requisite details of each relevant lease in relation to each Property (including all amendments and additions to it) are set out in Schedule 5 (***Properties***). The term and the termination date of each lease as specified in Schedule 5 (***Properties***) are true and accurate.

(c) The Properties are used under valid, binding and duly state registered (if such state registration is required by Applicable Law) lease (or sub-lease) agreements. The underlying lease agreement(s) under which the relevant lessor sub-leases any Property to any Group Company are valid, binding and duly state registered (if such state registration is required by Applicable Law) and so far as such Seller is aware, there are no circumstances, which would entitle any party to such underlying leases to terminate them.

(d) So far as such Seller is aware, no Group Company is in material breach of any lease (sub-lease) in respect of the leased Property to which it is a party which would entitle the lessor (sub-lessor) to terminate such lease, and no notice to terminate or threat to terminate a lease (sub-lease) or similar notice has been given by, or to, a Group Company in relation to any Property, and, so far as such Seller is aware, there are no grounds which could reasonably be expected to result in any Group Company receiving any such notice.

(e) Save as Disclosed, no Group Company keeps its records, equipment and other property as necessary for operating its business at any place other than the Properties, and, so far as such Seller is aware, there are no circumstances, onerous and unusual conditions that are reasonably expected to hinder any Group Company's rights to access and use its records, equipment and other movable property, including by way of hindering Group Company's Employees' access to the Properties. So far as such Seller is aware, there is no imminent or reasonably expected interruption of any such right.

(f) There is no current or, so far as such Seller is aware, pending court or arbitration or administrative proceedings arising out of or in connection with any Property that are reasonably expected to affect the relevant Group Company's right to continue to use such Property on materially the same terms as currently in effect.

14. **OWNERSHIP AND CONDITION OF ASSETS**

(a) Each Group Company owns or has ownership of or the right to use all the assets and rights that it needs to carry on its business in all material respects in the same place and in the same manner as carried out immediately before the date of this Agreement.

(b) All assets included in the Accounts or acquired by any of the Group Companies since the Accounts Date, other than any assets disposed of or realised in the Ordinary Course of Business are:

(I) legally and beneficially owned by the Group Companies;

(II) where capable of possession, in the possession or under the control of the relevant Group Company; and

(III) free from Encumbrances.

(c) All machinery, furniture, fixtures, fittings, vehicles and equipment owned or used by any Group Company is in normal condition and in working order in all material respects.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

15. **SUFFICIENCY OF ASSETS AND PERSONNEL**

(a) Other than pursuant to any agreement between the Buyer and such Seller in respect of the Integration and save as Disclosed, the Property, material rights (including rights under Material Contracts), material assets owned, leased or otherwise lawfully used by the Group Companies and Restricted Persons employed by the Group Companies comprise the material property, rights, assets and Employees necessary for the carrying on the business of each Group Company (as carried out as of the date of this Agreement in all material respects and as is envisaged to be conducted after Completion during the Integration Period.)

16. **INTELLECTUAL PROPERTY RIGHTS AND INFORMATION TECHNOLOGY**

(a) Intellectual Property Rights

(I) All Business IPR is, or will be at Completion, either legally and beneficially owned by a Group Company or lawfully used with the consent of the owner, under a licence or on another legal ground. Each Group Company has in its disposal all Contracts and other relevant documents related to its rights to Business IPR. A full, complete, accurate and up-to-date copy of each such Contract has been Disclosed.

(II) The Owned IPR:

(1) is exclusively legally and beneficially owned by the Group Companies;

(2) is not subject to any Encumbrance or any licence, other than a licence in the Ordinary Course of Business, in favour of any other person than a Group Company and no consent was granted for the use of the Owned IPR in favour of any person other than in the Ordinary Course of Business or other than in favour of a Group Company; and

(3) is (except for pending applications, validity of which is subject to state examination) valid and enforceable.

(III) All Business IPR that is required to be registered under Applicable Law has been properly registered in the name of a Group Company, and all reasonable steps have been taken by the Group for the maintenance and protection of all Business IPR.

(IV) In respect of the Owned Registered IPR:

(1) all relevant registrations and applications are in the name of a member of the Group;

(2) all fees which are due, and steps which are required, for their maintenance, prosecution and protection have been paid and taken;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(3) no application for registration has been discontinued;

(4) no opposition to any ongoing applications has been filed and, so far as such Seller is aware, there are no facts, matters or circumstances which would indicate or suggest that any opposition is reasonably expected to be made; and

(5) all applications for registration of any Intellectual Property Rights are proceeding normally and, so far as such Seller is aware, there are no facts, matters or circumstances which would indicate or suggest that any of the applications are not reasonably expected to be granted and/or proceed to registration substantially in accordance with the application.

(b) Other than as expressly specified in Schedule 15 (***The Intellectual Property Rights***), no Intellectual Property Rights that are owned by any Seller Related Entity are used in and are material for the business of any Group Company (as carried out as of the date of this Agreement).

(c) Other than the licensed Business IPR expressly specified in Schedule 15 (***The Intellectual Property Rights***), Part (b) (***Used IPR***), the Group Companies are the owners of all the Intellectual Property Rights in the Product Range and neither of the Group Companies has received any written notice that the use and/or possession and/or commercial exploitation of the Product Range by the Group Companies (including the provision of any related services using the Product Range) has infringed, and currently infringes, the Intellectual Property Rights of any third party, and, so far as such Seller is aware, there's no ground for such notice to be served by any party.

(d) To the extent that the Product Range incorporates third party products or the Group Companies do not own any of the Intellectual Property Rights in the Product Range, then the Contracts under which the relevant Group Company licences, uses and/or exploits such third party products or Intellectual Property Rights in the Product Range have been Disclosed.

(e) Each Group Company has a valid licence Contract with respect to all Used IPR that it exploits.

(f) Schedule 21 (***Material Licenses****)* includes the actual, true and complete list of the licence Contracts with respect to all the Used IPR. Each Material License:

(I) is in full force and effect, and no written notice has been given on either side to terminate it;

(II) has been complied with in all material respects by a Group Company;

(III) has been duly recorded or registered by the relevant Group Company, which is required to do so by Applicable Law;

(IV) so far as such Seller is aware, no circumstances exist which would entitle a party to terminate it;

(V) neither entering into, nor compliance with, nor completion of, this Agreement will entitle a party to terminate it, vary it, or make a claim under it;

(VI) does not impose any exclusivity obligations on a Group Company;

(VII) so far as such Seller is aware, is not the subject of any claim, dispute or proceeding, pending or threatened.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(g) No Group Company has in the past twenty-four (24) months received any written notice alleging that it infringes or misuses Intellectual Property Rights of a third party. So far as such Seller is aware, no Group Company is in breach or misuse of any Intellectual Property Rights of any third party. No Group Company has received any written notice that any actions, claims, counterclaims, applications or allegations of any breach or misuse by a Group Company of any Intellectual Property Rights of any third party have been brought or made, and, so far as such Seller is aware, there have been no facts, matters or circumstances which could give rise to such an action, claim, counterclaim, application or allegation.

(h) No Group Company has received any written notice of any claim or assertion that the Group's ownership and/or possession and/or commercial exploitation of the Product Range (or any part of it) infringes the Intellectual Property Rights of any third party.

(i) There is no payment or other liability of any Group Company which is overdue or has been failed to be duly performed in relation to any Business IPR.

(j) All Business IPR is valid, subsisting and enforceable. No Group Company has received any written claims or counterclaims as to, and no actions, applications or written allegations contesting the validity or enforceability of any Business IPR or its ownership by a Group Company have been brought or made, and, so far as such Seller is aware, there have been no facts, matters or circumstances which could give rise to such an action, claim, counterclaim, application or allegation.

(k) So far as such Seller is aware, the Owned IPR is not being infringed or used without authorisation by any third party.

(l) The Group Companies have complied in all material respects with their Disclosed internal policies in respect of the treatment of know-how, trade secrets and Confidential Information pertaining to or related with the Group.

(m) So far as such Seller is aware, no material know-how, trade secret or Confidential Information of any Group Company is, or was misappropriated, disclosed or used by any person in breach of confidentiality obligations.

(n) Each Group Company has approved its confidentiality policy and conveyed this policy to its employees and has taken all other reasonable steps required or appropriate to protect and preserve the confidentiality of all of its know-how, trade secrets and Confidential Information.

(o) The Business IPR comprises all the Intellectual Property Rights material for the Group to carry on its business as carried out as of the date of this Agreement.

(p) None of Business IPR, nor the rights of any Group Company in any Business IPR, will be adversely affected by or in connection with this Agreement or any other Transaction Document.

(q) The Group has in its possession copies of the current source materials relating to the Product Range (including but not limited to source code, scripts, database schemas and software tools) as are necessary for a reasonably skilled programmer or analyst to maintain, enhance, amend and otherwise modify the Product Range without further recourse to such Seller.

(r) So far as such Seller is aware, no Group Company has infringed the Intellectual Property Rights of any third party in any material way, during the two (2) years preceding the date of this Agreement.

(s) LLC N1 Technologies is the owner of trademarks No [***] and No [***], registered in the Russian Federation. Such trademarks do not violate rights of any third party. An application to transfer the ownership of (to assign the exclusive rights to) both trademarks from LLC N1 Technologies to LLC N1.RU has been filed with Rospatent.

(t) Information Technology

(I) Schedule 16 (***Information Technology***) lists complete and accurate details of all elements of the Business IT. Each element of the Business IT is validly used by a Group Company. Other than expressly specified in Schedule 16 (***Information Technology***), no element of the Business IT is provided by a Seller Related Entity.

(II) True and complete copies of all Material IT Contracts, which are included in the list of Critical Contracts, have been Disclosed. Each Material IT Contract:

(1) is in full force and effect, and no notice having been given on either side to terminate it;

(2) has, where required, been duly recorded or registered;

(3) so far as such Seller is aware, no circumstances exist which would entitle a party to terminate it;

(4) neither entering into, nor compliance with, nor completion of, this Agreement will entitle a party to terminate it, vary it, or make a claim under it;

(5) is not the subject of any claim, dispute or proceeding, including, so far as such Seller is aware, pending or threatened.

(u) So far as such Seller is aware, no Business IT is inoperative or infected by any virus or malicious code or other extraneously-induced malfunction. So far as such Seller is aware, no person has or has had unauthorised access to the Business IT or any data stored thereon.

(v) Other than as expressly set forth in Schedule 16 (***Information Technology***), the Group is the legal and beneficial owner of or has a valid lease in respect of all computer hardware or other infrastructure equipment or systems (the "**IT Hardware**") material for the business of the Group (as conducted as of the date of this Agreement).

(w) Other than as expressly set forth in Schedule 16 (***Information Technology***), the IT Hardware is fully functional in all material respects and comprises all information and communication technologies necessary for the continuation of the business of the Group substantially as carried on as of the date of this Agreement, and no substantial modification, replacement or enhancement of IT Hardware is currently required (save in the ordinary course or which cost is above one million (1,000,000) RUB) to permit the Group to carry on its business substantially in the same manner (over the next 12 months) as carried out as of the date of this Agreement.

17. **PERSONAL DATA PROTECTION**

(a) Each Group Company has approved, signed with all relevant Staff Members, introduced and complies in all material respects with policies and procedures with respect to collection, use, processing, storage and transfer of all personally identifiable information relating to individuals (collectively, "**Personal Data**") in accordance with the Data Protection Legislation.

(b) Each Group Company complies in all material respects with the Data Protection Legislation and the contractual obligations relating to Personal Data to which the Group Company is subject to, including, without limitation, requirements with respect to notification of a relevant Governmental Authority, gathering all relevant consents for collection, use, processing, storage and transfer of Personal Data, and technical requirements in relation to data storage, processing and sharing as is required under Applicable Law. No Group Company has received any written inquiry from or been subject to any audit or other proceeding of any Governmental Authority regarding its compliance with Data Protection Legislation.

(c) Neither of the Group Companies has been brought to administrative liability for a material violation by a Group Company of Data Protection Legislation. To the knowledge of such Seller, each Group Company has taken commercially reasonable steps (including implementing and monitoring compliance with adequate measures with respect to technical and physical security) to reasonably ensure that any Personal Data collected by each Group Company is protected against loss and against unauthorised access, use, modification, disclosure or other misuse.

(d) All Personal Data of Russian citizens collected by any Group Company is initially collected and stored using databases located in Russia.

18. **EMPLOYEES**

(a) Such Seller has Disclosed true and complete information and documents in respect of the terms of employment (including remuneration, compensations, benefits and any bonus arrangement) of all Staff Members whose individual all-inclusive gross remuneration exceeds RUB 5,000,000 (five million Roubles) per annum.

(b) No Group Company is a party to, bound by or proposing to introduce in respect of any of its Staff Members or any third party any share option, profit sharing, bonus, commission or any other scheme relating to the profit or revenue of any Group Company.

(c) Save as Disclosed, no Seller Related Entity nor Affiliate or Employee of any Seller Related Entity is a party to, or entitled to the benefits of, any top management incentive program of a Group Company, or any management services or consultancy contract or arrangement with any Group Company.

(d) Save as Disclosed, there is no top management incentive program in any Group Company. Complete, accurate and up-to-date copies of remuneration and incentive policies and arrangements of each Group Company have been Disclosed.

(e) Save as Disclosed, there are no current or, so far as such Seller is aware, threatened employment disputes with any current or former Staff Member to which a Group Company is a party and, so far as such Seller is aware, there are no circumstances which are reasonably expected to give rise to any such dispute.

(f) No Group Company is a party to any collective agreement or other arrangement with any trade union, staff association, work council, Employees' representatives, collective bargaining agreement or similar, nor, so far as such Seller is aware, Employees are members of any trade union of staff association. So far as such Seller is aware, there is no trade union, work council or other similar organisation in any Group Company.

(g) Performance of this Agreement and any other Transaction Document will not trigger any legal obligation of a Group Company to make any material special payment, or vesting, funding or similar rights relating to compensation, incentives or benefits payable, granted or otherwise provided to any Staff Member.

(h) There is no liability, indebtedness, or amount due, payable or outstanding obligation of any Group Company due to or in respect of any Staff Member or former Staff Member, other than current salaries, statutory compensations, personal income tax and statutory contributions to state extra-budgetary funds, in each case, for the period not exceeding one month.

(i) There is no liability, indebtedness, or amount due, payable or outstanding obligation of any Group Company with respect to any bonus or incentive, pension plan or similar benefits owed to a Staff Member or a former Staff Member.

(j) Each Key Employee continues to be employed by a Group Company.

(k) Neither of the Group Companies has received a written notice that a Staff Member or former Staff Member has submitted a claim in respect of breach of contract, compensation for loss of office, redundancy, unfair dismissal or on any other ground and, as far as such Seller is aware, and (save as Disclosed, there is no ground for any such claim to be brought.

(l) Save as Disclosed, no payment has been made or promised by any Group Company by agreement or written arrangement in connection with the actual or proposed termination, breach, suspension or variation of any employment or engagement of any present or former Staff Member, and there is no outstanding obligation of any Group Company to pay any compensation or provide any benefits to any present or former Staff Member (or their dependents or relatives).

(m) No Group Company has entered into any written arrangement regarding any material variation of any contract with any Staff Member with the effect at any moment after Accounts Date. There is no written agreement imposing an obligation on any Group Company to increase the basis and/or rates of remuneration and/or the provision of other benefits in kind (including any share option, share incentive, profit related pay, profit sharing bonus, or other incentive scheme) to or on behalf of any Staff Member at any moment after Accounts Date.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(n) Each Group Company has maintained records, which are accurate and up-to-date in all material respects, regarding its Employees as required by the Applicable Law and no Group Company is proposing to adopt any new scheme in relation to any such matters.

(o) Save as Disclosed, there is no, and no formal proposal has been announced to enter into or establish, any agreement, arrangement, custom or practice for the payment of, or payment of a contribution towards, a pension, allowance, lump sum or other similar benefit on retirement, death, termination of employment (whether voluntary or not) for the benefit of a Staff Member or former Staff Member, or any such person's dependents.

(p) No material change has been made by any Group Company in personnel related policies and regulations, employment contracts and/or terms of employment of Staff Members since the Accounts Date or which would take effect at any moment after the Accounts Date.

(q) No contract is or has been entered into by a Group Company with members of its board of directors. Save as Disclosed, no contract entered into by a Group Company with any Staff Member or former Staff Member provides for a severance payment or a compensation in connection with termination of an employment contract on any ground exceeding the minimum amounts provided for by Applicable Law.

(r) Each Group Company complies in all material respects with Applicable Law in respect of engaging foreign Staff Members.

19. **INSURANCE**

Each Group Company has obtained all insurance policies as required by Applicable Law.

20. **DISPUTES**

(a) No Group Company and/or, so far as such Seller is aware, Director nor any person for whose acts any Group Company may be vicariously liable, is engaged or involved in any capacity or otherwise is the subject of any of the following:

(I) any claim, suit, legal action, proceeding, litigation, arbitration, mediation, prosecution, investigation, enquiry, hearing or other legal proceedings before any court, tribunal, arbitral or any statutory, governmental, regulatory or similar body, department or agency in any jurisdiction, for an amount exceeding RUB 600,000 (six hundred thousand roubles); or

(II) any dispute with, or any investigation, inquiry or enforcement proceedings by, any statutory, governmental, regulatory or similar body or agency in any jurisdiction, each time in connection with a Group Company, Business IPR and/or other material assets, rights or liabilities of the Group and/or otherwise involving material interest of or having material exposure, directly or indirectly, on any Group Company.

(b) In respect of the types of matter referred to in paragraph 20(a), so far as such Seller is aware, no such matters are pending or threatened by or against any Group Company.

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(c) No Director of a Group Company has been disqualified under the Applicable Laws. Neither Group Company nor its Director is a person featured in Article 23 Clause 1 Paragraph (ф) of the Federal Law of the Russian Federation On State Registration of Legal Entities and Individual Entrepreneurs" No. 129-FZ.

(d) No unsatisfied final non-appealable judgement or award exceeding RUB 300,000 (three hundred thousand Roubles) is outstanding against any Group Company.

(e) Neither a Group Company nor any Business IPR or Material Contract is affected by any existing, nor neither such Seller nor a Group Company has received any written notice of any pending, injunction, judgment, order, decree, award, or other decision or ruling of a court, tribunal, arbitrator, or any governmental, regulatory or similar body or agency in any jurisdiction and, so far as such Seller is aware, there is no ground for any of the abovementioned

(f) No Group Company has given any undertaking to any court, tribunal, arbitrator, or any governmental, regulatory or similar body or any other third party arising out of, or in connection with, any matter of the type referred to in paragraph 20(a) which remains in force.

21. **ANTI-CORRUPTION, MONEY LAUNDERING AND SANCTIONS**

(a) For the purposes of this paragraph 21, the following terms shall have the following meanings:

(I) "**Anti-Corruption Law**" means:

(1) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997 (the "**OECD Convention**");

(2) the Foreign Corrupt Practices Act of 1977 of the United States of America, as amended by the Foreign Corrupt Practices Act Amendments of 1988 and 1998, and as may be further amended and supplemented from time to time (together, the "**FCPA**");

(3) the Bribery Act 2010 (or any United Kingdom laws prohibiting bribery or corruption preceding the Bribery Act 2010);

(4) the Federal Law of the Russian Federation "On Counteracting Corruption", Articles 204, 290 and 291 of the Criminal Code of the Russian Federation, and Article 19.28 of the Code of Administrative Violations of the Russian Federation; and

(5) any other Applicable Law (including any (a) statute, ordinance, rule or regulation, (b) order of any court, tribunal or any other judicial body, and (c) rule, regulation, guideline or order of any public body, or any other administrative requirement) which:

(6) prohibits the conferring of any gift, payment or other benefit on any person or any officer, employee, agent or adviser of such person; and/or

(7) is broadly equivalent to the FCPA and/or the above United Kingdom laws, and/or the above laws of the Russian Federation, or was intended to enact the provisions of the OECD Convention or which has as its objective the prevention of corruption;

(II) "**Anti-Money Laundering Laws**" means:

(1) the European Union Money Laundering Directives;

(2) in the United Kingdom, the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002, the Serious Organized Crime and Police Act 2005, the Anti-Terrorism, Crime and Security Act 2001;

(3) in the United States, the Executive Order and statutes authorizing the establishment of trade and economic sanctions programs enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the Bank Secrecy Act of 1970 and the PATRIOT Act of 2001;

(4) in the Russian Federation, Federal Law On Counteraction of Legitimization (Laundering) of Proceeds of Crime and Financing of Terrorism, Articles 174 and 174.1 of the Criminal Code of the Russian Federation, and Article 15.27 of the Code of Administrative Violations of the Russian Federation; and

(5) any other laws, regulations or conventions in any jurisdiction relating to terrorism or money laundering; and

(III) "**Associated Person**" means, in relation to a company, a person (including any employee, agent or subsidiary) who performs (or has performed) services for or on behalf of that company.

(b) No Group Company, nor, so far as such Seller is aware, any of its Directors, officers or Staff Members acting in their professional capacity with the relevant Group Company, any of the Group Company's Associated Persons, or any other person acting on any Group Company's behalf:

(I) has engaged in any activity or conduct that has resulted or will result in a violation of; or

(II) so far as such Seller is aware, is being investigated by any Governmental Authority in relation to any alleged violation of any:

(1) Anti-Corruption Laws;

(2) Anti-Money Laundering Laws; or

(3) Applicable Laws relating to Sanctions.

(c) Each Group Company has in place adequate policies and procedures to prevent bribery.

Part 2 **Tax Warranties**

The Tax Warranties are given in respect of facts, matters and circumstances arising or in existence during the three (3) full calendar years prior to the date of this Agreement, and the period of the calendar year in which the Completion occurs until the Completion Date. Unless otherwise provided for specifically within the relevant Warranty, each Seller warrants to the Buyer as follows:

1. Each of the Group Companies is and always has been and will until Completion be resident for Tax purposes in the Russian Federation only and no activities of any Group Company or any other entity have led to or are reasonably expected to lead to creation of a permanent establishment for tax purposes in any other jurisdiction.

2. Each Group Company is and has been in material compliance with all Applicable Laws in respect of registration with any Governmental Authority for Tax purpose.

3. All claims, returns, notifications, reports, statements, registrations, accounts and computations which have become due and any other information to be submitted to any Tax Authority have in all material respects been prepared on the basis which is proper, accurate and in accordance with Applicable Law, and so far as such Seller is aware remain materially accurate and complete and have been duly submitted within any applicable statutory time limits.

4. Any Tax which has become due from any Group Company has been duly paid in all material respects in compliance with the Tax legislation.

5. Each Group Company has in all material respects complied with all obligations and requirements imposed on it by Tax legislation relating to the payment of Tax which has become due including, without limitation, withholding Tax payable by each Group Company acting as tax agent and social insurance contributions to the Russian state pensions fund, social security fund and the fund of medical insurance, has been paid by each of the Group Companies.

6. Each Group Company has made all deductions and withholdings which it was required by Applicable Law to make in respect of or on account of any Tax, from all payments made by it, including to non-residents, the conditions for application of the respective double tax treaties provisions have been met, and the Group Companies have obtained and retained all documents in the form and substance required by Applicable Law necessary in order to apply these provisions (including, without limitation, all appropriate certificates regarding the beneficial owner of payments and other documents required by Applicable Law to evidence that the person on whose benefit the transfer was made was entitled to a reduced rate of withholding tax under Applicable Law), and has accounted to the relevant Tax Authority for all amounts so deducted or withheld.

7. There are no ongoing, pending or, to the best of such Seller's knowledge, threatened actions, proceedings, assessments or collections of Tax with respect to any Group Company or with respect to any Business IPR or any other asset of any Group Company.

8. The provision or reserve required by Applicable Law has been made in the Accounts for any Tax Liability to be assessed on the relevant Group Company in respect of:

   (a) profits, gains or income (as computed for Tax purposes) arising or accruing or deemed to arise or accrue on or before the relevant date; and

   (b) any transactions effected and actions taken (or deemed to be effected or taken) on or before the relevant date.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

9. Proper provision for deferred Tax required by Applicable Law has been made in the Accounts.

10. Each Group Company has prepared, kept and preserved materially complete, accurate and up-to-date records as required by Applicable Law.

11. All input VAT recovered by each Group Company was in compliance with Applicable Law. Each Group Company has had all appropriate documentation for a relevant recovery (refund).

12. So far as such Seller is aware neither execution nor completion of this Agreement or any other Transaction Document will result in any change in the Tax status, basis or treatment of a Group Company or any of its respective assets, nor in the withdrawal of any Relief granted or claimed on or before Completion.

13. All material transactions entered into by each Group Company have been entered into on arm's length terms and in compliance with the transfer pricing rules under the Applicable Law. No notice or enquiry by any Tax Authority is made in connection with any such transaction.

14. No Group Company has knowingly entered into or been a party to any scheme, arrangement or other practice whatsoever the main purpose of which was the avoidance or evasion of a liability for Tax.

15. No Group Company is liable to pay or, so far as such Seller is aware, is reasonably expected to become liable to pay, a material penalty or interest in respect of Tax, and no Group Company is subject to any suspended Tax related penalties.

16. No Group Company is involved in any dispute with any Governmental Authority in any jurisdiction with respect to any Tax matters. So far as such Seller is aware, there are no circumstances which are reasonably expected to cause such a dispute to arise.

17. Each Group Company has exercised due care in selection of its suppliers, service providers and other counterparties, and as far as such Seller is aware, none of the suppliers, service providers and other counterparties in a material transaction of a Group Company have been involved into any mala fide practices that may be considered by the Tax Authority as grounds for imposition of a Tax Liability on a Group Company.

18. Each Group Company has properly obtained and maintained and has available all the documentation (including, without limitation, primary documents) required by Applicable Law to support its administration of Tax liabilities and any Relief, duly executed by a Group Company and/or its suppliers, service providers and other counterparties, and such documentation is accurate, complete and sufficient to support its Tax administration in all material respects.

19. Other than as may be required by Applicable Law, no Group Company is or has ever been or been treated as, an agent or Representative of another person for any Tax purpose.

20. The immovable property assets of each Group Company located in the Russian Federation comprise less than fifty percent (50%) of its total assets value.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Schedule 4 **Seller Limitations**

Part 1 **General Limitations**

1. **FRAUD EXCEPTION**

Nothing in this Schedule 4 (***Seller Limitations***) limits the liability of a Seller in the case of fraud or wilful deceit by a Seller or, before Completion, by any Group Company or any of its officers, Employees or agents.

2. **CAP ON CLAIMS**

2.1 The aggregate liability of the Sellers for all:

(a) Claims shall not exceed the amount of [***] including any amount payable in respect of the Buyer's costs (including legal and other professional fees and expenses) and the maximum amount of each Seller's liability in respect of all Claims (including Fundamental Warranty Claims) shall be the Relevant Proportion of each Seller for any such Claims;

(b) Tax Claims shall not exceed [***] of the Consideration and the maximum amount of each Seller's liability in respect of all Tax Claims (including any amount payable in respect of the Buyer's costs (including legal and other professional fees and expenses)) shall be the Relevant Proportion of each Seller for any such Tax Claims;

(c) IP Claims shall not exceed [***] of the Consideration and the maximum amount of each Seller's liability in respect of all IP Claims (including any amount payable in respect of the Buyer's costs (including legal and other professional fees and expenses)) shall be the Relevant Proportion of each Seller for any such IP Claims; and

(d) Claims other than Title Claims, Tax Claims and IP Claims shall not exceed [***] of the Consideration and the maximum amount of each Seller's liability in respect of all Claims other than Title Claims, Tax Claims and IP Claims (including any amount payable in respect of the Buyer's costs (including legal and other professional fees and expenses)) shall be the Relevant Proportion of each Seller for all Claims other than Title Claims, Tax Claims and IP Claims.

2.2 For any Claim in respect of breaches of a Seller's covenants contained in Clause 12, Clause 13.3. Clause 17, Clause 18 and Clause 36 (a "**Covenant Claim**"), where more than one Seller is liable for the same loss or damage, the proportion of that liability that the Buyer may claim against each Seller is their Relevant Proportion only, provided that, notwithstanding anything to the contrary in this Agreement, if more than one Seller but less than all the Sellers are liable for the same loss or damage, the proportion of the liability that the Buyer may claim against each such Seller under the Covenant Claim is their Relevant Proportion as amended to exclude the innocent Seller(s). By way of example, if Seller 3 and Seller 4 are the only Sellers liable for the same loss or damage under the Covenant Claim then Seller 3 is liable for [***]% and Seller 4 is liable for [***]% of such loss or damage, rather than [***]% and [***]% (being the Relevant Proportions of Seller 3 and Seller 4, respectively) of such loss or damage. For the avoidance of doubt, nothing within this paragraph 2.2 shall act to increase the liability caps of each Seller beyond those detailed within paragraph 2.1 of this Schedule 4.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

2.3 Without prejudice to any other rights or remedies that the Buyer may have in respect of a Covenant Claim, each of Seller 2 and Seller 4 acknowledges and agrees that damages alone would not be an adequate remedy for any breach of a Covenant Claim by Seller 2 and Seller 4. Accordingly, each of Seller 2 and Seller 4 agrees and undertakes that the Buyer shall be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of a Covenant Claim.

3. **LIMITATIONS APPLYING TO CLAIMS**

A Seller shall not be liable in respect of a Claim to the extent that it occurs or is increased as a result of:

(a) an Event, matter or liability to the extent that a provision for such Event, matter or liability has been made in the Accounts or the Completion Statements;

(b) a change in Applicable Law, or published interpretation of Applicable Law by the Supreme Court of the Russian Federation, which in each case takes effect after Completion or which is first announced after Completion which takes effect retrospectively as at a time before the date of this Agreement;

(c) a change in generally accepted accounting practices which takes effect after Completion or which is first announced after Completion which takes effect retrospectively as at a time before the date of this Agreement;

(d) a change in the accounting policies or practice of the Buyer or any Group Company after Completion, unless it is made to correct non-compliance with Applicable Law which was in force on or before Completion;

(e) a voluntary act, omission, transaction or arrangements of the Buyer or any Group Company after Completion; for this purpose, an act or omission is not voluntary if:

(I) it is carried out to comply with Applicable Law which was in force on or before Completion;

(II) it is a consequence of, or substantially a consequence of, any breach of a Transaction Document (including a breach of the Warranties) by the Seller or any other Seller Party; or

(III) it is an act or thing done or omitted to be done in accordance with the express provision of any Transaction Document.

4. **THRESHOLD FOR CLAIMS**

A Seller shall not be liable in respect of any Claim relating to the Warranties unless:

(a) the liability of such Seller for that Claim (together with all other Claims arising out of or related to the same or a similar subject matter) exceeds RUB [***] and

(b) the aggregate liability of:

(I) Seller 1 and Seller 2 only in respect of all Claims (excluding any for which liability is excluded under paragraph 4(a)(i) above) exceeds RUB [***] in which case Seller 1 and Seller 2 only shall be liable for the whole amount and not merely the excess;

(II) Seller 3 only in respect of all Claims (excluding any for which liability is excluded under paragraph 4(a)(i) above) exceeds RUB [***] in which case Seller 3 only shall be liable for the whole amount and not merely the excess; and

(III) Seller 4 only in respect of all Claims (excluding any for which liability is excluded under paragraph 4(a)(i) above) exceeds RUB [***] in which case Seller 4 only shall be liable for the whole amount and not merely the excess.

5. **TIME LIMITS AND NOTICE**

A Seller shall not be liable for any Claim unless a notice of the Claim is given by the Buyer to such Seller:

(a) in respect of any claim for breach of any Fundamental Warranty or the Title Indemnity, no later than [***] following the Completion Date;

(b) in respect of any Tax Claim, no later than [***] following the calendar year in which the Completion Date falls, provided that if upon expiry of such period a Tax Audit of any Group Company in respect of a period prior to Completion has been notified or is ongoing then such time period shall be extended until the date which is [***] following the date on which the final binding decision (which has entered into legal force) is issued by the relevant Tax Authority in relation to such Tax Audit; and

(c) in respect of any other Claims, no later than [***] following the Completion Date.

6. **NOTICE OF CLAIMS**

If the Buyer becomes aware of a claim against a Group Company by a third party or of any other fact, matter or circumstance, which in either case is reasonably likely to result in the Buyer being entitled to make a Claim (each a "**Relevant Matter**") notice of any Relevant Matter:

(a) shall be given by the Buyer to the Sellers within the time limits specified in paragraph 5 above; and

(b) such notice shall set out in reasonable detail the facts and circumstances relating to the Relevant Matter and the Buyer's reasonable estimate of the amount of losses, costs and liabilities which is, or is to be, the subject of the Claim (including any losses which are contingent on the occurrence of any future event), and be given as soon as practicable, and in any event no later than thirty (30) calendar days, following the relevant fact, matter or circumstance coming to the notice of the Buyer,

provided that, subject to paragraph 5 above, failure to give any notice under this paragraph 6 will in no way prejudice the Buyer's ability to bring a Claim except that a Seller shall not be liable for such Claim to the extent that its liability under such Claim has arisen or increased as a result of such failure.

7. **THIRD PARTY CLAIMS**

If the Buyer becomes aware of a claim against a Group Company by a third party that is reasonably expected to give rise to a Claim against a Seller (a "**Third Party Claim**") then:

(a) the Buyer shall inform the relevant Seller or Sellers of such Third Party Claim in accordance with paragraph 6 and, upon request of the relevant Seller or Sellers, procure that such Seller or Sellers are provided with information on all material developments of the Third Party Claim, in each case to the extent that such provision of information is not in breach of any confidentiality obligations of the Buyer or a Group Company;

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(b) the Buyer shall consult with and follow the reasonable instructions of the Seller or Sellers in relation to the conduct of the Third Party Claim and take all such action as the Seller or Sellers may reasonably request in relation to the Third Party Claim, including commencing, conducting, defending, resisting, setting, compromising or appealing against any proceedings, subject to provisions of clause (c) below;

(c) if the Seller or Sellers, acting reasonably and in good faith, requests that the Buyer or a Group Company commences, conducts, resists, settles, compromises or appeals against any Third Party Claim, the Buyer shall not unreasonably refuse such request, provided that:

(I) any out of pocket legal, professional, administrative and other costs and expenses reasonably incurred by the Buyer, its Affiliates or any Group Company as a result of or in connection with the actions requested by such Seller or Sellers shall be at the expense of such Seller or the Sellers regardless of the outcome of such proceedings and shall be paid by such Seller or Sellers in advance to the bank account of the Buyer or a relevant Group Company in accordance with the pre-estimate of such costs and expenses agreed by the Buyer and such Seller o Sellers and, failing pre-payment of such legal costs, the Buyer and/or a Group Company shall have no obligation to take any actions requested by such Seller or Sellers; and

(II) the Buyer and/or a Group Company shall be under no obligation to take any actions requested by such Seller or Sellers if such actions are likely, directly or indirectly, to have a material adverse effect on the business, relations or goodwill of the Buyer or any Group Company;

(III) the Buyer and/or a Group Company shall be under no obligation to follow instructions of such Seller or Sellers in relation to any Tax Claim if following such instructions in the opinion of the Buyer may trigger, directly or indirectly, additional risks in terms of initiation or progress of criminal proceedings by the Governmental Authorities in respect of a Group Company management and/or employees, its Affiliates, the Buyer and/or any Affiliate of the Buyer.

8. **MITIGATION**

Nothing in this Schedule 4 (***Seller Limitations****)* shall affect the Buyer's common law duty to mitigate its Losses.

9. **NO DOUBLE RECOVERY**

The Buyer and the Indemnified Persons shall not be entitled to recover damages or otherwise obtain reimbursement more than once in respect of the same loss whether under any Transaction Document or otherwise. For the avoidance of doubt, this shall be without prejudice to the Buyer's right to recover the full amount of any loss by means of one or more Claims.

10. **RECOVERY FROM THIRD PARTIES**

(a) If the Buyer has a right of action in relation to any third party (except, for the avoidance of doubt, against a Guarantor or an Individual Shareholder Guarantor) or right to bring a claim under any insurance policy, in relation to any matter that a Seller may otherwise be liable for hereunder, the Buyer shall notify such Seller or Sellers of such right and take such reasonable actions as such Seller or Sellers may require to enforce such right against the third party or under the insurance policy, provided that (a) the costs and expenses of taking such actions shall be at the expense of such Seller or Sellers and shall be paid by such Seller or Sellers in advance to the bank account of the Buyer or a relevant Group Company in accordance with the reasonable pre-estimate of such costs and expenses agreed by the Buyer and such Seller or Sellers and, failing pre-payment of such legal costs, the Buyer and/or a Group Company shall have no obligation to take any actions requested by such Seller or Sellers and (b) the Buyer shall be under no obligation to take any actions requested by such Seller or Sellers if such actions requested by such Seller or Sellers may, directly or indirectly, have a material adverse effect on the business, relations or goodwill of the Buyer or any Group Company.

(b) If such Seller or the Sellers pay in full the amount payable to the Buyer in respect of a Warranty Claim or an Indemnity Claim and the Buyer or a Group Company subsequently recovers from a third party (including an insurer) an amount which relates to the matter that gave rise to that claim, the Buyer must notify such Seller or Sellers and:

(I) if the amount paid by such Seller or Sellers to the Buyer is equal to or less than the amount recovered from the third party (after deduction of costs and expenses incurred in obtaining that recovery (including any increase in future insurance premiums) and in obtaining payment from such Seller or Sellers, less any amount not recovered by the Buyer from such Seller or Sellers and less any Tax related to that recovery or payment), the Buyer must pay such Seller or Sellers an amount equal to the amount that such Seller or Sellers paid to the Buyer; or

(II) if the amount paid by such Seller or Sellers to the Buyer is more than the amount recovered from the third party (after deduction of costs and expenses incurred in obtaining that recovery and in obtaining payment from such Seller or Sellers, less any amount not recovered by the Buyer from such Seller or Sellers and less any Tax related to that recovery or payment), the Buyer must pay such Seller or Sellers an amount equal to the amount recovered from the third party (after deduction of costs and expenses incurred in obtaining that recovery (including any increase in future insurance premiums) and in obtaining payment from such Seller or Sellers, less any amount not recovered by the Buyer from such Seller or Sellers and less any Tax related to that recovery or payment).

11. **DISCLOSURE**

A Seller shall not be liable in respect of a Warranty Claim to the extent that the facts and circumstances giving rise to the Warranty Claim are Disclosed.

12. **BUYER KNOWLEDGE**

(a) A Seller shall not be liable for any Warranty Claim or a Claim under any Tax Warranty to the extent that the facts, matters or circumstances giving rise to such Warranty Claim or such Claim under any Tax Warranty were within the actual knowledge of any member of the Buyer's Transaction Team as at the date of this Agreement or set forth in any Due Diligence Report (the "**Relevant Actual Knowledge**").

(b) Subject to paragraph (a) above, the Buyer shall be entitled to make a Claim (including a Warranty Claim or a Claim under any Tax Warranty) whether or not the Buyer and/or any Affiliate of the Buyer and/or any of their respective directors, officers, employees, consultants, contractors, agents or advisers had knowledge (other than the Relevant Actual Knowledge of any member of the Buyer's Transaction Team, whether such Relevant Actual Knowledge is obtained in connection with the due diligence review of the Group or otherwise), whether actual, constructive, implied or imputed, of the matter giving rise to the Claim before the date of this Agreement and the Buyer's right or ability to make any such Claim shall not be affected or limited, and the amount recoverable shall not be reduced, on the grounds that the Buyer and/or any Affiliate of the Buyer and/or any of their respective directors, officers, employees, consultants, contractors, agents or advisers (other than the Buyer's Transaction Team in respect of the Relevant Actual Knowledge, whether such Relevant Actual Knowledge is obtained in connection with the due diligence review of the Group or otherwise) may, before the date of this Agreement and/or Completion, have had actual, constructive, implied or imputed knowledge of the matter giving rise to a Claim.

13. **MATTERS CAPABLE OF REMEDY**

If a fact or circumstance that gives rise to any Claim is capable of remedy by a Seller or Sellers, such Seller or Sellers will not be liable in respect of that Claim to the extent that the relevant breach is remedied without any loss, cost, expense or liability to the Buyer, any of its Affiliates or any

Group Company within twenty (20) Business Days following notification of the fact or circumstance by the Buyer to such Seller or Sellers.

14. **INDIRECT LOSS**

A Seller shall not be liable for any:

(a) indirect or consequential loss; or

(b) punitive damages (whether direct or indirect).

15. **BUYER'S BREACH OF AGREEMENT**

A Seller shall not be liable for any loss under any Transaction Document to the extent such loss is caused as a result of the Buyer's breach of any Transaction Documents.

16. **TAX REFUNDS**

The liability of a Seller for any Tax Claim shall be reduced by the amount of any right to a repayment of Tax or an actual repayment of Tax to which a Group Company is or becomes entitled or receives in respect of a period (or part period) prior to Completion or as a result of an Event occurring prior to Completion (a "**Tax Refund**"), save to the extent that such Tax Refund was reflected in the Completion Statements.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

17. **VAT TRANSITION**

The Parties acknowledge that following Completion the Buyer intends to cause the Group Companies to transition to a tax policy where VAT will be charged on the proceeds received from the Group Companies' customers for access to the Group Companies' software and databases as well as services related to personnel search (the "**VAT Transition** "). Notwithstanding anything to the contrary in this Schedule 4, the Parties agree that the VAT Transition (howsoever and whenever effected) shall not reduce or limit the liability of a Seller in respect of a Claim.

18. **GUARANTOR PAYMENT**

(a) Unless the maximum liability of the Guarantors in respect of a relevant Claim is 100% (rather than 78.72%) in accordance with Clause 14.2, if any Guarantor makes a payment to the Buyer or an Indemnified Person in full or in partial satisfaction of a Claim (such payment, a "**Guarantor Payment**"), then Buyer shall not continue, or take any additional action, to enforce an arbitral award against Seller 1 in respect of a portion of the remaining part of such Claim equal to the Guarantor Payment multiplied by [***] (the "**Individual Shareholders Share**").

(b) By way of illustration: [***]

(c) For the avoidance of doubt, if more than one Guarantor makes a payment or one Guarantor makes multiple payments to the Buyer or an Indemnified Person in respect of a Claim, the Individual Shareholders Share shall be calculated, and shall reduce the amount in respect of which the Buyer shall be entitled to take further action to enforce an arbitral award against Seller 1, for each such instance.

(d) The undertaking of the Buyer in paragraph 18(a) above shall be without prejudice to its right to take any action (enforcement or otherwise) to recover any amounts payable under the Individual Shareholder Guarantees (including the Individual Shareholders Share) from the Individual Shareholder Guarantors.

If one or more Guarantors have paid 78.72% of any Claim, the Buyer shall not continue, or take any additional, enforcement action against Seller 1 in relation to such Claim.

19. **NO TAX INDEMNITY FOR N1 RESTRUCTURING**

No Seller shall be liable for any Tax Liability in respect of N1 Restructuring under Clause 10.15(b) and the Tax Indemnity shall not apply with respect to the N1 Restructuring.

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Part 2 **Relevant Proportions**

Seller	**Relevant Proportion**
Seller 1	[***]
Seller 2	[***]
Seller 3	[***]
Seller 4	[***]
Total	**100%**

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Schedule 5 **Properties**

Property Details, Title and Other Property Documents

[***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Schedule 6 **Completion Statements**

Part 1 **Contents of the Completion Statements**

1. **GENERAL**

(a) The Completion Statements shall comprise:

(I) The consolidated Completion Balance Sheet prepared for the Group Companies;

(II) The consolidated Net Working Capital Statement; and

(III) The consolidated Net Debt Statement.

(b) The Completion Statements shall be in the form set out in Schedule 6, Part 2 and shall be prepared applying the following in descending order of precedence:

(I) This Schedule 6;

(II) The accounting principles, practices, policies and procedures applied in the preparation of the Accounts (to the extent that these are consistent with RAS); and

(III) Where the application of the principles, policies and procedures referred to in 1(c)(I) and 1(c)(II) of this Schedule 6 are not applicable or do not provide sufficient clarity, RAS principles.

(c) The Completion Statements shall:

(I) Be prepared as at 12.01am Moscow time on the Completion Date;

(II) Be prepared based on the aggregated financial statements of the Group Companies compiled based on the individual financial statements of each of the Group Companies in accordance with RAS in accordance with the following consolidation principles:

(1) any intra-group balances of accounts receivable (trade receivables, other, advances), stated in the balance sheet of the Group Companies shall be set off against their respective accounts payable. All intra-group loans issued by the Group Companies (together with interest accrued and not paid) to other Group Companies shall be set off against respective loans receivable (together with interest accrued but not received). For the avoidance of doubt, accounts receivable and payable, loans issued and received, recorded in the general ledger of a legal entity (whether a debtor or a creditor) shall be equal to the respective amounts of accounts payable and receivable, loans received and issued of the respective legal entity (whether a creditor or a debtor);

(2) the unrealised gain included by the Group Companies into the cost of inventory, fixed assets or intangible assets (buyers of inventory, fixed assets or intangible assets in an intra-group transaction) shall be eliminated from the cost of respective assets of the respective Group Companies. For the avoidance of doubt, the unrealised gain shall be calculated with reference to the requirements of IFRS;

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(3) in the event of differences occurring between amounts recorded in the financial statements of the Group Companies (i.e. if the amounts of receivables / payables, loans issued / received recognised by different legal entities do not match), an appropriate adjustment needs to be calculated at consolidation level (to eliminate errors in calculations and other possible accounting errors);

(III) Only take into account events that have occurred on or before the Completion Date and shall not take account of any event occurring after the Completion Date;

(IV) Be expressed in thousands of Roubles and where an amount is denominated in a currency other than Roubles it shall be converted into Roubles using the official rate set by the Central Bank of the Russian Federation on the Completion Date; and

(V) Be prepared in the English language.

(d) The following specific accounting treatments shall apply to the preparation of the Completion Statements:

(I) The Completion Statements shall be prepared:

(1) as if the date to which they are made up is the last day of a financial year;

(2) based on the fact that all accounting entries related to the respective period should be reflected in the accounts: all costs, expenses and revenues should be accrued, all invoices to customers should be issued and recorded and appropriate accruals should be made. Revenues and expenses shall be recognized in the period related to/incurred (even if the documents are prepared later); and

(3) on a going concern basis.

(II) If the Completion Date does not occur on the last calendar day of the month/quarter, the following rules shall apply in relation to the calculation of assets and liabilities for the purposes of the Completion Statements using principles of double entry:

(1) the amount of revenue, income, costs, expenses and assets and liabilities shall be included proportionally to the number of the calendar days that have passed up until the Completion Date (including the Completion Date) based on the total number of the calendar days of the month/quarter when the Completion Date occurs;

(2) paragraph 1(d)(ii)(1) shall not apply to the assets and liabilities which can be easily calculated as of any date and such assets and liabilities shall be calculated as of the close of business on the Completion Date.

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(III) No item shall be taken into account twice in the Completion Statements and the calculation of the Net Working Capital and the Net Debt.

(IV) Assets and liabilities included in the Completion Balance Sheet in any case shall be prepared following the accounting policies of RAS and definitions as provided by this Schedule 6.

2. **CALCULATION OF NET DEBT**

(a) The following provisions shall apply to the determination of Net Debt:

(b) The Net Debt shall comprise the sum of the aggregated amounts for the categories of assets and liabilities set out below and defined in 2 (c) – 2 (k) (where assets are recorded as positive amounts and liabilities are recorded as negative amounts):

(I) Loans and borrowings (negative amount);

(II) Payables to related parties (negative amount);

(III) Overdue and long-term accounts payable (negative amount);

(IV) Transaction related payables (negative amount);

(V) Payables for non-current assets (negative amount);

(VI) Dividends payable (negative amount);

(VII) Minimum cash reserve (negative amount);

(VIII) Full amount of future payment under the Traffic Purchase Agreement (negative amount);

(IX) Other external debt (negative amount); and

(X) Cash and Cash Equivalents (positive amount).

(c) The following definitions and specific accounting treatment shall apply to the determination of the categories of assets and liabilities included in the Net Debt.

(d) "**Loans and borrowings**" means the aggregate amount of:

(I) principal amounts of all financial indebtedness of the Group Companies arising from borrowings from banks, other credit or non-credit institutions received in any form and any early termination or settlement costs, increased by accrued and unpaid interest up to the Completion Date;

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(II) borrowing or indebtedness in the nature of borrowing of the Group Companies arising from a party other than banks in any form increased by accrued and unpaid interest up to the Completion Date. For the avoidance of doubt, such indebtedness shall include, inter alia, the following items irrespective of the reporting requirements provided by RAS:

(1) financial leasing obligations, comprising the total amount of future lease payments starting from the Completion Date and up to end of the leasing period as provided by the lease agreements and discounted using implicit interest rate of each of the leasing agreement; and

(2) nominal amount of any guarantees issued by any of the Group Companies to guarantee liabilities of entities outside the Group Companies;

(III) For the avoidance of doubt, any balance included in the definition of Loans and borrowings should not appear in the definitions of other liabilities as provided by this Schedule 6.

(e) "**Payables to related parties**" means the aggregate amount of accounts payable to the Sellers or the persons or undertakings controlled by or affiliated to the Sellers, or any amounts payable to the Sellers or the persons or undertakings controlled by or affiliated to the Sellers directly or indirectly other than (a) included in definition of Dividends payable as provided in this Schedule 6 and/or (b) current payables for rent and similar business expenses incurred at arm's length as part of the Ordinary Course of Business. For avoidance of doubt Payables to related parties include any accounts payable to the Sellers, Seller Related Entities or their respective Affiliates.

(f) "Overdue or long-term accounts payable" means the aggregate amount of:

(I) all outstanding balances of accounts payable as of the Completion Date which were not paid in time under the relevant contractual terms, provided that the payment delay exceeds sixty (60) days for each of the overdue payable balance; and

(II) all outstanding balances of accounts payable as of the Completion Date which are long-term in nature having the payment terms of over one hundred and eighty (180) days.

(g) "**Transaction related payables**" means the aggregate amount of the total cost for consultancy services received in preparation to and execution of the Transaction and not paid by the Completion Date. For the avoidance of doubt, such cost for consultancy services shall be reflected in the total amount of fees payable under respective agreements irrespective of actual receipt of invoices or other primary documents by the Completion Date;

(h) **"Payables for non-current assets"** means the aggregate amount of accounts payable for shares or similar ownership rights, fixed assets, intangible assets, investments, equipment, inventory to be used for capital projects and services of the capital nature.

(i) **"Dividends payable"** means the aggregate amount of any dividends or other profit distributions declared but not yet paid as at Completion Date by any of the Group Companies in respect of annual and interim dividends regardless of whether such dividends were or were not recognised in the Completion Balance Sheet, including any withholding or other taxes related to dividends distribution if such taxes remain payable by any of the Group Companies on the Completion Date.

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(j) **"Minimum cash reserve"** means the greater of:

(I) RUB [***] or

(II) Prepayments and advances received at the Completion.

(k) "**Full amount of future payment under Traffic Purchase Agreement**" means a sum of RUB [***], which shall be reserved at the bank account of the Company on or before the Completion Date for future payment under the Traffic Purchase Agreement.

(l) **"Other external debt"** means the aggregate amount of:

(I) any bonus payments or other compensation associated with the Transaction;

(II) any bonus payments or similar compensations associated with the top and middle management agreements on participation in long-term motivation programs other than regular bonus payments being made under employment agreements;

(III) any liabilities originated not in the normal course of operating activity (including, but not limited to, indebtedness for Tax claims not related to the current tax payments); and

(IV) all amounts of contingent legal risks (including claims and court suits pending or in the process with high (i.e. more than 50%) probability of not resolving in favour of the Group Companies),

if such amounts are not included in the other components of the Net Debt per this Schedule 6.

(m) "**Cash and Cash Equivalents**" means the amounts of the following reported in the Completion Balance Sheet: cash on hand, demand deposits (including current accounts with banks) and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For the avoidance of doubt, Cash and Cash Equivalents shall not include the amounts of restricted cash (i.e. pledged bank promissory notes and term deposits held at bank to secure a guarantee issued by a bank).

3. **CALCULATION OF NET WORKING CAPITAL**

(a) The following provisions shall apply to the determination of Net Working Capital:

(b) The Net Working Capital shall comprise the sum of the aggregated amounts for the categories of assets and liabilities set out below and defined in 3 (c) – 3 (l) below (where assets are recorded as positive amounts and liabilities are recorded as negative amounts):

(I) Accounts receivable (positive amount);

(II) Inventories (positive amount);

(III) Expenses of future periods (positive amount);

(IV) Other current assets (positive amount);

(V) Trade accounts payable (not overdue or long term) (negative amount);

(VI) Payables to employees (negative amount);

(VII) Payables to governmental social fund (negative amount); and

(VIII) Taxes payable (negative amount).

For the avoidance of doubt, Input VAT balances (in current assets) shall not be included in the Net Working Capital.

(c) The following definitions and specific accounting treatment shall apply to the determination of the categories of assets and liabilities included in the Net Working Capital.

(d) "**Accounts receivable**" means the aggregate of:

(I) accounts receivable from buyers and customers reflected on the Completion Balance Sheet, to the extent that accounts receivable are due for sales of products, goods and services within twelve (12) months from the Completion Date;

(II) prepayments issued to suppliers and subcontractors to the extent the following conditions are met: (a) the delivery of products, goods or services is due within twelve (12) months from the Completion Date and (b) prepayments do not relate to non-current assets or non-operating assets or services of a capital nature;

(III) other accounts receivable to the extent that they are due for collection, or offset against a delivery of products, goods or services, or against a liability within twelve (12) months from the Completion Date, comprising of prepayments of personnel compensation, taxes and social contributions.

(IV) Accounts receivable shall be reduced by:

(1) any doubtful accounts receivable or prepayment balances, including (a) specific amounts, which are doubtful for collection as known to the management of the Group Companies; and (b) being amounts attributable to accounts receivable that are outstanding for more than one hundred and eighty (180) days as at the Completion Date; (c) any items that either do not result in cash inflows after the relevant Completion Date or do not bring future economic benefit to the Group Companies;

(2) any advances for services that have already been rendered as of the relevant Completion Date;

(3) any accounts receivables from or prepayments to the Sellers, Seller Related Entities and their respective Affiliates other than current trade receivables from such persons for regular services rendered within the Ordinary Course of Business;

(4) any amounts relating to purchases of fixed assets, intangible assets or any other non-current assets or assets purchased in connection with any capital projects.

(e) "**Inventories**" means materials, work in progress, goods for resale and other inventory items according to the Completion Balance Sheet of the Group Companies adjusted as follows:

(I) 100% provision shall be reflected for inventory items with no movements for more than one year;

(II) the inventory amount will be reduced by any unrealised gain as defined by IFRS on inventory purchased or transferred between the Group Companies;

(III) the inventory shall be reduced by the balances related to materials and supplies acquired to be used in capital projects or not to be used within the twelve (12) months period.

(f) "**Expenses of future periods**" means prepaid costs of insurance, subscription, certification, and other periodic services for the period not exceeding twelve (12) months. For avoidance of doubt, expenses of future periods shall not include non-current intangible assets such as cost of licenses, software or other similar rights for the use of the intellectual property.

(g) "**Input VAT**" means the amount of VAT recoverable as set out in the Completion Balance Sheet.

(h) **"Other current assets"** means prepaid taxes, receivables from employees other than loans issued to employees. The balance of other current assets shall be decreased for any items that either do not result in cash inflows after the relevant Completion Date or do not bring future economic benefit to the Group Companies.

(i) "Trade accounts payable (not overdue or long-term)" means the total of the following amounts

(I) accounts payable to suppliers and contractors;

(II) prepayments and advances received;

(III) other accounts payable expected to be repaid or otherwise settled and not included in any other current liabilities balances but excluding deferred tax balance; and

(IV) Trade accounts payable (not overdue or long-term) shall not include any amounts included in the definition of the Net Debt components in 6.3 – 6.2 above;

(j) **"Payables to employees"** means amounts payable to the employees for wages and salaries, bonuses and any other compensation in exchange for work performed or services provided by employees, including salary and wages payable to permanent employees, to staff on temporary labour agreements and to employees on other transactions; and including vacation, bonus and severance pay reserves and salary and wages provisions to be accrued. Vacation reserves are calculated based on the accounting policies of the Group Companies.;

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(k) **"Payables to governmental social fund"** means outstanding amounts payable with respect to pension fund contributions and social taxes. For the avoidance of doubt, Payables to governmental social fund shall be increased by amounts calculated on an accruals basis for the period between the date of the last tax return and the Completion Date;

(l) **"Taxes payable"** means outstanding amounts of taxes payable other than relating to taxes payable on dividends, including tax penalties and interest. For the avoidance of doubt, Taxes payable shall be increased by amounts calculated on an accruals basis for the period between the date of the end of the latest reporting (tax) period and the Completion Date (in case the Completion date does not fall on the end of the reporting (tax) period). The calculation of these additional tax liabilities will be simplified and will be based on the Russian accounting data only for the period between the end of the respective reporting (tax) period and Completion Date and may not be fully compliant with all requirements for tax calculation provided by tax law.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Part 2 **Pro forma Completion Statements**

[***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Schedule 7 **Buyer Warranties**

1. **AUTHORITY OF BUYER**

(a) The Buyer is a company duly incorporated and organised and validly existing under the laws of its jurisdiction of incorporation.

(b) The Buyer has the right, power and authority and has taken all actions necessary to execute and deliver, and to exercise its rights and to fully perform its obligations under the Transaction Documents in accordance with their terms.

(c) This Agreement constitutes, and each Transaction Document constitutes or will, when executed, constitute legal, valid and binding obligations of the Buyer enforceable in accordance with their respective terms.

(d) The entry into and the exercise by the Buyer of its rights and performance of its obligations under the Transaction Documents and the transactions contemplated by them will not constitute a breach or give rise to a default under any Applicable Laws or regulations or any order, decree or judgement or any provision of its constitutional documents, which has or could have a material adverse effect on its ability to execute or perform its obligations under the Transaction Documents.

(e) The Buyer is not a party to any litigation, arbitration or administrative proceedings nor is it the subject of any governmental, regulatory or official investigation or enquiry which is in progress or threatened or pending and which has or could have a material adverse effect on its ability to execute or perform its obligations under the Transaction Documents.

(f) No corporate action or other steps have been taken by the Buyer or legal proceedings started or threatened against it for its winding up or dissolution; or for it to enter into any arrangement or composition for the benefit of creditors; or for the appointment of a receiver, administrator, administrative receiver, liquidator, supervisor, compulsory manager, trustee or similar person of any of its revenues or assets.

(g) The execution and delivery by the Buyer, and the performance by the Buyer of its relevant obligations under and compliance by the Buyer with the provisions of, this Agreement and the Transaction Documents will not:

(I) materially conflict with, or result in a material violation of, any provision of the Organisational Documents of:

(1) the Buyer; or

(2) shareholders of the Buyer; or

(II) result in a material breach of, or constitute a material default under, any instrument or agreement to which any of the following persons is a party or by which any of the following persons is bound:

(1) the Buyer; or

(2) shareholders of the Buyer; or

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(III) materially conflict with, or result in a material violation of, any law or regulation in any jurisdiction having the force of law or of any order, judgment, injunction or decree of any court or governmental agency by which any of the following persons is bound:

(1) the Buyer; or

(2) shareholders of the Buyer.

(h) The Buyer has obtained all consents, authorisations and approvals from its corporate governance bodies and any Governmental Authority, as required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Transaction Documents to which it is a party or the performance of the Buyer's obligations under the Transaction Documents or will be required as a consequence of any Transaction Document.

2. **SOLVENCY**

(a) The Buyer:

(I) is not insolvent or unable to pay its debts within the meaning of the laws of its jurisdiction of incorporation or any other applicable insolvency legislation; or

(II) has not stopped or suspended paying its debts as they fall due.

3. **KNOWLEDGE**

The Buyer's Transaction Team comprise the only persons acting on behalf of the Buyer with any involvement with, or knowledge of, the Transaction (excluding trivial or immaterial involvement or knowledge), whether engaged as employees, officers, or workers by the Buyer, except for any professional advisors acting for the Buyer in connection with the Transaction.

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Schedule 8 **Buyer Limitations**

1. **FRAUD EXCEPTION**

Nothing in this Schedule 8 (***Buyer Limitations***) limits the liability of the Buyer in the case of fraud or wilful deceit by the Buyer.

2. **CAP ON CLAIMS**

2.1 The aggregate liability of the Buyer for all:

2.1.1 Sellers Claims shall not exceed the amount of the Consideration, including any amount payable in respect of the Sellers' costs (including legal and other professional fees and expenses); and

2.1.2 Sellers Claims other than: (i) Sellers Claims under the Buyer Warranties (except for the Buyer Warranty in paragraph 3 of Schedule 7) and (ii) Seller Claims in relation to the Buyer's failure to complete the Transaction in breach of the Transaction Documents, shall not exceed twenty five per cent (25%) of the Consideration,

2.2 If Completion does not occur in full, but the Participation Interests have been transferred to the Buyer, the provisions of paragraph 2.1 above shall not limit the Sellers' right to recover the Participation Interests from the Buyer.

3. **THRESHOLD FOR CLAIMS**

The Buyer shall not be liable in respect of any Sellers Claim relating to the Buyer Warranties unless:

(i) the liability of the Buyer in respect of that Sellers Claim (together with all other Sellers Claims arising out of or related to the same or a similar subject matter) exceeds RUB two million (2,000,000); and

(ii) the aggregate liability of the Buyer in respect of all Sellers Claims (excluding any for which liability is excluded under paragraph 4(a)(i) above) exceeds RUB fifteen million (15,000,000) in which case the Buyer shall be liable for the whole amount and not merely the excess.

4. **TIME LIMITS AND NOTICE**

The Buyer shall not be liable for any Sellers Claim unless a notice of the Sellers Claim is given by a Seller to the Buyer:

(a) in respect of any Sellers Claim for breach of a Buyer Warranty (except for the Buyer Warranty in paragraph 3 of Schedule 7), no later than three (3) years following the Completion Date; and

(b) in respect of any other Sellers Claims, eighteen (18) months following the Completion Date.

5. **NOTICE OF CLAIMS**

If any Seller becomes aware of any other fact, matter or circumstance which is reasonably likely to result in the Seller being entitled to make a Sellers Claim (each a "**Seller Relevant Matter**") notice of any Seller Relevant Matter:

(a) shall be given by a Seller to the Buyer within the time limits specified in paragraph 4 above; and

(b) such notice shall set out in reasonable detail the facts and circumstances relating to the Seller Relevant Matter and the Seller's reasonable estimate of the amount of losses, costs and liabilities which is, or is to be, the subject of the Sellers Claim (including any losses which are contingent on the occurrence of any future event), and be given as soon as practicable, and in any event no later than thirty (30) calendar days, following the relevant fact, matter or circumstance coming to the notice of the Seller,

provided that, subject to paragraph 4 above, failure to give any notice under this paragraph 5 will in no way prejudice the Seller's ability to bring a Sellers Claim except that the Buyer shall not be liable for such Sellers Claim to the extent that its liability under such Sellers Claim has arisen or increased as a result of such failure.

6. **THIRD PARTY CLAIMS**

If any Seller becomes aware of a claim against it by a third party that is reasonably expected to give rise to a Sellers Claim against the Buyer (a "**Seller Third Party Claim**") then:

(a) a Seller shall inform the Buyer of such Seller Third Party Claim in accordance with paragraph 5 and, upon request of the Buyer, procure that the Buyer is provided with information on all material developments of the Seller Third Party Claim, in each case to the extent that such provision of information is not in breach of any confidentiality obligations of a Seller;

(b) a Seller shall consult with and follow the reasonable instructions of the Buyer in relation to the conduct of the Seller Third Party Claim and take all such action as the Buyer may reasonably request in relation to the Seller Third Party Claim, including commencing, conducting, defending, resisting, setting, compromising or appealing against any proceedings, subject to provisions of clause (c) below;

(c) if the Buyer, acting reasonably and in good faith, requests that a Seller commences, conducts, resists, settles, compromises or appeals against any Seller Third Party Claim, the Seller shall not unreasonably refuse such request, provided that:

(i) any out of pocket legal, professional, administrative and other costs and expenses reasonably incurred by the Seller or its Affiliates as a result of or in connection with the actions requested by the Buyer shall be at the expense of the Buyer regardless of the outcome of such proceedings and shall be paid by the Buyer in advance to the bank account of the Seller in accordance with the pre-estimate of such costs and expenses agreed by the Buyer and the Seller and, failing pre-payment of such legal costs, the Seller shall have no obligation to take any actions requested by the Buyer; and

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(ii) the Seller shall be under no obligation to take any actions requested by the Buyer if such actions are likely, directly or indirectly, to have a material adverse effect on the business, relations or goodwill of the Seller;

(iii) the Seller shall be under no obligation to follow instructions of the Buyer in relation to any tax claim if following such instructions in the opinion of the Seller may trigger, directly or indirectly, additional risks in terms of initiation or progress of criminal proceedings by the Governmental Authorities in respect of Seller's management and/or employees, the Seller and/or any Affiliate of the Seller.

7. **MITIGATION**

Nothing in this Schedule 8 (***Buyer Limitations***) shall affect each Seller's common law duty to mitigate its Losses.

8. **NO DOUBLE RECOVERY**

The Sellers shall not be entitled to recover damages or otherwise obtain reimbursement more than once in respect of the same loss whether under any Transaction Document or otherwise. For the avoidance of doubt, this shall be without prejudice to the Sellers' right to recover the full amount of any loss by means of one or more Sellers Claims.

9. **RECOVERY FROM THIRD PARTIES**

(a) If a Seller has a right of action in relation to any third party or right to bring a claim under any insurance policy, in relation to any matter that the Buyer may otherwise be liable for hereunder, the Seller shall notify the Buyer of such right and take such reasonable actions as the Buyer may require to enforce such right against the third party or under the insurance policy, provided that (a) the costs and expenses of taking such actions shall be at the expense of the Buyer and shall be paid by the Buyer in advance to the bank account of the Seller in accordance with the reasonable pre-estimate of such costs and expenses agreed by the Buyer and the Seller and, failing pre-payment of such legal costs, the Seller shall have no obligation to take any actions requested by the Buyer and (b) the Seller shall be under no obligation to take any actions requested by the Buyer if such actions requested by the Buyer may, directly or indirectly, have a material adverse effect on the business, relations or goodwill of the Seller.

(b) If the Buyer pays in full the amount payable to a Seller in respect of a Sellers Claim and the Seller subsequently recovers from a third party (including an insurer) an amount which relates to the matter that gave rise to that claim, the Seller must notify the Buyer and:

(i) if the amount paid by the Buyer to the Seller is equal to or less than the amount recovered from the third party (after deduction of costs and expenses incurred in obtaining that recovery (including any increase in future insurance premiums) and in obtaining payment from the Buyer, less any amount not recovered by the Seller from the Buyer and less any Tax related to that recovery or payment), the Seller must pay the Buyer an amount equal to the amount that the Buyer paid to the Seller; or

(ii) if the amount paid by the Buyer to the Seller is more than the amount recovered from the third party (after deduction of costs and expenses incurred in obtaining that recovery and in obtaining payment from the Buyer, less any amount not recovered by the Seller from the Buyer and less any Tax related to that recovery or payment), the Seller must pay the Buyer an amount equal to the amount recovered from the third party (after deduction of costs and expenses incurred in obtaining that recovery (including any increase in future insurance premiums) and in obtaining payment from the Buyer, less any amount not recovered by the Seller from the Buyer and less any Tax related to that recovery or payment).

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

10. **MATTERS CAPABLE OF REMEDY**

If a fact or circumstance that gives rise to any Sellers Claim is capable of remedy by the Buyer, the Buyer will not be liable in respect of that Sellers Claim to the extent that the relevant breach is remedied without any loss, cost, expense or liability to a Seller or any of its Affiliates within twenty (20) Business Days following notification of the fact or circumstance by a Seller to the Buyer.

11. **INDIRECT LOSS**

The Buyer shall not be liable for any:

(a) indirect or consequential loss; or

(b) punitive damages (whether direct or indirect).

12. **SELLER'S BREACH OF AGREEMENT**

The Buyer shall not be liable for any loss under any Transaction Document to the extent such loss is caused as a result of any Seller's or any Guarantor's breach of any Transaction Document(s).

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Schedule 9 **INTEGRATION PLAN**

1. **MANAGEMENT, SAFETY, ADMINISTERING:**

(a) Extraction of Active Directory catalogue service to a standalone instance containing user accounts and device accounts, and not containing accounts of external users;

(I) For inspection purposes, the Sellers shall prepare a register of user accounts and a register of service accounts with a description of resources where such service accounts are used;

(II) The Buyer shall compare the register of user accounts with the staffing chart of the Group Company.

(b) Transfer to the Buyer of the login and password for Enterprise Administrator account and a register of all information resources, where this account is used;

(I) The Buyer shall test access to all resources specified by the Sellers;

(c) Preparation of a detailed network scheme for the transferred infrastructure indicating destination hosts, VLAN, subnetworks, routers, VPN, WiFi

(d) Preparation of a register with description of parameters of all used server capacities (both owned and leased), data storage systems, virtual servers, routers, tape drives, etc. as well as transfer of all technical documentation for the transferred infrastructure;

(I) The Buyer shall perform full or randomized inventory check of the transferred infrastructure at its own discretion.

(e) Transfer of management of all network equipment and virtualization systems:

(I) The Sellers shall transfer to the Buyer access to the account with superadministering rights (login/password) to manage the whole network equipment scheme and virtualization systems;

(II) The Buyer shall test the transferred account.

(f) Transfer of accounts used on servers and services:

(I) The Sellers shall transfer to the Buyer access to the account with superadministering rights (login/password) used on each operated server;

(II) The Buyer shall test the transferred account.

2. **TRANSFER OF INTERNAL SYSTEMS:**

(a) Transfer of antivirus protection to a standalone instance and a separate license (if protection is made under a common license covering all businesses of the Sellers) and transfer of the administrator account (login/password) to the Buyer;

(I) The Buyer shall test operability of the transferred account.

(b) Extraction of OTRS systems to a standalone instance and provision of a separate license and transfer of the administrator account (login/password) for each instance to the Buyer;

(I) The Buyer shall test operability of each transferred account.

(c) Transfer of email accounts with administering rights to the Buyer;

(I) The Buyer shall test operability of each transferred account;

(d) Preparation of a register of accounts with the rights to administer the phone system and software, which ensures operation of the call center attaching a full description of all contact details of technical employees maintaining the telephony services, data center, office equipment, and providing Internet access as well as other used types of communication;

(I) The Buyer shall test operability of each transferred account;

(e) Localization of all 1C databases (accounting, payroll and HR Management) for all acquired legal entities to own server capacities on a standalone basis:

(I) The Sellers shall prepare a register containing description of 1C information systems (functions, peculiarities, etc.)

(II) The Sellers shall transfer to the Buyer all accounts with administering rights for each transferred 1C information system;

(III) The Buyer shall check completeness of the transferred 1C information systems against the register. The completeness of the databases shall be confirmed by a responsible employee of the Group Company. Accounts with administering rights shall be checked by testing 100% thereof.

(IV) The Sellers shall ensure consistency and completeness of the transferred data.

(f) Transfer of CRM to own server capacities on a standalone basis:

(I) The Sellers shall transfer to the Buyer a CRM user guide and all accounts with the right to superadminister servers, data base management systems and other CRM subsystems;

(II) The Sellers shall provide the database of clients and interaction with them as of the transaction date as well as its backup copy containing revision history for the last year.

(III) The Buyer shall check relevancy and completeness of the clients’ database.

(IV) The Buyer shall test all transferred accounts with the superadministering right.

(g) Preparation and transfer of registers of accounts with the rights to superadminister the services included in the analytical subsystem, including all used cloud services data sources:

(I) The Buyer shall test all transferred accounts with the superadministering right.

(h) The Sellers shall provide access to data from JIRA and Confluence systems, including the user register, all knowledge base and tickets related to projects. The Sellers shall ensure operability and access to the current systems within Six (6) months.

(i) Emailing.

(I) The Sellers shall transfer to the Buyer access to accounts with administering rights (login/password) to mindbox service.

(II) The Buyer shall test 100% of the transferred accounts.

(j) SMS forwarding.

(I) The Sellers shall transfer to the Buyer access to accounts with administering rights (login/password) to SMS gateway.

(II) The Buyer shall test 100% of the transferred accounts.

3. **HOSTING**

(a) Having a contract with the data center (DC) with a backup infrastructure:

(I) The Sellers shall provide an original signed contract to the Buyer;

(II) The Sellers shall transfer all infrastructure of the service to dedicated servers in the DC, and shall provide to the Buyer a fully operating system, which is independent from other services of the Sellers.

(b) Having a separate backup communication channel for Internet access:

(I) The Sellers shall enter into a contract with a service provider for a separate broadband Internet connection (with not less than 1 Gb/s bandwidth) to ensure availability of a reserve communication channel in case of the main line disturbance;

(II) The Buyer shall test operability and communication bandwidth of the line.

(c) Ensuring availability of standby capacity of server infrastructure at the level not lower than x1.3 of the maximum peak load recorded in the last 6 calendar months:

(I) The Buyer shall test the maximum load of databases and service infrastructure.

(d) Setting a procedure for backup of all databases with a frequency of not less than one time per day, and transfer to the Buyer of all backup copies for one calendar month preceding Completion, attaching specifications for each database:

(I) The Buyer shall perform an inventory check of the transferred databases and all transferred backup copies.

(e) Transfer of monitoring and management for the hosting service, services and databases, etc. by providing to the Buyer all accounts with administering rights.

(I) The Sellers shall perform an inventory check of all accounts with administering rights (login/password) to monitor and manage the hosting service, and shall transfer the register of accounts to the Buyer;

(II) The Buyer shall test 100% of the transferred accounts.

(f) The Sellers shall provide access to the version control system with all source code repositories and administering rights:

(I) The Buyer shall test 100% of the transferred accounts for access to the version control system.

(g) The Sellers shall perform an inventory check of all accounts with administering rights in AppStore Connect / Google Play Console, and shall transfer logins and passwords to the Buyer in accordance with the register.

(I) The Buyer shall test 100% of the transferred accounts for access to AppStore Connect / Google Play Console.

4. **SOFTWARE AND LICENSES**

(a) After the date of this Agreement and before Completion, the Sellers shall provide the Buyer the list of all operating software and licenses used by the Group Company in the ordinary course of business

Schedule 10

Form of Traffic Purchase Agreement

[***]

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Schedule 11

Form of individual Shareholder Guarantees

[***]

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Schedule 12

Form of Transfer Instrument

[***]

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Schedule 13

Part I Schedule 13-A Form of LoC Agreement

[***]

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Part 2 **Schedule 13-B Forms of LoC Instructions**

[***]

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Part 3 **Schedule 13-C Forms of Letters of Credit**

[***]

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Schedule 14 **Related Party Agreements**

[***]

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Schedule 15 **The Intellectual Property Rights**

[***]

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Schedule 16 **Information Technology**

[***]

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Schedule 17

Material Contracts

[***]

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Schedule 18 **Restricted Persons**

1. Chief Technology Officer: Vilchinsky Alexey (Вильчинский Алексей);

2. Chief Sales Officer: Chernov Dmitry (Чернов Дмитрий);

3. Promotion Manager: Pshenichnikov Vladislav (Пшеничников Владислав);

4. Head of HR: Reshetnikova Lyubov (Решетникова Любовь);

5. Head of Branding Department: Sviridovich Daria (Свиридович Дарья);

6. Head of H1.RU Magazine: Moiseyeva Elizaveta (Моисеева Елизавета);

7. Head of Online Marketing Department: Nedugin Dmitry (Недугин Дмитрий);

8. Head of Monetization Development Group: Fedoseyev Oleg (Федосеев Олег);

9. Head of Buyers & Tenants Development Group: Koifman Dmitry (Койфман Дмитрий);

10. Head of Data Development Group: Denisov Andrey (Денисов Андрей);

11. Head of Mobile Development Group/Head of MLSN Development Group: Nevzorov Gleb (Невзоров Глеб);

12. Head of Technical Department: Zheleznov Andrey (Железнов Андрей);

13. Lawyer: Zilberman Lyubov (Зильберман Любовь);

14. Chief Accountant: Medvedeva Anna (Медведева Анна);

15. Head of Maintenance Department: Lyubakh Valeria (Любах Валерия);

16. Chief Economist: Paustianova Yulia (Паустьянова Юлия);

17. Head of Product Design Department: Stupnikov Anton (Ступников Антон);

18. Lead Product Manager: Zagryadsky Ilya (Загрядский Илья);

19. Lead Product Manager: Polyakov Ivan (Поляков Иван);

20. Product Manager: Peshkov Maxim (Пешков Максим);

21. Head of Moderation Department: Shestakova Elena (Шестакова Елена);

22. Head of Data Collection Department: Starodubtseva Maria (Стародубцева Мария);

23. Head of Quality Control Department: Forostyanaya Marina (Форостяная Марина);

24. Head of Sales Department, Yekaterinburg: Turygin Dmitry (Турыгин Дмитрий);

25. Major Accounts Manager, Novosibirsk: Loginov Viktor (Логинов Виктор);

26. SME Accounts Manager, Novosibirsk: Zverev Artyom (Зверев Артем);

27. Sales Director, Omsk: Akimova Elena (Акимова Елена);

28. Head of Sales Support Department: Kovalchuk Nadezhda (Ковальчук Надежда);

29. Head of Help Desk: Savich Yulia (Савич Юлия);

30. Head of Sales Department, Chelyabinsk: Perina Daria (Перина Дарья); and

31. Lead HR Manager: Samoilenko Yulia (Самойленко Юлия).

Schedule 19 **Guarantor WARRANTIES**

1. **GUARANTORS CAPACITY AND CONSENTS**

(a) Each Guarantor is a company duly incorporated and organised and validly existing under the laws of its jurisdiction of incorporation.

(b) Each Guarantor has the power and authority to enter into the Transaction Documents to which it is a party and to fully perform its obligations under them in accordance with their terms.

(c) This Agreement constitutes, and each Transaction Documents to which it is a party constitute legal, valid and binding obligations of each Guarantor enforceable in accordance with their respective terms.

(d) The entry into and the exercise by each Guarantor of its rights and performance of its obligations under the Transaction Documents to which it is a party and the transactions contemplated by them will not constitute a breach or give rise to a default under any Applicable Laws or regulations or any order, decree or judgement or any provision of its constitutional documents, which has or could have a material adverse effect on its ability to execute or perform its obligations under the Transaction Documents.

(e) No Guarantor is a party to any litigation, arbitration or administrative proceedings nor is it the subject of any governmental, regulatory or official investigation or enquiry which is in progress or threatened or pending and no judgment or order or sanction of a court, arbitral tribunal or other Governmental Authority has been made against it which, in each case, has or could have a material adverse effect on its ability to execute or perform its obligations under the Transaction Documents to which it is a party.

(f) No corporate action or other steps have been taken by any Guarantor or legal proceedings started or threatened against any Guarantor for its winding up, dissolution, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), suspension of payments or a moratorium of any its indebtedness; or for it to enter into any arrangement, assignment or composition for the benefit of creditors; for the appointment of a receiver, administrator, administrative receiver, liquidator, supervisor, compulsory manager, trustee or similar person of any of its revenues or assets; or for the enforcement of any security over any of its assets.

(g) The execution and delivery by each Guarantor, and the performance by each Guarantor of its relevant obligations under and compliance by each Guarantor with the provisions of, this Agreement and the Transaction Documents will not:

(I) conflict with, or result in a violation of, any provision of the Organisational Documents of:

(1) the respective Guarantor; or

(2) the shareholders of the respective Guarantor; or

(II) result in a material breach of, or constitute a material default under, any instrument or agreement to which any of the following persons is a party or by which any of the following persons is bound:

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

(1) each Guarantor; or

(2) shareholders of each Guarantor; or

(III) conflict with, or result in a violation of, any law or regulation in any jurisdiction having the force of law or of any order, judgment, injunction or decree of any court or governmental agency by which any of the following persons is bound:

(IV) each Guarantor; or

(V) shareholders of each Guarantor.

(h) Each Guarantor has obtained all consents, authorisations and approvals from its corporate governance bodies, any Governmental Authority and any other party, as required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Transaction Documents to which it is a party or the performance of each Guarantor's obligations under the Transaction Documents to which it is a party or will be required as a consequence of any Transaction Document.

2. **SOLVENCY**

(a) Each Guarantor:

(I) is not insolvent or unable to pay its debts within the meaning of the laws of its jurisdiction of incorporation or any other applicable insolvency legislation; or

(II) has not stopped or suspended paying its debts as they fall due.

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Schedule 20 **Pre-emption Waivers**

[***]

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Schedule 21 **Material Licenses**

[***]

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Schedule 22 **Non-Group Company Powers of Attorney**

[***]

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EXECUTION PAGE

Executed as a deed by **Hearst Shkulev**)
Digital Regional Network B.V. acting by)
) /s/ Elena Shkuleva

Managing Director

/s/Marscha Kronwel

and by

Managing Director

Executed as a deed by **Dorozhkin Evgeny Alexeevich**, in the presence of:)))

/s/ Dorozhkin Evgeny Alexeevich

Director

Signature of witness: /s/ Baibaratskaya Marina

Name of witness: Baibaratskaya Marina

Address: Omsk city, Ivan Alekseev Str, 6 App. 9

Occupation: Head of the Department of the Institute

Executed as a deed by **Astapenko Sergey Vitalievich**, in the presence of:)))

/s/ Astapenko Sergey Vitalievich

Director

Signature of witness: /s/ Yulia Tsipileva

Name of witness: Yulia Tsipileva

Address: Russia, Moscow, Koylatsky Hills, 35 App.805

Occupation: General Counsel

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Executed as a deed by **Baibaratsky Alexandr Ivanovich**, in the presence of:)))

/s/ Baibaratsky Alexandr Ivanovich

Director

Signature of witness: /s/ Baibaratskaya Marina

Name of witness: Baibaratskaya Marina

Address: Omsk city, Ivan Alekseev Str, 6 App. 9

Occupation: Head of the Department of the Institute

Executed as a deed by **Mimons Investments Limited,** acting by)))

/s/ A. Nealeao

in the presence of:

Director

Signature of witness: /s/ Christina Tillyrou

Name of witness: Christina Tillyrou

Address: 9 Kafkasou street,
2112 Aglantzia,
Nicosia, Cyprus

Occupation: Corporate Supervising Consultant

Executed as a deed by **HS Holding B.V**., acting by Elena Shkuleva)))

/s/ Elena Shkuleva

Director A

/s/ Marscha Krowel

Director B

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Executed as a deed by **Limited Liability Company "HS Publishing",** acting by Julia Tsipileva	)))	/s/ Julia Tsipileva Director

in the presence of:

Signature of witness: /s/ Anna Bekirova

Name of witness: Anna Bekirova

Address: Moscow, 13 Filevskya st. 21-1-17

Occupation: Deputy General Counsel

Executed as a deed by **Limited Liability Company "Hearst Shkulev Media"**, acting by Natalia Shkuleva	)))	/s/ Natalia Shkuleva Director

in the presence of:

Signature of witness: /s/ Julia Tsipileva

Name of witness: Julia Tsipileva

Address: Russia, Moscow, Koylatsky Hills, 35-4-805

Occupation: General Counsel

Executed as a deed by **Limited Liability Company "InterMediaGroup"**, acting by Natalia Shkuleva	)))	/s/ Natalia Shkuleva Director

in the presence of:

Signature of witness: /s/ Julia Tsipileva

Name of witness: Julia Tsipileva

Address: Russia, Moscow, Koylatsky Hills, 35-4-805

Occupation: General Counsel

Exhibit 10.5

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Service Agreement No. 1429999/4

City of Moscow 27 July 2017

HeadHunter Limited Liability Company, hereinafter referred to as the " **Contractor**", represented by M.A. Zhukov, its General Director, acting on the basis of the Charter, on the one hand, **iRealtor Limited Liability Company**, hereinafter referred to as the " **Client**", represented by M.A. Melnikov, its General Director, acting on the basis of the Charter, on the other hand, jointly referred to as the "Parties", have entered into this agreement (the "Agreement") on the following matters:

1. BASIC DEFINITIONS USED IN THE AGREEMENT

1.1. For the purposes of this Agreement, the Parties shall use the following definitions:

1.2. **Website** means an information resource on the Internet at which the Contractor has the right to place AIMs and which is a set of interconnected webpages united on a thematic basis and intended for publication of information on the Internet.

1.3. **Webpage** means an independent component of the website, a separate document on the Internet created in HTML language identified by a unique address (URL) and containing information (text, graphics, audio and video files).

1.4. **Advertising and Information Module (AIM)** means information on the Client's immovable properties placed by the Contractor on the vacancy map in the Client's vacancy description on the Website at https://hh.ru and containing a transition code (hypertext link) to the Client's website. Information on the immovable properties shall be transferred via the Client's API system. The types (formats) of AIMs placed by the Contractor for the performance of this Agreement shall be determined by the Contractor independently.

1.5. **Advertising and Information Module Layout** means a sample of the Client's advertising and information module ready for posting on the Internet.

1.6. **Click** means the performance by an Internet user of the action of navigating to the Client's website from the Contractor's website. The fact of the user's Click is determined by using the Contractor's internal statistics system (banner system). The notion of "Click" may be clarified by the Parties in the Side Letters to this Agreement.

1.7. **Click Execution Parameters** means the conditions and procedure for determining the actions of users on the Client's website as Clicks.

Other terms not defined in this clause shall be interpreted in accordance with market practice and the applicable laws of the Russian Federation.

2. SUBJECT MATTER OF THE AGREEMENT

2.1. Based on the Side Letters to be signed by the Parties, the Contractor undertakes, within the time limits, under the procedure and on the terms and conditions determined by this Agreement and the Side Letters, to provide services to the Client to attract attention to the Client and to promote Clicks by Internet users by placing information on the Client's immovable properties and displaying them on the map in the vacancy description at https://hh.ru.

2.2. The parameters of the Clicks, the scope and time limits of provision of the services and other material terms and conditions shall be agreed by the Parties in the Side Letters to this Agreement.

2.3. The Parties have agreed that the accounting of the services under this Agreement, including the accounting of the number of Clicks made by Internet users and statistical processing, shall be performed by the Contractor in its internal banner system: https://adv.hh.ru. The Contractor may provide access to the internal system to the Client upon the Client's request.

3. RIGHTS AND OBLIGATIONS OF THE PARTIES

3.1. The Contractor undertakes:

3.1.1. Based on and in accordance with a Side Letter, to ensure placement of the Client's AIMs on the map in the vacancy description of the Client on the Website at https://hh.ru in the amount determined by the Contractor at its discretion;

3.1.2. Not to place the Client's AIMs on the webpages containing materials that violate generally accepted standards of decency (erotic and pornographic materials) or call citizens to violence, aggression or actions which violate the law. If the Contractor or the Client discovers a violation of this condition by the administrator (owner) of a website on which the Client's AIMs are posted, the Contractor shall immediately remove the Client's AIMs from such website.

3.1.3. To inform the Client of the non-compliance of the provided advertising materials with the requirements of the laws of the Russian Federation and the established technical requirements of the information resources (websites).

3.1.4. The Contractor shall independently determine the necessity of drawing attention of Internet users and shall draw their attention to the Client's AIMs to provide this Service, and shall be entitled to use both the website http://www.hh.ru and third-party sites for this purpose, without coordinating with the Client.

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3.2. The Contractor shall have the right to:

3.2.1. Refuse to place the AIMs if the activity advertised by the AIMs to be placed is contrary to the laws of the Russian Federation, including if it contains any signs of improper advertising and/or clearly does not comply with generally accepted moral and ethical standards; if it harms other visitors to the Website, violates their rights; if the colour scheme and/or design of the AIMs is inconsistent with the Website design; if the AIMs advertise services similar to the services provided by the Contractor.

3.2.2. Edit the materials provided by the Client without distorting the meaning and content of the materials if they do not comply with the norms of the Russian language, with the prior approval and notification of the Client about such editing.

3.2.3. Engage third parties to provide services (perform works) under this Agreement, including advertising distributors, while remaining responsible to the Client for the actions of such third parties, including for the non-performance or improper performance of their duties related to the execution of this Agreement.

3.2.4. The Contractor shall be entitled not to place AIMs if the AIMs do not meet the requirements specified in this Agreement. The Contractor shall notify the Client of the refusal to place AIMs within three days and offer to replace the rejected AIMs or to bring them into compliance with the requirements.

3.2.5. If the materials of the Client to be included in the AIMs contain advertising of information products subject to classification in accordance with the requirements of Federal Law No. 436-FZ dated 29 December 2010 "On Protection of Children from Information Harmful to Their Health and Development", the Client shall independently determine the category of such information products. If appropriate labelling is missing, the Contractor shall not place such advertising material until the Client provides the appropriate labelling, and in this case the Contractor shall not be liable to the Client for such non-placement.

3.2.6. If the materials are produced by the Contractor on the instructions of the Client, the Client shall determine and inform the Contractor in an email of the category of the information products advertised in an advertising material based on the requirements of Federal Law No. 436-FZ dated 29 December 2010 "On Protection of Children from Information Harmful to Their Health and Development", and the Contractor shall indicate (include) the category of such information products in an advertising material and/or a banner.

3.2.7. If any demands, claims and/or lawsuits are brought against the Contractor by third parties due to the lack of and/or incorrect classification of the information products contained in the advertising materials, the Client shall independently resolve such demands, claims and/or lawsuits and compensate all losses of the Contractor arising from them at its own expense.

3.2.8. If the Contractor is held liable for a violation of the Law on Protection of Children from Information Harmful to Their Health and Development and/or the Law on Advertising due to the lack of and/or incorrect classification of the information products contained in the advertising materials (banners), the Client shall compensate the Contractor all the possible costs incurred (or to be incurred in future), including, but not limited to, fines, court costs, etc.

3.3. The Client undertakes:

3.3.1. To appoint a responsible authorised representative to resolve the day-to-day issues related to the provision of the services under this Agreement;

3.3.2. To pay for the Contractor's services on time and in full in accordance with this Agreement;

3.3.3. To provide the Contractor with all the information and materials required to execute this Agreement on time in compliance with the applicable laws of the Russian Federation.

3.3.4. To immediately inform the Contractor of all changes related to the previously provided materials and information.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

4. COST OF SERVICES AND PAYMENT PROCEDURE

4.1. The tariffs for the services provided by the Contractor in accordance with this Agreement shall be determined by the Parties in the Side Letters to this Agreement depending on the parameters chosen by the Client and the conditions for making Clicks. The total cost of the Contractor's services for the reporting period shall be fixed in the Services Acceptance Certificate.

Note: A reporting period under this Agreement shall be one (1) calendar month.

4.2. The Client shall pay for the services provided by the Contractor within ten (10) banking days after issuing the relevant payment invoice and the execution of the Services Acceptance Certificate by the Contractor.

4.3. The services provided by the Contractor shall be paid by wire transfer of the funds to the Contractor's settlement account. The payment shall be deemed to have been made on the date of receipt of the funds on the Contractor's settlement account.

4.4. The Client shall indicate the number of the Contractor's invoice on the basis of which the payment is made in the payment order. If the number of the Contractor's invoice is completely or partially missing from the payment order, the Contractor shall have the right to consider that the payment obligation of the Client has not been properly performed (i.e., that the payment has not been made), or to independently identify and account for the payment using its accounting data. If a payment is made on behalf of the Client by a third party authorised by the Client, the Client shall ensure that such authorised person states the name of the Client and that the payment is being made for the Client in the purpose of payment line in the payment order, that such authorised person has all necessary powers to make the payment, and that the authorised person provides full and accurate information about himself and the Client.

4.5. The Services Acceptance Certificates shall be issued by the Contractor on a monthly basis, on the last day of the reporting month, or on the date of completion of the Services, simultaneously with the VAT invoices. A Service Acceptance Certificate shall be signed by the Client within five (5) business days from the date of its delivery. If the Services Acceptance Certificate is not contested by the Client within five (5) business days from the date of its delivery, it shall be deemed to have been signed by the Client, and the Services under such Certificate shall be deemed to have been accepted by the Client.

5. LIABILITY OF THE PARTIES

5.1. The Parties shall be liable for the non-performance or improper performance of their obligations under this Agreement in the manner prescribed by Russian law. The Parties have established that, in case of a breach of their obligations under this Agreement resulting in a loss to one of the Parties, only the actual damage shall be reimbursed.

5.2. In connection with the use of computer and other equipment, communication channels and/or computer programmes owned by third parties, the Parties agree that the Contractor shall not be liable hereunder for any delays, interruptions, direct and indirect damages or losses occurring due to defects in any electronic or mechanical equipment and/or computer programmes, or due to any other objective technological reasons, as well as due to the actions or omissions of third parties, data transmission or connection problems or power failures not attributable to the Contractor.

5.3. The Client shall be fully responsible for the compliance of the information it provides for posting with the laws of the Russian Federation. The Client guarantees to the Contractor that it does not perform or promote any activities prohibited by law.

5.4. The Contractor's liability under this Agreement shall be limited to the cost of its services in the reporting period in which the breach of contractual obligations by the Contractor that caused damage to the Client is acknowledged. Only the actual damage shall be reimbursed. However, the Client has been notified and agrees that the Contractor cannot guarantee the Clicks in the volume required by the Client, as it directly depends on the actions of Internet users.

5.5. Violation by the Client of the payment conditions and time limits stipulated by this Agreement shall entitle the Contractor to suspend the provision of the Services to the Client until the Client performs its payment obligations and to demand the payment of a penalty by the Client at the rate of 1% of the unpaid services by notifying the Client by email.

6. FORCE MAJEURE

6.1. In case of the occurrence of force majeure circumstances that prevent the performance of the Parties' mutual obligations under this Agreement, including natural disasters, strikes, governmental restrictions, serious power failures, damage to the server where the advertising and information modules are stored or other circumstances beyond control of the Parties, the performance of this Agreement shall be postponed for the duration of such circumstances.

6.2. If such circumstances persist for more than two months, each Party shall have the right to refuse further performance of its obligations under this Agreement. In this case, the Agreement shall be deemed terminated and neither Party shall be entitled to claim damages from the other Party.

6.3. A Party that is unable to perform its contractual obligations due to the occurrence of force majeure circumstances shall immediately notify the other Party of their occurrence and termination. Failure to notify of these circumstances shall deprive the Party of the right to refer to them in the event of a breach of its obligations under this Agreement.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

7. TERMS AND CONDITIONS OF CONFIDENTIALITY

7.1. Any information about the other Party's business activities, new solutions and technical knowledge received by a Party in the course of performance of this Agreement shall be confidential and shall not be disclosed to third parties without the written consent of the other Party.

7.2. Each of the Parties undertakes not to disclose (make available to any third party, except where third parties are expressly authorised to this information by law) the confidential information of the other Party to which it has gained access upon conclusion and during the performance of its obligations arising out of this Agreement. This obligation shall be performed by the Parties within the validity period of this Agreement and for one year after its termination, unless otherwise agreed.

8. DISPUTE RESOLUTION PROCEDURE

8.1. If a dispute arises in connection with the performance of this Agreement, the Parties shall apply the pre-trial procedure for settling the dispute. The term for replying to the claim shall be 10 business days from the date of its receipt.

8.2. If the dispute cannot be resolved through negotiations, it will be referred by the Parties to the Commercial Court of the City of Moscow.

10. TERM OF THE AGREEMENT AND OTHER TERMS AND CONDITIONS

10.1 This Agreement shall come into force after its signing by the Parties.

10.2. This Agreement is concluded for an indefinite term and may be terminated by either Party at any time with notice to the other Party in writing 10 (ten) calendar days prior to the intended date of termination. In case of the termination of this Agreement by any of the Parties, the Contractor shall return the monetary funds paid by the Client to the Contractor under this Agreement less the cost of the Services actually provided as of the date of termination of this Agreement. If this Agreement is terminated by the Client, the Client shall specify in the notice of termination of this Agreement the payment details to be used by the Contractor to make a refund, if at the time of termination of this Agreement the Contractor will be required to make such a refund.

10.3. A notice of termination of this Agreement may be sent: (a) by either Party by post with return receipt requested; (b) by either Party by courier; (c) by the Contractor to the Client's email, if the Contractor has no information about the Client's location. In this case, the Contractor shall be entitled to send a scanned version of such notice signed and sealed by the Contractor's authorised person to the Client's email address specified upon registration, and the Client shall be deemed to have been duly notified.

10.4. This Agreement is made in two counterparts, one for each Party. Both counterparts are identical and have equal legal force.

10.3. The Parties shall notify each other of the fact of accession, reorganisation, liquidation, transfer of rights and obligations to the other party, a change of their details, including a change of the legal form, registration data as a taxpayer (name, Taxpayer Identification Number (INN), Tax Registration Reason Code (KPP)), address and bank details, within 5 (five) business days from the date of change of the relevant data. The notice shall be made in writing, signed by an authorised person of the Party, affixed with the Party's seal and sent to the other Party by any available means which allows the fact of receipt of such notice by the other Party to be recorded. In the event of the failure to notify or the undue notification of the other Party in accordance with the terms and conditions of this clause, the defaulting Party shall bear the risk of the consequences caused by such failure to notify or undue notification, and if the other Party suffers losses as a result of such failure to notify or undue notification, the defaulting Party shall be liable to compensate the other Party for such losses.

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

11. ADDRESSES AND BANK DETAILS OF THE PARTIES

Contractor:

HeadHunter LLC
Registered office: 129085, Moscow, ul. Godovikova, d.9, str. 10
Main State Registration Number (OGRN) 7718620740
Taxpayer Identification Number (INN) 77186220740
Tax Registration Reason Code (KPP) 771701001
Settlement account [***]
Bank [***]
BIC [***]
Correspondent account [***]

General Director

/s/ M.A. Zhukov
Seal

Client:

iRealtor LLC
Registered office: 107023, Moscow, ul. Elektrozavodskaya, d. 27 str.1
Main State Registration Number (OGRN) 1137746481190
Taxpayer Identification Number (INN) 7718935772
Tax Registration Reason Code (KPP) 771801001
Settlement account [***]
Bank [***]
BIC [***]
Correspondent account [***]

General Director

/s/ M.A. Melnikov
Seal

***** Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit because such information is both (i) non-material and (ii) would be competitively harmful if publicly disclosed.*****

Side Letter No. 1
to Agreement No. 1429999/4 dated 27 July 2017

City of Moscow 27 July 2017

HeadHunter Limited Liability Company, hereinafter referred to as the "Contractor", represented by M.A. Zhukov, its General Director, acting on the basis of the Charter, on the one hand, and iRealtor Limited Liability Company, hereinafter referred to as the "Client", represented by M.A. Melnikov, its General Director, acting on the basis of the Charter, on the other hand, jointly referred to as the "Parties", have concluded this Side Letter No. 1 to Agreement No. 1429999/4 dated 27 July 2017 (the "Agreement") on the following matters:

User means an Internet user who makes a Click on the Website.

Click means the performance by an Internet user of the action of navigating to the Client's webpage from the immovable properties displayed on the map in the Client's vacancy descriptions.

Quality Click means a User's Click that results in navigation to the Client's webpage from the immovable properties displayed on the map in the Client's vacancy descriptions. The volume of the services provided shall be accounted for by Clicks.

1. Parameters of Service Provision

#	Click	Service start date	Cost of one Click, including 18% VAT
1	performance by an Internet user of the action at https://hh.ru to navigate to the Client's webpage from the immovable properties displayed on the map in the Client's vacancy descriptions	_______________	*RUB* [***]

2. The number of Clicks shall be counted in the Contractor's banner system at https://adv.hh.ru/.

3. The Contractor shall send a monthly free-form report to the Client by email on the 1st day of the month following the placement with screenshots from the Contractor's banner system attached.

4. The final cost of the services under this Side Letter shall be determined based on the Contractor's statistics reflected in the Report, which shall represent confirmation of the services provided in the reporting month and shall be approved by both Parties in writing in the Services Acceptance Certificate in accordance with the terms and conditions of the Agreement.

5. The cost of the Contractor's services provided in the reporting period (calendar month) shall be determined in accordance with the following formula: the number of Clicks made by Users in the reporting period multiplied by the cost of one Click, according to the Parameters of Service Provision (clause 1 of this Side Letter).

6. This Side Letter is made in 2 (two) counterparts having equal legal force, one for each Party, and shall be an integral part of the Agreement.

Contractor: General Director /s/ M.A. Zhukov Seal	**Client:** General Director /s/ M.A. Melnikov Seal