

Yandex

Morgan Stanley TMT Conference

November 2019

Forward Looking Statement Disclaimer

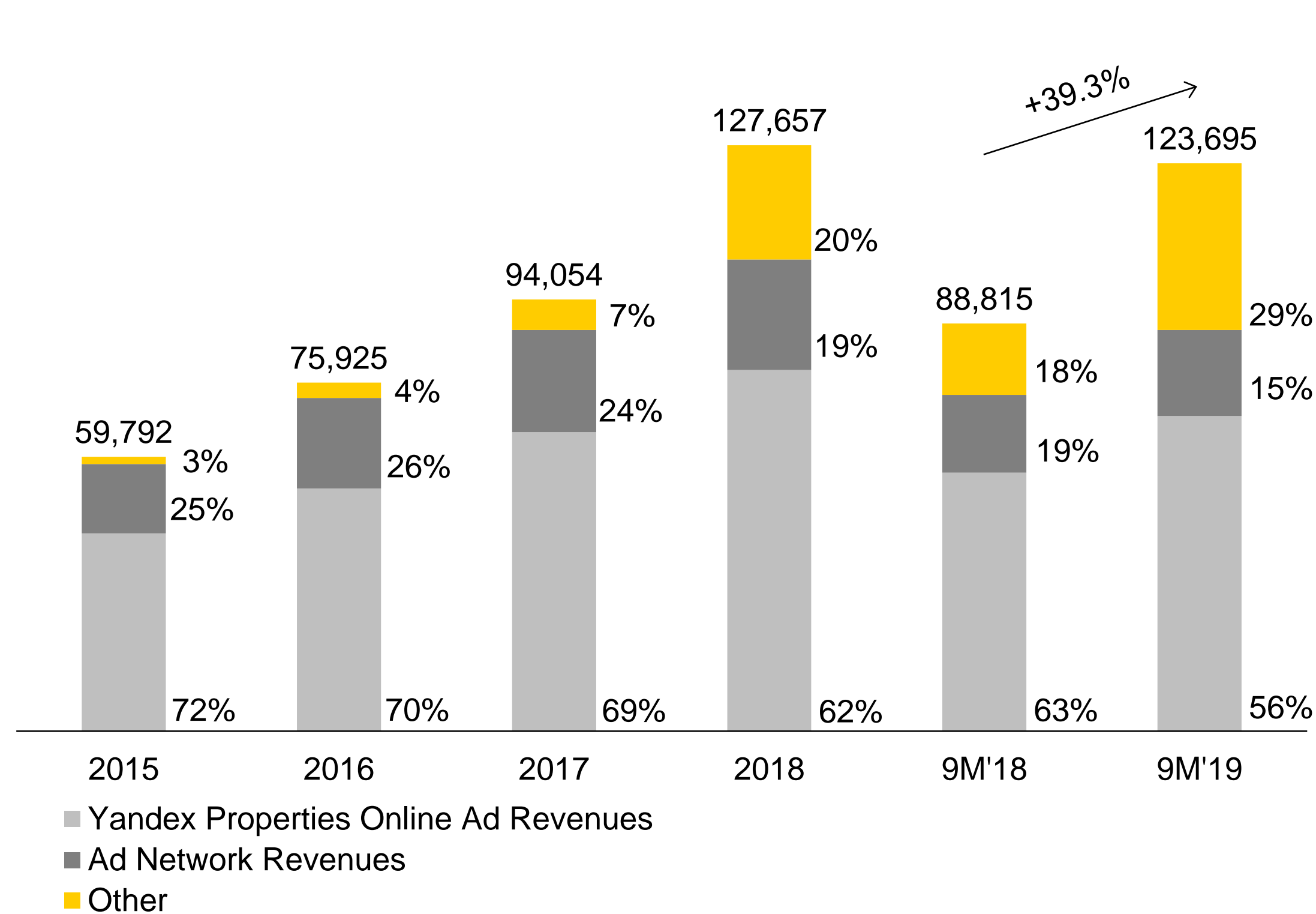
This presentation contains forward-looking statements that involve risks and uncertainties. These include statements regarding the anticipated development of the internet search and the online advertising markets, the planned growth of our business, our anticipated revenues and capital.

Actual results may differ materially from the results predicted or implied by such statements, and our reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by such statements include, among others, competitive pressures, our ability to attract and retain users, advertisers and partners, changes in advertising patterns, changes in internet usage patterns, changes in the legal and regulatory environment, technological developments and our need to expend capital to accommodate the growth of the business, as well as those risks and uncertainties included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 20-F dated April 19, 2019, which is on file with the Securities and Exchange Commission and is available on our investor relations website.

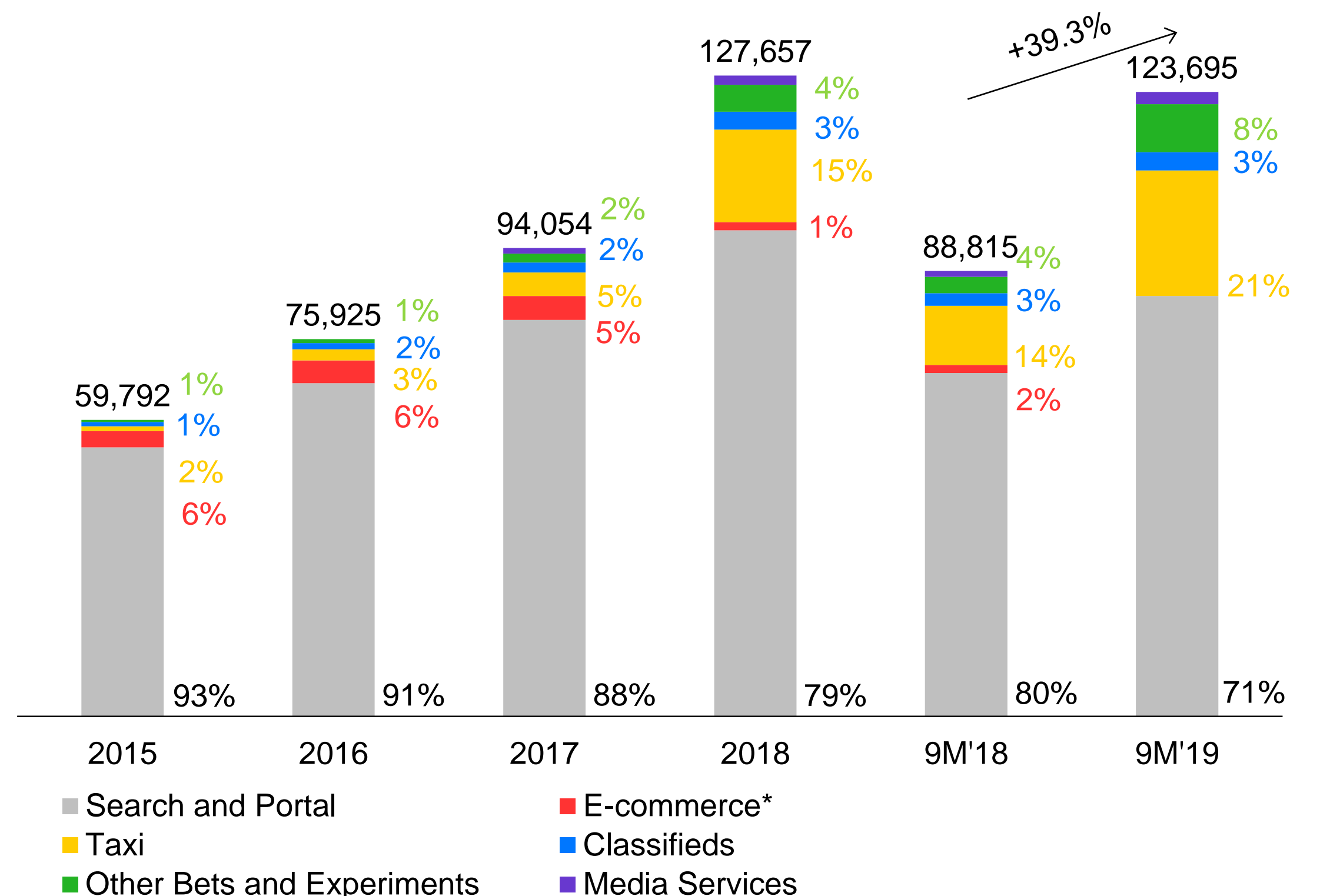
All information provided in this presentation is as of November 5, 2019, and Yandex expressly disclaims any duty to update this information unless required by law.

Yandex Revenue Sources are Diversified

Consolidated Revenue¹ Breakdown, MM Rub, %



Revenue Breakdown by Segments², MM Rub, %



In Q1 2019 we introduced the changes to the segment structure, please see slide 29

The quarterly data and the annual data for the periods 2017-2018 on the slide is provided in accordance with new segment structure, while the annual data prior to 2017 is based on the structure introduced in Q1 2016

¹ Revenues are recognized net of VAT, discounts and commissions, but gross of TAC

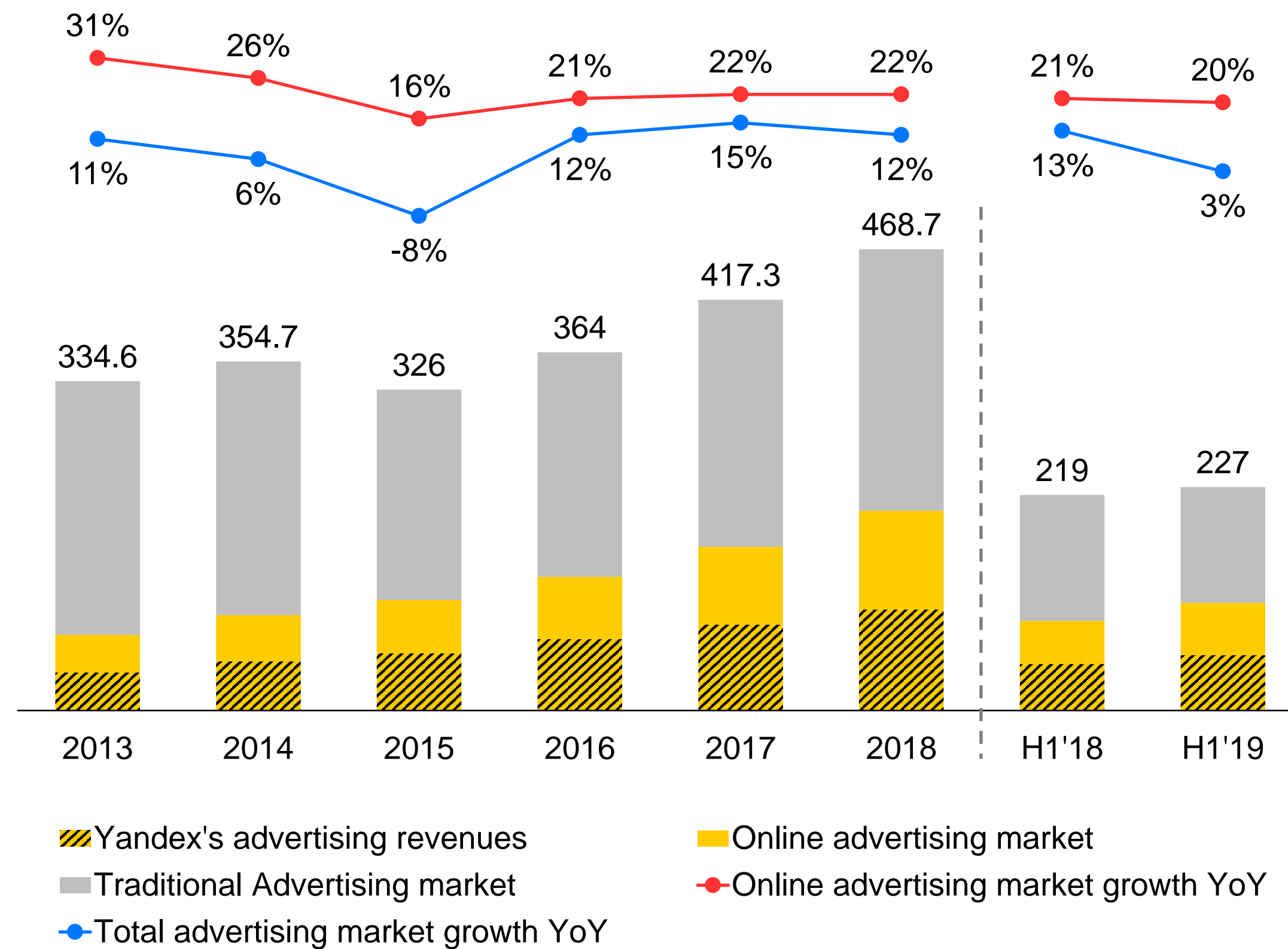
² Segments do not total to 100% due to eliminations: intersegment transactions, primarily related to advertising, which are eliminated in the consolidation

* Our E-commerce segment includes Yandex.Market service. On April 27, 2018 Yandex and Sberbank announced the completion of the formation of the joint venture based on the Yandex.Market platform, aimed at developing a leading B2C E-commerce ecosystem. The parties own equal stakes in the JV. We deconsolidated Yandex.Market starting April 27, 2018 from our consolidated financial results.

Search and Portal

Yandex is the Leading Online Ad Platform

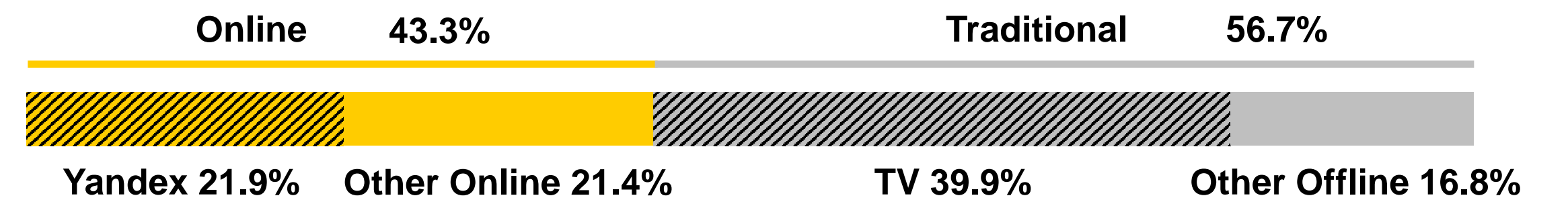
Russian Advertising Market, Bn Rub, YoY Growth, %



Russian Advertising Market, 2018

468.7 Bn Rub
0.5% as of GDP

Russian Advertising Market, breakdown, 2018



YoY Growth

22%

Online advertising market growth

22%

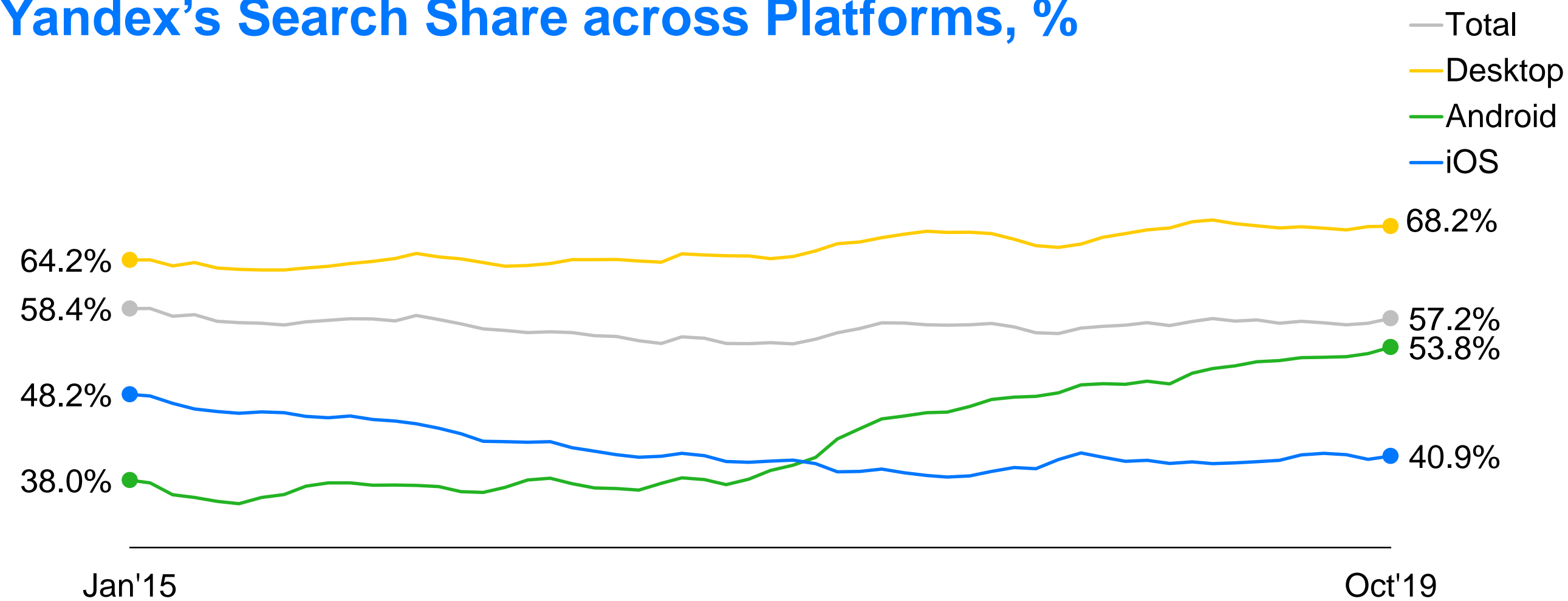
Yandex's advertising revenues growth

12%

Total traditional advertising market growth

Yandex is the Consistent Search Leader in Russia

Yandex's Search Share across Platforms, %

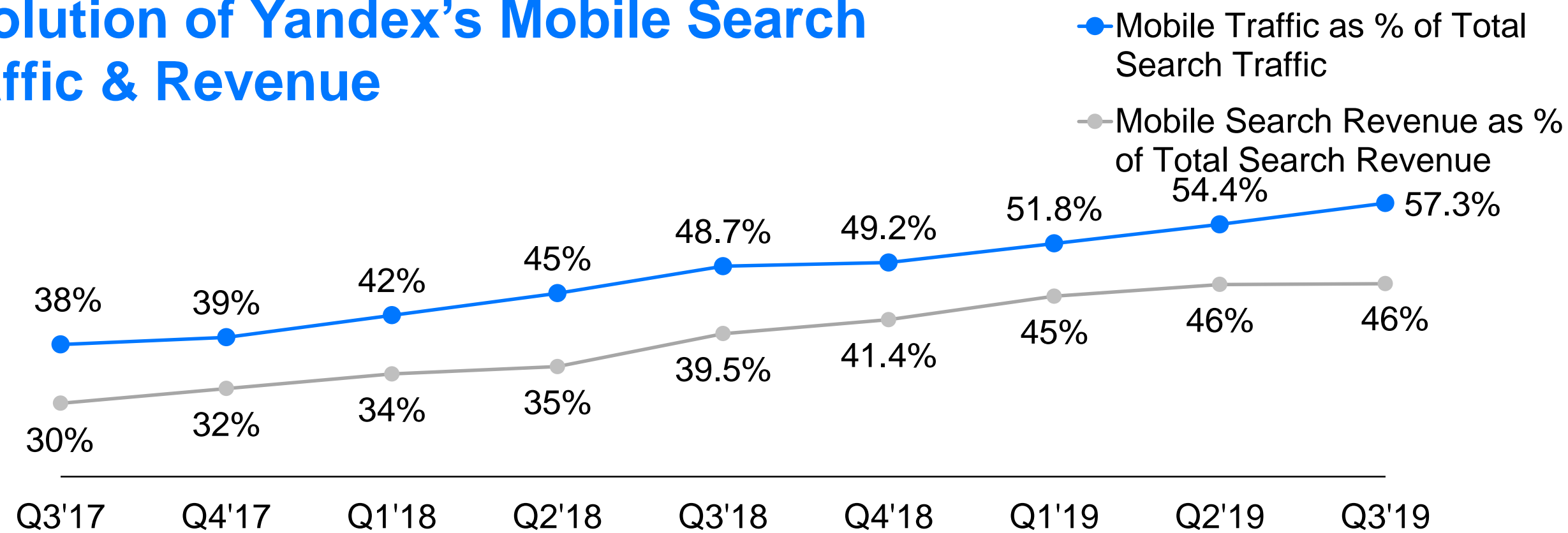


In Oct'19 share of Yandex Browser was

30.1%
on desktop

20.2% overall,
including mobile

Evolution of Yandex's Mobile Search Traffic & Revenue



Alice

Alice — the first conversational intelligent assistant in Russia

Launched in October 2017

Integrated across many platforms

- › Smart speakers
- › Auto
- › Smart home
- › Third-party partner devices

> 45 MM users per month

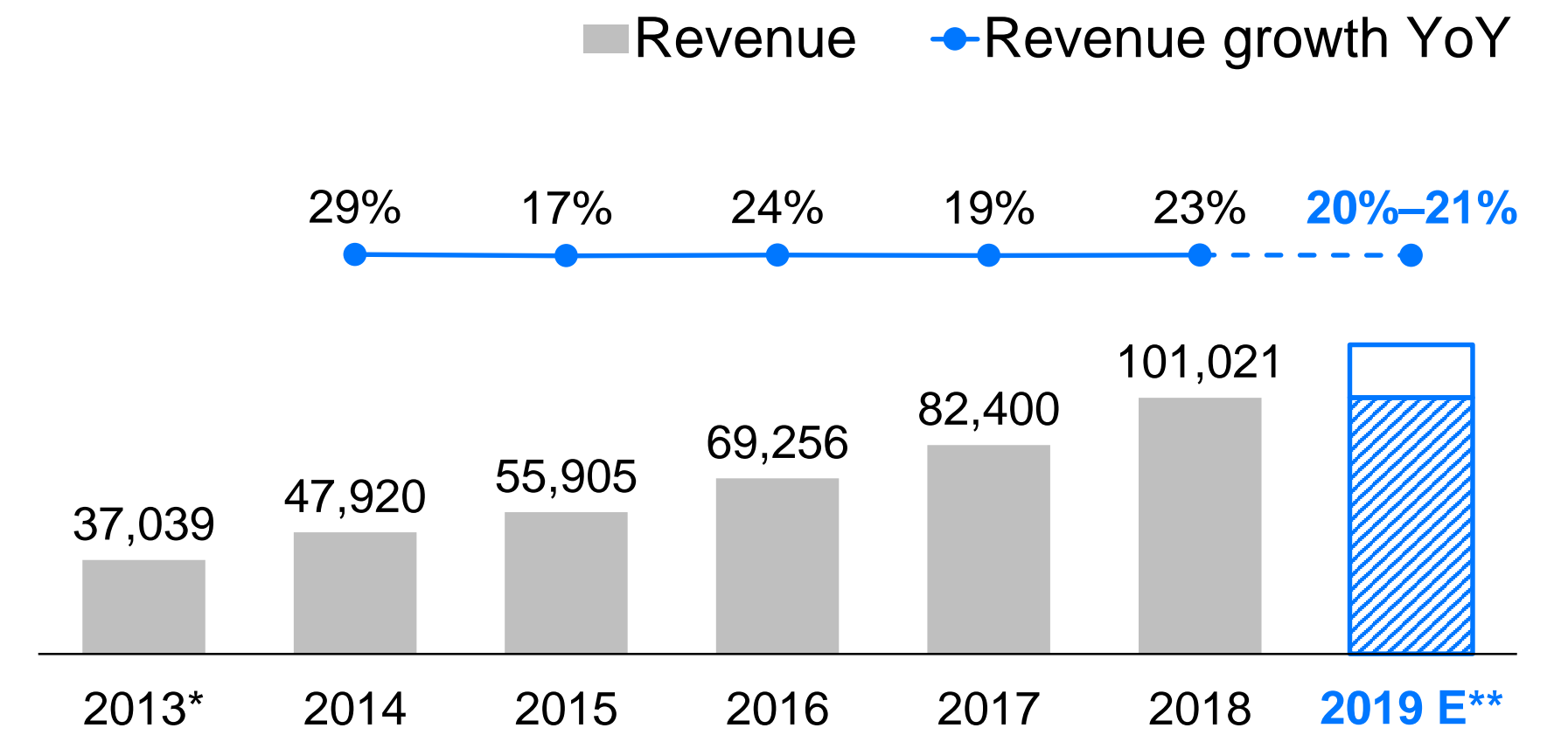
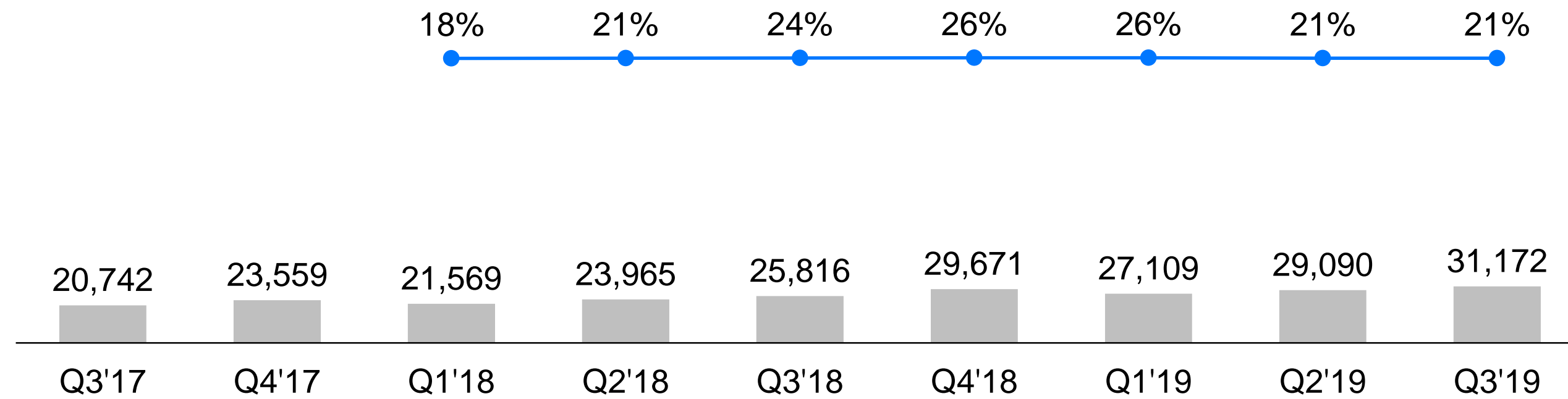
1 Bn voice requests to Alice monthly
as of Sep'19

4 MM users of voice skills monthly
as of Sep'19

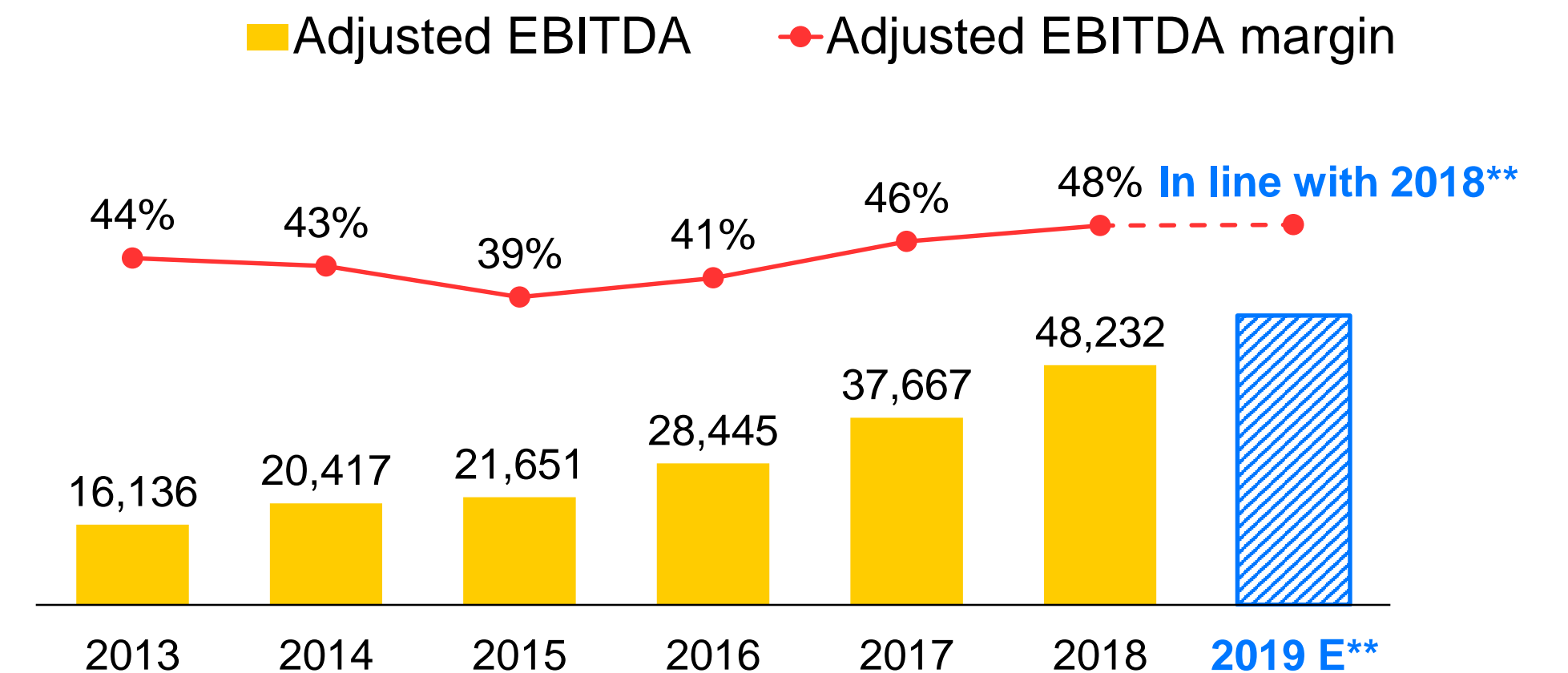
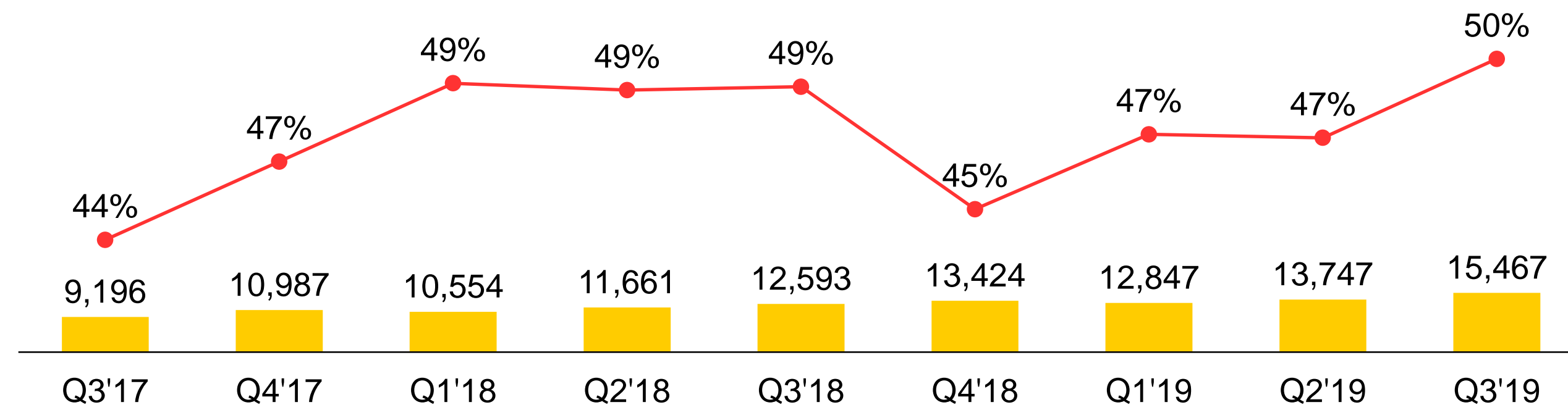
> 50% monthly active users of Yandex's
Search App use our voice assistant

Search and Portal

Revenue, MM Rub, YoY Growth, %



Adjusted EBITDA, MM Rub, and Adjusted EBITDA Margin, %



In Q1 2019 we introduced the changes to the segment structure, please see slide 29. The quarterly data on the slide is provided in accordance with new segment structure, while the annual data for 2013–2016 is based on the old segment structure, and for 2017 and 2018 provided in the new one.

* We do not show YoY growth rates of BUs in 2013, as we had not yet formed segments in 2012. Items may not total due to rounding.

** Company outlook as of 25 October 2019: we now expect our adjusted EBITDA margin of Search and Portal in 2019 to be roughly in line with the previous year. Excluding IoT, we anticipate that adjusted EBITDA margin of our core business will be up slightly on a year-over-year basis.

Taxi Group

Taxi Group*

58.2% owned by Yandex

36.2% owned by Uber

and **5.6%** owned by management and employees

Ride-sharing

Yandex.Taxi

Uber

Vezet IP & Call-centers
pending transaction

Food Tech

Food Delivery

Yandex.EATs

Various Experiments

Yandex.Chef

Yandex.Lavka

and other

Self-Driving cars

Licenses in Russia, Israel and in the US

> **100** self-driving cars by the end of 2019

> **1 MM** miles driven on public roads as of Oct'19

*On a fully diluted basis, without taking into account the effects of the pending Vezet acquisition

Ride-Sharing

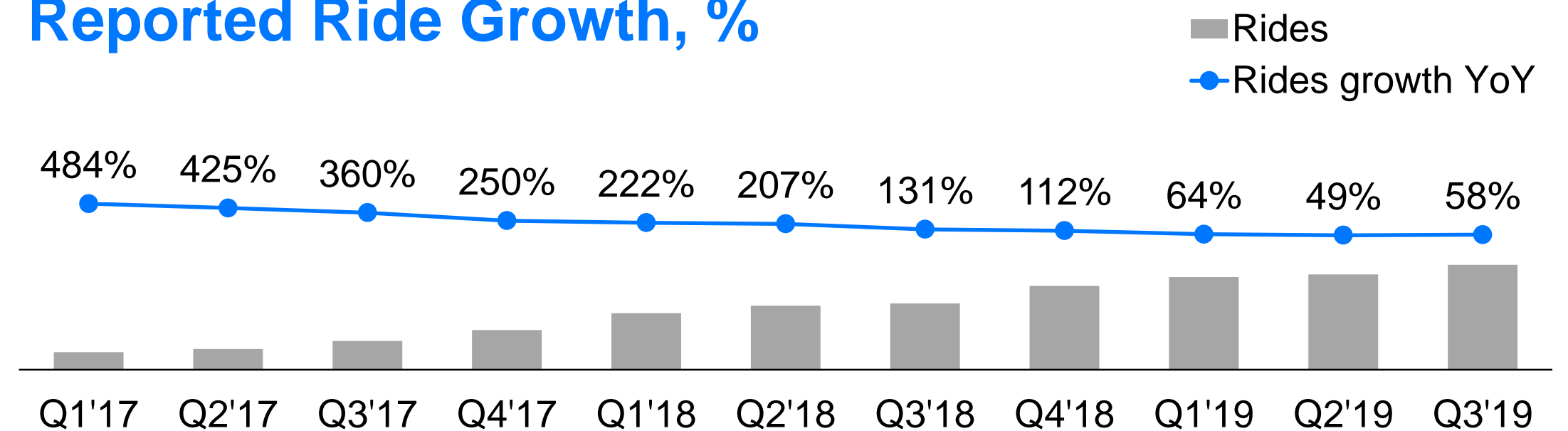
\$ 4.2 Bn GMV
Run-Rate (Dec'18)

Profitable in Russia since Q3'18*

18 countries

700,000 active drivers

Reported Ride Growth, %



Yandex.Taxi

Dec'16

16 MM

Jun'17

24 MM

Nov'18

335 MM
accumulated

Yandex.Taxi + Uber

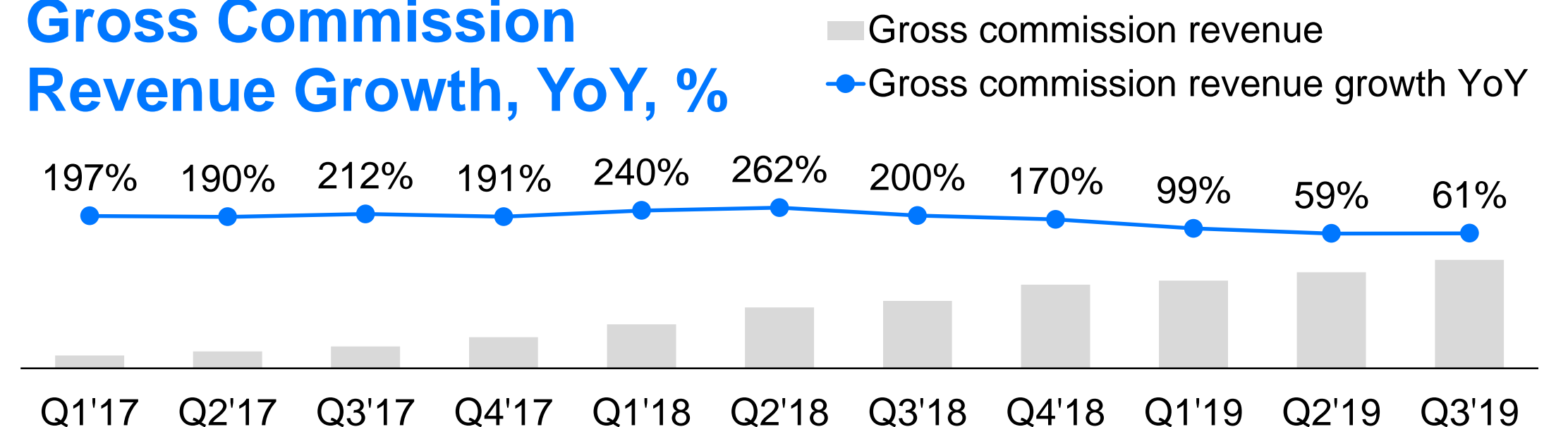
7 Feb'18

Consolidation

Sep'18

1 Bn
accumulated

Gross Commission Revenue Growth, YoY, %



*Based on ride-sharing only at Adjusted EBITDA level

Food Tech

Yandex.EATs

Food Delivery

Launched in **Feb'18**

> 1 MM orders per month since Dec'18

33 cities

13,000 restaurants

32 min average delivery time

3.3 Bn Rub Gross Revenue* Run-Rate (Q3'19)

Various Experiments

Yandex.Chef

Meal kit service

Yandex.Lavka

Hyperlocal delivery

* Gross Revenue — Commission + Delivery Revenue. Differs with GAAP revenue in subsidies accounting

Self-Driving Cars

Yandex is one
of **a few** companies
globally, developing
level 4 and 5
autonomy

> 100 cars on public roads
by the end of 2019

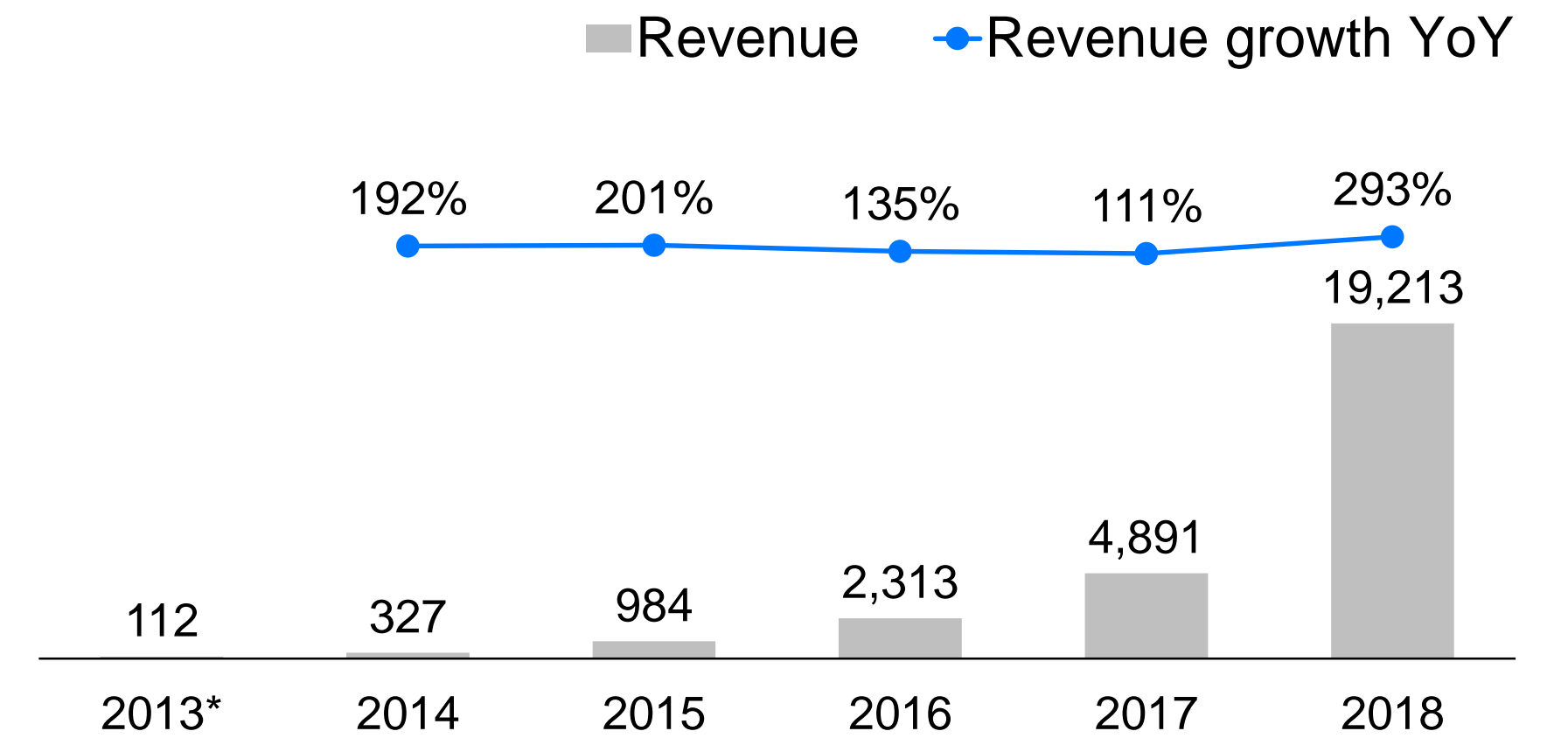
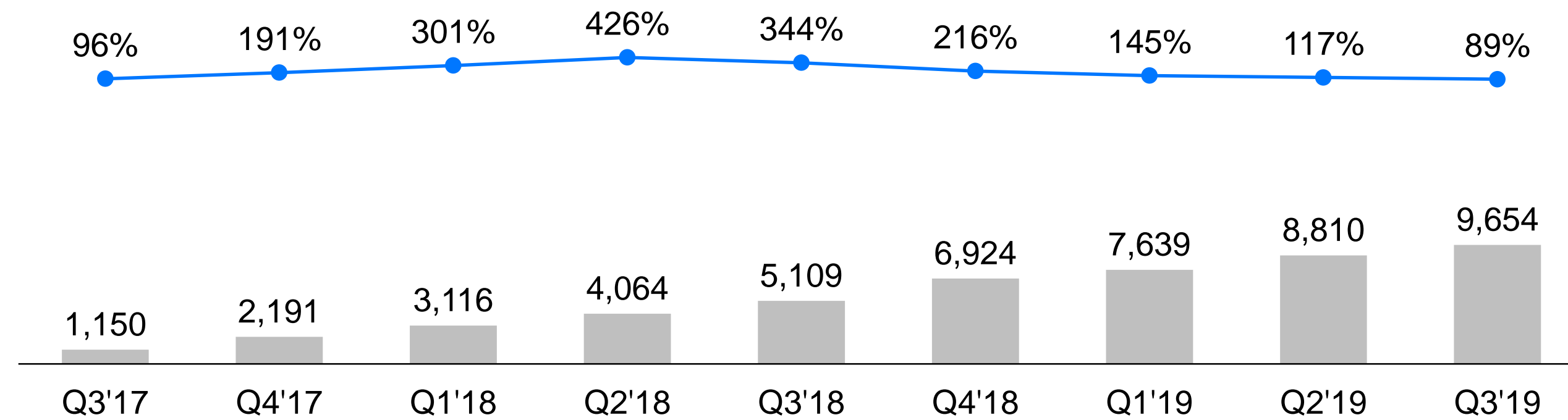
> 1 MM miles driven on public roads
as of Oct'19

obtained permission to operate self-driving cars
on public roads in Israel and the USA

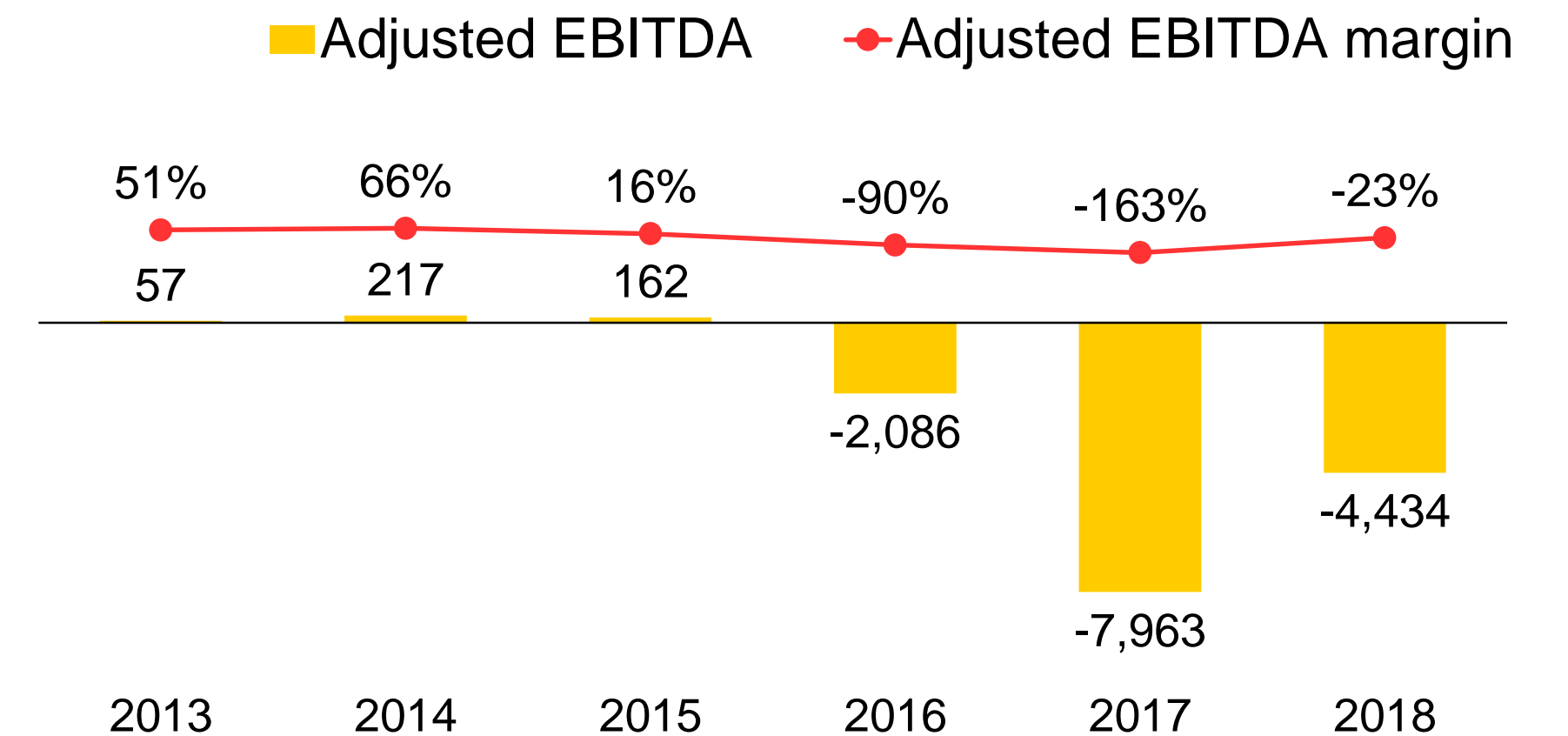
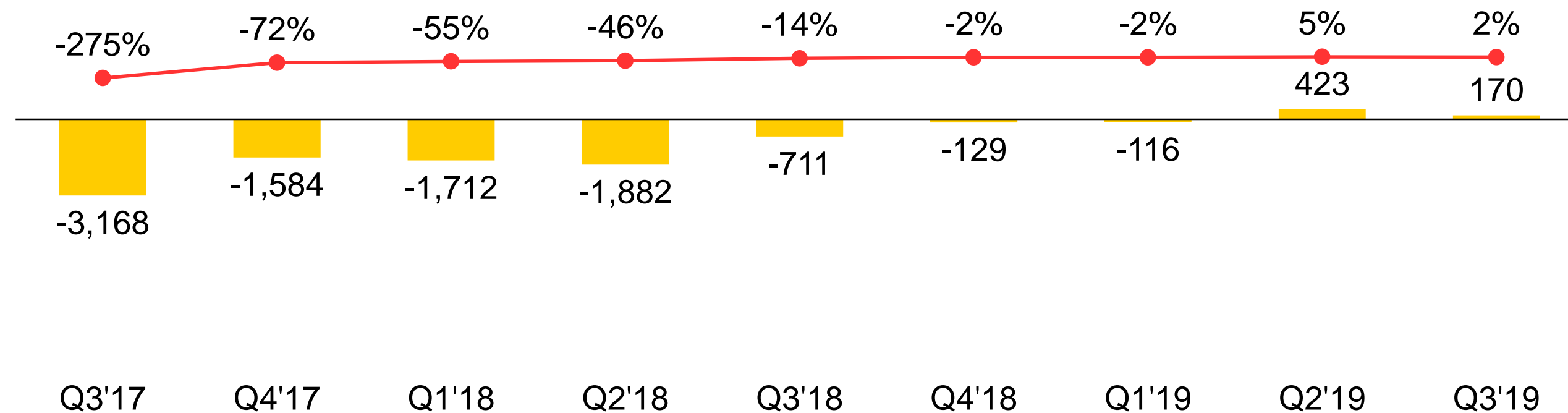
partnership with Hyundai Mobis

Taxi Group

Revenue, MM Rub, YoY Growth, %



Adjusted EBITDA, MM Rub, and Adjusted EBITDA Margin, %



Taxi segment includes our ride sharing business, which since Feb 7, 2018 is represented by the combination of Yandex.Taxi and Uber (in Russia and neighboring countries), Food Delivery business (including Yandex.EATs, UberEATs and Yandex.Chef, a meal kit subscription service) and Self-Driving Cars division. Revenues are presented in accordance with US GAAP, whereby in cities where we have implemented commissions, minimum fare guarantees and discounts are netted against revenues.

* We do not show YoY growth rates of BUs in 2013, as we had not yet formed segments in 2012. Items may not total due to rounding.

Classifieds

Classifieds

Auto.ru

Our classifieds platform for used and new cars, commercial vehicles and spare parts

> 20 MM users per month

**≈ 750,000
active listings**

Yandex.Realty

Our real estate classifieds platform for private individuals and realtors

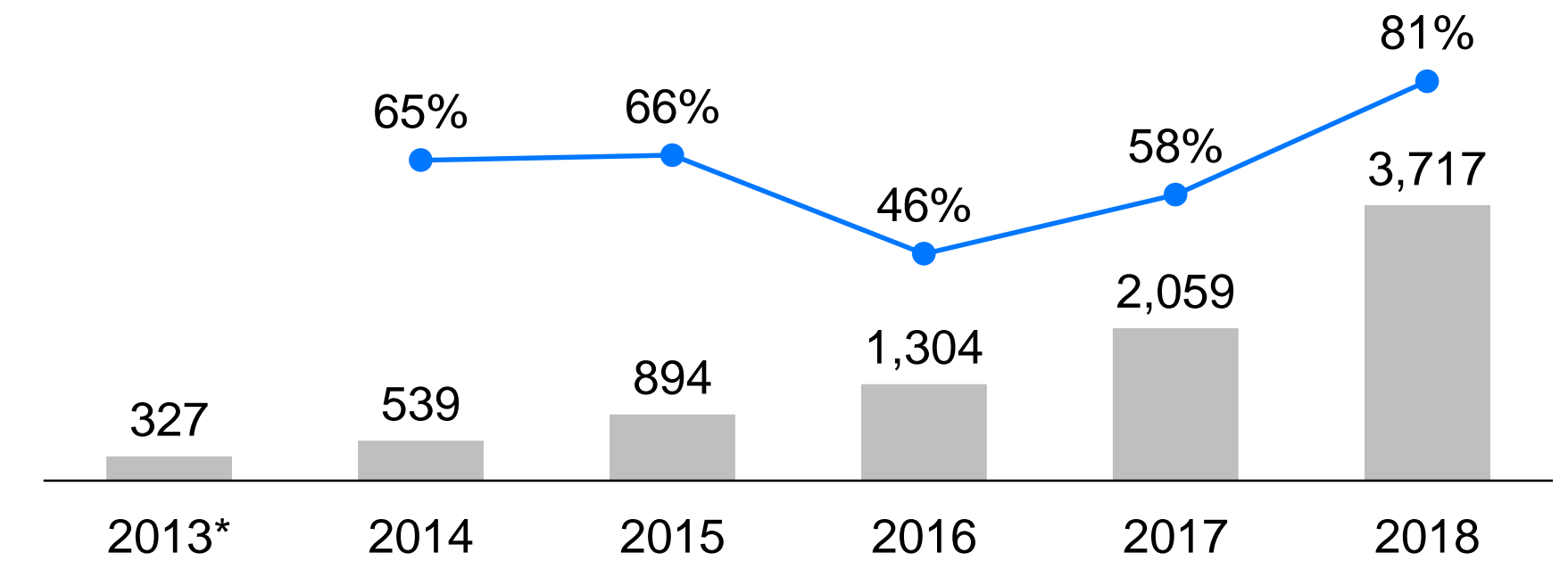
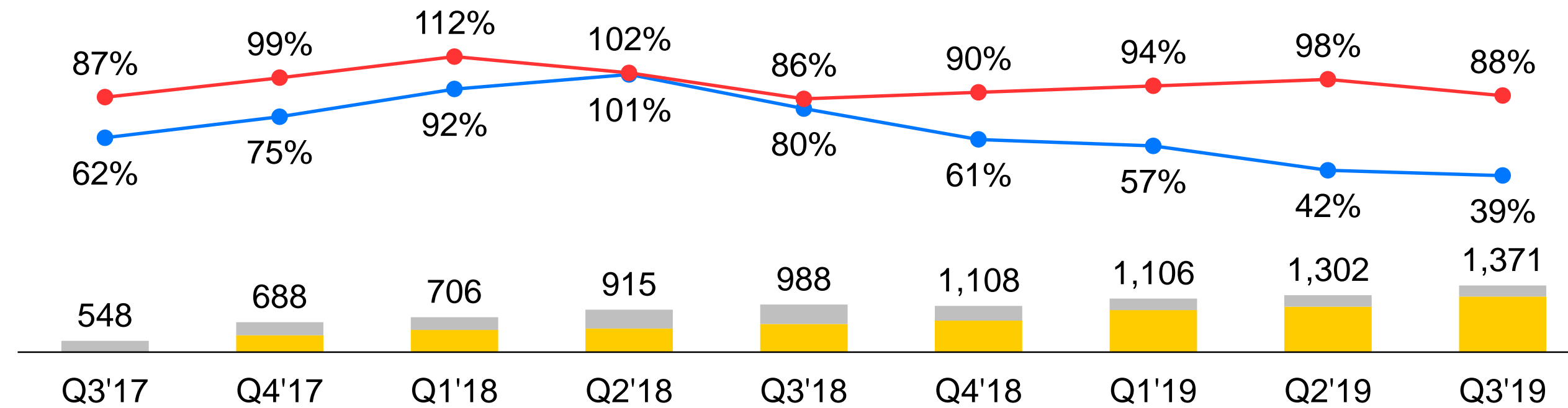
Yandex.Jobs

Our service for job seekers with a focus on blue collar and service industry jobs

Classifieds

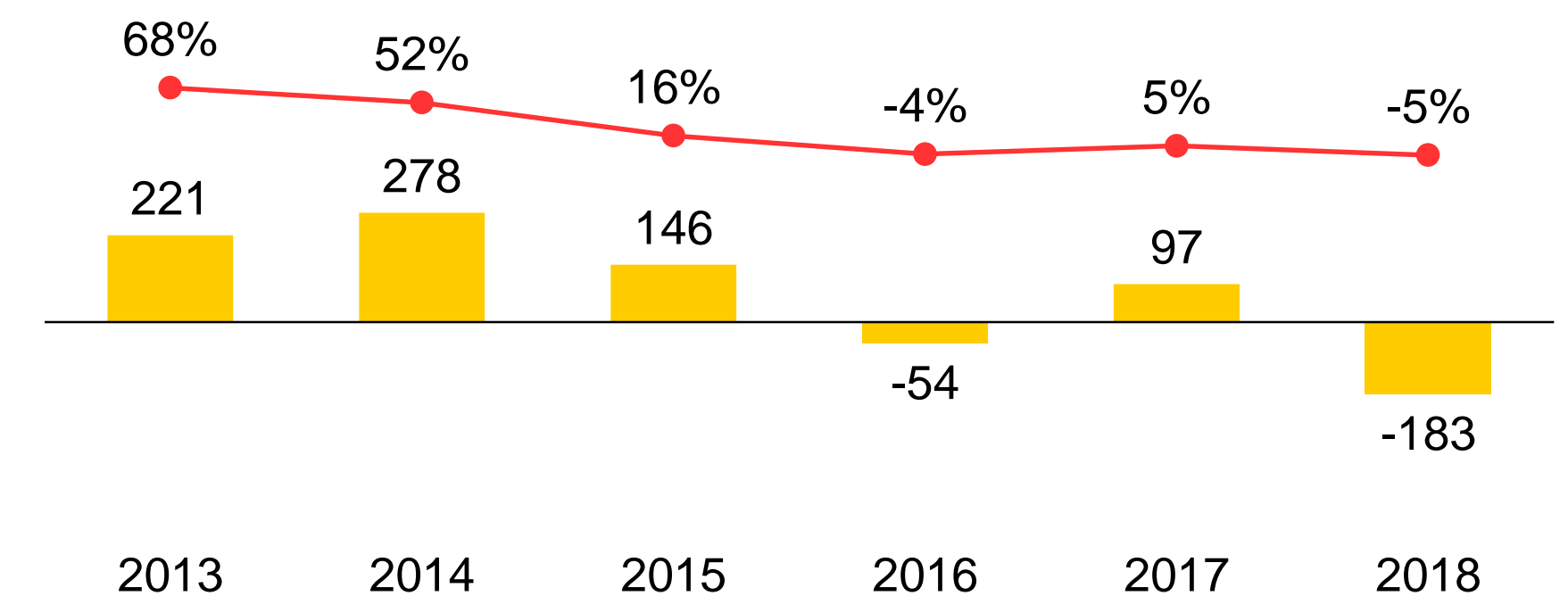
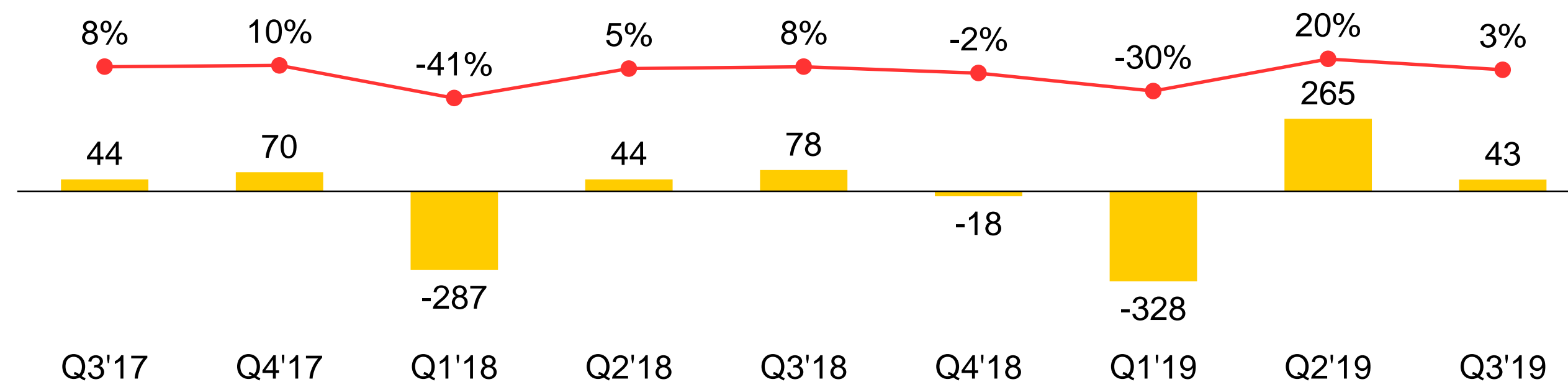
Revenue, MM Rub, YoY Growth, %

■ Listing fees & VAS share ■ Revenue ● Revenue growth YoY ● Listing Fees & VAS growth YoY



Adjusted EBITDA, MM Rub, and Adjusted EBITDA Margin, %

■ Adjusted EBITDA ● Adjusted EBITDA margin



In Q1 2019 we introduced the changes to the segment structure, please see slide 29

The quarterly data on the slide is provided in accordance with the new segment structure, while the annual data for 2013-2016 is based on the old segment structure and for 2017 and 2018 provided in the new one

Our Classifieds segment includes: Auto.ru / Yandex.Realty / Yandex.Jobs

* We do not show YoY growth rates of BUs in 2013, as we had not yet formed segments in 2012. Items may not total due to rounding.

Media Services

Yandex.Music

Our music streaming service, offering users millions of tracks and facilitating new music discovery with its recommendation tools and Radio feature

KinoPoisk

The largest Russian language source for information about movies, TV-shows, celebrity content and entertainment news, providing users with video streaming, movie reviews and ratings, personalized recommendations, local movie showtimes, ticketing, and many other services

Yandex.Afisha

Our playbill service that provides an opportunity to buy tickets to cinemas, theaters and concerts online

Other

Yandex.TV Program

Yandex.Plus

Yandex.Studio

Media Services

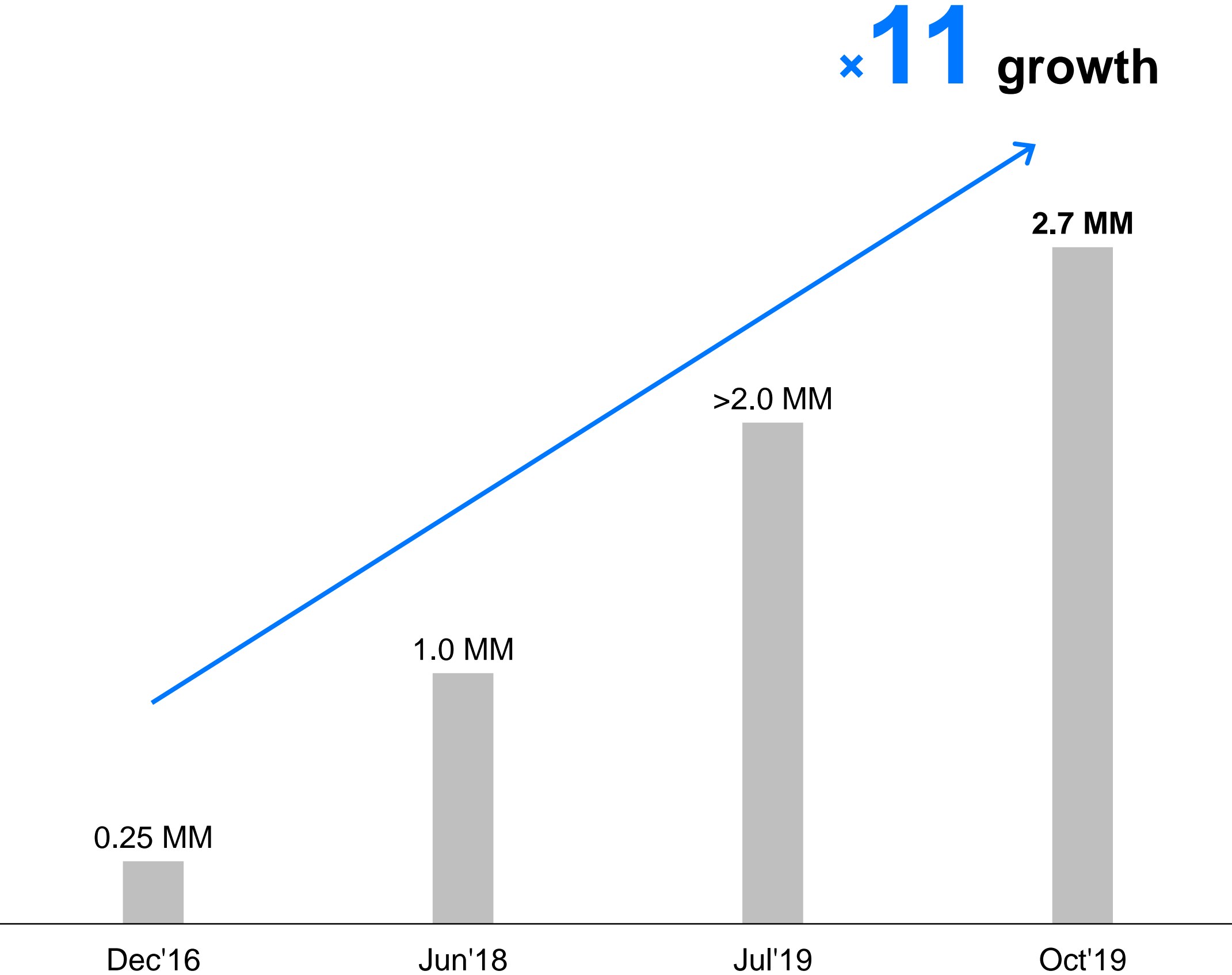
> **2.7 MM** subscribers as of Oct'19

> **20 MM** music users per month*

> **80 MM** music tracks streamed daily

12 countries, where Yandex.Music is available

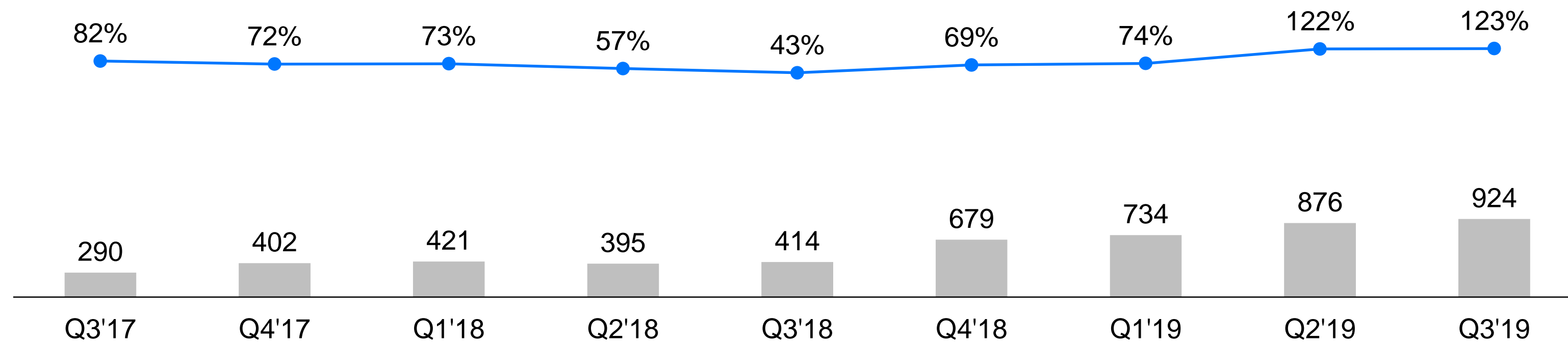
Subscribers



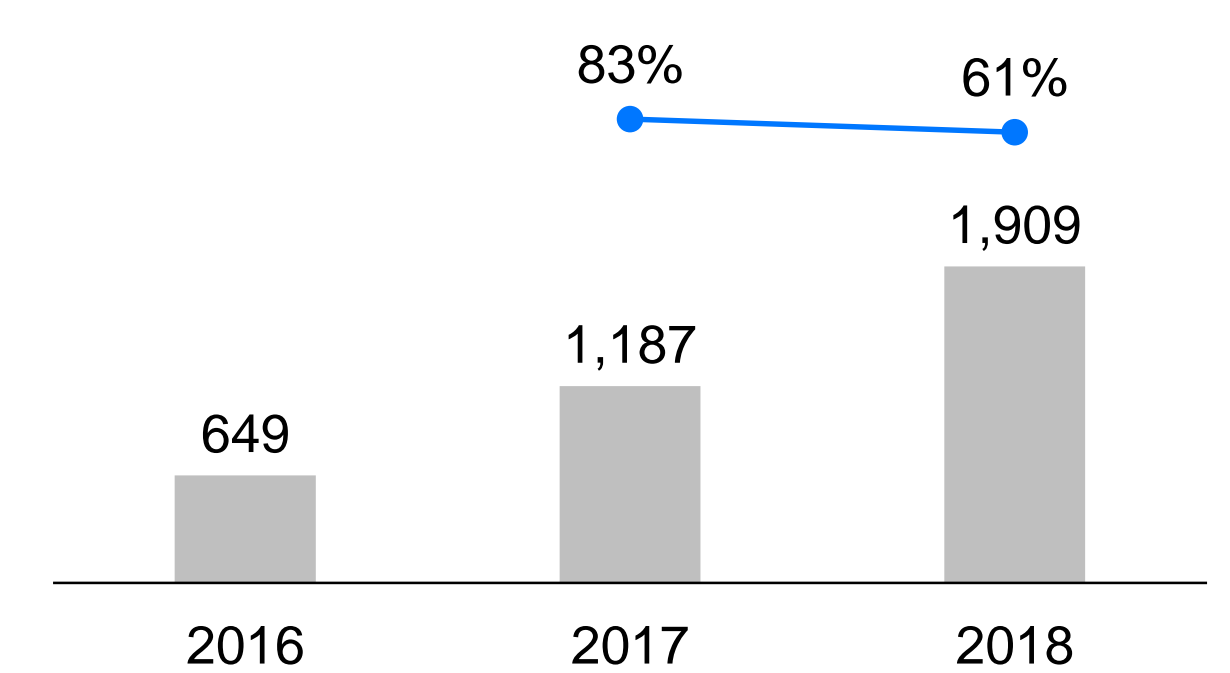
* Including freemium model

Media Services

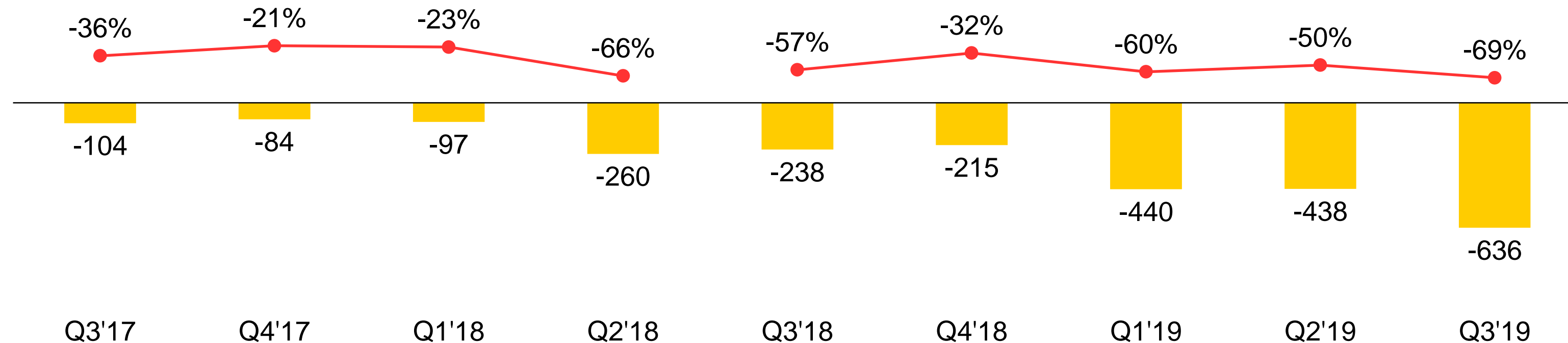
Revenue, MM Rub, YoY Growth, %



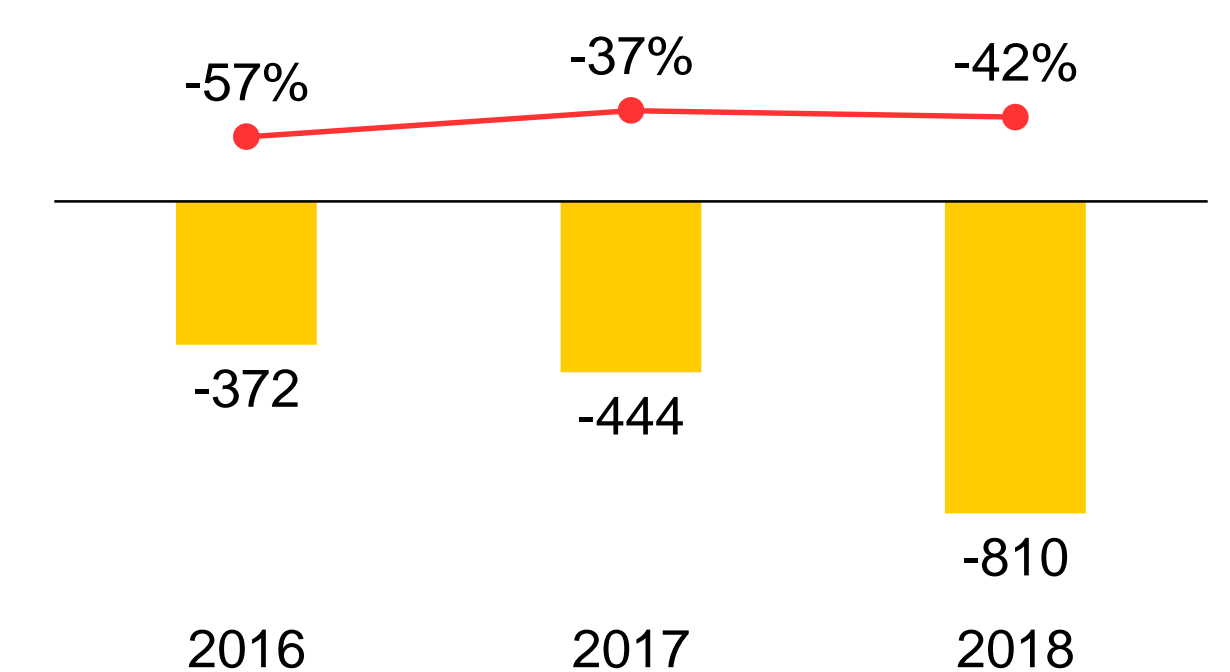
■ Revenue ● Revenue growth YoY



Adjusted EBITDA, MM Rub, and Adjusted EBITDA Margin, %



■ Adjusted EBITDA ● Adjusted EBITDA margin



Our Media Services segment includes: KinoPoisk / Yandex.Music / Yandex.Afisha / Yandex.TV program / Yandex.Studio / Yandex.Plus. Starting Q1 2018, Media Services were broken out from Other Bets and Experiments and now constitute a separate business unit. Items may not total due to rounding.

E-commerce in Russia

E-Commerce as % of overall retail market in 2018

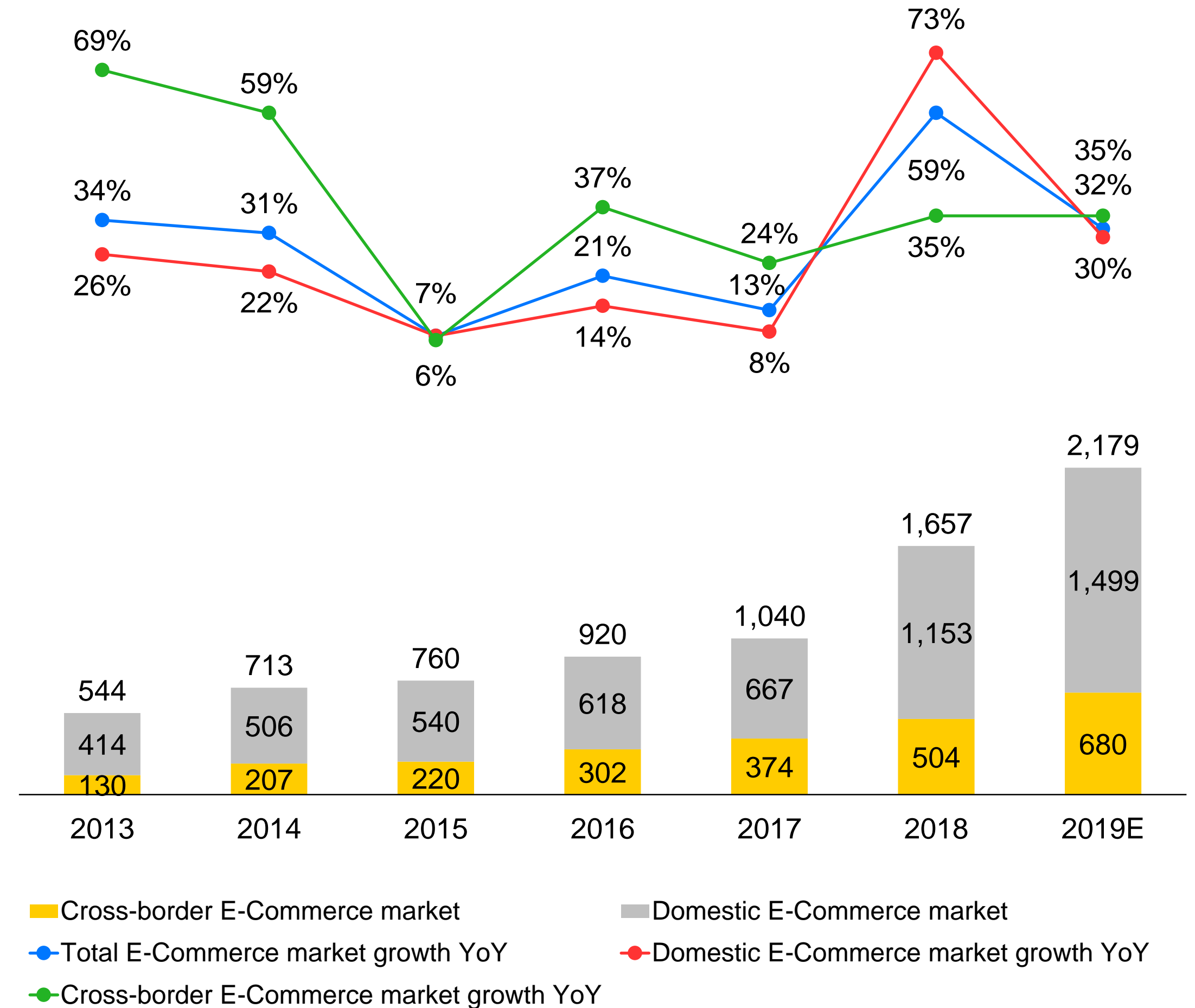
● **23.9%** in China

● **19.5%** in Great Britain

● **14.3%** in the USA

● **5.3%** in Russia

E-Commerce in Russia, Bn Rub, YoY Growth, %



Yandex.Market JV*

In Q3'19 revenue grew **+143%** YoY

Yandex.Market

One of the most popular internet services in Russia, providing product information, price comparison and user generated reviews of products and online retailers

170 Bn Rub GMV in 2018

In Q3'19 revenue grew **+30%** YoY

3.2 MM DAU in Q3'19

Beru!

Our domestic marketplace with both 1P and 3P products and fast, reliable delivery

> 400,000 SKUs

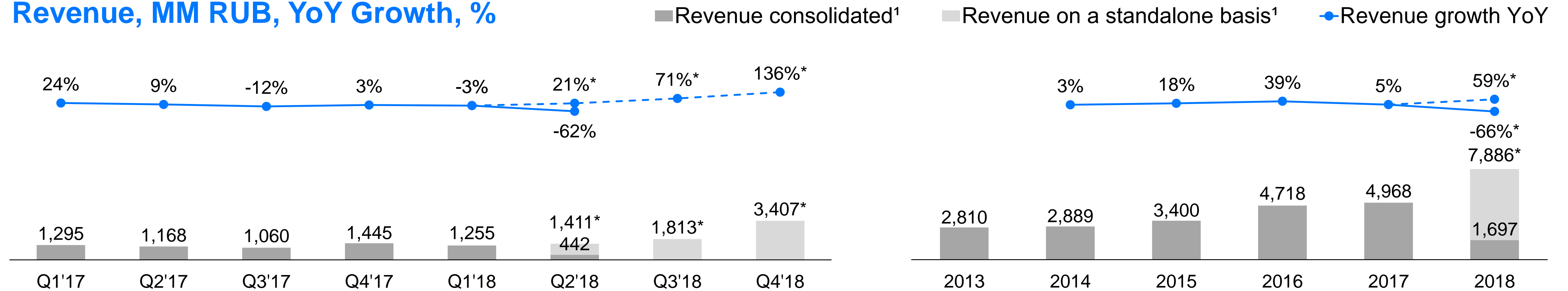
1.5 MM SKUs by 2020

> 2 Bn Rub of GMV per month (as of Oct'19)

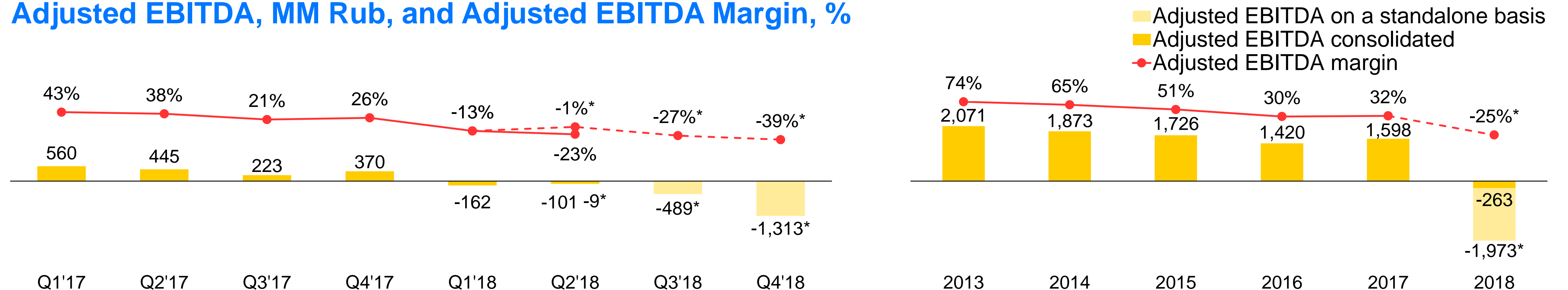
* Yandex.Market JV was formed on April 27, 2018 as a result of Sberbank and Yandex.Market transaction

E-Commerce

Revenue, MM RUB, YoY Growth, %



Adjusted EBITDA, MM Rub, and Adjusted EBITDA Margin, %



¹ Our E-commerce segment includes Yandex.Market service. On April 27, 2018 Yandex and Sberbank announced the completion of the formation of the joint venture based on the Yandex.Market platform, aimed at developing a leading B2C E-commerce ecosystem. The parties own equal stakes in the JV. We deconsolidated Yandex.Market starting April 27, 2018 from our consolidated financial results and since 2019 stopped disclosing JV results separately. Comparison shopping of Yandex.Market JV provides access to 230+ MM offers from 24,000+ online retailers.

Revenue consolidated includes revenues of Yandex.Market before April 27, 2018, and excludes such revenues post the transaction.

Revenues on a standalone basis includes total revenues of Yandex.Market JV as a standalone company.

* Yandex.Market's growth on a standalone basis

** We do not show YoY growth rates of BUs in 2013, as we had not yet formed segments in 2012

Items may not total due to rounding

Other Bets and Experiments

Yandex.Drive

Car-sharing service

16,500+ cars in Moscow,
St. Petersburg, Kazan

38 MM rides since launch

7-10 rides per car per day

#1 in Russia, **Top 3** globally by fleet size

Zen

Personalized
content feed

12.5 MM DAU (Sep'19)

> 30 min time spent daily

7.7 Bn Rub revenue run-rate (Q3'19)

+62% YoY revenue growth

Geolocation services

Yandex.Maps

Yandex.Navigator

Yandex.Routing

logistics B2B-platform

Yandex.Auto

infotainment platform with Alice

Currently available in **100,000** cars

2.5 MM preinstalls by 2024 in Renault,
Nissan, LADA and other OEMs

Yandex.Cloud

Intelligent public cloud platform

~ **50%** of revenue relates to PaaS

3 own local data centers

Key services:

- › Cloud computing and data storage
- › Database management
- › Machine translation
- › Speech recognition and synthesis

Yandex.Education

School of Data Analysis

2-year master program on data analysis

Yandex.Lyceum

Programming courses for school children

Yandex.Schoolbook

Educational program (math and Russian)
for primary school

Yandex.Praktikum

Postgraduate education and professional
retraining in the IT sphere

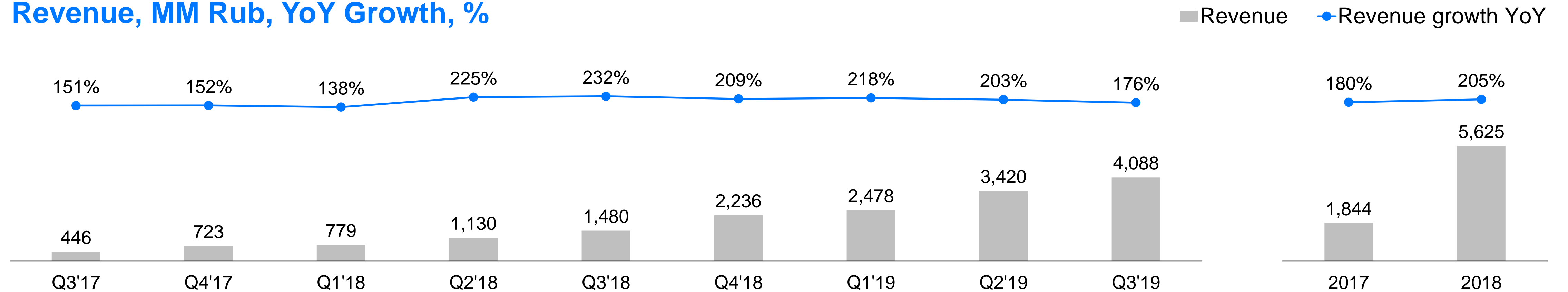
Yandex Academy

IT professional upgrade training projects

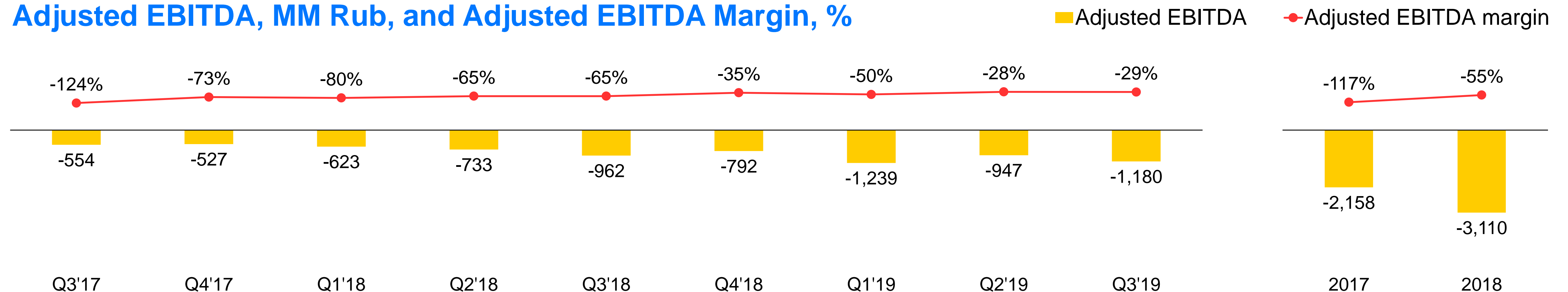
Yandex courses on Coursera

Other Bets and Experiments

Revenue, MM Rub, YoY Growth, %



Adjusted EBITDA, MM Rub, and Adjusted EBITDA Margin, %



Other Bets and Experiments category includes: Zen / Yandex.Cloud / Yandex.Drive / Geolocation Services / Yandex.Education. Geolocation Services and Yandex.Education previously were a part of our Search and Portal segment till Q4 2018
 Items may not total due to rounding

Fundamental Pillars of Yandex's Ecosystem

Alice the first conversational intelligent assistant in Russia

Launched in October 2017

> **45 MM** users per month

1 Bn voice requests to Alice monthly (Sep'19)

4 MM users of voice skills monthly (Sep'19)

Integrated across many platforms ranging from smart speakers, connected cars to home devices

Devices empowered with Alice

Dozens of thousands devices sold

1P Devices:

- > Yandex.Station
- > Yandex.Station Mini
- > Yandex.Auto
- > Yandex.Module (HDMI dongle)

3P Devices:

- > DEXP
- > Irbis
- > Elari
- > LG

Recently we launched Smart Home Ecosystem, which supports 3P smart home devices (Philips, Xiaomi, Samsung, Redmond devices) as well as Yandex's gadgets (the Smart Bulb, the Smart Plug, and the Smart Remote Control)

Yandex.Plus our subscription service to Yandex's products

Yandex.Plus offers the following benefits:

- > A full subscription to Yandex.Music, incl. unlimited downloads to mobile devices
- > A 10% discount for Yandex.Taxi rides in the Comfort, Comfort+ and Business categories
- > Free delivery for customers in > 50 locations in Russia spending > 500 RUB on Beru!
- > A 5%-12% discount for Yandex.Drive rides and an extended car reservation period
- > Ad-free viewing of films and television series
- > Additional 10GB of free storage space on Yandex.Disk
- > Extra points for tickets bought on Yandex.Afisha
- > More benefits will be added over time

169 Rub (\$2.75) per month

Full-price Yandex.Music subscribers in Russia automatically became members of Yandex.Plus

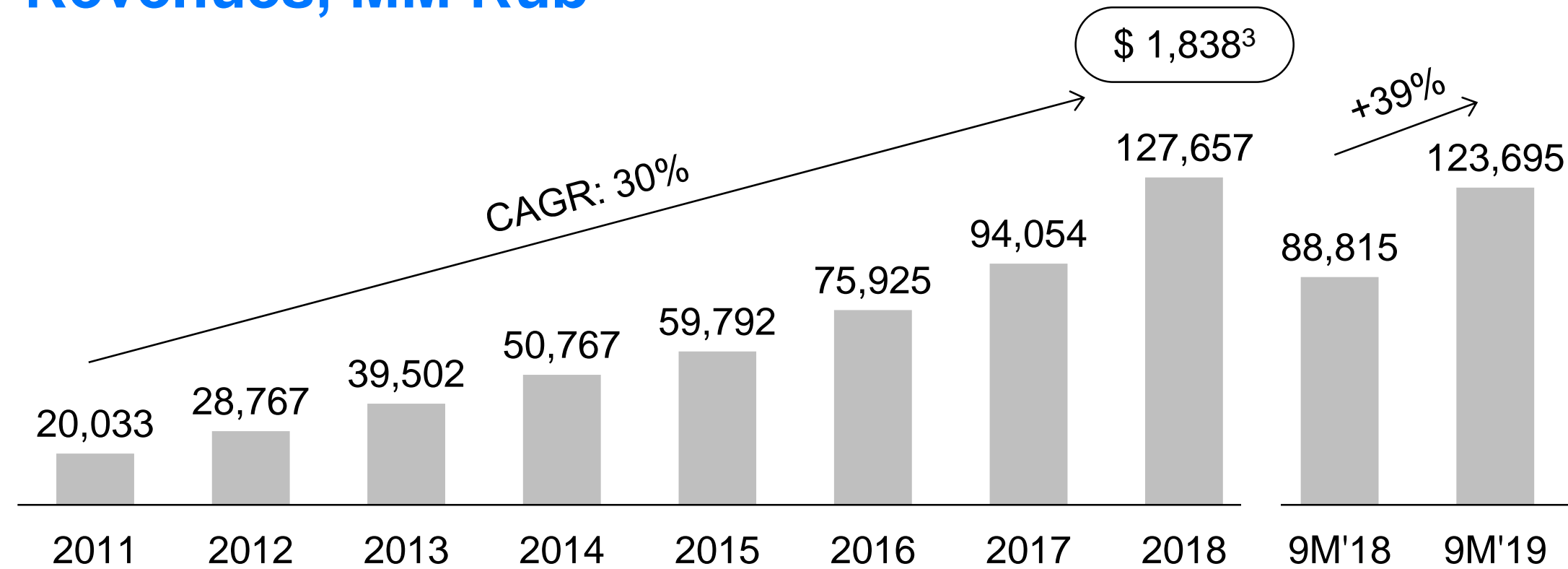
We launched the new Yandex.Plus credit and debit cards in partnership with Alfa-Bank and Tinkoff. The bank card includes a subscription to Yandex.Plus and offers 10% cashback on purchases on over fifteen Yandex services, as well as up to 5% cashback on other purchases

Recently, we launched family subscription to Yandex.Plus as well as expanded our service to Kazakhstan and Belarus

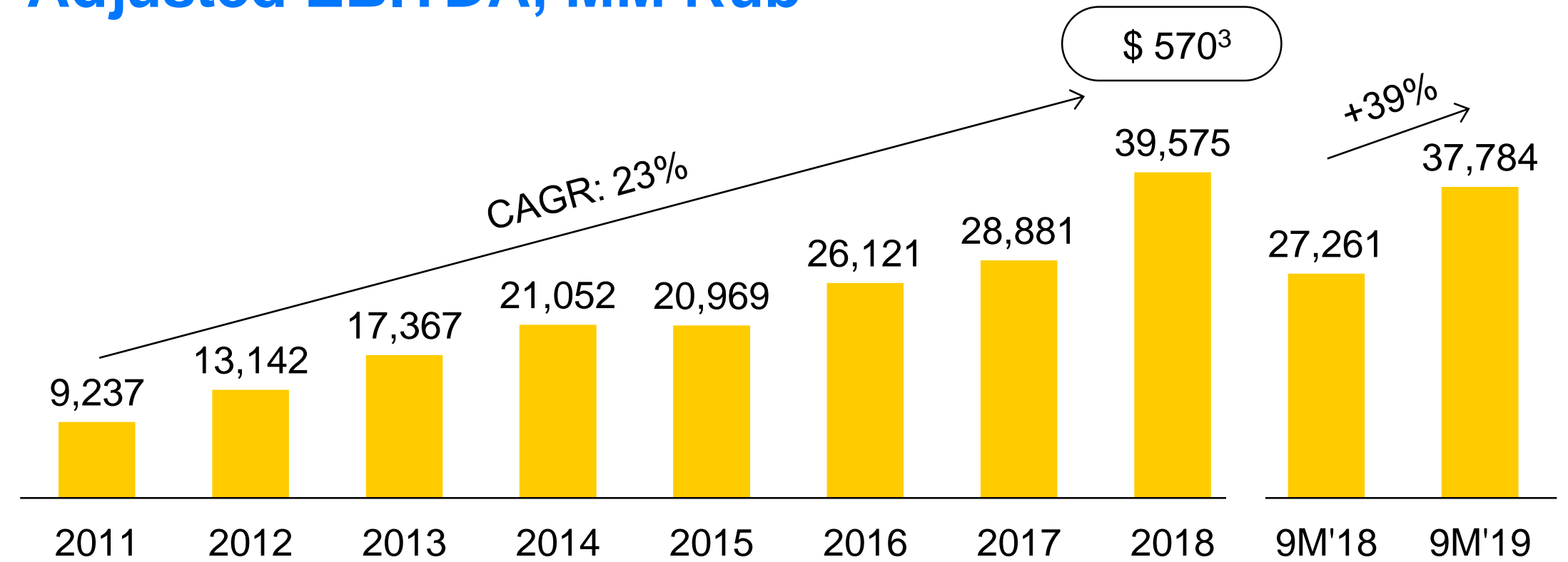
Consolidated Financials

Financial Summary

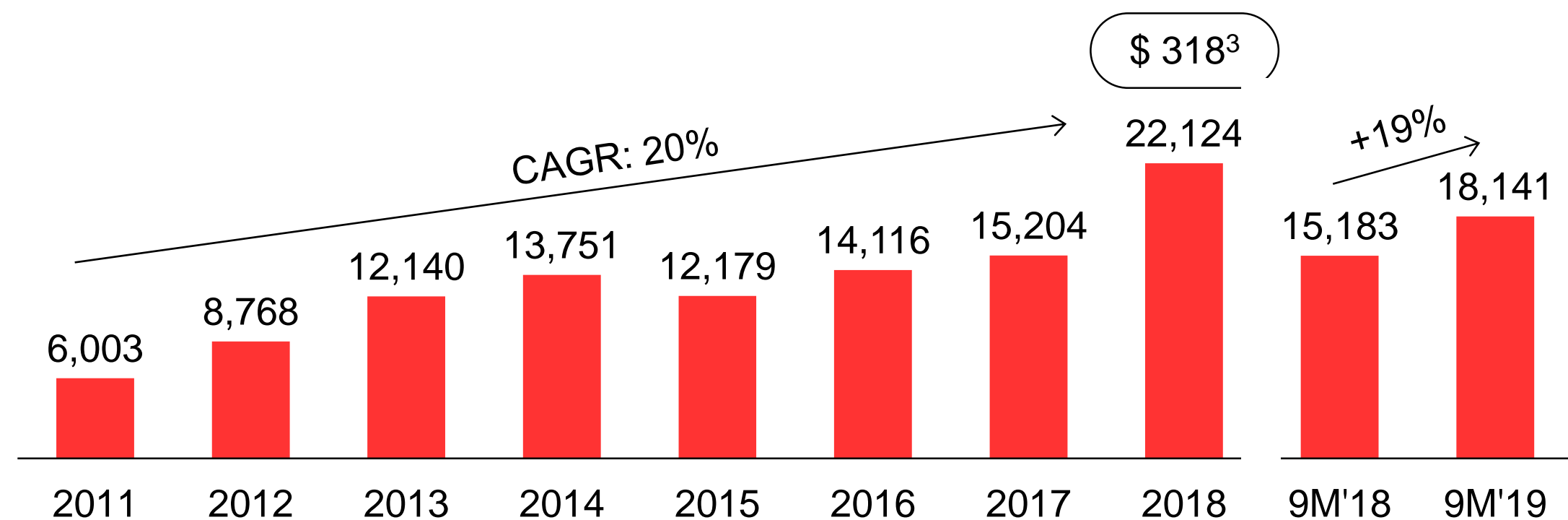
Revenues, MM Rub¹



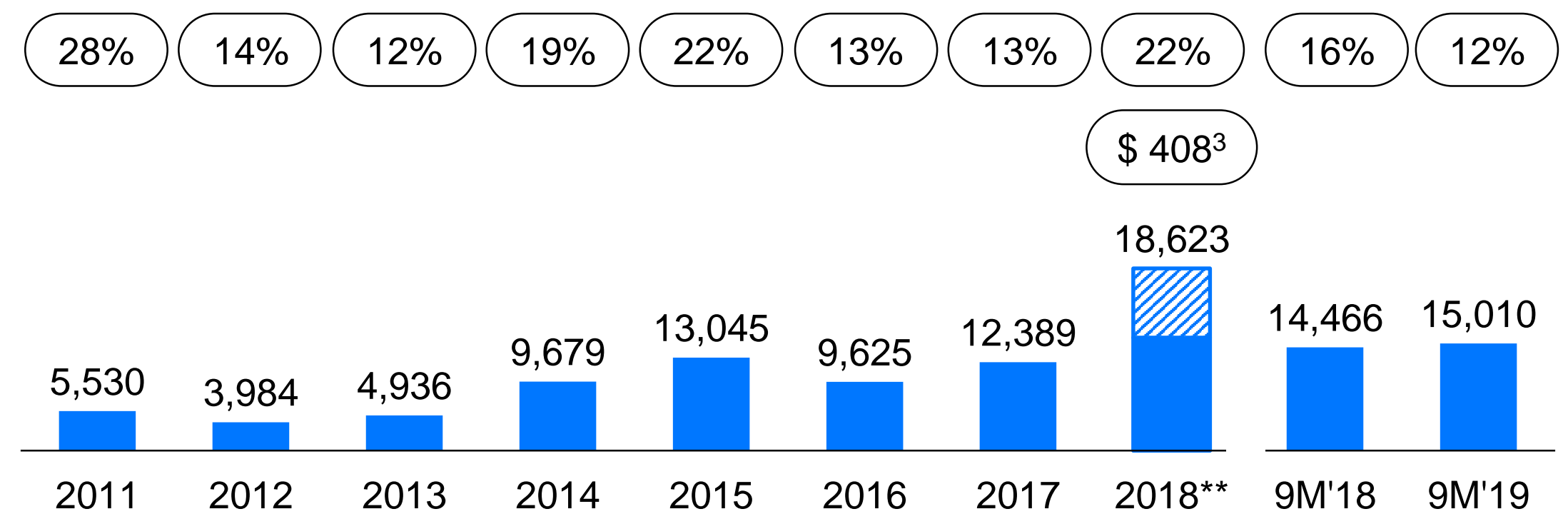
Adjusted EBITDA, MM Rub²



Adjusted Net Income, MM Rub³



Capex, MM Rub, as % of Revenues



¹ Revenues are recognized net of VAT, discounts and commissions, but gross of TAC

² Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA margin and Adjusted Net Income margin are non-GAAP financial measures. For Reconciliations see slides 36-39.

³ Translated using an exchange rate of Rub 69.4706 to \$1.00 as of Dec 31, 2018. \$ figures, shown in charts, expressed in millions.

* The growth rates of the financial results, excluding Yandex.Market. We deconsolidated Yandex.Market starting April 27, 2018, the date of the completion of the Yandex.Market joint venture between Yandex and Sberbank.

** Our Capex, excluding the one-off effect from the headquarter site acquisition, was 15% in 2018

Quarterly Financial Summary by Segment

Revenues, MM RUB	Q1'17	Q2'17	Q3'17	Q4'17	FY '17	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19
Search & Portal	18,284	19,815	20,742	23,559	82,400	21,569	23,965	25,816	29,671	101,021	27,109	29,090	31,172
E-commerce	1,295	1,168	1,060	1,445	4,968	1,255	442	-	-	1,697	-	-	-
Taxi	778	772	1,150	2,191	4,891	3,116	4,064	5,109	6,924	19,213	7,639	8,810	9,654
Classifieds	367	456	548	688	2,059	706	915	988	1,108	3,717	1,106	1,302	1,371
Media Services	244	251	290	402	1,187	421	395	414	679	1,909	734	876	924
Other Bets and Experiments	327	348	446	723	1,844	779	1,130	1,480	2,236	5,625	2,478	3,420	4,088
Eliminations	(643)	(706)	(798)	(1,148)	(3,295)	(1,273)	(1,239)	(1,237)	(1,776)	(5,525)	(1,782)	(2,101)	(2,195)
Total Revenues	20,652	22,104	23,438	27,860	94,054	26,573	29,672	32,570	38,842	127,657	37,284	41,397	45,014

Adj. EBITDA, MM RUB*	Q1'17	Q2'17	Q3'17	Q4'17	FY '17	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19
Search & Portal	8,154	9,330	9,196	10,987	37,667	10,554	11,661	12,593	13,424	48,232	12,847	13,747	15,467
E-commerce	560	445	223	370	1,598	(162)	(101)	-	-	(263)	-	-	-
Taxi	(1,245)	(1,966)	(3,168)	(1,584)	(7,963)	(1,712)	(1,882)	(711)	(129)	(4,434)	(116)	423	170
Classifieds	3	(20)	44	70	97	(287)	44	78	(18)	(183)	(328)	265	43
Media Services	(150)	(106)	(104)	(84)	(444)	(97)	(260)	(238)	(215)	(810)	(440)	(438)	(636)
Other Bets and Experiments	(523)	(554)	(554)	(527)	(2,158)	(623)	(733)	(962)	(792)	(3,110)	(1,239)	(947)	(1,180)
Eliminations	21	17	20	26	84	31	27	41	44	143	44	47	55
Total Adj. EBITDA	6,820	7,146	5,657	9,258	28,881	7,704	8,756	10,801	12,314	39,575	10,768	13,097	13,919

In Q1 2019 we introduced the following changes to our segments structure:

- Search and Portal segment offers a broad range of services in Russia, Belarus, Kazakhstan, Uzbekistan and Turkey, other than those described below. Since Q1 2019 our Search and Portal segment also includes Yandex.Health, previously reported in Other Bets and Experiments;
- E-commerce segment includes Yandex.Market for the period prior to April 27, 2018, the date of the completion of the Yandex.Market joint venture between Yandex and Sberbank;
- Taxi segment includes our Taxi business (including Yandex.Taxi and Uber in Russia and neighboring countries), Food Delivery business (including Yandex.EATs, UberEATs and Yandex.Chef, a meal kit subscription service) and Self-Driving Cars division;
- Classifieds segment includes Auto.ru, Yandex.Realty and Yandex.Jobs;
- Media Services segment includes KinoPoisk, Yandex.Music, Yandex.Afisha, Yandex.TV program, our production center Yandex.Studio and our subscription service Yandex.Plus;
- Other Bets and Experiments segment includes Zen, Yandex.Cloud, Yandex.Drive, Geolocation Services and Yandex.Education. Geolocation Services and Yandex.Education previously were a part of our Search and Portal segment.
- Eliminations in our revenues represent the elimination of transactions between the reportable segments, primarily related to advertising. Eliminations related to our adjusted EBITDA mainly reflect reallocation of a portion of Search and Portal D&A expenses related to leasehold improvements to office rent expenses of our business unites..

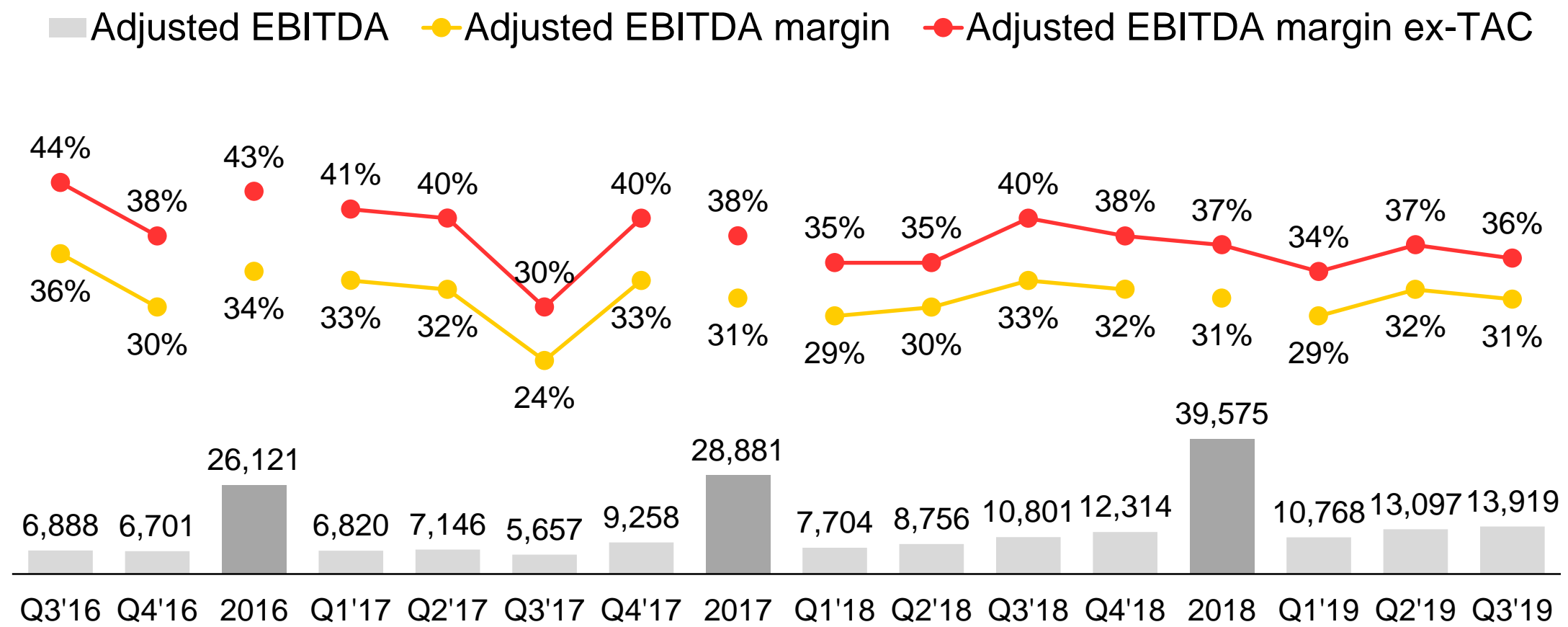
*Due to adoption of ASU 842 "Leases" since the beginning of 2019, we recognized certain impact on Q2 2018 financial measures, including our Adj EBITDA and Adj EBITDA margin of Search and Portal results, this is in contrast to Q1 2018, when the impact was insignificant. As a result of restatement the Adj EBITDA margin of Search and Portal in Q2 2018 was 48.7%, down 30 bps compared to Q2 2018 before the restatement in the new segment structure, adopted in Q1 2019. Accordingly, our consolidated Adj EBITDA margin became 29.5%, also down 30 bps.

Revenue growth, %YoY	Q1'17	Q2'17	Q3'17	Q4'17	FY '17	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19
Search & Portal						18%	21%	24%	26%	23%	26%	21%	21%
E-commerce						-3%	-62%	-	-	-66%	-	-	-
Taxi						301%	426%	344%	216%	293%	145%	117%	89%
Classifieds						92%	101%	80%	61%	81%	57%	42%	39%
Media Services						73%	57%	43%	69%	61%	74%	122%	123%
Other Bets and Experiments						138%	225%	232%	209%	205%	218%	203%	176%
Eliminations						98%	75%	55%	55%	68%	40%	70%	77%
Total Revenues						29%	34%	39%	39%	36%	40%	40%	38%

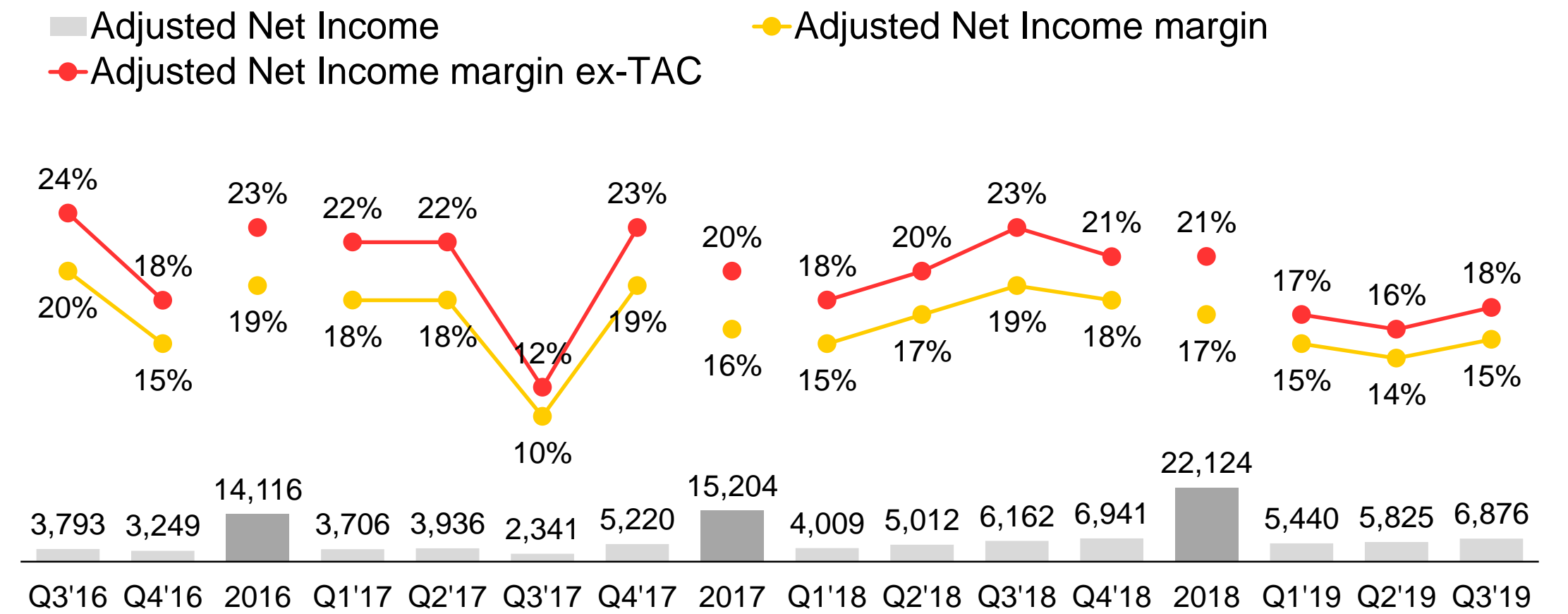
Adj. EBITDA Margin, %	Q1'17	Q2'17	Q3'17	Q4'17	FY '17	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19
Search & Portal	45%	47%	44%	47%	46%	49%	49%	49%	45%	48%	47%	47%	50%
E-commerce	43%	38%	21%	26%	32%	-13%	-23%	-	-	-16%	-	-	-
Taxi	-160%	-255%	-276%	-72%	163%	-55%	-46%	-14%	-2%	-23%	-1%	5%	2%
Classifieds	1%	-4%	8%	10%	5%	-41%	5%	8%	-2%	-5%	-30%	20%	3%
Media Services	-62%	-42%	-36%	-21%	-37%	-23%	-66%	-58%	-32%	-42%	-60%	-50%	-69%
Other Bets and Experiments	-160%	-159%	-124%	-73%	117%	-80%	-65%	-65%	-35%	-55%	-50%	-28%	-29%
Eliminations	-3%	-2%	-3%	-2%	-3%	-2%	-2%	-3%	-2%	-3%	-2%	-2%	-3%
Total Adj. EBITDA Margin	33%	32%	24%	33%	31%	29%	30%	33%	32%	31%	29%	32%	31%

Consolidated Adjusted EBITDA¹, Net Income², headcount Evolution — Breakdown by GAAP Cost Category and Capex

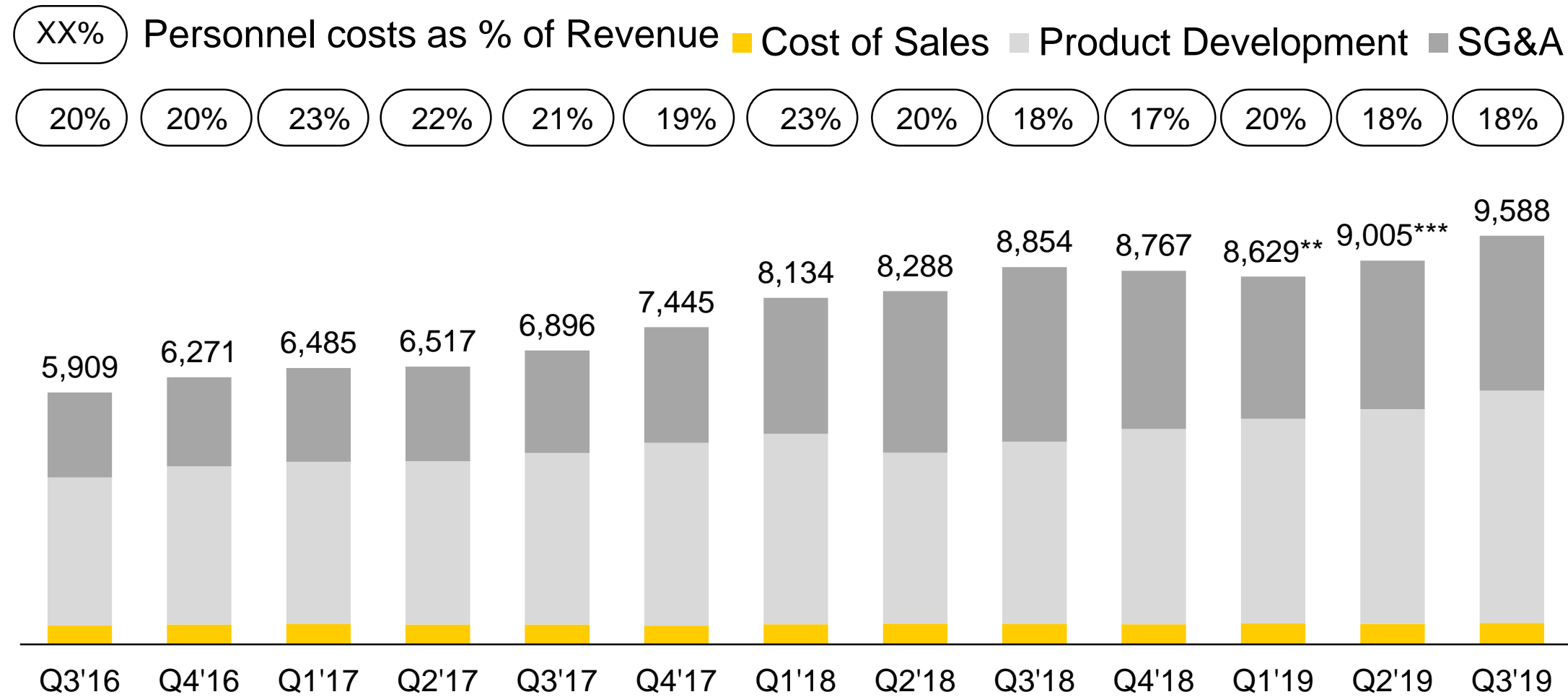
Adjusted EBITDA, MM Rub, and Margin, %



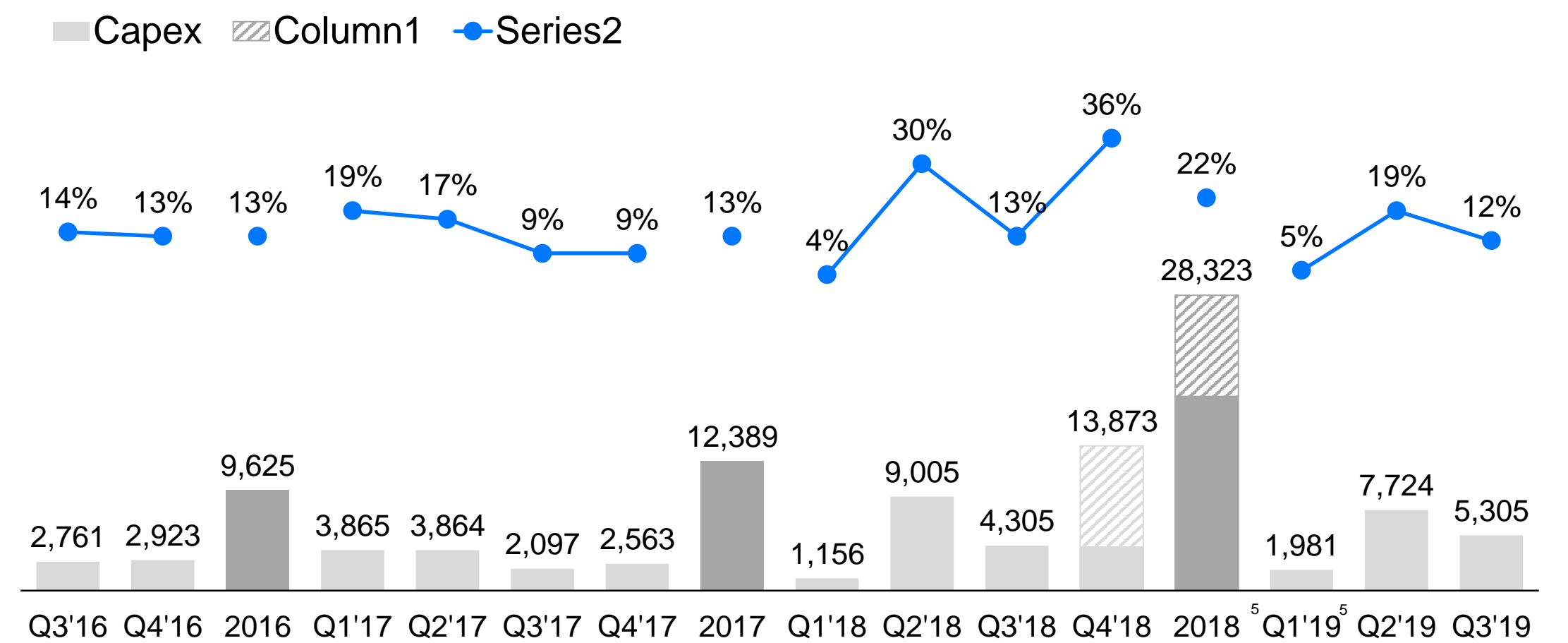
Adjusted Net Income, MM Rub, and Margin, %



Headcount³ by GAAP Cost Category⁴



Capex, MM Rub, and Capex/Revenue Ratio, %



For marks see next page

Consolidated Adjusted EBITDA¹, Net Income², headcount Evolution — Breakdown by GAAP Cost Category and Capex (marks)

¹ Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA margin ex-TAC are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures to their most directly comparable US GAAP measures, see slides 36-39.

² Adjusted Net Income, Adjusted Net Income margin and Adjusted Net Income margin ex-TAC are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures to their most directly comparable US GAAP measures, see slides 36-39.

* Our E-commerce segment includes Yandex.Market service. On April 27, 2018 Yandex and Sberbank announced the completion of the formation of the joint venture based on the Yandex.Market platform, aimed at developing a leading B2C E-commerce ecosystem. The parties own equal stakes in the JV. We deconsolidated Yandex.Market starting April 27, 2018 from our consolidated financial results.

³ As of the end of the period

⁴ Items may not total 100% due to rounding

⁵ In Q4 2018 capital expenditures were Rub 13.9 Bn, which included one-time effect of the acquisition cost of the property site for our new Moscow headquarters, which amounted to Rub 9.7 Bn (around \$145 MM, based on the exchange rate as of transaction date) exclusive of 18% VAT. Our Capex, excluding the one-off effect from the headquarter site acquisition, was 11% of total Q4'18 revenues, while for the FY 2018 our Capex was 15% of total revenues. We expect our Capex, excluding expenses related to the new HQ, to be in the low teens as a percent of consolidated revenues in 2019.

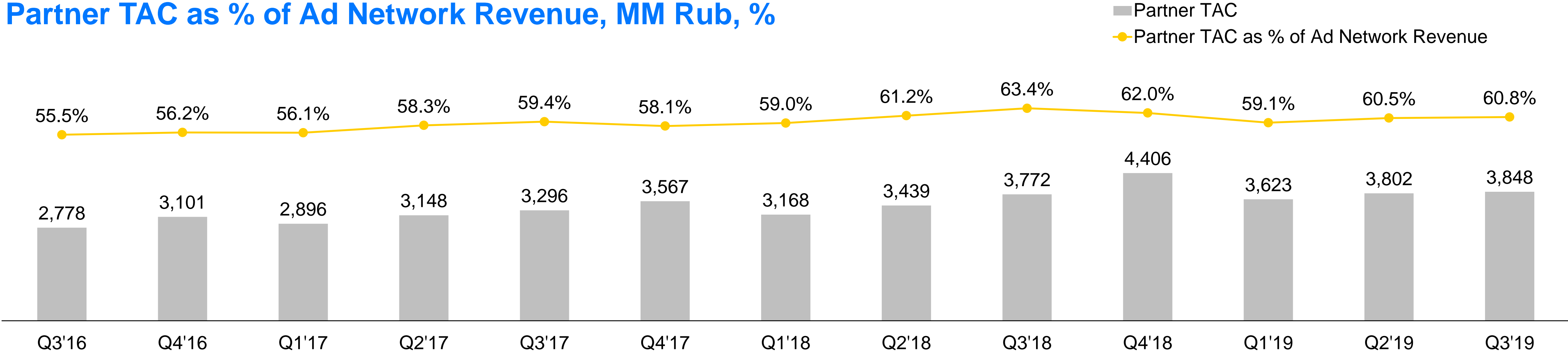
** In Q4'18 our headcount was down 1% compared to September 30, 2018. This decrease was mainly due to headcount reclassification, which we implemented to ensure consistency in internal reporting.

*** In Q1'19 our headcount was down 2% compared to December 31, 2018. This decrease was mainly due to headcount reclassification, which we continued to implement to ensure consistency in internal reporting.

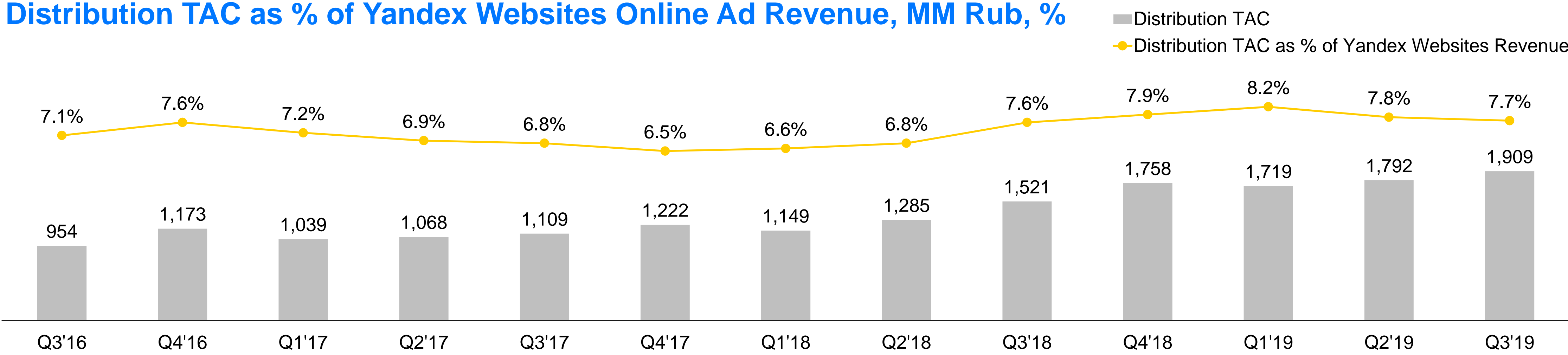
Note: Capex primarily relates to servers and data center equipment. Capex is not evenly spread across the quarters and depends on the delivery date of equipment.

Traffic Acquisition Costs

Partner TAC as % of Ad Network Revenue, MM Rub, %

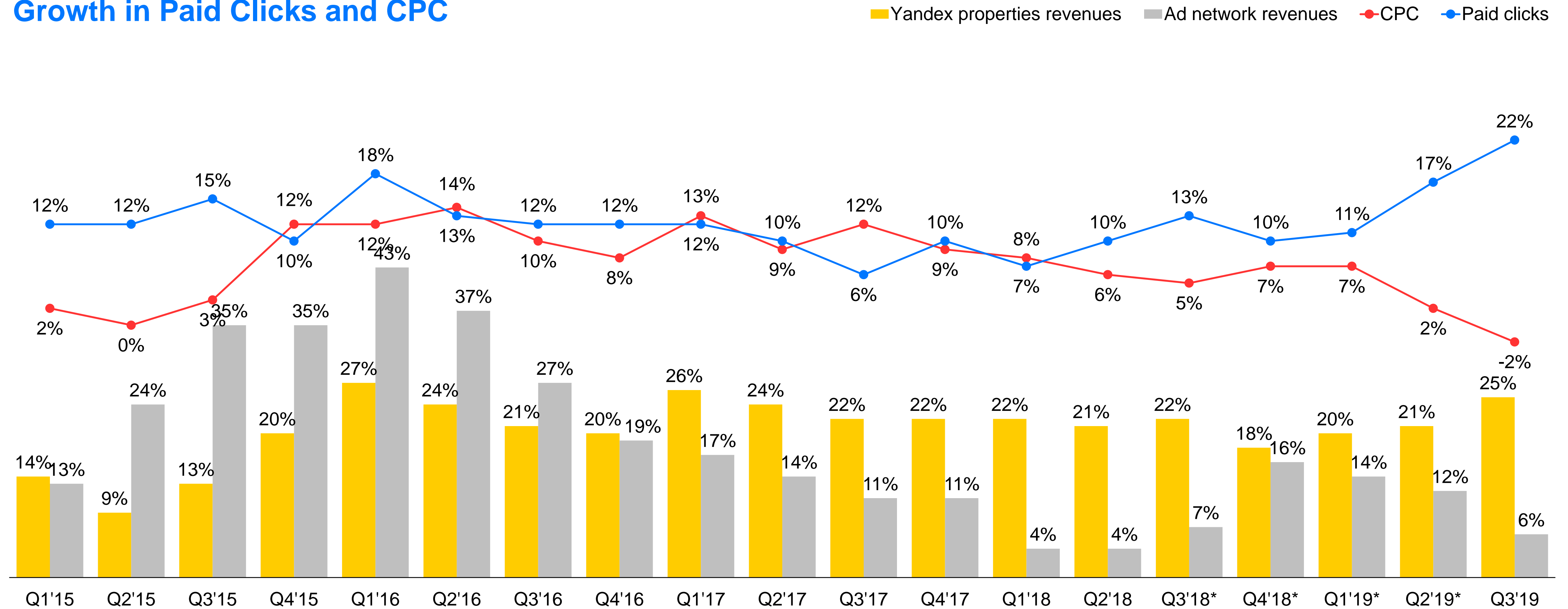


Distribution TAC as % of Yandex Websites Online Ad Revenue, MM Rub, %



Operational Metrics

Growth in Paid Clicks and CPC



Starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. Therefore, Q1'16 revenue growth for this respective period represents growth rate of our online advertising revenues from Yandex websites, which include our text-based and display revenues, derived from Yandex Websites, and growth rate of online advertising revenues from our Ad Network, which include our text-based and display revenues, derived from Yandex Advertising Network. Data for periods prior to Q1'16, is consistent with what was presented previously and provides growth rates of text-based revenues from Yandex Websites and growth rates of text-based revenues from Ad Network.

* Paid clicks, excluding paid clicks on Yandex.Market, grew 22% in Q3'18, 20% in Q4'18, 20% in Q1'19, 20% in Q2'19 YoY; CPC, excluding clicks of Yandex.Market, grew 2% in Q3'18, 4% in Q4'18, 4% in Q1'19, 1% in Q2'19 YoY.

Ownership Structure

The total number of shares issued and outstanding as of **September 30, 2019** was

328,485,996

Including

- > **290,767,337** Class A shares
- > **37,718,658** Class B shares
- > **One** Priority share
- > **Excluding 1,830,318** Class A shares held in treasury as a result of Yandex's share repurchase program

Shareholders	Economic Ownership as of September 30, 2019
Principal pre-IPO Shareholders, Directors, Officers and Employees	14.0%
Arkady Volozh (CEO)	9.8%
Other Directors, Officers & Employees	4.1%
Other pre-IPO Shareholders	0.8%
Public Investors	85.2%
Total	100%

Supplementary Materials

Reconciliation of Non-GAAP Financial Measures¹

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	2013	2014	2015	2016	2017	2018
Total revenues	19,293	22,119	20,652	22,104	23,438	27,860	26,573	29,672	32,570	38,842	37,284	41,397	45,014	39,502	50,767	59,792	75,925	94,054	127,657
Less: traffic acquisition costs (TAC)	3,732	4,274	3,935	4,216	4,405	4,789	4,317	4,724	5,293	6,164	5,342	5,594	5,757	7,850	11,076	12,741	14,950	17,345	20,498
Ex-TAC revenues	15,561	17,845	16,717	17,888	19,033	23,071	22,256	24,948	27,277	32,678	31,942	35,803	39,257	31,652	39,691	47,051	60,975	76,709	107,159
Net income	2,443	1,213	1,444	3,112	939	3,525	1,851	32,575	4,433	5,398	3,124	3,416	4,378	13,474	17,020	9,679	6,783	9,020	44,258
Add: depreciation and amortization	2,489	2,408	2,463	2,823	2,930	3,023	2,890	2,926	3,118	3,203	3,257	3,756	3,788	3,695	4,484	7,791	9,607	11,239	12,137
Add: share-based compensation expense	785	865	958	965	876	1,394	1,633	1,561	1,716	1,642	2,119	2,347	2,670	754	1,210	2,718	3,422	4,193	6,552
Add: compensation expense related to contingent consideration	61	91	78	41	42	42	22	7	8	7	7	7	24	81	35	291	245	203	44
Less: effect of Yandex.Market deconsolidation	-	-	-	-	-	-	-	(28,244)	-	-	-	-	-	-	-	-	-	-	(28,244)
Add: goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	576	-	-	-
Less: interest income, net	(351)	(344)	(481)	(471)	(506)	(554)	(487)	(574)	(668)	(708)	(826)	(822)	(817)	(1,717)	(856)	(1,744)	(1,655)	(2,012)	(2,437)
Less: other income/(loss), net	254	1,209	1,420	(991)	481	(93)	491	(1,352)	(155)	(114)	235	414	(364)	(2,154)	(6,248)	(2,161)	3,570	817	(1,129)
Less: (income)/loss from equity method investments	(36)	(55)	-	-	-	-	(91)	(211)	22	474	638	946	899	(5)	(48)	(98)	(175)	-	194
Add: provision for income taxes	1,243	1,314	938	1,280	895	1,904	1,395	2,068	2,326	2,412	2,214	3,033	3,341	3,239	5,455	3,917	4,324	5,017	8,201
Add: operating losses resulting from sanctions in Ukraine	-	-	-	387	-	17	-	-	-	-	-	-	-	-	-	-	-	404	-
Adjusted EBITDA	6,888	6,701	6,820	7,146	5,657	9,258	7,704	8,756	10,801	12,314	10,768	13,097	13,919	17,367	21,052	20,969	26,121	28,881	39,575

¹ Figures may not add due to rounding

Reconciliation of Non-GAAP Financial Measures (continued)¹

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	2013	2014	2015	2016	2017	2018
Net income	2,443	1,213	1,444	3,112	939	3,525	1,851	32,575	4,434	5,398	3,124	3,416	4,378	13,474	17,020	9,679	6,783	9,020	44,257
Add: SBC expense	785	865	958	965	876	1,394	1,633	1,561	1,716	1,642	2,119	2,347	2,670	754	1,210	2,718	3,422	4,193	6,552
Less: reduction in income tax attributable to SBC expense	(12)	-	(12)	(16)	(18)	(16)	(20)	(27)	(29)	(28)	(18)	(21)	(20)	(9)	(20)	(41)	(36)	(62)	(104)
Add: compensation expense related to contingent consideration	61	91	78	41	42	42	22	7	8	7	7	7	24	81	35	291	245	203	44
Less: foreign exchange (gains)/losses	432	1,163	1,370	(875)	464	176	482	(1,224)	(154)	(273)	279	270	(254)	(139)	(6,553)	(1,903)	3,834	1,135	(1,169)
Add: increase/(reduction) in income tax attributable to foreign exchange (gains)/losses	(83)	(234)	(264)	190	(92)	(31)	(86)	223	36	68	(71)	(73)	78	28	1,324	355	(775)	(196)	241
Less: effect of deconsolidation of former subsidiaries	-	-	-	-	-	-	-	(28,244)	-	-	-	(121)	-	-	-	-	-	-	(28,244)
Add: impairment of investment in equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700	-	-	-	-
Less: reduction in income tax attributable to impairment of investment in equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(175)	-	-	-	-
Less: gain from sale and deconsolidation of equity investments	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,067)	-	-	-	-	-
Add: goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	576	-	-	-
Less: (gain)/loss from repurchases of convertible debt	-	-	3	3	-	-	-	-	-	-	-	-	-	-	(548)	(310)	(53)	6	-
Add: increases/(reduction) in income tax attributable to (gain)/loss from repurchases of convertible debt	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	137	77	13	(1)	-
Add: amortization of debt discount	223	201	173	165	173	173	170	187	201	170	-	-	-	24	811	967	911	684	728
Less: reduction in income tax attributable to amortization of debt discount	(56)	(50)	(43)	(42)	(43)	(43)	(43)	(46)	(50)	(43)	-	-	-	(6)	(190)	(230)	(228)	(171)	(182)
Add: losses resulting from sanctions in Ukraine	-	-	-	393	-	-	-	-	-	-	-	-	-	-	-	-	-	393	-
Adjusted net income	3,793	3,249	3,706	3,936	2,341	5,220	4,009	5,012	6,162	6,941	5,440	5,825	6,876	12,140	13,751	12,179	14,116	15,204	22,124

¹ Figures may not add due to rounding

Reconciliation of Non-GAAP Financial Measures (continued)¹

	US GAAP Actual Net Income	Net Income Margin (1)	Adjustment (2)	Adjusted EBITDA	Adjusted EBITDA Margin (3)	Adjusted Ex-TAC EBITDA Margin (4)
Reconciliation of Adjusted EBITDA Margin and Adjusted Ex-TAC EBITDA Margin to US GAAP Net Income Margin (Rub MM)						
Three months ended June 30, 2015	423	3.0%	4,394	4,817	34.6%	44.2%
Three months ended September 30, 2015	4,278	27.7%	1,743	6,021	39.0%	49.5%
Three months ended December 31, 2015	2,851	15.8%	3,709	6,560	36.3%	45.6%
Three months ended March 31, 2016	1,069	6.5%	4,701	5,770	35.0%	44.1%
Three months ended June 30, 2016	2,058	11.4%	4,704	6,762	37.5%	46.7%
Three months ended September 30, 2016	2,443	12.7%	4,445	6,888	35.7%	44.3%
Three months ended December 31, 2016	1,213	5.5%	5,488	6,701	30.3%	37.6%
Three months ended March 31, 2017	1,144	7.0%	5,376	6,820	33.0%	40.8%
Three months ended June 30, 2017	3,112	14.1%	4,034	7,146	32.3%	39.9%
Three months ended September 30, 2017	939	4.0%	4,718	5,657	24.1%	29.7%
Three months ended December 31, 2017	3,525	12.7%	5,733	9,258	33.2%	40.1%
Three months ended March 31, 2018	1,851	7.0%	5,853	7,704	29.0%	34.6%
Three months ended June 30, 2018	32,575	109.8%	(23,819)	8,756	29.5%	35.1%
Three months ended September 30, 2018	4,434	13.6%	6,367	10,801	33.2%	39.6%
Three months ended December 31, 2018	5,398	13.9%	6,916	12,314	31.7%	37.7%
Three months ended March 31, 2019	3,124	8.4%	7,644	10,768	28.9%	33.7%
Three months ended June 30, 2019	3,416	8.3%	9,681	13,097	31.6%	36.6%
Three months ended September 30, 2019	4,378	9.7%	9,541	13,919	30.9%	35.5%
Twelve months ended December 31, 2010	3,817	30.5%	2,347	6,164	49.3%	56.4%
Twelve months ended December 31, 2011	5,773	28.8%	3,464	9,237	46.1%	54.2%
Twelve months ended December 31, 2012	8,223	28.6%	4,919	13,142	45.7%	54.8%
Twelve months ended December 31, 2013	13,474	34.1%	3,893	17,367	44.0%	54.9%
Twelve months ended December 31, 2014	17,020	33.5%	4,032	21,052	41.5%	53.0%
Twelve months ended December 31, 2015	9,679	16.2%	11,290	20,969	35.1%	44.6%
Twelve months ended December 31, 2016	6,783	8.9%	19,338	26,121	34.4%	42.8%
Twelve months ended December 31, 2017	9,020	9.6%	19,861	28,881	30.7%	37.7%
Twelve months ended December 31, 2018	44,258	34.7%	(4,683)	39,575	31.0%	36.9%

(1) Net income margin is defined as net income divided by total revenues.

(2) Adjusted to eliminate depreciation and amortization expense, SBC expense, expense related to contingent compensation, effect of deconsolidation of former subsidiaries, interest income, interest expense, (income)/loss from equity method investments, other (income)/loss, net and income tax expense. For a reconciliation of adjusted EBITDA to net income, please see the table above.

(3) Adjusted EBITDA margin is defined as adjusted EBITDA divided by total revenues.

(4) Adjusted ex-TAC EBITDA margin is defined as adjusted EBITDA divided by ex-TAC revenues. For a reconciliation of ex-TAC revenues to U.S. GAAP revenues, please see the table above.

¹ Figures may not add due to rounding

Reconciliation of Non-GAAP Financial Measures (continued)¹

	US GAAP Actual Net Income	Net Income Margin (1)	Adjustment (2)	Adjusted Net Income	Adjusted Net Income Margin (3)	Adjusted Ex-TAC Net Income Margin (4)
Reconciliation of Adjusted Net Income Margin and Adjusted Ex-TAC Net Income Margin to US GAAP Net Income Margin (Rub MM)						
Three months ended June 30, 2015	423	3.0%	2,368	2,791	20.1%	25.6%
Three months ended September 30, 2015	4,278	27.7%	(771)	3,507	22.7%	28.8%
Three months ended December 31, 2015	2,851	15.8%	781	3,632	20.1%	25.3%
Three months ended March 31, 2016	1,069	6.5%	2,099	3,168	19.2%	24.2%
Three months ended June 30, 2016	2,058	11.4%	1,848	3,906	21.7%	27.0%
Three months ended September 30, 2016	2,443	12.7%	1,350	3,793	19.7%	24.4%
Three months ended December 31, 2016	1,213	5.5%	2,036	3,249	14.7%	18.2%
Three months ended March 31, 2017	1,144	7.0%	2,262	3,706	17.9%	22.2%
Three months ended June 30, 2017	3,112	14.1%	824	3,936	17.8%	22.0%
Three months ended September 30, 2017	939	4.0%	1,402	2,341	10.0%	12.3%
Three months ended December 31, 2017	3,525	12.7%	1,695	5,220	18.7%	22.6%
Three months ended March 31, 2018	1,851	7.0%	2,158	4,009	15.1%	18.0%
Three months ended June 30, 2018	32,575	109.8%	(27,563)	5,012	16.9%	20.1%
Three months ended September 30, 2018	4,433	13.6%	1,728	6,162	18.9%	22.6%
Three months ended December 31, 2018	5,398	13.9%	1,543	6,941	17.9%	21.2%
Three months ended March 31, 2019	3,124	8.4%	2,316	5,440	14.6%	17.0%
Three months ended June 30, 2019	3,416	8.3%	2,409	5,825	14.1%	16.3%
Three months ended September 30, 2019	4,378	9.7%	2,498	6,876	15.3%	17.5%
Twelve months ended December 31, 2010	3,817	30.5%	151	3,968	31.7%	36.3%
Twelve months ended December 31, 2011	5,773	28.8%	230	6,003	30.0%	35.2%
Twelve months ended December 31, 2012	8,223	28.6%	545	8,768	30.5%	36.6%
Twelve months ended December 31, 2013	13,474	34.1%	(1,334)	12,140	30.7%	38.4%
Twelve months ended December 31, 2014	17,020	33.5%	(3,269)	13,751	27.1%	34.6%
Twelve months ended December 31, 2015	9,679	16.2%	2,500	12,179	20.4%	25.9%
Twelve months ended December 31, 2016	6,783	8.9%	7,333	14,116	18.6%	23.2%
Twelve months ended December 31, 2017	9,020	9.6%	6,184	15,204	16.2%	19.8%
Twelve months ended December 31, 2018	44,258	34.7%	(22,134)	22,124	17.3%	20.6%

(1) Net income margin is defined as net income divided by total revenues.

(2) Adjusted to eliminate SBC expense (as adjusted for the income tax reduction attributable to SBC expense), expense related to contingent compensation, foreign exchange (gains)/losses as adjusted for the increase/(reduction) in income tax attributable to the (gains)/losses, effect of deconsolidation of former subsidiaries and amortization of debt discount (as adjusted for the related reduction in income tax). For a reconciliation of adjusted net income to net income, please see the table above.

(3) Adjusted net income margin is defined as adjusted net income divided by total revenues.

(4) Adjusted ex-TAC net income margin is defined as adjusted net income divided by ex-TAC revenues. For a reconciliation of ex-TAC revenues to U.S. GAAP revenues, please see the table.

¹ Figures may not add due to rounding

Yandex

Contact us



askir@yandex-team.ru



+7 495 974-35-38