

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number 001-38882

HeadHunter Group PLC

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cyprus

(Jurisdiction of incorporation or organization)

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Moscow, 129085
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(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Ordinary shares, nominal value €0.002 per share* | HHR | The Nasdaq Global Select Market |

* Not for trading, but only in connection with the listing on The Nasdaq Global Select Market of the issuer's American Depositary Shares, each representing one ordinary share.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital stock or common stock as of the close of the period covered by the annual report. 50,635,720 ordinary shares

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Emerging growth company ☐

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

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

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

U.S. GAAP ☐

International Financial Reporting Standards as issued by the International Accounting Standards Board ☒

Other ☐

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

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

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ABOUT THIS ANNUAL REPORT

Except where the context otherwise requires or where otherwise indicated in this Annual Report, the terms “Zemenik Trading Limited,” “HeadHunter,” the “Company,” “Group,” “we,” “us,” “our,” “our company” and “our business” refer to HeadHunter Group PLC, together with its consolidated subsidiaries as a consolidated entity.

All references in this Annual Report to “rubles,” “RUB” or “₽” refer to Russian rubles, the terms “dollar,” “USD” or “\$” refer to U.S. dollars and the terms “€” or “euro” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We report under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”). None of our financial statements were prepared in accordance with generally accepted accounting principles in the United States. We present our consolidated financial statements in rubles.

On February 24, 2016, Zemenik Trading Limited, which we converted into HeadHunter Group PLC prior to our initial public offering on May 8, 2019 (our “IPO”), acquired all of the outstanding equity interests of Headhunter FSU Limited (the “Acquisition”) from Mail.Ru Group Limited (LSE: MAIL) (“Mail.Ru”).

In March 2017, we divested the business through which we historically conducted operations in Estonia, Latvia and Lithuania, CV Keskus. In April 2018, we divested the business through which we historically conducted operations in Ukraine, HeadHunter LLC (Ukraine). Unless otherwise specified, our operational metrics presented in this Annual Report, including the number of CVs in our CV database and the number of job postings on our platform, exclude information from CV Keskus and HeadHunter LLC (Ukraine).

On December 25, 2020, we completed an acquisition of 100% of the issued charter capital of LLC “Zarplata.ru” (“Zarplata.ru”) from Hearst Shkulev Digital Regional Network B.V. See also Item 5. “*Operating and Financial Review and Prospects—Segments*” for more information about the impact on our financial presentation for future periods.

On May 26, 2021, we exercised an option to acquire 40.01% of the issued charter capital of LLC “Skilaz” (“Skillaz”) from its financial investors, and on June 28, 2021, we acquired an additional 9.97% in Skillaz from its founder, increasing our total ownership in Skillaz to 74.99%.

Use of Non-IFRS Financial Measures

Certain parts of this Annual Report contain non-IFRS financial measures, including, among others, EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin and Adjusted Net Income Margin, Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization). We define:

- EBITDA as net income/(loss) plus: (1) income tax expense; (2) net interest costs; and (3) depreciation and amortization.
- Adjusted EBITDA as net income/(loss) plus: (1) income tax expense; (2) net interest costs; (3) depreciation and amortization; (4) expenses related to equity-settled awards, including related social taxes; (5) initial public offering (“IPO”) related costs; (6) secondary public offering (“SPO”) related costs; (7) transaction costs related to business combinations; (8) insurance expenses related to IPO; (9) one-off litigation settlement and related costs; (10) income from the depository; (11) net foreign exchange (gain)/loss; (12) (gain)/loss on remeasurement of previously held interest in equity-accounted investees; (13) (gain)/loss on financial assets measured at fair value through profit and loss; (14) share of (profit)/loss of equity-accounted investees; (15) other financing and transactional costs; and (16) movement in tax provisions and related indemnities recognized upon business combinations.

- Adjusted Net Income as net income/(loss) plus: (1) expenses related to equity-settled awards, including related social taxes; (2) initial public offering (“IPO”) related costs; (3) SPO-related costs; (4) transaction costs related to business combinations; (5) insurance expenses related to IPO; (6) one-off litigation settlement and related costs; (7) income from the depositary; (8) net foreign exchange (gain)/loss; (9) (gain)/loss on remeasurement of previously held interest in equity-accounted investees; (10) (gain)/loss on financial assets measured at fair value through profit and loss; (11) share of (profit)/loss of equity-accounted investees; (12) other financing and transactional costs; (13) movement in tax provisions and related indemnities recognized upon business combinations; (14) amortization of intangible assets recognized upon the acquisition of our predecessor; and (15) tax effect on adjustments.
- EBITDA Margin as EBITDA divided by revenue.
- Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.
- Adjusted Net Income Margin as Adjusted Net Income divided by revenue.
- Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) as Operating Costs and Expenses (Exclusive of Depreciation and Amortization) plus:

(1) transaction costs related to business combinations; (2) expenses related to equity-settled awards, including related social taxes; (3) IPO-related costs; (4) insurance expenses related to the IPO; (5) one-off litigation settlement and related legal costs; (6) secondary public offering (“SPO”) related costs; and (7) other financing and transactional costs

EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are used by our management to monitor the underlying performance of the business and its operations. EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) as reported by us to EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) as reported by other companies. EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are unaudited and have not been prepared in accordance with IFRS or any other generally accepted accounting principles.

EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are not measurements of performance under IFRS or any other generally accepted accounting principles, and you should not consider EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin or Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) as alternatives to net income, operating profit or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) have limitations as analytical tools, and you should not consider them in isolation. Some of these limitations are:

- EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments,
- EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) do not reflect changes in, or cash requirements for, our working capital needs, and

- the fact that other companies in our industry may calculate EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) differently than we do, which limits their usefulness as comparative measures.

Accordingly, prospective investors should not place undue reliance on EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) or the other non-IFRS financial measures contained in this Annual Report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements that relate to our current expectations and views of future events. These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under Item 3. “*Key Information, D. 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 “believe,” “may,” “will,” “expect,” “estimate,” “could,” “should,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. Forward-looking statements contained in this Annual Report include, but are not limited to, statements about:

- our future financial performance, including our revenue, operating expenses and our ability to achieve and maintain profitability;
- our expectations regarding the development of our industry and the competitive environment in which we operate;
- the growth in the usage of our mobile platform and our ability to successfully monetize this usage;
- the growth of our brand awareness and overall business; and
- our ability to improve our user experience, product offerings and technology platform and product offerings to attract and retain job seekers.

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 Item 3. “*Key Information, D. Risk Factors*” and the following:

- a regional or global health pandemic, including COVID-19, potential actions taken to contain a disease, and speed and extent of the recovery could severely affect our business, results of operations and financial condition due to impacts on our customers;
- the ongoing military actions between Russia and Ukraine could lead to weakening of the Russian economy, negatively affect our customers and results of operations;
- significant competition in our markets;
- our ability to maintain and enhance our brand;
- our ability to improve our user experience, product offerings and technology platform to attract and retain job seekers;
- our ability to respond effectively to industry developments;

- our dependence on job seeker traffic to our websites;
- our reliance on Russian internet infrastructure;
- global political and economic stability;
- concerns about computer viruses, undetected software errors and hacking;
- privacy and data protection concerns;
- our ability to maintain an effective system of internal control over financial reporting;
- our ability to effectively manage our potential growth;
- our ability to maintain and expand our scale of operations and generate a sufficient amount of revenue to offset the associated fixed and variable costs; and
- our ability to attract, train and retain key personnel and other qualified employees.

We operate in an evolving environment. New risks emerge from time to time, and it is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The forward-looking statements made in this Annual Report relate only to events or information as of the date on which the statements are made in this Annual Report. 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 Annual Report and the documents that we have filed as exhibits hereto completely and with the understanding that our actual future results or performance may be materially different from what we expect.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. 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 Annual Report 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 Annual Report.

Risks relating to Ukrainian Crisis

The ongoing military actions between Russia and Ukraine have negatively impacted the Russian economy and could adversely affect our business, financial condition and results of operations.

Deteriorating conditions in Russian economy

On February 24, 2022, Russian military forces commenced a what Russia describes as a “special military operation”, resulting in the invasion of Ukraine and the length, prolonged impact and outcome of this ongoing military conflict remains highly unpredictable. In response to the military conflict in Ukraine, the United States, the United Kingdom, and the European Union, along with several other countries, have imposed far-reaching sanctions and restrictions on the export of a wide range of goods and technology to or for use in Russia. The imposed sanctions have targeted large swathes of the Russian economy and include blocking sanctions that prohibit dealings with some of the largest state-owned and private Russian financial institutions (and the removal of several Russian financial institutions from SWIFT), powerful Russian businessmen, some of whom own or control large industrial companies that have significant financial and trade ties to the United States, the United Kingdom and / or the European Union, along with a large number of other Russian and Belarusian entities and individuals, including Russian and Belarusian politicians such as the Russian President. Other sanctions measures that have been imposed have aimed to block Russia’s foreign currency reserves, prohibited investments in Russia, expanded the pre-existing restrictions on Russian companies from accessing U.S., U.K. or EU capital debt markets, and have prohibited the import of Russian goods in certain sectors. For further details on sanctions, see also “—Our business may be affected by sanctions, export controls and similar measures targeting Russia as well as other responses to the military conflict in Ukraine.”

As part of the measures introduced in response to the Ukrainian conflict, the United States and Canada announced a ban on importing Russian oil, liquefied natural gas and coal to the United States. While these countries account for a small portion of Russia’s oil and gas sales, since Russia produces and exports large quantities of crude oil and natural gas, a broader embargo may lead to production cuts and further worsening of the Russian economy. Further, the U.K. and EU authorities have announced plans to phase out their reliance on Russian fossil fuels. In addition, export control measures have been introduced against Russia by various countries, which restrict the export of goods and technologies related to the manufacturing of electronic components and materials, with certain limited exceptions. In response to the sanctions and export measures introduced by the United States, the United Kingdom, the European Union and other countries, representatives of the Russian government have publicly stated that Russia intends to strengthen trade ties with other countries that have not imposed sanctions on Russia, and to develop alternative export markets and trading partnerships. Should Russia fail to develop its trade relations with other countries, or should such developments fail to open alternative export markets, this may have negative effect on the Russian economy.

Due to public pressure and in protest of the Russian government’s actions, many U.S., European and other multi-national businesses across a variety of industries, including consumer goods and retail, food, energy, finance, media and entertainment, tech, travel and logistics, manufacturing and others, have indefinitely suspended their operations and paused all commercial activities in Russia and Belarus. These corporate boycotts have resulted in supply-chain disruptions and unavailability or scarcity of certain raw materials, technological and medical goods, component elements and various corporate and retail services, which may in turn have a spillover effect on the Russian economy. Fewer goods amid disruptions in supply chains are likely to affect consumers’ ability to purchase goods and amplify the sharp rise in inflation growth. In addition, suspension of operations by foreign businesses in Russia will likely lead to an increase in unemployment levels.

The conditions and outlook for the Russian economy deteriorated significantly since the beginning of the military conflict in Ukraine. In particular, the ruble to U.S. dollar exchange rate of the Central Bank of Russia (CBR) reached ₱120.37 per U.S.\$1.00 as of March 11, 2022, as compared to ₱74.29 per U.S.\$1.00 as of December 31, 2021. The CBR rate on April 14, 2022 was ₱79.85 per U.S.\$1.00. Annual inflation in Russia accelerated to 9.16% in February 2022, compared to 5.67% in February 2021 and to 16.7% in March 2022, compared to 5.78% in March 2021. The geopolitical events have entailed significant volatility on the Russian financial markets, with the MOEX stock index declining by over 45.4% on February 24, 2022. On February 28, 2022, MOEX trading in all equity securities was suspended (including our ADSs), with limited exceptions and was fully resumed on March 28, 2022. Overall MOEX trading was shut for four straight weeks, the longest in the country's modern history. The stocks of Russian companies listed on the foreign stock exchanges faced an unprecedented decline in value with a number of stocks decreasing by almost 99% in value. The credit rating of the Russian Federation has been downgraded by each of Fitch Ratings CIS Limited ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), as a result of the negative impact on the Russian economy from the new international sanctions imposed on Russia and the economic isolation by parts of the international business community, as well as countermeasures introduced by the Russian government. On March 3, 2022, Moody's lowered its Russia's long-term issuer rating to "B3" from "Baa3" and then further downgraded it to "Ca". On March 2, 2022, Fitch downgraded its Russia's long-term foreign currency rating from "BBB" to "B" and then further downgraded its rating to "C". Standard & Poor's gradually downgraded its Russian credit rating to "CC". On March 11, 2022, the CBR published its first assessment of the outlook for the Russian economy and inflation growth based on its interview of economists and analysts. According to surveyed experts, by the end of 2022, Russian GDP may decline by 8%, and inflation may reach 20%.

In response to accelerating inflation and a staggering depreciation of the ruble, on February 28, 2022, the CBR increased its key interest rate from 9.5% to 20.0%, which was later decreased to 17.0% on April 8, 2022. Due to these monetary policy changes and the anticipated decline in the Russian economy, the domestic financial and banking markets may experience periodic shortages of liquidity in the domestic money market. Lower money supply and higher funding costs may cause banks to cut their lending programs and decrease exposure limits and become significantly more risk averse. These factors may negatively affect the Russian banking sector as a whole and contribute to the worsening of economic conditions in the corporate sector, as well as lower household spending across various retail sectors of the economy.

The ability of Russian companies and banks to obtain funding from the international capital and loan markets has also been hampered as a result of sanctions and significant decreased demand from the international investor base. As Russia's access to international debt markets become severely restricted and almost half of the Russia's foreign currency reserves were blocked due to sanctions introduced by western countries, the Russian government would have to rely to a significant extent on its national welfare fund, export revenue and internal revenue sources to fund its anti-crisis measures, including potential recapitalization of Russian banks, support to the industrial sector, import substitution measures, support for small businesses, and budget spending optimization. Although Russia's current foreign currency and gold reserves may be sufficient to sustain the domestic currency market in the short term, there can be no assurance that the currency market will not further deteriorate in the medium or long term.

To stabilize and support the volatile Russian financial and currency markets and preserve foreign currency reserves, Russia's authorities have imposed significant capital and currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed restrictions on repayments to foreign creditors in foreign currency, banned exports of various products and other economic and financial restrictions. For instance, Russian residents are prohibited from granting, in the absence of a permit of the special government commission, any loans to non-residents located in countries that introduced sanctions against Russia ("unfriendly foreign persons"), and foreign currency denominated loans to all non-residents. In addition, Russian authorities introduced restrictions on foreign persons in their dealings with securities and transfer of funds from accounts opened in Russia. Furthermore, a special procedure has been established for the fulfillment by Russian residents of their obligations in excess of 10 million rubles (or equivalent of this amount in foreign currency) per month on payment of dividends to unfriendly foreign persons. Payment of dividends in foreign currency may be conducted by a Russian company subject to a permit of the Central Bank of Russia (for credit organizations) or the Finance Ministry of the Russian Federation (for other debtors), or, in the absence of such permit, in rubles through special accounts of type "S". The Russian authorities have also introduced a special temporary procedure for the payment of debts to foreign residents allowing Russian residents to the repay debts to foreign creditors in rubles. Further measures taken by the Russian government and the CBR to address the depreciation of the ruble, including any capital controls, could contribute to a further deterioration of macro conditions and destabilize the financial and banking sectors.

We operate mostly in Russia and as a result, our business and results of operations are heavily dependent on the economic conditions in Russia. Any of the abovementioned factors may lead to further deterioration of economic conditions in Russia and adversely affect investments in Russian financial markets and the securities of Russian issuers, including our ADSs. Moreover, the

continued impact of these events and any continuing or escalating military action, public protests, unrest, political instability or further sanctions could have a further adverse effect on the Russian economy and consequently, a material adverse effect on our business, financial condition and results of operations.

Impact on our business, financial condition and results of operations

We are actively monitoring the developing situation and assessing the impact of various economic and regulatory factors on our business. To date we have not experienced any material interruptions in our services, technology systems or networks needed to support our operations. We have no way to predict the progress or outcome of the military conflict in Ukraine or its short or long term impact on Russia as the conflict and government reactions are rapidly developing and beyond our control. For example, on February 28, 2022, Nasdaq has suspended trading of our ADSs amid escalation of the conflict between Russia and Ukraine and the rapidly evolving situation around sanctions. There can be no assurance that trading of our ADSs will be resumed by Nasdaq and that the ADSs will not be delisted from Nasdaq and moved to the over-the-counter market. See also *“A delisting of our ordinary shares from Nasdaq could have materially adverse effects on our business, financial condition and results of operations.”* As mentioned above, Russian equity prices on international stock markets that have not suspended trading have dropped dramatically. As trading of our ADSs on Nasdaq is currently halted, we cannot predict with any degree of certainty what would be the trading price of our ADSs if and when the trading is resumed on any of these trading venues.

While the Russian counter measures did not have immediate effect on our business, there can be no assurance that the existing counter measures will not be expanded so as to include or affect our activity. For instance, the counter measures introduced by the Russian authorities prohibit granting of loans to unfriendly foreign persons, which include residents of Cyprus. There can be no assurance that new restrictions will not be introduced that would impede the Group’s ability to conduct intragroup transfers of funds, which is essential to ensure that each Group entity is in a position to meet its cash and liquidity needs. In addition, Russian countermeasures and currency control restrictions are passed very quickly, sometimes with no or limited official guidance, which can lead to misinterpretations and difficulties in enforcement. Furthermore, Russian authorities are currently developing various legislative and regulatory initiatives in response to recent geopolitical and economic events and some of these may be politically motivated or populist in nature, including further restrictions on foreign businesses and nationalization. In particular, legislators are currently discussing draft law is aimed at forced alienation of property held by the residents of unfriendly countries without paying any compensations to its initial owners. The potential impact and the extent of such initiatives is difficult to determine at this stage.

Unfavorable economic conditions in the markets in which we operate may have a direct negative impact on our financial condition. We sell our services predominantly to businesses that are looking for job seekers to fill vacancies inside their organizations. During the periods of economic deteriorations and slowdown in commercial activity, both large and medium small businesses tend to implement cost-cutting initiatives, including putting hiring on hold, which in turn will affect demand for our services and consequently, our revenue. It may be difficult for us to grow our business, either by attracting new customers or by increasing usage levels among existing customers, and it may be more difficult for us to maintain ARPCs at existing levels. We also derive a small portion of our revenue from job seekers, recruiting agencies and online advertising agencies the spending patterns of which can also be affected by the unfavorable economic conditions. In addition to the potential impact on revenue, ARPCs and other key performance indicators, such economic downturns may also impact our ability to decrease our costs, execute our strategies, take advantage of future opportunities, respond to competitive pressures, pay dividends, refinance existing indebtedness or meet unexpected financial requirements.

These are highly uncertain times and it is not possible to predict with precision how certain developments will impact our results and operations. Any of the abovementioned factors could impact our revenue stream, magnify the impact of other risks described in this Annual Report, and could have a material adverse impact on our business, prospects, financial condition and operating results. We cannot assure you that risks related to the conflict are limited to those described in this Annual Report on Form 20-F.

Our business may be affected by sanctions, export controls and similar measures targeting Russia as well as other responses to the military conflict in Ukraine.

In 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. In response to these events, the United States and the European Union, as well as other countries, 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 which, among other things, imposed sanctions against certain Russian entities, and provided for "secondary sanctions" targeting non-U.S. persons who engage in certain "significant transactions" with U.S. sanctions targets, whereby they may face adverse economic consequences in the form of denial of certain U.S. benefits or designation on the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") Specially Designated Nationals and Blocked Persons List ("SDN List"). 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 did not, at that time, automatically lead to the imposition of new sanctions. Neither our directors, nor senior management are included in the report, or are otherwise currently the target of sanctions in the United States, European Union or United Kingdom.

More recently, as a result of Russia's military conflict in Ukraine, governmental authorities in the United States, the European Union, the United Kingdom and other jurisdictions, have launched an unprecedented expansion of coordinated sanctions and export control measures, including:

- blocking sanctions on some of the largest state-owned and private Russian financial institutions (and the removal from SWIFT of certain Russian financial institutions);
- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities;
- blocking sanctions on Russian businessmen and their businesses, some of which have significant financial and trade ties to the European Union and United Kingdom;
- blocking of Russia's foreign currency reserves and prohibition on secondary trading in Russian sovereign debt and certain transactions with the Russian Central Bank, National Wealth Fund and the Ministry of Finance of the Russian Federation;
- expansion of sectoral sanctions in various sectors of the Russian and Belarusian economies including their defense sectors;
- U.K. sanctions introducing wide-ranging restrictions on providing loans to, and dealing in securities issued by, "persons connected with Russia";
- restrictions on access to the EU and U.K. financial and capital markets, as well as prohibitions on leasing operations with aircraft;
- sanctions prohibiting most commercial activities of U.S., U.K. and EU persons in the so-called People's Republic of Donetsk and the so-called People's Republic of Luhansk (largely tracking prior prohibitions relating to Crimea and Sevastopol);
- enhanced export controls and trade sanctions targeting Russia's imports of technological goods, including tighter controls on exports and reexports of dual-use items, stricter licensing policy with respect to issuing export licenses, and/or increased use of "end-use" controls to block or impose licensing requirements on exports, as well as higher import tariffs and a prohibition on exporting luxury goods to Russia and Belarus;
- closure of airspace to Russian aircraft;
- ban on imports of Russian oil, liquefied natural gas and coal to the United States and "new investment" in Russia's energy sector;

- a number of extensive EU and U.K. prohibitions in relation to dealings and transactions involving the Russian energy sector;
- ban on imports of Russian fish, seafood, and preparations thereof, alcoholic beverages, and non-industrial diamonds, as well as sanctions and export controls related to “luxury goods”; and
- ban on “new investment” in Russia by a United States person.

As the conflict in Ukraine continues, there can be no certainty regarding whether the governmental authorities in the United States, the European Union, the United Kingdom or other countries will impose additional sanctions, export controls or other measures targeting Russia, Belarus or other territories. 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. See “—*The ongoing military actions between Russia and Ukraine have negatively impacted the Russian economy and could adversely affect our business, financial condition and results of operations.*”

Currently, less than one percent of paying job seekers and customers who use our product and services are self-identified as being located in the Crimea region. In addition, since 2015, significantly less than one percent of our revenue has been generated from job seekers and customers located in 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.

Furthermore, in the ordinary course of business, our companies, like many Russian companies, have routine commercial operations with and sell our services to Russian persons and entities, including Russian Government and governmental enterprises and agencies, that are currently targeted by U.S. and other sanctions, including, for example, those designated on the OFAC SDN List or the Sectoral Sanctions Identifications List (“SSI List”), the EU Consolidated List of Financial Sanctions Targets (the “EU Consolidated List”) and the Consolidated List of Asset Freeze Targets maintained by Her Majesty’s Treasury (the “U.K. Consolidated List”). None of our companies is a U.S. person and most of our employees, associates and affiliates are not U.S. persons and, therefore, are generally restricted in dealings with U.S.-sanctioned persons only to the extent those dealings involve a U.S. nexus. Any revenue we receive from such dealings is segregated from other revenue. We do not believe that U.S. persons are involved in activities with SDNs, but if we are mistaken or if the company as a non-U.S. person causes a U.S. person to violate U.S. sanctions, then the company could be exposed to legal risk under U.S. primary sanctions. In some cases, non-U.S. companies are exposed to so-called “secondary sanctions” risk for doing business with U.S. sanctions targets including certain newly designated SDNs, which can include designation on the SDN List. The executive orders authorizing the U.S. sanctions provide that non-U.S. persons may be exposed to sanctions risk if, among other things, they materially assist, or provide financial, material or technological support for goods or services to, or in support of certain blocked or designated parties.

The EU and the U.K. have equivalent financial sanctions regimes which prohibit the direct and indirect dealing with or provision of funds or economic resources to or for the benefit of sanctioned parties, otherwise called “asset freeze targets”, including those listed in the EU Consolidated List and the U.K. Consolidated List. Both regimes also have various country-based sector-specific restrictions, including restrictions on certain transactions related to listed entities.

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 targeted by sanctions in the future, we may face negative legal and business consequences, including civil or criminal penalties, government investigations and reputational harm.

In addition, we have P4,615 million syndicated credit facility with VTB Bank (PJSC) (“VTB”), of which P607 million of the principal amount has been repaid as of December 31, 2021, and VTB Capital (JSC) is acting as our bond repurchase broker. In light of Russia’s military activities in Ukraine, broad sanctions that have been introduced in relation to VTB and other financial institutions may affect our ability to continue to engage with those financial institutions in the context of existing and new loan financings, commercial agreements, and may require a change in our repayment terms, to exercise our prepayment options, or mandatory prepayment. Such dealings may also require us to seek licenses from relevant sanctions authorities in order to undertake certain actions (without which we may be unable to proceed). Such dealings will also have to be assessed and undertaken in light of applicable restrictions required by relevant sanctions authorities. Moreover, ongoing dealings with VTB, which is designated as an

SDN, or other Russian financial institutions targeted by US, EU or UK sanctions may expose the company to U.S. primary and secondary sanctions risk. Similar sanctions measures have been imposed on VTB by EU and UK authorities. VTB has also been disconnected from SWIFT. In this respect, VTB is in a similar position to an increasing number of other significant Russian financial institutions, which are subject to severe U.S./EU/U.K. restrictions.

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 targeted by sanctions in the future by the U.S., EU or U.K. or other jurisdictions, either as a result of the above activities or through a targeting of a broader segment of the Russian economy. This could have a material adverse effect 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 targeted by U.S., EU 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 the 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 the 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 the ADSs. Any of the above could have a material adverse impact on our business, financial condition, results of operations or prospects.

Risks Relating to our Business and Industry

We face significant competition, which may cause us to suffer from a weakened market position that would materially and adversely affect our results of operations.

The markets for our products and services are highly competitive and rapidly evolving. Successful execution of our strategy depends on our continuous ability to attract and retain job seekers and customers, expand the market for our products and services, maintain a technological edge and offer new capabilities to customers. We face competition in our various lines of services from competitors that focus exclusively on online recruitment, such as SuperJob and Rabota.ru (which was acquired by Sberbank, Russia's largest commercial bank, in 2019 as part of its broader strategy of expanding its ecosystem), and from those that offer recruitment as part of their broader services portfolio, such as Avito. Other powerful internet companies with a broad local presence in our markets that have extensive and loyal user bases, such as Yandex (currently present in the recruitment market via an aggregator platform Yandex.Rabota and launched its horizontal classifieds business, Yandex Advertisement, in November 2020; Yandex.Talents, a recruitment chat bot that automates communication with candidates, was closed shortly before launch of Yandex Advertisement) and VK (which acquired Worki in 2019 and rebranded it as VK Jobs in 2021), may decide to directly target our customers, thereby intensifying competition in the recruitment market. On April 19, 2022, VK announced that VK Jobs job search service will soon cease to exist. Further, our existing competitors or new market entrants may target new and emerging job seeker candidates, such as youths, which, if successful, could harm our business and reputation. Although professional social networking businesses with online recruitment functions historically have not had significant market positions in Russia, such businesses may dedicate extra resources to expand their operations and as a result, become a significant competitive threat in the future. In particular, should the current government block on the services of the social networking site LinkedIn be lifted, LinkedIn may choose to compete with us in the Russian market. See also Item 4. "*Information on the Company, B. Business Overview—Competition.*"

In addition, we may face competition in the future from new entrants in the recruitment advertising industry and other human resource industries in which we operate, such as dedicated recruitment ads aggregators like Indeed, social networking websites such as Facebook, career-related internet portals and existing participants in the offline recruitment industry who may develop online recruitment services and products, as well as other HR service providers who may enter the market for any or all of our services. In particular, certain specialized HR technology companies have emerged that have advanced technological capabilities that may be difficult to replicate and/or compete against. Furthermore, in 2019 Google enhanced its job search function in Russia, as well as in other countries globally, by adding a user function called "Google for Jobs." There can be no assurances that this will not negatively impact our business. While we believe that achieving true scale in these markets would require significant investment, competitors may nonetheless attempt to enter the recruitment advertising industry or upscale operations with relatively limited initial investment. Current competitors may also consolidate or be acquired by an existing or prospective player, which could result in the emergence of another stronger competitor, leading to a potential loss of our market share. There can be no assurances that we will maintain our position as the leading online recruitment platform, particularly if our key competitors consolidate or if large search engines, social

media or other online platforms successfully leverage their large user bases to gain access to our markets. To the extent such a competitor significantly increased its market share, our services may become relatively less attractive to our customers, which could reduce our websites' traffic and demand for our services and products as well as advertising space.

We also believe that there are relatively low existing penetration rates for online recruitment services in some of our regional markets, particularly in regions we view as key growth markets for our services. Our existing competitive advantages over new entrants may be reduced or we may be at a disadvantage compared to our competitors who have greater market penetration, a better understanding of the regional market and/or a superior marketing strategy, in particular, in markets where our brand and business model are relatively untested. If successful, competitors could acquire significant numbers of customers and establish a significant market share within a relatively short period, thereby curbing our growth potential in those regions.

We compete with these existing and future entities for both job seekers and customers. From time to time, our customers may decide not to renew their contracts upon expiration for various reasons.

Our customers may also decide to switch to our competitors' services. Some of our existing or potential new competitors may have greater resources, capabilities and expertise in management, technology, finance, product development, sales, marketing and other areas than we have. They may use their experience and resources to compete with us in a variety of ways, including by competing more heavily for customers, spending more on advertising and brand marketing, investing more in research and development and making acquisitions. If we are unable to compete effectively, successfully and at reasonable cost against our existing and future competitors, our business, prospects, financial condition and results of operations could be materially and adversely affected.

If we fail to maintain and enhance our brand, our business, results of operations and prospects may be materially and adversely affected.

We believe that maintaining and enhancing our brand are of significant importance to the success of our business. A well-recognized brand is critical to increasing the number and the level of engagement of job seekers and, in turn, enhancing our attractiveness to customers. We have conducted and may continue to conduct various marketing and brand promotion activities, including print and television advertisements. We cannot assure you, however, that these activities will be successful or that we will be able to achieve the brand promotion effect we expect. In addition, our competitors may increase the intensity of their marketing campaigns, which may force us to increase our advertising spend to maintain our brand awareness.

In addition, any negative publicity relating to our products or services, regardless of its veracity, could harm our brand and the perception of our brand in the market. If our brand is harmed, we may not be able to continue to attract a growing job seeker base, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

If we fail to improve our user experience, product offerings and technology platform, we may not be able to attract and retain job seekers and employers, which may have a material adverse effect on our business, financial condition and results of operations.

Our success depends upon our ability to attract and retain both employers and job seekers.

Customers are the primary source of our revenue. A key factor in attracting and retaining employers is our ability to grow our CV database and attract and retain high-quality job seekers. A key factor in attracting and retaining job seekers, in turn, is maintaining and increasing the number of employers using our services and the quantity and quality of job postings on our system.

To satisfy both customers and job seekers, we need to continue to improve their experience as well as innovate and introduce products and services that employers and job seekers find useful and that cause them to return to our website and use our services more frequently. This includes continuing to improve our technology platform to optimize recruitment search results, tailoring our database to additional geographic and market segments and improving the user-friendliness of our website. In addition, we need to adapt, expand and improve our products, services and interfaces to keep up with changing user preferences. For example, with the growing propensity for our job seekers to use smartphones as their main job searching devices, we need to further optimize our mobile applications and continue modifying and updating them to successfully manage the transition to mobile devices of users of our products and services. It is difficult to predict the problems we may encounter in innovating and introducing new products and services, and we may need to devote significant resources to the creation, support and maintenance of our solutions.

We provide no assurances that our initiatives to improve our user experience will always be successful. We also cannot predict whether our new products or service offerings and delivery methods will be well received by employers and job seekers, or whether improving our technology platform or introducing new service delivery channels will be successful or sufficient to offset the costs incurred to offer these services. If we are unable to increase and retain our employers and job seekers, or maintain and increase the quantity or quality of CVs and job postings, our business, prospects, financial condition and results of operations could be materially and adversely affected.

If we are not able to respond successfully to technological or industry developments, including changes to the business models deployed in our industry, our business may be materially and adversely affected.

The market for online products and services is characterized by rapid technological developments, frequent launches of new product and services, changes in customer needs and behavior and evolving industry standards. As a result, our industry is constantly changing product offerings and business models in order to adopt and optimize new technologies, increase cost efficiency and adapt to customer preferences. There can be no assurances that our key competitors will not suddenly decide to change their business model or marketing strategy, which could be more successful than ours. If other industry participants rapidly shift their business models, for example, to a cost-per-action based model in which fees are generated by user actions, we may be unable to shift our business model or marketing strategy quickly or efficiently enough to compete with these changes. This could result in a loss of customers, and our brand and reputation, business, prospects, financial condition and results of operations could be materially and adversely affected.

In addition, companies currently are developing products that directly compete with products in our recruitment-centric VAS portfolio. As our VAS portfolio is currently a relatively small part of our business, we may be at a disadvantage compared to other companies in this market that may be able to leverage greater resources, market knowledge or technical know-how to develop superior proprietary technologies. If such developments are successful, these competitors could attract our customers to their interfaces and away from our platform, limiting our ability to become a comprehensive, integrated full-scale HR platform. These developments may make our existing services obsolete or less competitive. In order to respond to such developments, we may be required to undertake substantial efforts and incur significant costs. In the event that we do not successfully respond to such developments in a timely and cost-effective manner, our business, prospects, financial condition and results of operations could be materially and adversely affected.

If job seeker traffic to our website declines for any reason, our business and results of operations may be harmed.

Our ability to attract and retain job seekers on our website is critical for our continuing growth. If job seeker traffic on our website declines for any reason, our business and results of operations may be harmed. Our competitors' search engine optimization efforts may result in their websites receiving a higher search result page ranking than ours. Internet search engines could revise their methodologies, which may adversely affect our search result page ranking. Any such changes could decrease user traffic to our website and adversely affect the growth in our user base, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Any disruption in internet access, telecommunications networks or our technology platform may cause slow response times or otherwise impair our users' experience, which may in turn reduce user traffic to our website and significantly harm our business, financial condition and operating results.

Our online recruitment business is highly dependent on the performance and reliability of Russia's internet infrastructure, accessibility of bandwidth and servers to our service providers' networks and the continuing performance, reliability and availability of our technology platform. Telecommunications capacity constraints in Russia may impede further development of our business and internet usage more generally to the extent that users experience delays, transmission errors and other difficulties.

Our data center and all of our backup centers are located in Moscow and, therefore, we are heavily reliant on Russia's internet infrastructure to operate our business. Since these centers are located along with our headquarters in Moscow, our operations may also be negatively impacted by disruptions to power, natural disasters or other events affecting Moscow. In addition, if there were any system outages due to any internet delays, disruptions, natural disasters or any other issues in Russia more generally, this would have a material adverse impact on our business and operating results depending on the length and severity of the issue.

We also rely on major Russian telecommunication companies, data center service providers and other infrastructure service providers to support our bandwidth, data storage and other services. We may not have access to comparable alternative networks or services in the event of any disruptions, failures or other problems. Any extreme disruptions in internet access, or in the internet generally, could significantly harm our business, financial condition and operating results. In November 2019, the majority of the provisions of the Russian Federal Law No. 90-FZ “On certain amendments to the Federal Law “On communications” and the Federal Law “On information, information technologies and information protection” dated May 1, 2019 (the “Sovereign Internet Law”), which is aimed at ensuring the safe and sustainable functioning of the internet in the Russian Federation, came into force. The Sovereign Internet Law provides requirements for Russian telecom operators to install new equipment provided by the Russian authorities to ensure that the Russian internet can function autonomously in case the global internet is not operating in Russia or in the case of certain types of threats (for example, cyber-threats). The Sovereign Internet Law imposes certain obligations on others, including holders of unique identifiers of communications and other technical systems in the internet (“autonomous system numbers”), which also includes us. These obligations include having to report on the existing infrastructure in certain cases (including when required by the authorities, in case of a breakdown and in other circumstances), and participate in trainings arranged by the Russian authorities as provided for by legislation. In addition, the Sovereign Internet Law introduces the notion of the “Russian national domain zone,” which includes the Russian resources registered on “ru”, “P<I”, “su” and other domains. The Russian national domain zone will be made up of its own infrastructure (root servers and proprietary domain names). The provisions governing the Russian national domain zone became effective from January 1, 2021. The Sovereign Internet Law is broadly drafted, grants the authorities certain discretion, and in order to fully implement the measures set out in the Sovereign Internet Law, Russian authorities will need to adopt a significant number of additional acts and procedures to further clarify the provisions of the Sovereign Internet Law. Russian authorities already adopted certain material implementing acts, including rules on traffic routing in the event of a “threat,” rules on the installation of counter-threat equipment, certain technical specifications and rules on liability of holders of autonomous system numbers for non-compliance with the Sovereign Internet Law, which includes administrative fines up to P6 million. Russian authorities may be required to adopt further subordinate legislation if any practical issues arise in the implementation of such legislation.

The application of the Sovereign Internet Law may, among other things, impact our infrastructure, reduce our data transfer speed significantly, block or restrict the use of certain services due to centralized data traffic and result in interruptions and delays in services for Russian users. See also “—*Failure to comply with existing laws and regulations or to obtain all approvals, authorizations and permits, or the findings of government inspections or increased governmental regulation of our operations, could result in a disruption in our business and substantial additional compliance costs and sanctions.*” Furthermore, we may not timely and effectively scale and adapt our existing technology and network infrastructure to ensure our website is accessible within an acceptable load time, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may experience website disruptions, outages and other website performance problems for a variety of reasons, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of users accessing our website simultaneously and denial of service or fraud or security attacks. In addition, we may experience slow response times or system failures due to a failure of our information storage, retrieval, processing and management capabilities. Slow response times or system failures may drive our job seekers away, reduce the attractiveness of our products and services or discourage employers and recruiters from posting jobs on our websites. If we experience technical problems in delivering our services over the internet, we could experience reduced demand for our services, lower revenue and increased costs.

Computer viruses, undetected software errors and hacking may cause delays or interruptions on our systems and may reduce the use of our services and damage our reputation and brand names.

Our online systems, including our website, apps and our other software applications, products and systems could contain undetected errors, or “bugs,” that could adversely affect their performance.

Additionally, we regularly update and enhance our website and our other online systems and introduce new versions of our software products and applications. The occurrence of errors in any such update or enhancement may cause disruptions in our services and may, as a result, cause us to lose market share, and our reputation and brand name, business, prospects, financial condition and results of operations could be materially and adversely affected.

In addition, computer viruses and hacking may cause delays or other service interruptions on our systems. “Hacking” involves efforts to gain unauthorized access to information or systems or to cause intentional malfunctions, loss or corruption of data, software, hardware or other computer equipment.

While we currently employ various antivirus and computer protection software in our operations, we cannot assure you that such protections will successfully prevent hacking or the transmission of any computer virus, which could result in significant damage to our hardware and software systems and databases, disruptions to our business activities, including to our e-mail and other communications systems, breaches of security and the inadvertent disclosure of confidential or sensitive information, interruptions in access to our website through the use of “denial of service” or similar attacks and other material adverse effects on our operations.

We may incur significant costs to protect our systems and equipment against the threat of, and to repair any damage caused by, computer viruses and hacking. Moreover, if a computer virus or hacking affects our systems and is highly publicized, our reputation and brand names could be materially damaged and usage of our services may decrease. In addition, the inadvertent transmission of computer viruses could expose us to a material risk of loss or litigation and possible liability.

Privacy and data protection concerns, including evolving government regulation in the area of consumer data privacy or data protection, could adversely affect our business and operating results.

The effectiveness of our technology, including our artificial intelligence (“AI”) and platforms, and our ability to offer our products and services to job seekers and our customers rely on the collection, storage and use of data concerning job seekers and employers, including personally identifying or other sensitive data. Our collection and use of this data for job searches, job matching, data analytics or communications outreach might raise privacy and data protection concerns that could negatively impact the demand for our services. For example, our AI relies on the collection and use of data that we gather from job seekers, employers and various other sources, including external sources. Privacy and data protection laws could restrict or add regulatory and compliance processes to our ability to effectively use and profit from those services, and any security breach or incident that we experience could result in unauthorized access to, misuse of, or unauthorized acquisition of our or our users’ data. Any such incidents could expose us to claims, litigation, regulatory or other governmental investigations, administrative fines and potential liability.

The government of the Russian Federation, for example, has enacted consumer data privacy or data protection legislation, including laws and regulations applying to the solicitation, collection, transfer, processing and use of personal data. This legislation could reduce the demand for our recruiting services if we fail to design or enhance our services to comply with the privacy and data protection measures required by the legislation. Moreover, we may be exposed to liability under existing or new consumer privacy or data protection legislation.

If we were found to be subject to and in violation of any privacy or data protection laws or regulations, our business may be materially and adversely impacted and we would likely have to change our business practices and potentially our product portfolio. In addition, these laws and regulations could impose significant costs on us and could make it more difficult for us to use our current technology to match job seekers with employers and vice-versa. In addition, if a breach of data security were to occur, or other violation of privacy or data protection laws and regulations were to be alleged, solutions may be perceived as less desirable and our business, prospects, financial condition and results of operations could be materially and adversely affected.

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 our products, pay a royalty to use some open source code or discontinue certain products. Our business, prospects, financial condition and results of operations could be materially and adversely affected by any of the above requirements.

Real or perceived inaccuracies of our internally calculated or third-party sourced operating metrics may harm our reputation and adversely affect our business and operating results.

We source most of our operating statistics, which are included in this Annual Report and which we regularly communicate to the market, from independent online statistics providers such as LiveInternet, comScore, SimilarWeb and others. Some of our data providers calculate the number of our average unique monthly visitors (“UMVs”) based on the number of different cookies or device IDs from which a website or a mobile application of ours is visited during a given day based on our internal data, which has not been independently verified. There are inherent challenges in measuring our UMVs accurately. For example, user devices with poor internet connectivity may fail to trigger the Java script code to record the unique visitor data. On the other hand, a user who visits our websites as well as our mobile applications on a given day may be counted as multiple UMVs due to the different cookies and IDs of the devices used to visit our websites and mobile applications.

Our measures of calculating operating metrics may differ from estimates published by third parties or from similarly titled metrics used by our competitors or other parties due to differences in methodology. In addition, our metrics may immaterially change retroactively if, for example, a job seeker is blocked and his/her CV is removed. If customers, employers or investors do not perceive our operating metrics to be accurate representations of our user base, or if we discover material inaccuracies in our operating metrics, our reputation may be harmed, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

We are subject to potential legal liability from both employers and job seekers with respect to our job matching suggestions and other human resource related services.

We are exposed to potential claims associated with the recruitment process, including claims by customers seeking to hold us liable for recommending a candidate who subsequently proves to be unsuitable for the position filled, claims by current or previous employers of our candidates alleging interference with employment contracts, claims by candidates against us alleging our failure to maintain the confidentiality of their employment search or alleging discrimination or other violations of employment law or other laws or regulations by our customers, and claims by either employers or candidates alleging the failure of our business process outsourcing services to comply with laws or regulations relating to employment, employee’s insurance or benefits, individual income taxes or other matters.

We may also be subject to claims or regulatory sanctions over actions by third parties beyond our control, such as misrepresentation of information, misuse of personal data or other inappropriate or unlawful actions by candidates or customers using our platform. In our user agreements and customer contracts, we have specific clauses where we explicitly deny any responsibility for actions by third parties or for the accuracy of information they provide to us, and it is a violation of our terms and conditions to misuse our services. Nevertheless, there can be no assurance that these preventative measures will fully protect us from any such claims, which, regardless of merit, may force us to participate in time-consuming, costly litigation or investigation, divert significant management and staff attention, and damage our reputation and brand names. We do not maintain insurance coverage for liabilities arising from claims by employers, candidates or third parties.

Our business may suffer if we do not successfully manage our current and potential future growth.

We have grown significantly in recent years and we intend to continue to expand the scope and geographic reach of the services we provide. Our total revenue increased from ₱7,789 million in the year ended December 31, 2019 to ₱15,968 million in the year ended December 31, 2021. Our anticipated future growth will likely place significant demands on our management and operations. Our success in managing our growth will depend, to a significant degree, on the ability of our executive officers and other members of senior management to operate effectively, and on our ability to improve and develop our financial and management information systems, controls and procedures. In addition, we will likely have to successfully adapt our existing systems and introduce new systems, expand, train and manage our employees and improve and expand our sales and marketing capabilities.

Revenue growth may slow or revenue may decline for any number of reasons, including our inability to attract and retain job seekers, decreased customer spending, increased competition, slowing growth of the overall online job search market, the emergence of alternative business models, changes in government policies and general economic conditions. We may also lose users for other reasons, such as a failure to deliver satisfactory search results or transaction experiences or high quality services.

Certain factors may also prevent or delay growth in our industry, which could adversely affect our development and growth plans. Despite relatively high overall internet penetration levels in Russia, penetration of online recruitment services has historically been low and may not increase as quickly as we anticipate. Internet penetration levels throughout Russia have historically been uneven, with much higher penetration levels in urban areas, and these discrepancies could continue. The use of online services in general may decelerate, for example, as a result of slower economic development, declining population levels or declining investment in infrastructure. In addition, the pace of adoption of online recruitment services by blue collar job seekers could be slower than anticipated due to the continuing popularity of traditional recruitment channels, such as newspapers, billboards and word-of-mouth. The number of small and medium enterprises, which we believe represent an underpenetrated and growing segment of our market, could remain stable or start to decline, driven, for example, by adverse macroeconomic conditions. Any of these factors could frustrate our ability to realize our growth strategy and cause us to reevaluate our strategic goals and development priorities.

If we are unable to properly and prudently manage our operations as they continue to grow, or if the quality of our services deteriorates due to mismanagement, our brand name and reputation could be severely harmed, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

If we are unable to maintain and expand our scale of operations and generate a sufficient amount of revenue to offset the associated fixed and variable costs, our results of operations may be materially and adversely affected.

Online businesses like ours tend to involve certain fixed cost bases, and our ability to achieve desired operating margins in our recruitment business depends largely on our success in maintaining a scale of operations and generating a sufficient amount of revenue to offset the associated fixed and variable costs. Our fixed costs typically include compensation of employees, data storage and bandwidth expenses and office rental expenses. Our variable costs typically include commission-based compensation of sales employees and marketing expenses. As we have established the technology and network infrastructure to support an online business model, the incremental cost of adding new job postings and CVs online is relatively insignificant. We can serve additional customers and users with decreasing average cost. If we are unable to maintain economies of scale, our operating margin may decrease and our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may not be able to successfully halt the operations of copycat websites or misappropriation of our data.

From time to time, third parties have misappropriated our data, including CV data, through website scraping, robots, copying CV or other data or other means and have aggregated this data on their websites with data from other companies. In addition, “copycat” websites may attempt to imitate the functionality of our website. Specifically, we have in the past experienced attempts by third parties or businesses who have purchased a paid subscription and received authorized access to our website to copy CV or other data from our website and use such information in a manner that violates our contractual terms of use with such party (such as setting up copycat websites). We cannot assure you that similar events will not occur in the future and may materially and adversely impact our results of operations.

If we become aware of such websites, businesses or third parties, we would employ technological or legal measures, including initiating lawsuits, in an attempt to halt their operations. However, we may not be able to detect all such activities in a timely manner and, even if we could, technological and legal measures may be insufficient to stop their operations. In some cases, our available remedies may not be adequate to protect us against such activities. Regardless of whether we can successfully enforce our rights against these websites or third parties, any measures that we may take could require us to expend significant financial or other resources, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

In addition, Russian law requires that operators (controllers) of personal data, such as us, undertake certain organizational and technical measures to protect the personal data that we process and to prevent unauthorized or illegal actions with respect to such data. Should it be determined by the relevant governmental body that such unauthorized copying and further use of job seekers’ CVs and personal data contained therein became possible due to our failure to undertake such measures, we may be subject to administrative penalties and civil litigation. See also “—Applicable legislation imposes restrictions and requirements on us with respect to processing of certain types of personal and other data and data retention which may impose additional obligations on us, limit our flexibility, or harm our reputation with users.”

If we fail to protect our intellectual property rights, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We rely on registered trademarks and confidentiality agreements to protect our intellectual property rights. To date, we have received only one patent to protect our machine learning recommendation system used on our platform, but other elements of our platform remain unprotected. Third parties may obtain, copy, reverse engineer or use without our authorization our intellectual property, which includes trademarks related to our brand, products and services, registered domain names, trade secrets and other intellectual property rights and licenses.

Historically, the Russian legal system and courts have not protected intellectual property rights to the same extent as the legal system and courts of the United States. Companies operating in Russia continue to face an elevated risk of intellectual property infringement as compared to other jurisdictions such as the United States. Furthermore, the validity, application, enforceability and scope of protection of intellectual property rights for many internet-related activities, such as internet commercial methods patents, are uncertain and still evolving, which may make it more difficult for us to protect our intellectual property, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may be vulnerable to intellectual property infringement claims brought against us by others.

We rely to some extent on third-party intellectual property, such as licenses to use software to operate our business and certain other copyrighted works. Although we have never experienced any material intellectual property claims against us in the past, as we face increasing competition and as litigation becomes more common in Russia as a way of resolving commercial disputes, we face a higher risk of being subject to intellectual property infringement claims. A successful infringement claim against us could result in monetary liability or a material disruption in our business. Although we require our employees not to infringe others' intellectual property, we cannot be certain that our products, services, content and brand names do not or will not infringe on valid patents, trademarks, copyrights or other intellectual property rights held by third parties. We may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business.

We may incur substantial expenses in defending against third party infringement claims, regardless of their merit. As a result, due to diversion of management time, expenses required to defend against any claim and the potential liability associated with any lawsuit, any significant litigation could significantly harm our business, financial condition and results of operations. If we were found to have infringed on the intellectual property rights of a third party, we could be liable to that party for license fees, royalty payments, lost profits or other damages, and the owner of the intellectual property may be able to obtain injunctive relief to prevent us from using the technology, software or brand name in the future. If the amount of these payments were significant, if we were prevented from incorporating certain technology or software into our products or services or if we were prevented from using our brand name, our business, prospects, financial condition and results of operations could be materially and adversely affected.

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, Kazakhstan, Belarus and have de-minimis operations in other countries such as Georgia, Kyrgyzstan, Azerbaijan and Uzbekistan. These are countries where there is a high risk of fraud, money laundering, bribery and corruption. We have policies and procedures designed to assist compliance with applicable laws and regulations and we are subject to the US Foreign Corrupt Practices Act of 1977 ("FCPA") and the UK 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 onerous 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 offenses 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 its employees, the Bribery Act introduced a new offense applicable to corporate entities and partnerships that carry on part of their business in the UK that 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 offense can render parties criminally liable for the acts of their agents, joint venture, or commercial partners even if done without their knowledge.

We maintain internal compliance policies and procedures, however, we can provide no 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 internal reports of potential violations of our internal compliance policies will not be made in the future or that violations of applicable anti-bribery or money laundering laws, including the FCPA will not occur. As a result, we could be subject to potential civil or criminal penalties under relevant applicable laws which may have adverse consequences on our business, prospects, financial condition or results of operations if we fail to prevent any such violations or are the subject of investigations into potential violations. In addition, such violations could also negatively impact our reputation and consequently, our ability to win future business. The consequences that we may suffer due to the foregoing may cause our business, prospects, financial condition and results of operations or reputation to be materially and adversely affected.

We depend upon talented employees, including our senior management, product and development specialists to grow, operate and improve our business, and if we are unable to retain and motivate our personnel and attract new talent, we may not be able to grow effectively.

Our success depends on our continued ability to identify, hire, develop, motivate and retain talented employees. Our ability to execute and manage our operations efficiently is dependent upon contributions from all of our employees. Competition for senior management and key product and development personnel is intense and the pool of qualified candidates is to an extent limited. From time to time, some of our key personnel may choose to leave our company for various reasons, including change of interests or career development plans, compensation, or working relations with our board or with other team members, which could result in management turnover. If we are unable to retain the services of our key personnel or properly manage the working relationship among our management and employees, this may mean we will become exposed to legal or administrative proceedings or adverse publicities and our reputation may be harmed, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Training of new employees with no prior relevant experience could be time-consuming and require a significant amount of resources. We may also need to increase the compensation we pay in order to retain our skilled employees. If competition in our industry further intensifies, it may be more difficult for us to hire, motivate and retain highly skilled personnel, especially high quality developers as there is currently significant market demand for this role. If we fail to attract additional highly skilled personnel or retain or motivate our existing personnel, we may be unable to grow effectively or at all, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Employee misconduct is difficult to determine and detect and could harm our reputation and business.

We face a risk that may arise out of our employees' lack of knowledge or willful, negligent or involuntary violations of laws, rules and regulations or other misconduct. Misconduct by employees could involve, among other things, the improper use or disclosure of confidential information (including trade secrets), embezzlement or fraud, any of which could result in regulatory sanctions or fines imposed on us, as well as cause us serious reputational or financial harm. Misconduct by employees may result in unknown and unmanaged risks and losses. It is not always possible to guard against employee misconduct and ensure full compliance with our risk management and information policies, and the precautions we take to detect such activity may not always be effective. The direct and indirect costs of employee misconduct can be substantial and our business, prospects, financial condition and results of operations could be materially and adversely affected.

A regional or global health pandemic, including COVID-19, potential actions taken to contain a disease, and speed and extent of the recovery could severely affect our business, results of operations and financial condition due to impacts on our customers.

A regional or global health pandemic, depending upon its duration and severity, could have a material adverse effect on our business. For example, in March 2020, the World Health Organization declared COVID-19 a global pandemic, and governmental authorities around the world have implemented measures to reduce the spread of COVID-19, including shutdowns and “shelter-in-place” orders suggested or mandated by governmental authorities or otherwise elected by companies as a preventive measure. During the spring 2020, the Russian government introduced a number of recommendations and restrictions, including declaring a “period of non-working days,” which limited business activity, as well as other restrictions on the movement of citizens and a limitation on most commercial activities. These restrictions differed in scope across various regions of the Russian Federation and were subject to change, resulting in the frequent strengthening and relaxation of such restrictions in different regions. These measures have adversely affected workforces, our customers, economies and financial markets, and the pandemic has had a significant impact of the economies in all of our markets.

As a result of the government’s imposed “period of non-working days” and social distancing measures introduced across the country, some businesses continued to work from home, while many others ceased operating or began operating in very limited capacities. Accordingly, business activities were significantly adversely affected across Russia during this period, including recruitment and hiring processes, as many companies put their hiring on hold or decreased the number of new hires they originally planned. Due to this decrease in activity, the number of job postings advertised on our platform, the number of candidates browsing job postings on our database and our revenue decreased from mid-March. Although we saw a recovery in the activity on our platform in the end of 2020, there can be no assurance that such decrease will not recur. If the level of activity decrease on our platform, it could have a material adverse impact on our business, financial condition and results of operations.

As a result of the COVID-19 pandemic and upon the recommendation of the Russian authorities, in March 2020 we transitioned our employees to remote working arrangements and temporarily closed our offices. At the moment, most of our employees continue to work remotely. Although we benefit from being a fully digital business and have not experienced any material disruptions to our operations to date, it is possible that this could have a negative impact on the execution of our business plans and operations. If a natural disaster, power outage, connectivity issue, or other event occurred that impacted our employees’ ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may also result in consumer privacy, IT security and fraud concerns, heighten the risk of cyber incidents, as well as increase our exposure to potential wage and hour issues. Recently, organizations worldwide, including governments and commercial enterprises, have seen an increase in cyber-attacks, such as phishing and ransomware attacks, by bad actors taking advantage of the pandemic and remote workforces. Our own systems and the systems of third parties that we work with are subject to such increased threats. Additionally, our understanding of applicable legal and regulatory requirements, as well as the latest guidance from regulatory authorities in connection with the COVID-19 pandemic, may be subject to legal or regulatory challenge, particularly as regulatory guidance evolves in response to future developments.

We are unable to accurately predict the impact that COVID-19 will have on our operations going forward due to uncertainties that will be dictated by the length of time that the pandemic and related disruptions continue, the impact of governmental regulations that might be imposed in response to the pandemic, the efficiency and efficacy of vaccination programs and overall changes in our customers’ behavior.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

We do not have and may be unable to obtain sufficient insurance to protect ourselves from business risks.

The insurance industry in the Russian Federation 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. We do not currently maintain insurance coverage for our offices or servers, business interruptions or third party liability in respect of property or environmental damage arising from accidents on our property or relating to our operations. Until we obtain adequate insurance coverage, there is a risk of loss or destruction of certain assets, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Our substantial indebtedness may adversely affect our financial health.

We currently have substantial indebtedness. As of December 31, 2021, we had total indebtedness of P8,038 million, which consisted of a P4,615 million syndicated credit facility with VTB entered on August 24, 2020, as amended (the “2020 Credit Facility”), of which P607 million of the principal amount has been repaid as of December 31, 2021, and a P4,000 million bond issued on December 14, 2020. See Item 5. “Operating and Financial Review and Prospects, B. Liquidity and Capital Resources—Indebtedness.”

Our substantial indebtedness may have important consequences for us. For example, it may:

- make it more difficult for us to make payments on our indebtedness;
- increase our vulnerability to general economic and industry conditions, including recessions and periods of significant inflation and financial market volatility;
- require us to use a substantial portion of cash flow from operations to service our indebtedness, thereby reducing our ability to fund capital expenditures and other expenses;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to competitors that have less indebtedness;
- limit our ability to borrow additional funds that may be needed to operate and expand our business; and
- restrict our ability to pay dividends.

Any of the above would materially and adversely affect our business, prospects, financial condition and results of operations.

We have significant intangible assets on our balance sheet. Consequently, potential impairment of intangible assets may have an adverse material effect on our profitability.

Since the Acquisition, intangible assets have represented a significant portion of our assets.

Goodwill and other intangible assets, which are comprised primarily of our brand name, CV database and non-contractual customer relationships, collectively amounted to 61.3% of our total consolidated assets as of December 31, 2021. We assess the potential impairment of intangible assets on at least an annual basis, as well as whenever events or changes in circumstances indicate that the carrying value may not be recoverable. We may be required to record significant impairments in the future. Some of the developments, which could cause us to recognize impairment of goodwill or other intangible assets, include significant underperformance relative to historical or projected future operating results or significant negative industry or economic trends, as well as increase of discount rates on the back of increase of country-specific risk. Although the recording of such impairments does not trigger an immediate cash impact, our business, prospects, financial condition and results of operations could be materially and adversely affected, and significant future impairments of our intangible assets could reduce our profitability to such an extent that we would not be permitted under Cypriot law to declare and pay dividends.

We may need to raise additional funds to finance our future capital needs, which may dilute the value of our outstanding ADSs or prevent us from growing our business.

We may need to raise additional funds to finance our existing and future capital needs, including developing new services and technologies, and to fund ongoing operating expenses. If we raise additional funds through the sale of equity securities, these transactions may dilute the value of our outstanding ADSs. We may also decide to issue securities, including debt securities that have rights, preferences and privileges senior to our ADSs. Any debt financing would increase our level of indebtedness and could negatively affect our liquidity and restrict our operations. We also can provide no assurances that the funds we raise will be sufficient to finance our existing indebtedness. Moreover, the overall deterioration of the macroeconomic condition in Russia may cause shortages of Russian banks’ liquidity, which in turn may result in those banks curtailing their lending programs. We may be unable to

raise additional funds on terms favorable to us or at all. If financing is not available or is not available on acceptable terms, we may be unable to fund our future needs. This may prevent us from increasing our market share, capitalizing on new business opportunities or remaining competitive in our industry.

Changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies could adversely affect our financial condition and results of operations.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Future changes in accounting standards, pronouncements or interpretations could require us to change our policies and procedures. The materiality of such changes is difficult to predict, and such changes could materially impact how we record and report our financial condition and results of operations. For example, we adopted IFRS 16, a standard that introduced a single, on-balance sheet accounting model for lessees, at January 1, 2019, using the modified retrospective approach. Under this transition method, our comparative financial information for the year ended December 31, 2018 was not restated. In addition, some accounting policies require the use of estimates and assumptions that may affect the reported value of our assets or liabilities and results of operations and are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. If those assumptions, estimates or judgments were incorrectly made, we could be required to correct and restate prior period financial statements, and there can be no assurances that we will make the correct judgments in the future, should any new standards be issued. Accounting standard-setters and those who interpret the accounting standards may also amend or even reverse their previous interpretations or positions on how various standards should be applied. Any of these changes are difficult to predict and can materially impact how we record and report our financial condition and results of operations, which could have a significant impact on our future financial statements.

We may default on our exchange bonds.

On December 14, 2020, Headhunter LLC completed the placement of 6.45% P4 billion of 001P-01R series interest-bearing non-convertible non-documentary callable exchange bonds with a maturity up to 1,092 days (“Bonds”). The Bonds will pay interest quarterly and are due in December 2023. This was the first ruble bond offering by Headhunter LLC which utilized the P20 billion unsecured indefinite term bond program registered on October 14, 2020 with the Moscow Exchange. As of the date of this Annual Report, local rating agency ExpertRA assigned HeadHunter Group PLC and the Bonds the “ruAA” credit rating with a stable outlook. The Bonds are secured by an irrevocable offer of Headhunter Group PLC and if we violate certain covenants of the issuer or the offeror we shall buy out the Bonds on the demand of the investors, which could negatively impact our liquidity and/or cash flow.

We may not be able to successfully integrate Zarplata.ru.

On December 25, 2020, we completed the acquisition of 100% of the issued charter capital of Zarplata.ru (“Zarplata.ru Acquisition”) from Hearst Shkulev Digital Regional Network B.V. under the agreement for the sale and purchase dated November 24, 2020 (“Zarplata.ru Purchase Agreement”). While the acquisition was made after extensive due diligence and based on a detailed integration plan, there can be no assurance that such due diligence was sufficient to uncover all material issues and the integration plan includes all necessary steps to achieve synergies and economic benefits. Expected revenue and cost synergies, operational efficiencies, business growth and other benefits may not materialize because assumptions upon which we determined to proceed with the Zarplata.ru Acquisition might be incorrect or the economic environment or competition landscape may have changed since the decision date.

Risks Relating to the Russian Federation and Other Markets in Which We Operate

Investing in securities of issuers in emerging markets, such as the Russian Federation, Kazakhstan and other CIS countries, 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 the Russian Federation, Kazakhstan, Belarus and other CIS countries are subject to greater risks than more developed markets, including significant legal, economic, tax and political risks. Investors in emerging markets should be aware that these markets are subject to greater risk and should note that emerging economies such as the economies of the Russian Federation, Kazakhstan, Belarus and other CIS countries are subject to rapid change and that the 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 equity 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 equity markets have been highly volatile, principally due to the impact of the global economic slowdown resulting from various factors, including the European sovereign debt crisis, the slowdown in Chinese economic growth and the dramatic fall in oil prices, as well as the deteriorating conditions of the Russian economy and the COVID-19 pandemic. More recently, the situation has deteriorated significantly in connection with the Ukrainian crisis. See “—*The ongoing military actions between Russia and Ukraine have negatively impacted the Russian economy and could adversely affect our business, financial condition and results of operations.*”. As has happened in the past, financial problems such as significant ruble depreciation, capital outflows and a deterioration in other leading economic indicators or an increase in the perceived risks associated with investing in emerging economies due to, *inter alia*, geopolitical disputes such as the military conflict in Ukraine and imposition of unprecedented trade and economic sanctions in connection therewith, could dampen foreign investment in Russia and adversely affect the Russian economy. In addition, during such times, businesses that operate in emerging markets can face severe liquidity constraints as funding sources are withdrawn. Furthermore, in doing business in various countries of the CIS, we face risks similar to (and sometimes more significant than) those that we face in Russia. As we operate in emerging markets throughout the world, we may be exposed to any one or a combination of these risks, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Political risks could adversely affect the value of investments in the Russian Federation.

While the political situation in the Russian Federation 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 overall economic situation, including capital flight and a slowdown of investment and business activity. In addition, any change in the Russian Government or its programs or lack of consensus between the Russian President, the Prime Minister, the Russian Government, the Parliament and powerful political, social, religious, regional, economic or ethnic groups could lead to political instability and a deterioration in Russia’s investment climate that might limit our ability to obtain financing in the international capital markets, and our business, prospects, financial condition and results of operations could be materially and adversely affected. On July 4, 2020, the Law of the Russian Federation on Amendment to the Constitution of the Russian Federation came into force, which implemented 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 the Russian Federation. These amendments, among other things, prioritize the Constitution of the Russian Federation over international treaties and the decisions of international bodies, strengthen the Russian State Council as an advisory board to the Russian President and grant the Russian Federal Council with authority to terminate the powers of the judges of the Constitutional Court of Russia upon the recommendation of the Russian President. These amendments may have a significant impact on the Russian political landscape and regulatory environment and lead to other changes that are currently difficult to predict.

According to some commentators, politically motivated actions, including claims brought by the Russian authorities and state-owned companies against several major Russian companies, as well as cases of confiscation or renationalization of assets, have called into question the security and enforceability of property and contractual rights, progress of the free market and political reforms, the independence of the judiciary and the certainty of legislation. 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 the general market turmoil recently. 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 the shares.

Russia is a federative state consisting of 85 constituent entities, or “subjects.” The Russian Constitution reserves some governmental powers for the Russian Government, some for the subjects and some for areas of joint competence. In addition, eight “federal districts” (*federal’nye okruga*), which are overseen by a plenipotentiary representative of the President, supplement the country’s federal system. The delineation of authority among and within the subjects is, in many instances, unclear and contested, particularly with respect to the division of tax revenues and authority over regulatory matters. Subjects have enacted conflicting laws in areas such as privatization, land ownership and licensing. For these reasons, the Russian political system is vulnerable to tension and conflict between federal, subject and local authorities. This tension creates uncertainties in the operating environment in Russia, which may prevent businesses from carrying out their strategy effectively.

In addition, ethnic, religious, historical and other divisions have on occasion given rise to tensions and, in certain cases, military conflict. Moreover, various acts of terrorism have been committed within the Russian Federation. The risks associated with these events or potential events could materially and adversely affect the investment environment and overall consumer and

entrepreneurial confidence in the Russian Federation, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Deterioration of Russia's relations with other countries could negatively affect the Russian economy and those of the nearby regions.

Over the past several years, Russia has been involved in conflicts, both economic and military, involving other countries. In 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 United States and the European Union, with a resulting material negative impact on their relationships with Russia. Tensions between Russia and the United States and between Russia and the European Union further increased in subsequent years as a result of the conflict in Syria and a host of other issues. Tensions between Russia and the United States, the European Union, the U.K. and other countries dramatically deteriorated as a result of Russia launching special military operations in Ukraine in February 2022. See “—*The ongoing military actions between Russia and Ukraine have negatively impacted the Russian economy and could adversely affect our business, financial condition and results of operations—Impact on our business, financial condition and results of operations.*” The emergence of new or escalated tensions between Russia and other countries, including any escalation of the conflict or renewed fighting, or the imposition of more severe international trade and economic sanctions in response to these tensions, could negatively affect the economies in the regions where we are present, including the Russian economy. This, in turn, may further erode 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, trading volatility and significant declines in the price of listed securities of companies with significant operations in Russia, including our shares, 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. Political and governmental instability in Russia and other countries of our operations could materially adversely affect our business, prospects, financial condition, results of operations and the value of our ADSs.

Social instability could increase support for renewed centralized authority, nationalism or violence and could materially adversely affect our operations.

Devaluation of Russian rouble, high inflation rates, decrease in the price of oil, as well as increased unemployment rates, the failure of the government and many private enterprises to pay full salaries on a regular basis and the failure of salaries and benefits generally to keep pace with the rapidly increasing cost of living have 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 a renewal of centralized authority; increased nationalism, including restrictions on foreign involvement in the economies of the countries where we have operations; and increased 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 political and economic changes in recent years in the countries where we operate have resulted in significant changes in authority. In addition, the local and international press have reported high levels of corruption, including the bribing of officials for the purpose of initiating investigations by government agencies. Press reports have also described instances in which government officials engaged in selective investigations and prosecutions to further the commercial interests of certain government officials or certain companies or individuals. Additionally, some members of the media in the countries in which we operate regularly publish disparaging articles in return for payment. The depredations of organized or other crime, demands of corrupt officials or claims that we have been involved in official corruption could result in negative publicity, disrupt our ability to conduct our business, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Applicable legislation imposes restrictions and requirements on us with respect to processing of certain types of personal and other data and data retention which may impose additional obligations on us, limit our flexibility, or harm our reputation with users.

Processing of user data by any person in Russia and other countries is subject to certain requirements and restrictions. If these requirements and restrictions are amended, interpreted or applied in a manner not consistent with current practice, we could face fines or orders requiring that we change our operating practices, 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, prohibit data processing, payments or advertising.

In Russia, in order to process an individual's personal data, we must (in the majority of cases) obtain his or her written or e-consent and use encryption and other technical means to protect his or her personal data. We do not collect or perform any operations on our users' personal data, except when such collection or processing is in accordance with our terms of services and privacy policies which are available on our websites. Subject to several exemptions, processors of personal data must notify the appropriate Russian authority, we are included into the register of such processors.

According to the Federal Law No. 242-FZ "On Introduction of Changes to Certain Legislative Acts of the Russian Federation in Connection with Usage of Information Technologies in the Field of Healthcare" dated July 29, 2017 (the "Federal Law No. 242"), data operators (data controllers) of personal data are obliged to record, systematize, accumulate, store, update, modify and retrieve Russian citizens' personal data using databases located only within Russia (subject to a limited number of exceptions), as well as to provide the Federal Service for Supervision of Communications, Information Technology and Mass Media of Russia ("Roskomnadzor") with the information on location of databases containing all citizens' personal data.

Federal Law No. 242 may cause restrictions on the provision of information services and penalties which may be imposed on data operators (data controllers) for failure to comply with its requirements (some of which may be subject to broad interpretation).

Failure to comply with data processing requirements, including the localization requirement, may have various types of adverse consequences and result in fines of up to P18 million, as well as blocking of our website and our inclusion in a special register for infringers of personal data processing requirements. Moreover, under Federal Law No. 236-FZ "On the Activities of Foreign Persons in the Information and Telecommunications Network 'Internet' on the Territory of the Russian Federation," dated July 1, 2021, liability for failure to comply with the Russian data localization rules may include, for example, prohibitions or restrictions on personal data processing or export, prohibitions on payments from Russia and advertisements of and on the relevant resource and/or marking of the resource as non-compliant in search results of search engines.

Although we believe we are in compliance with this legislation, compliance with the requirements provided may be practically difficult, require significant efforts and resources, lead to legal liability in other jurisdictions and limit functionality of our services. Compliance with these requirements may also limit our ability to compete with other companies located in other jurisdictions that do not require mandatory local storage of personal data relating to their users. However, any non-compliance with this requirement could lead to legal liability and potentially to restriction of the availability of the service in Russia. For example, in 2016, a Russian court ordered the blocking of access to a popular professional social networking website for violation of data protection legislation.

In the past, Russian legislators proposed initiatives to regulate the ownership and operation of informational resources significant for the development of Russian information and communication infrastructure and personal data processing technologies, including restrictions in relation to foreign ownership in Russian companies owners of internet resources (such as webpages, websites, information systems or software) that enable the owner to collect the personal data of users in Russia. Though these initiatives were not enacted, we cannot assure you that it would not be finally enacted, or that other restrictions on foreign ownership in Russian informational resources will not be proposed, including restrictions on foreign investors of any type, including passive investors. If such legislation initiatives or any other restrictions on foreign ownership are adopted and applicable to us, we may be required to restructure or otherwise adapt our operations or corporate structure to comply with such restrictions, and such restrictions may have a material adverse effect on our share price.

Furthermore, the Russian authorities are currently developing various legislative and regulatory initiatives in response to recent geopolitical and economic events and some of these may be political motivated or populist in nature, including further restrictions on foreign businesses and nationalization of assets of foreign businesses. The potential impact and the extent of such initiatives is difficult to determine at this stage. See "*The ongoing military actions between Russia and Ukraine have negatively impacted the Russian economy and could adversely affect our business, financial condition and results of operations*".

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 Federal Law No. 149-FZ "On Information, Information Technology and Data Protection" dated July 27, 2006 (the "Law on Information"), which is aimed at unifying the approach to big data processing. As of the date of this Annual Report, there are a number of other initiatives relating to the big data processing that are

being discussed by the Russian authorities. Currently, it is unclear what impact the proposed initiatives may have on big data processing and when the announced draft law or other regulations may be adopted, and as a result, it is difficult for us to estimate the potential impact of this law on our business.

Due to the nature of the services we offer and the fact that we have a presence in a number of countries, we may also be subject to data protection laws of other jurisdictions, especially laws regulating the cross-border transfer of personal data (including, but not limited to the GDPR), which may require significant compliance efforts and could result in liability for violations in other jurisdictions. As our business grows, we may also encounter increased pressure from foreign state authorities with respect to production of information related to users in circumvention of the international legal framework regulating the provision of such information. Any non-compliance with such requests may lead to liability, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Weaknesses relating to the legal system and legislation in the countries where we operate create an uncertain environment for investment and business activity, which could have a material adverse effect on the value of our shares.

Each of the countries in which we operate is still developing the legal framework required to support the market economy. The following risks relating to these legal systems create uncertainties with respect to the legal and business decisions that we make, many of which do not exist in countries with more developed market economies:

- 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 practice that create possibilities of abuse.

The recent nature of much of the legislation in the CIS countries, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of these legal systems in ways that may not always coincide with market developments place the enforceability and underlying constitutionality of laws in doubt and result in ambiguities, inconsistencies and anomalies. In addition, legislation in these countries often contemplates implementing regulations that have not yet been promulgated, leaving 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.

Selective or arbitrary government action could have a material adverse effect on our business, financial condition, results of operations and prospects.

Governmental authorities in the countries where we operate have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is inconsistent with legislation or influenced by political or commercial considerations.

Selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits and claims, criminal prosecutions and civil actions. Federal and local government entities have also used ordinary defects in matters surrounding share issuances and registration as pretexts for court claims and other demands to invalidate such issuances and registrations or to void transactions. Moreover, the government also has the power in certain circumstances, by regulation or government acts, to interfere with the performance of, nullify or terminate contracts.

In addition, the Russian tax authorities have aggressively brought tax evasion claims relating to Russian companies' use of tax-optimization schemes, and press reports have speculated that these enforcement actions have been selective. Selective or arbitrary government action could be directed at us, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Russian companies can be forced into liquidation on the basis of formal non-compliance with certain applicable legal requirements.

Certain provisions of Russian law may allow government authorities to seek a court order for the liquidation of a Russian legal entity on the basis of its formal non-compliance with certain requirements during formation, reorganization or during its operation. For example, under Russian corporate law, if the net assets of a Russian joint stock company calculated on the basis of Russian accounting standards are lower than its charter capital as at the end of its third or any subsequent financial year, the company must either decrease its charter capital or be placed in liquidation. If the company fails to comply with these requirements, governmental or local authorities can seek the involuntary liquidation of such company in court, and the company's creditors will have the right to accelerate their claims or demand early performance of the company's obligations as well as demand compensation of any damages.

The existence of negative assets may not accurately reflect the actual ability to pay debts as they fall due. Many Russian companies have negative net assets due to very low historical asset values reflected on their Russian accounting standards balance sheets; however, their solvency is not otherwise adversely affected by such negative net assets. Courts have, on rare occasions, ordered the involuntary liquidation of a company for having net assets less than the minimum charter capital required by law, even if the company had continued to fulfill its obligations and had net assets in excess of the minimum charter capital at the time of liquidation.

There have also been 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 as a basis to seek the liquidation of a legal entity. 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.

Failure to comply with existing laws and regulations or to obtain all approvals, authorizations and permits, or the findings of government inspections or increased governmental regulation of our operations, could result in a disruption in our business and substantial additional compliance costs and sanctions.

Our operations and properties are subject to regulation by various government entities and agencies in connection with obtaining and renewing various licenses, approvals, authorizations and permits, as well as with ongoing compliance with existing laws, regulations and standards. 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. Russian authorities have the right to, and frequently do, conduct periodic inspections of our operations and properties throughout the year. Any such future inspections may conclude that we or our subsidiaries have violated laws, decrees or regulations, and we may be unable to refute such conclusions or remedy the violations.

Our failure to comply with existing laws and regulations of the countries where we operate or to obtain all approvals, authorizations and permits or the findings of government inspections including the State Labor Inspection Service may result in the imposition of fines or penalties or more severe sanctions including the suspension, amendment or termination of our licenses, approvals, authorizations and permits, or requirements that we cease certain of our business activities, or criminal and administrative penalties applicable to our officers. Moreover, an agreement or transaction entered into in violation of law may be invalidated and/or unwound by a court decision. Any such decisions, requirements or sanctions, or any increase in governmental regulation of our operations, could result in a disruption of our business and substantial additional compliance costs, and our business, prospects,

financial condition and results of operations could be materially and adversely affected. See also “—*The FAS’s determination that we hold a dominant position in the market where we operate, together with SuperJob and RDV-Soft (a company that operates the Rabota.ru recruiting website), and that we abused this dominant position through restricting access to our CV database for Stafori LLC’s “Robot Vera” software may adversely affect our business, financial condition and results of operations.*”

In addition, the Federal Law No. 374-FZ dated July 6, 2016, also known as the “Yarovaya Law” (named after the Russian senator who initiated this law) (the “Yarovaya Law”) amending, among others, the Law on Information, requires arrangers of information distribution by means of internet (the “arranger”) to store certain data for a period of one year. The norm of the law relating to the storage of messages content entered into force on July 1, 2018, see Item 4. “*Information on the Company, B. Business Overview—Regulation—Privacy and Personal Data Protection Regulation.*” In December 2020, the Ministry of Digital Development, Communications and Mass Media of the Russian Federation suggested delaying implementation of certain requirements on data storage for one year in light of the COVID-19 outbreak and related worsening in economic conditions. We believe that this regulation will not cause us to incur substantial additional costs. However, the range of penalties for non-compliance with the Yarovaya Law is not entirely clear and may potentially entail other types of administrative penalties in addition to fines. If any of these were material or we were found to be in non-compliance, our business prospects, financial condition and results of operations could be materially and adversely affected.

The Sovereign Internet Law, which predominantly entered into force in November 2019, 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. The Russian authorities have adopted certain implementing legislation, but other implementing legislation has yet to be developed. See also “—*Any disruption in internet access, telecommunications networks or our technology platform may cause slow response times or otherwise impair our users’ experience, which may in turn reduce user traffic to our website and significantly harm our business, financial condition and operating results.*” If we were found to be in non-compliance with the requirements of the Sovereign Internet Law, our business prospects, financial condition and results of operations could be affected.

In addition, the Law on Information also sets forth certain content moderation rules. This law provides for an obligation of online businesses to adopt notice-and-take-down approach and delete (block) information which, under Russian law, is considered illicit immediately upon notice from the authorities and requires certain businesses (e.g. audiovisual services owners and social networks with more than 500,000 daily users) to review and proactively delete illicit content. In December 2021, Russian courts issued major fines (up to circa US\$100 million) against several global companies for failure to comply with these rules. As of the date of this Annual Report we are closely monitoring all advertising that we allow on our platforms, but there can be no assurance that Roskomnadzor will not reveal any non-compliance with rules described above in future.

According to Russian legislation, shareholders and participants of Russian companies have an opportunity to demand either liquidation of a company in a judicial proceeding or exclusion of other shareholders or participants (except for public joint stock companies) from the company.

According to the amendments to the Civil Code of the Russian Federation which came into effect on September 1, 2014, shareholders and participants of Russian companies have certain rights, including the following, which can be enforced through court order:

- to demand the liquidation of a company in case of failure to achieve targets for which it was created, including a case when an operation of a company becomes impossible or is substantially hampered; and
- to demand exclusion of a shareholder or participant (except for public joint stock companies) whose actions or inactivity either cause significant harm to or hamper the company’s operations.

In this regard, considering the lack of practice in applying these regulations, we cannot rule out the possibility of having such claims filed against us. Should such claims be brought, our business, prospects, financial condition and results of operations could be materially and adversely affected.

Shareholder liability under Russian corporate law could cause us to become liable for the obligations of our subsidiaries.

Russian law generally provides that shareholders in a Russian joint-stock company or participants in a limited liability company are not liable for that company's obligations and risk only the loss of their investment. This may not be the case, however, when one legal entity is capable of determining decisions made by another entity. The legal entity capable of determining such decisions is called the effective parent entity (*osnovnoye obshchestvo*). The legal entity whose decisions are capable of being so determined is called the effective subsidiary entity (*docherneye obshchestvo*). The effective parent bears joint and several liability for transactions concluded by the effective subsidiary in carrying out business decisions if:

- the effective parent gives binding directions to the effective subsidiary or provides consent to the relevant transactions entered into by the subsidiary; and
- the right of the effective parent to give binding instructions is based on its share in the subsidiary's capital, or is set out in a contract between such entities or stems from other circumstances.

In addition, under Russian law, an effective parent is secondarily liable for an effective subsidiary's debts if an effective subsidiary becomes insolvent or bankrupt as a result of the action of an effective parent. In these instances, the other shareholders of the effective subsidiary may claim compensation for the effective subsidiary's losses from the effective parent that causes the effective subsidiary to take action or fail to take action knowing that such action or failure to take action would result in losses.

We could be found to be the effective parent of our subsidiaries, in which case we would become liable for their debts, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

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

Russia's banking and other financial systems are less developed or regulated as compared to other countries, and Russian legislation relating to banks and bank accounts is subject to varying interpretations and inconsistent application. In recent years, there has been a rapid increase in lending by Russian banks, which has been accompanied by a deterioration in the credit quality of the borrowers. In addition, a robust domestic corporate debt market is leading Russian banks (including the banks with which we conduct banking transactions) to hold increasingly large amounts of Russian corporate ruble bonds in their portfolios, which is further deteriorating the risk profile of Russian bank assets. Serious deficiencies in the Russian banking sector, combined with a deterioration in the credit portfolios of Russian banks, may result in the banking sector suffering large losses during market downturns or economic slowdowns, including due to Russian corporate defaults that may occur during any such market downturn or economic slowdown, and thus becoming unable to lend or fulfill their obligations, including to their corporate depositors. In addition, the Central Bank of Russia has a practice of revoking from time to time the licenses of certain Russian banks, which resulted in market rumors about additional bank closures and many depositors withdrawing their savings. Recently a number of banks and credit institutions have lost their licenses due to deficiency of capital and failure to meet the Central Bank of Russia requirements. During a banking crisis, Russian companies may be subject to severe liquidity constraints due to the limited supply of domestic savings and the withdrawal of foreign funding sources that may occur during such a crisis.

In response to a high inflation and depreciating Rouble, on February 28, 2022, the CBR increased its key interest rate from to 9.5% to 20.0%, which was cut by 300 basis points, to 17% per annum, on April 11, 2022. As a result of the significant increase in the CBR's key interest rate as well as the overall decline in the Russian economy, the domestic financial and banking markets may experience periodic shortages of liquidity persist in the domestic money market and may result in banks cutting their exposure limits to both banks and various corporate sectors of the economy. In addition, both the corporate and retail banking sectors saw corresponding increases in lending rates and at the same time banks raised their deposit rates in an effort to obtain additional funding during a period of weakening liquidity. Consequently, funding costs have increased throughout the entire Russian financial system and have put substantial strain on Russian banks' ability to manage interest rate risks, raise financing and prudently allocate available liquidity. The resulting higher interest rates may also have a negative impact on the banking sector's profitability, as well as worsening Russian consumer and corporate creditworthiness. The sharp rise in interest rates caused by the Central Bank's key interest rate hike, to have a materially negative impact on the Russian mortgage market.

The recent disruptions in the global markets have generally led to reduced liquidity and increased cost of funding in Russia and will be further exacerbated by recent geopolitical events and consequent deterioration of the Russian economy ("—*The ongoing*

military actions between Russia and Ukraine have negatively impacted the Russian economy and could adversely affect our business, financial condition and results of operations”). Borrowers have generally experienced a reduction in available financing both in the inter-bank and short-term funding market, as well as in the longer term capital markets and bank finance instruments. The non-availability of funding to the banking sector in the Russian Federation has also negatively affected the anticipated growth rate of the Russian Federation

During turbulence in the Russian financial markets and banking sector, the Russian state authorities have historically implemented measures intended to support the liquidity and solvency of Russian banks and to significantly increase the availability of credit to businesses, which have been seen as critical for restoring investor confidence and for supporting the Russian economy. In addition to the recent instability, there is still reduced liquidity and capitalization in the Russian banking sector, and there can be no assurance that more severe liquidity problems will not occur in the future, or that the Russian Government will continue or be able to implement state support measures to support the Russian banking sector, in particular, in case of any potential liquidity constraints or limitations on access to the international capital markets by Russian financial institutions.

A listing on Moscow Exchange (“MOEX”) could impose additional administrative burdens on us and decrease the liquidity of trading in the ADSs on The Nasdaq Global Select Market (“Nasdaq”).

On September 25, 2020, we obtained the approval of MOEX in relation to the listing and admission of the ADSs to trading on MOEX under the symbol “HHRU.” No assurance can be given that we will be able to maintain such listing. Any such listing may impose additional administrative burdens on us and may result in a reduction of the liquidity of trading in the ADSs on Nasdaq.

In addition, we and our main operating subsidiary Headhunter LLC as issuers of publicly traded securities are subject to the Federal law No. 224-FZ dated July 27, 2010 “On Counteracting the Abuse of Inside Information and Market Manipulation and Amendment of Certain Legislative Acts of the Russian Federation” (the “Insider Dealing Law”). According to the Insider Dealing Law, issuers have an obligation to maintain the internal list of inside information, disclose their insiders and comply with certain other requirements. Any violation of the Insider Dealing Law could result in the imposition of certain civil, administrative and other sanctions on us and could have a material adverse effect on our business, financial condition, results of operations and prospects.

The FAS’s determination that we hold a dominant position in the market where we operate, together with SuperJob and RDV-Soft (a company that operates the Rabota.ru recruiting website), and that we abused this dominant position through restricting access to our CV database for Stafori LLC’s “Robot Vera” software may adversely affect our business, financial condition and results of operations.

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 companies that occupy a dominant position in any markets of their operation. When determining market dominance, the Federal Antimonopoly Service of Russia (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 products and/or services for the consumer, their pricing and intended use, and then calculate market shares of companies operating in this market. Different approaches may be applied in this respect by the FAS and market participants.

In April 2019, after a complaint filed by Stafori LLC the FAS initiated an investigation in relation to us alleging a violation of antitrust legislation by restricting access to our CV database for Stafori LLC’s “Robot Vera” software, which offers automated candidate search services. In December 2019, the FAS determined that Headhunter LLC, together with SuperJob and RDV-Soft, are currently occupying a collective dominant position in the market of internet-based services related to ensuring information coordination between employees, employers and staffing agencies in Russia, and that its actions prohibiting the use of third-party software lead to restriction of competition on the adjacent product markets (app stores). Headhunter LLC was found to have violated Russian antitrust legislation by abusing its collective dominant market position.

On January 23, 2020, the FAS issued its final decision, which concluded that our actions did not limit overall competition in Russia’s online recruitment market. At the same time, the FAS determined that we infringed on Stafori’s interests by creating impediments on Stafori’s ability to access the market of internet-based services for ensuring information coordination between employees, employers and staffing agencies in Russia and ordered us to consider their applications for registration of their products on our system, if Stafori submits such applications. On July 13, 2020 the FAS determined a final fine for violation of antitrust laws that we are required to pay and defined it to be ₺ 737,500. The FAS will not issue any further rulings or orders in connection with this

investigation. We contested judicially the FAS decision on April 22, 2020, and the imposed fine on July 31, 2020. We lost the first instance and appeal court hearings, and on February 18, 2022, we filed a cassation appeal to the Supreme Court of the Russian Federation. We believe that the mitigation measures prescribed by the FAS will not have a significant impact on our operations, and we intend to maintain our commitment to protecting personal data in the market. In addition, Stafori LLC may choose to claim for damages incurred as a result of infringement of its rights; however, Stafori LLC will have to prove the existence of such damages and that such infringement caused the damages. See also “—*Selective or arbitrary government action could have a material adverse effect on our business, financial condition, results of operations and prospects*” and Item 8. “*Financial Information, A. Consolidated Statements and Other Financial Information.*”

The conclusion by the FAS that we hold a collective dominant position in one or more of the markets in which we operate could result in heightened scrutiny of our business and industry, and/or limit our ability to complete future acquisitions. In addition, the FAS could require that we pre-clear with them any antitrust compliance policies and programs or substantial changes to our standard agreements with merchants and agents, as well as maintain our current agreements with business partners. Russian legislation prohibits persons holding a dominant position from setting monopolistically high or low prices. We could be prohibited from setting different prices to the same products and services and could be ordered to pre-agree with the FAS our tariffs and pricing policies or any changes thereto. In addition, if we were to decline to conclude a contract with a third party this could, in certain circumstances, be regarded as 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.

Russian legislation provides that the prohibition on the abuse of a dominant market position does not apply to the execution of exclusive rights in relation to intellectual property. There have been multiple discussions of proposed changes to the Russian antimonopoly legislation, including an initiative that would rescind intellectual property immunity; however, no such draft legislation to that effect has been proposed to the lower chamber of the Russian Parliament. Once there is more clarity in connection with this initiative and there is a more developed draft of any such legislation, we will be better placed to identify and assess the potential impacts, if any, on us and our business.

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

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

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 required licenses or authorizations. If our advertisers do not comply with these requirements, and these laws were to be interpreted to apply to us, or if our ad serving system failed to include necessary disclaimers, we may be exposed to administrative fines or other sanctions and may have to limit the types of advertisers we serve. In July 2021, amendments to the Russian law on advertising were introduced. These amendments implement the requirements for collection of information about the advertising on the Internet and will enter into force in September 2022. Pursuant to the amendments, advertisers will provide to Roskomnadzor the information on the advertisements published on the Internet, generally via licensed advertisement information operators.

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

Risks Relating to Russian Taxation

Changes in Russian tax law could adversely affect our Russian operations.

Generally, Russian taxes that we are subject to are substantial and include, inter alia: corporate income tax, value added tax, property tax, employment-related social security contributions; we are also subject to duties and liabilities of a tax agent in terms of

withholding taxes with respect to some of our counterparties. Although the Russian tax climate and the quality of tax legislation have generally improved with the introduction of the Russian Tax Code, the possibility exists that the Russian Federation may impose arbitrary and/or onerous taxes and penalties in the future. The Russian Federation's tax collection system increases the likelihood of such events, and this could adversely affect our business.

Russian tax laws are subject to frequent change and some of the sections of the Russian Tax Code are comparatively new and continue to be redrafted.

Since 2014, several important rules have been introduced into the Russian Tax Code as a part of the Russian Government's policy focused on curtailing Russian businesses from using foreign companies mostly or only for tax reasons. These rules impose significant limitations on tax planning and aiming at allowing the Russian tax authorities to tax foreign income attributable to Russian businesses (known as "deoffshorization measures"). These rules include, in particular, (i) rules governing the taxation of "controlled foreign companies" (CFC rules) (without limitation of jurisdictions to which this definition applies which residents may fall under); (ii) rules determining the tax residence status of non-Russian legal entities (tax residence rules); (iii) rules defining the "beneficial ownership" (actual recipient of income) concept and (iv) taxation of capital gains derived from the sale of shares in "real estate rich" companies (with the value of assets deriving, directly or indirectly, from real estate located in the Russian Federation by more than 50%), all in effect since January 1, 2015; and (v) codified general anti-abuse rules (that base on the judicial concept of "unjustified tax benefit", defined by the Supreme Arbitration Court in 2006, and provide a few tests to support tax reduction or tax base deduction, including the "main purpose test"), in effect since August 18, 2017. In addition, Russia actively participates in activities of Organization for Economic Co-operation and Development (the "OECD") aimed at reshaping the international tax system.

Starting 2019, the standard VAT rate increased from 18% to 20%, and the VAT rate applied to e-services rendered by foreign providers increased from 15.25% to 16.67%. Starting 2021, income of Russian tax-resident individuals exceeding P 5 million per annum is subject to personal income tax at a rate of 15% instead of 13% previously used.

In addition, in 2020 and 2021, new restrictions have been introduced into Russian tax law that effectively phase out certain tax benefits to non-Russian registered entities that voluntarily recognized themselves as Russian tax residents, such as our business. In particular, the participation exemption regime, the tax benefit that many non-Russian registered entities have relied on in obtaining Russian tax residency on a voluntary basis, will no longer apply to dividend income of such entities starting in 2024, which may increase the tax we pay on dividends from our Russian operating entities to Headhunter Group PLC from 0% to 13% starting January 1, 2024, while still requiring, in general, a 15% tax withholding from dividends paid by Headhunter Group PLC to our shareholders.

These changing conditions create tax risks in the Russian Federation that are more significant than those typically found in jurisdictions with more developed tax systems; they have significant effect on us, complicate our tax planning and related business decisions and may expose us to additional tax and administrative risks, as well as extra costs that are necessary to secure compliance with these new rules. In addition, there can be no assurance that the current tax rates will not be increased and that new taxes will not be introduced.

The interpretation and application of the Russian Tax Code generally and, in particular, the aforementioned new rules have often been unclear or unstable. Differing interpretations may exist both among and within government bodies at the federal, regional and local levels; in some instances, the Russian tax authorities take positions contrary to those set out in clarification letters issued by the Ministry of Finance in response to specific taxpayers' queries and apply new interpretations of tax laws retroactively. This increases the number of existing uncertainties and leads to inconsistent enforcement of the tax laws in practice. Furthermore, over recent years, the Russian tax authorities have shown a tendency to take 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 taxpayers. 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 matters by different courts regarding the same or similar circumstances may be inconsistent or contradictory. In practice, courts may deviate from the interpretations issued by the Russian tax authorities or the Ministry of Finance 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 inconsistent judgment of the local tax authorities and the failure of the Russian tax authorities to address many of the existing problems. It is, therefore, possible that our transactions and activities that have not been challenged in the past may be challenged in the future, which

may have a material adverse effect on our business, financial condition, results of operations and prospects and the trading price of the ADSs.

We are subject to tax audits by the Russian tax authorities, which may result in additional tax liabilities.

Generally, tax returns, together with related documentation, are subject to audit by the tax authorities, which are authorized by Russian law to impose severe fines and penalties. As a rule, the tax authorities may audit tax periods within three years immediately preceding the year when the tax audit is initiated. Tax audits may be repeated (within the same general three-year limit) in a few specifically defined circumstances, such as the taxpayer's reorganization or liquidation, or upon the re-filing of a tax return (amended to decrease the tax payable), or if a tax audit is conducted by a higher-level tax authority as a measure of control over the activities of a lower-level tax authority. Therefore, previous tax audits may not preclude from subsequent tax claims relating to the audited period.

The Russian Tax Code provides for a three-year statute of limitations for imposition of tax penalties; the statute of limitation extends however if the taxpayer obstructed the performance of the tax audit (such that it created an insurmountable obstacle for the performance and completion of the tax audit). However, the terms "obstructed" and "insurmountable obstacles" are not specifically defined in the Russian law; therefore, the tax authorities may interpret these terms broadly, effectively linking any difficulty experienced by them in the course of the 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 may result in additional costs if the tax authorities conclude that we did not satisfy our tax obligations in any given tax period. Such audits may also impose additional burdens on us by diverting the attention of management resources. The outcome of these audits could have a material adverse effect on our business, prospects, financial condition, results of operations or the trading price of the ADSs.

Russian transfer pricing rules may adversely affect the business of our Russian operations, financial condition and results of operations.

Transfer pricing legislation has been in force in the Russian Federation since 2012. The rules are technical, detailed and, to a certain extent, aligned with the international transfer pricing principles developed by the OECD.

Russian transfer pricing rules apply to "controlled transactions" that include transactions with related parties and certain types of cross-border transactions and oblige the taxpayers to notify the tax authority about "controlled transactions" and to keep specific documentation proving the conformance with the "arm's length principle." The rules have considerably increased the compliance burden on taxpayers compared to the previous regime, as currently taxpayers are obliged to prepare not only transfer pricing documentation but also notifications and reports.

Starting from January 1, 2019, transactions between related parties are not treated as "controlled transactions," in case such related parties are the Russian tax residents and/or located in the Russian Federation, and apply the general corporate income tax rate.

HeadHunter Group PLC changed its tax residence from Cyprus to the Russian Federation on June 19, 2019, and HeadHunter FSU Limited changed its tax residence from Cyprus to the Russian Federation on November 8, 2018. Consequently, transactions between the Russian companies in our group applying the general corporate income tax rate and transactions with HeadHunter Group PLC and HeadHunter FSU Limited shall not be treated as "controlled transactions."

Although transfer pricing rules are supposed to be in line with the 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 and assess beforehand the effect of transfer pricing rules on our business.

In addition, although pricing applied in "controlled transactions" shall be audited by the Federal Tax Service (by its central office), in observance of the transfer pricing methods, in practice, lower-level tax authorities often attempt to scrutinize pricing and other terms in transactions between related parties more broadly, based on the "unjustified tax benefit" concept.

In accordance with the foregoing, due to uncertainties in the interpretation and application of Russian transfer pricing rules, no assurance can be given that the Russian tax authorities will not challenge our transaction prices and make adjustments that could affect our tax position unless we are able to confirm our use of arm's length prices, supported by appropriate transfer pricing documentation. The imposition of additional tax liabilities as a result of Russian transfer pricing rules may have a material adverse effect on our business, prospects, financial condition, results of operations or the trading price of the ADSs.

Russian thin capitalization rules and general interest deductibility rules allow different interpretations, which may affect our business.

The Russian Tax Code provides for three main restrictions that limit the deductibility of expense for interest accruing on indebtedness: first, that a loan is obtained (indebtedness is incurred) with a proper economic reasoning (for a business purpose or justification); second, that the interest rate on controlled transactions is within established interest rate (safe-harbor) range; and third, the thin capitalization rules (that apply to "foreign controlled debt" (i.e., loans and other debt received by a Russian organization (i) from a foreign person (legal entity or individual) acknowledged as a related party for Russian transfer pricing purposes, if this foreign person directly or indirectly holds shares in the Russian organization's charter capital; (ii) from another person that is a related party of the aforementioned foreign person; or (iii) which are guaranteed or otherwise secured by any of the above mentioned persons. The ability to deduct interest is restricted to the extent that foreign controlled debt exceeds net assets by more than 3 times (12.5 for banks and leasing companies).

Interest on excess debt is non-deductible and treated as a dividend subject to withholding tax. In the event the taxpayer has negative net assets, the whole amount of interest accrued on the controlled debt is non-deductible and treated as a dividend. The statutorily defined scope of the foreign controlled debt was amended recently such that loans obtained from banks or Russian affiliates are excluded under certain conditions; at the same time, loans obtained from foreign affiliates are explicitly included.

Our Russian operations may be affected by requalification of interest into dividend (including by our inability to deduct interest) based on Russian thin capitalization rules if at any time the respective indebtedness qualifies as foreign controlled debt, or by the inability to deduct interest based on other reasons, however, we do not have any such indebtedness as of the date of this Annual Report.

Our Cypriot entities may be exposed to taxation in Russia if they are treated as having a Russian permanent establishment or as being Russian tax residents in the periods before they self-declared their Russian tax residence.

As companies incorporated under the laws of Cyprus, HeadHunter Group PLC and Headhunter FSU Limited self-declared Russian tax residence starting from June 19, 2019 and November 8, 2018, respectively, pursuant to the provisions stipulated in the Russian Tax Code. At the same time, these companies of the Group can be deemed Russian tax residents in prior periods (limited by the 3-year statute of limitations).

The Russian Tax Code provides for extended taxation and related tax obligations for foreign legal entities that carry on commercial activities in the Russian Federation in such a manner that they create either a permanent establishment or a tax residence (in the first case, the foreign legal entity is subject to Russian corporate income tax with regard to income derived from activities conducted through the permanent establishment; in the second case, the Russian corporate income tax applies to the worldwide income of the foreign legal entity; in addition, in both cases, other taxes may apply depending on the circumstances).

Although tax residence rules for legal entities as defined in the Russian Tax Code are broadly similar to the respective concepts known in the international context (including those developed by the OECD for tax treaty purposes), they have not yet been sufficiently tested in the Russian administrative and court practice (since they have been in effect from January 1, 2015).

The permanent establishment concept has been in effect for a while, but several key elements of this concept (for example, the allocation of income and expenses to the permanent establishment) still lack sufficient application guidelines.

We do not believe that our Cypriot entities will be treated as having a tax residence or a permanent establishment in the Russian Federation in the periods before they self-declared tax residents of Russia. However, we cannot assure you that our Cypriot entities will not be treated by Russian tax authorities as having permanent establishment or Russian tax residence in those periods. If this occurs, additional Russian taxes (as well as related penalties) would be imposed on us, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Russian tax residence rules are relatively untested, and our tax residence status may be challenged.

HeadHunter Group PLC and Headhunter FSU Limited, companies incorporated under the laws of Cyprus, self-declared Russian tax residence starting from June 19, 2019 and November 8, 2018, respectively, pursuant to the provisions stipulated in the Russian Tax Code. Consequently, these companies are to be treated for Russian corporate income tax purposes in the same manner as other Russian taxpayers, and therefore, they are subject to the Russian corporate income tax on worldwide income and are entitled to all tax exemptions and benefits as provided under the Russian Tax Code. However, the relevant tax residence rules have not been sufficiently tested, particularly by publicly traded companies that have migrated to the Russian Federation for tax purposes, and it is possible that the self-declared tax residence status may be challenged in the future and, as a result, the 0% tax rate on incoming dividends may be denied.

In addition, in 2020, new tax laws were passed in the Russian Federation phasing out certain tax benefits currently available to non-Russian registered but Russian tax resident entities, such as HeadHunter Group PLC and Headhunter FSU Limited. In particular, starting from 2024, the 0% tax rate on dividends received will not be available for non-Russian registered but Russian tax resident entities. See also “—*Changes in Russian tax law could adversely affect our Russian operations.*”

The mechanics of withholding tax on Russian-sourced income are not precise.

As a Russian taxpayer, we are now governed by the Russian Tax Code, which provides that dividends paid by us that are made up of Russian-sourced income are subject to Russian taxation. We act in the capacity of a tax agent and pay dividends to non-Russian resident shareholders net of the statutory withholding tax rate of 15% pursuant to Russian tax laws, which could be reduced depending on the tax status of each shareholder and pursuant to the double tax treaties concluded by the Russian Federation with other jurisdictions.

Starting from 2015, the Russian Tax Code explicitly requires that in order to enjoy the benefits under an applicable double tax treaty, the person claiming such benefits must be the beneficial owner of the relevant income. Starting from 2017, in addition to a tax residence certificate, the Russian Tax Code requires the tax agent to obtain confirmation from the recipient of the income that it is the beneficial owner of the income. Russian tax law provides neither the form of such confirmation nor a list of documents that can demonstrate the beneficial owner status of the recipient with respect to the received income. In recent years, the Russian tax authorities started to challenge structures involving the payments outside of the Russian Federation, and in most cases, Russian courts tend to support the tax authorities' position. Thus, there can be no assurance that treaty relief at source will be available in practice.

The concept of “beneficial ownership” was introduced into the Russian Tax Code in 2015 as a part of the “deoffshorization” rules. In accordance with this concept, if a person serves as an intermediary and has an obligation to transfer part or all of the income received from the company to a third party (i.e., a person that is not able to act independently with respect to the use and disposition of the received income), such person may not be treated as the beneficial owner of income. The result of the denial of beneficial ownership would be the denial of tax treaty benefits (such as the reduced tax on dividends). Although the “beneficial ownership” concept as currently defined in the Russian Tax Code is in line with the relevant internationally known rules, the application of this concept in the Russian administrative and court practice currently shows rather broad and conflicting interpretations. Given the current conflicting interpretation of the “beneficial ownership” concept, the application of this concept may lead to excessive taxation of our retained earnings on their distribution, and additional taxation may also arise on the grounds of a permanent establishment in the Russian Federation.

The mechanics of the application of Russian withholding tax on dividends by public companies that have migrated to the Russian Federation for tax purposes have not been tested, and there is a risk that we will not be in the position to apply reduced tax rates as applicable to Russian tax resident Holders or the reduced rates available under double tax treaties, therefore we will have to withhold the tax at the generally applicable 15% tax rate. See Item 10. “*Additional Information, E. Taxation—Material Russian Tax Considerations—Taxation of Dividends and other distributions (including distributions in kind).*”

In addition, in June 2019, Russia deposited its instrument of ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the “MLI”). Starting in 2021, the MLI is enforced with jurisdictions in respect of which notifications to the OECD were made confirming the completion of internal procedures for the covered tax agreements by Russia. The implementation of the MLI has introduced a variety of measures designed to update double tax treaties and reduce opportunities for tax optimization. In particular, the MLI sets forth additional requirements that a company must meet in order to avail itself of reduced withholding tax rates applicable to its passive income.

The countries signing the MLI seek to prevent tax abuse either via adoption of (i) a general anti-abuse rule on the principal purpose of a transaction (the “PPT”), (ii) a combination of PPT and Simplified Limitation of Benefits (the “Simplified LOB”) clause, or (iii) a Detailed LOB rule.

Simplified LOB was the option selected by Russia with the intent to use the PPT rule and a number of objective criteria that restrict most treaty benefits to so-called “qualified persons” specified in the MLI. However, most other countries have selected the PPT. Therefore, unless mutually agreed by Russia and the contracting jurisdiction, only the PPT, instead of Simplified LOB, shall apply in the majority of cases. The PPT seeks to disallow the benefits of a particular double tax treaty where, broadly, the principal purpose of establishing a particular transaction or an arrangement was to obtain the benefits of a double tax treaty.

These developments may potentially have an adverse impact on the availability of double taxation treaty benefits to the investors in our ADSs.

In addition, in 2020, the Russian Government was directed to revise Russian double tax treaties, which are often used for tax planning, in order to increase withholding tax rates up to 15% for Russian-sourced dividend and interest income or, if negotiations are unsuccessful, to denunciate such treaties. Consequently, the Russian Ministry of Finance initiated negotiations with the competent authorities of Cyprus, Malta, the Netherlands and Luxembourg, with negotiations with Switzerland having taken place in November 2021. It is very likely that the number of tax treaties subject to revisions may increase.

As a consequence of the aforementioned negotiations, the Russian Federation signed a protocol of the amendments to the Russia-Cyprus double tax treaty in September 2020, a protocol of the amendments to the Russia-Malta double tax treaty in October 2020 and a protocol of the amendments to Russia-Luxembourg double tax treaty in November 2020. In addition, on May 26, 2021, the Russian President signed the law denouncing the double tax treaty with the Netherlands as a result the double tax treaty has been inapplicable as of January 1, 2022.

In accordance with the protocols of amendments to the Russia-Cyprus and Russia-Malta double tax treaties, new tax rates of 15% to both dividend and interest income came into force starting from January 1, 2021. The Russia-Luxembourg protocol providing for similar amendments came into effect on March 5, 2021, and applies from January 1, 2022.

In certain cases, reduced tax rates will remain in place. In particular, the preferential tax rate of 5% is available for dividend and interest income received by Cypriot or Maltese tax resident public companies whose shares are listed on a stock exchange and which have no less than 15% of free float shares, provided that this public company owns at least 15% of the shares in a Russian company paying the income for the period of at least 365 consecutive days. In addition, certain tax benefits are available for income received by Cypriot, Maltese and Luxembourgish pension funds and insurance companies, the Government of the Republic of Cyprus, the Government of the Republic of Malta and the Government of the Grand Duchy of Luxembourg as well as its political subdivisions and the Central Banks of the Republic of Cyprus, the Republic of Malta and the Grand Duchy of Luxembourg.

Revision of the double taxation treaties with Cyprus did not adversely affect us, as our Cypriot entities are tax residents in Russia.

Risks Relating to Our Organizational Structure

The rights of our shareholders are governed by Cyprus law and our amended and restated memorandum and 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 amended and restated memorandum and 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 amended and restated memorandum and articles of association are different than under the laws of some U.S. state laws. For example, by law, 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 disappplied by our shareholders at a general meeting for a maximum period of five years.

In addition, our amended and restated memorandum and articles of association include other provisions, which differ from provisions typically included in the governing documents of most companies organized in the U.S.:

- our board of directors can only take actions by a simple majority of votes;
- our shareholders are able to convene an extraordinary general meeting as provided in section 126 of the Cyprus Companies Law; and
- if our board of directors exercises its right to appoint a director to fill a vacancy on the board created during the term of a director's appointment, such appointment is valid until the next annual general meeting, where the director is eligible for re-election and the shareholders may choose whether to reappoint the director or appoint a new director.

Further, our amended and restated memorandum and articles of association also require the approval of no less than 75% of present and voting shareholders for certain matters, as specified in the Cyprus Companies Law, 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 our 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 in that company (provided that such shares are paid in cash and the pre-emption rights have not been disappplied 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 disappplied. 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 five years from the date of the completion of the IPO, any issuances of shares after the five-year period will be subject pre-emptive rights unless those rights are additionally disappplied. 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 via 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.

The shares owned by our principal shareholders collectively represented 40.6% of the voting power of our outstanding capital stock as of December 31, 2021. As a result, our principal shareholders have the ability to determine the outcome of all matters submitted to our shareholders for approval, including the election and removal of directors, in accordance with the manner prescribed in our amended and restated articles of association, and any merger, consolidation, or sale of all or substantially all of our assets. The interests of our principal shareholders might not coincide with the interests of the other holders of our capital stock. This concentration of ownership may harm the value of our ordinary shares, 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.

Cypriot tax resident companies must pay a Special Contribution for the Defense Fund of the Republic of Cyprus, or 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 individuals who are both Cyprus tax residents and Cyprus domiciled. 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, financial condition and operating results 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.

Our interest expenses may not be tax deductible.

The deductibility of the interest expenses by the Company is subject to the interest limitation rules under Cypriot law. More specifically: (i) the interest limitation rule limits the deductibility of exceeding borrowing costs of the Cyprus tax resident company and/or Cyprus group to up to 30% of adjusted taxable profit (taxable EBITDA); (ii) the interest limitation rule contains an annual EUR3,000,000 safe-harbor threshold. This means that borrowing costs up to and including EUR3,000,000 are in any case not limited by this rule (the EUR3,000,000 threshold would apply in cases where '30% of taxable EBITDA' results to an amount below EUR3,000,000); (iii) in the case of a Cyprus group the EUR3,000,000 applies for the aggregate exceeding borrowing costs of the Cyprus group and not per taxpayer. If we are unable to deduct our interest expenses for tax purposes, our business, prospects, financial condition and results of operations could be materially and adversely affected.

Risks Relating to Ownership of our ADSs

A delisting of our ordinary shares from Nasdaq could have materially adverse effects on our business, financial condition and results of operations.

Recently, in response to geopolitical developments between Russia and Ukraine, a number of governments, including those of the United States, United Kingdom and European Union, have adopted new sanctions on specified persons and entities in Russia, including the Central Bank of Russia, and new export controls affecting specific, sensitive technologies. The ambit and the level of the sanctions have become increasingly severe as the conflict between those countries continues to escalate. To date, none of HeadHunter, any of our subsidiaries, any members of our board of directors or management or any of our principal shareholders is a target of these sanctions.

Prompted by the newly imposed sanctions, on February 28, 2022, Nasdaq and the New York Stock Exchange imposed a suspension of trading in securities of a number of companies with operations in Russia, including HeadHunter, which suspension currently remains in place. We have been in regular communication with representatives of Nasdaq since the imposition of the suspension of trading in an effort to lift the suspension. While the Company remains hopeful that the Nasdaq will agree with its conclusions and lift the suspension of trading in its securities, there can be no assurance that the Nasdaq will not ultimately decide to formally delist the Company's securities.

In addition, on April 16, 2022, Russia adopted Federal Law No. 114-FZ, “On Amendments to the Federal Law ‘On Joint Stock Companies’ and Certain Legislative Acts of the Russian Federation”, requiring Russian companies to terminate foreign depositary programs, under which the depositary receipts of such companies are listed on foreign stock exchanges. The termination of Russian companies’ depositary programs will result in the cancellation of relevant depositary receipts and conversion of such receipts into shares of Russian companies. While this legislation only applies to Russian companies listed abroad, if any similar restrictions are introduced to cover Russian businesses with an offshore holding structure such as ours, such restrictions could materially adversely affect the liquidity in, and the trading price of, our ADSs and ordinary shares.

The suspension of trading and potential delisting of our ADSs could have material adverse effects on our business, financial condition and results of operations due to, among other things:

- reduced trading liquidity and market prices for our ADSs;
- decreased number of institutional and other investors willing to hold or acquire our ADSs, coverage by securities analysts, market making activity and information available concerning trading prices and volume, as well as fewer broker-dealers willing to execute trades in our ordinary shares, thereby further restricting our ability to obtain equity financing; and
- reduced ability to retain, attract and motivate our directors, officers and employees by means of equity compensation; and
- potential termination of our ADR program and/or involuntary conversion of ADSs to ordinary shares.

As a foreign private issuer within the meaning of the Nasdaq’s corporate governance rules, we are permitted to rely on exemptions from certain of the Nasdaq 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 ordinary shares.

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 Nasdaq 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 follow home country practice in lieu of the above requirements. If we rely on the foreign private issuer exemption to certain of the Nasdaq corporate governance standards, 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 Nasdaq corporate governance standards.

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

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. We would lose our foreign private issuer status if, for example, more than 50% of our total assets are located in the United States as of June 30, 2022. If we lose our foreign private issuer status on this date, 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 Nasdaq. 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.

We are no longer an "emerging growth company" under the JOBS Act and, as a result, are subject to certain enhanced disclosure requirements, and our costs and the demands placed upon our management will increase.

We became a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act on December 31, 2021. As a result, commencing January 1, 2022, we are subject to certain requirements that apply to other public companies but did not previously apply to us due to our status as an emerging growth company. Compliance with these enhanced disclosure requirements will increase our costs and could negatively affect our results of operations and financial condition. In addition, management time and attention, as well as the engagement of our auditors and/or other consultants, will be required in order for us to comply with the increased disclosure and accounting standards required of companies who are not emerging growth companies, most notably compliance with Section 404 of the Sarbanes-Oxley Act of 2002 and related auditor attestation requirements.

If we fail to maintain proper internal controls as required by Section 404 of the Sarbanes-Oxley Act, or Section 404, our ability to produce accurate financial statements or comply with applicable regulations could be impaired, which could harm our business and the trading price of our securities.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, is designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404, or any testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement.

Pursuant to Section 404, we are required to furnish a report by our management on our internal control over financial reporting. To continue to achieve compliance with Section 404, we continue to 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. Despite our efforts, there is a risk that we will not be able to conclude that our internal control over financial reporting is effective as required by Section 404.

In addition, because we no longer qualify as an emerging growth company, we are required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. If we are unable to maintain effective internal control over financial reporting, we may not have adequate, accurate or timely financial information, our independent registered public accounting firm may issue a report that is adverse, and we may be unable to meet our reporting obligations as a public company or comply with the requirements of the SEC or Section 404. This could result in a restatement of our financial statements, the imposition of sanctions, including the inability of registered broker dealers to make a market in our securities, investigation by regulatory authorities, or litigation.

Any such action or other negative results caused by our inability to meet our reporting requirements or comply with legal and regulatory requirements or by disclosure of an accounting, reporting or control issue could adversely affect the trading price of our securities and our business. Material weaknesses in our internal control over financial reporting could also reduce our ability to obtain financing or could increase the cost of any financing we obtain. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

HeadHunter Group PLC is a holding company and depends on its subsidiaries, who are separate legal entities, for cash to fund its operations and expenses, including future dividend payments, if any.

As a holding company, distributions from our operating subsidiaries are our principal source of cash flow. Therefore, our ability to fund and conduct our business, service our debt and pay dividends, if any, in the future depends on the ability of our subsidiary to generate sufficient cash flow to make upstream cash distributions to us. Our operating subsidiaries are separate legal entities, and although they are directly or indirectly wholly owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends or otherwise. The ability of our subsidiaries to distribute cash to us will also be subject to, among other things, restrictions that may be contained in our subsidiary agreements (as entered into from time to time), availability of sufficient funds in such subsidiary and applicable laws and regulatory restrictions. Claims of any creditors of our subsidiary generally will have priority as to the assets of such subsidiary over our claims and claims of our creditors and shareholders. In addition, as our material subsidiary generates profits and declares dividends in rubles and any dividends paid to holders of our ADSs in the future would be paid in U.S. dollars, any significant fluctuation of the value of the ruble against the U.S. dollar and other currencies may materially and adversely affect the dividend amounts received by holders of our ADSs. To the extent the ability of our subsidiary to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt and pay dividends, if any, could be harmed.

Anti-takeover provisions in our organizational documents and Cyprus law may discourage or prevent a change of control, even if an acquisition would be beneficial to our shareholders, which could depress the price of our ADSs and prevent attempts by our shareholders to replace or remove our current management.

As we are incorporated in Cyprus, we are subject to Cypriot law. Our amended and restated memorandum and articles of association contain provisions that may discourage unsolicited takeover proposals that shareholders may consider to be in their best interests. In particular, our amended and restated memorandum and articles of association permit our board of directors to issue preference shares from time to time, with such rights and preferences as they consider appropriate.

Our board of directors could also authorize the issuance of preference shares with terms and conditions and under circumstances that could have an effect of discouraging a takeover or other transaction. We are also subject to certain provisions under Cyprus law which could delay or prevent a change of control. In particular, any merger, consolidation or amalgamation of the Company would require the active consent of our board of directors and our shareholders. Our board of directors may be appointed or removed by the holders of the majority of the voting power of our shares, which are controlled by our principal shareholders, in accordance with the manner prescribed in our amended and restated articles of association. Together these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our ADSs.

Neither Cypriot or the broader EU takeover laws apply to us, and the mandatory offer requirements in our amended and restated memorandum and articles of association do not apply to any of our existing shareholders or its affiliates as of the date of the adoption of our amended and restated memorandum and articles of association and do not preclude either of those shareholders from acquiring or re-acquiring, as the case may be, a majority of the voting rights in the Company. Accordingly, our minority shareholders do not benefit in such cases from the same protections to which the minority shareholders of a Cypriot company that is listed on an EU regulated market would be entitled.

As of the date of this Annual Report, Cypriot law does not contain any requirement for a mandatory offer to be made by a person acquiring shares of a Cypriot company, even if such an acquisition confers on such person control, if such company's shares are not listed on a regulated market in the European Economic Area, unless the acquirer acquires 90% or more of all the shares of a target company or of any class of shares in the target company or acquires sufficient shares to aggregate, together with those which it already holds (in its own name or that of a nominee or held by its subsidiary) 90% or more of the target's shares. Neither our shares nor our ADSs are listed on a regulated market in the EEA. Consequently, a prospective bidder acquiring either our shares or ADSs may gain control over us in circumstances in which there is no requirement to conduct a mandatory offer under an applicable statutory takeover protection regime.

Our amended and restated memorandum and articles of association contain a mandatory tender offer provision that requires a third party acquiror that acquires, together with parties acting in concert, 30% or 50% or more of the voting rights in our shares to make a tender offer to all of our other shareholders at the highest price paid for shares in the Company by that third party (or parties acting in concert) in the preceding 12 months. However, the provision does not apply to any of our existing shareholders or their affiliates as of the date of the adoption of our amended and restated memorandum and articles of association, which means such shareholders (including Highworld Investments Limited and ELQ Investors VIII Limited, and their respective affiliates) can individually or collectively go below 30% or 50% of the voting power, as the case may be, and subsequently acquire more than 30% or 50% of the voting power, as the case may be, without making a tender offer.

Accordingly, the mandatory tender offer provision in our amended and restated memorandum and articles of association does not provide a minority shareholder with a right to dispose of its shares in a number of scenarios in which a shareholder, together with parties acting in concert if applicable, may acquire control over us. As a result, holders of our ADSs may not be given the opportunity to receive treatment equal to what may be received, in the event of an offer made by a potential bidder with a view to gaining control over us or by certain other holders of our ADSs or, as the case may be, shares at the relevant time.

Future sales of our ADSs, or the perception in the public markets that these sales may occur, may depress our stock price.

As of December 31, 2021, we had 50,635,720 ordinary shares outstanding. If a substantial number of these ordinary shares (or ADSs representing these ordinary shares) were sold in the public market, or the market perceives that such sales may occur, the market price of our ADSs could be adversely affected.

We have entered into a registration rights agreement pursuant to which we have agreed, under certain circumstances, to file a registration statement to register the ordinary shares, ADSs and any securities convertible or exchangeable into our ordinary shares or our ADSs held by certain principal shareholders, as well as to cooperate in certain public offerings of such registrable securities. If our principal shareholders sell, or indicate an intent to sell, substantial amounts of ordinary shares or ADSs in the future, the market price of our ADSs could decline. In addition, such secondary sales may impair our ability to raise capital through the sale of additional equity securities.

All of our ADSs are freely tradable without restriction under the Securities Act, except 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 and/or control securities under the Securities Act. The ordinary shares held by our affiliates may also be publicly sold in accordance with the requirements of Rule 144 under the Securities Act, including the volume and manner of sale requirements of that rule, or otherwise in compliance with the Securities Act.

We previously filed a registration statement on Form S-8 under the Securities Act to register ordinary shares subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans. Sales of a substantial number of ordinary shares (or ADSs representing such ordinary shares) issued under these plans in the public market could have an adverse effect on the market price of our ADSs.

In the future, we may also issue our securities if, for example, we need to raise capital to support our growth strategy or in connection with an acquisition. The amount of ADSs issued in connection with a capital raise or acquisition could constitute a material portion of our then-outstanding ADSs, and sales of such ordinary shares or ADSs by us could cause the market price of our ADSs to decline.

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

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by their ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, including any general meeting of our shareholders, the depositary will, as soon as practicable thereafter, fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, the depositary shall distribute to the holders as of the record date a notice stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each registered holder of ADRs on the record date set by the depositary will, subject to any applicable provisions of the laws of the Republic of Cyprus and our articles of association, be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the ordinary shares represented by the ADSs evidenced by such registered holder's ADRs and (iii) the manner in which such instructions may be given, including instructions to give a discretionary proxy to a person designated by us.

If you qualify, you may instruct the depositary to vote the ordinary shares underlying your ADSs. Otherwise, you will not be able to exercise your right to vote unless you withdraw our ordinary shares underlying the ADSs you hold prior to our and the depositary's voting record date(s), which may be different. However, you may not know about the meeting far enough in advance to withdraw those ordinary shares. The depositary, upon timely notice from us, will notify you of the upcoming vote and arrange to deliver 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 the ordinary shares underlying your ADSs. 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 your right to vote, and there may be nothing you can do if the ordinary shares underlying your ADSs are not voted as you requested.

You may not receive distributions on the ordinary shares represented by our ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it receives on our ordinary shares after deducting its fees and expenses. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. We have no obligation to take any other action to permit the distribution to any holders of our ADSs or ordinary shares. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is illegal or impractical for us to make them available to you. These restrictions may have a material adverse effect on the value of your ADSs.

You may be subject to limitations on the transfer of your ADSs.

Your ADSs, which may be evidenced by ADRs, are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason.

It may be difficult to enforce a U.S. judgment against us, our directors and officers named in this Annual Report outside the United States, or to assert U.S. securities law claims outside of the United States.

All of our current directors and senior officers reside outside the United States, principally in the Russian Federation. Substantially all of our assets and the assets of our current directors and executive officers are located outside the United States, principally in the Russian Federation. 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 federal securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forums in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides.

In particular, investors should be aware that there is uncertainty as to whether the courts of the Russian Federation would recognize and enforce judgments of U.S. courts obtained against us or our directors or management 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 Russian courts against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States. There is no treaty between the United States and the Russian Federation providing for reciprocal recognition and enforcement of foreign court judgments in civil and commercial matters. As a result of the difficulty associated with enforcing a judgment against us, you may not be able to collect any damages awarded by either a U.S. or foreign court.

We may be treated as a passive foreign investment company, which could result in material adverse tax consequences for investors in the ADSs subject to U.S. federal income tax.

Special U.S. federal income tax rules apply to U.S. persons owning shares of a “passive foreign investment company” as defined in the Internal Revenue Code of 1986 (a “PFIC”). If we are treated as a PFIC for any taxable year during which a U.S. Holder (as defined in Item 10. “Additional Information, E. Taxation—Material U.S. Federal Income Tax Considerations for U.S. Holders”) holds the ADS (or ordinary shares represented by the ADSs), the U.S. Holder may be subject to certain material adverse tax consequences upon a sale, exchange, or other disposition of the ADSs (or such ordinary shares), or upon the receipt of distributions in respect of the ADSs (or such ordinary shares). Based on our income, assets and operations, we do not expect to be treated as a PFIC for the taxable year ended December 31, 2021. This is a factual determination, however, that depends on, among other things, the composition of our income and assets from time to time, and thus the determination can only be made annually after the close of each taxable year. Therefore, there can be no assurance that we will not be classified as a PFIC for the current taxable year or for any future taxable year. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to their investment in the ADSs.

General Risk Factors

The price of our ADSs might fluctuate significantly.

The trading price of our ADSs may be volatile and subject to wide price fluctuations in response to various factors, including:

- the overall performance of the equity markets;
- issuance of new or changed securities analysts’ reports or recommendations;
- additions or departures of key personnel;
- sale of our ADSs by us, our principal shareholders or members of our management;
- general economic conditions;
- speculative trading in and short sales of our ADSs, as well as trading phenomena such as the “short squeeze”;

- changes in interest rates; and
- availability of capital.

These and other factors might cause the market price of our ADSs to fluctuate substantially, which might limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of our ADSs. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies across many industries. The changes frequently appear to occur without regard to the operating performance of the affected companies. Accordingly, the price of our ADSs could fluctuate based upon factors that have little or nothing to do with our Company, and these fluctuations could materially reduce our share price. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. This litigation, if instituted against us, could result in substantial costs, divert our management's attention and resources, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

An active trading market for our ADSs may not be sustained to provide adequate liquidity.

We cannot predict the extent to which investor interest in our Company will lead to an active trading market on Nasdaq that may be sustained to provide adequate liquidity. If an active trading market is not sustained, you may have difficulty selling any ADSs that you purchase, and the value of such ADSs might be materially impaired.

Reports published by analysts, including projections in those reports that exceed our actual results, could adversely affect the price and trading volume of our ADSs.

The projections of securities research analysts may vary widely and may not accurately predict the results we actually achieve. The price of our ADSs may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, the price of our ADSs could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, the price or trading volume of our ADSs could decline.

We may not be able to successfully execute future acquisitions or efficiently manage any acquired business.

As part of our growth strategy, we may decide to expand, in part, by acquiring certain complementary businesses. The success of any material acquisition will depend upon several factors, including our ability to: identify and acquire businesses cost-effectively; conduct due diligence and identify key issues prior to the acquisition; integrate acquired personnel user data, operations, products and technologies into our organization effectively; and retain and motivate key personnel and to sustainably retain the customers of acquired firms.

Any such acquisition may require a significant commitment of management time, capital investment and other management resources. We may not be successful in identifying and negotiating acquisitions on terms favorable to us. Any such acquisition could involve us taking on additional debt or give rise to new liabilities. In addition, we cannot be certain that any acquisition, if completed, will be successfully integrated into our existing operations or will perform according to our expectations. If we are unable to effectively integrate or partner with an acquired business, our business, financial condition and results of operations may be materially and adversely affected. In addition, if we use our equity securities as consideration for acquisitions, we may dilute the value of the ordinary shares or ADSs.

The obligations associated with being a public company will continue to require significant resources and management attention.

As a public company in the United States, we will continue to incur legal, accounting and other expenses that we did not previously incur as a private company. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations will continue to increase our legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase the demand on our systems and resources, particularly now that we are no longer an “emerging growth company.” The Exchange Act requires that we file annual and current reports with respect to our business, financial condition and results of operations. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. Furthermore, the continuing need to establish and maintain the corporate infrastructure demanded of a public company may divert management’s attention from implementing our growth strategy, which could prevent us from improving our business, financial condition and results of operations. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, these rules and regulations will continue to increase our legal and financial compliance costs and will make some activities more time consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs to maintain the same or similar coverage, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are 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 will continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management’s time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Item 4. Information on the Company

A. History and Development of the Company

Corporate Information

We were incorporated in Cyprus on May 28, 2014 under the Cyprus Companies Law, Cap. 113 as Zemenik Trading Limited, and our registered office is located at 42 Dositheou Street, Strovolos, Nicosia, 2028, Cyprus. On March 1, 2018, Zemenik Trading Limited was converted from a private limited company incorporated in Cyprus into a public limited company incorporated in Cyprus, and the Company’s legal name changed, pursuant to a special resolution at a general meeting of the shareholders, to HeadHunter Group PLC. The legal effect of this conversion under Cypriot law was limited to the change of legal form. Our commercial name is HeadHunter. In June 2019, we changed the effective place of management of HeadHunter Group PLC from Cyprus to Russia, which resulted in HeadHunter Group PLC becoming a Russian tax resident. See Item 10. “*Additional Information, E. Taxation—Material Russian Tax Considerations—Taxation of Dividends and Distributions.*”

The principal executive office of our key operating subsidiary, Headhunter LLC, is located at 9/10 Godovikova Street, Moscow, 129085, Russia. The telephone number at this address is +7 495 974-6427. The SEC maintains an internet site that contains reports and other information regarding issuers, such as ourselves, that we file electronically, with the SEC at www.sec.gov. Our website address is www.hh.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 Annual Report. We have included our website address as an inactive textual reference only.

Our agent for service of process in the United States is Cogency Global Inc., and its address is 10 E. 40th Street, 10th Floor, New York, New York 10016.

For a description of our principal capital expenditures and divestitures for the three years ended December 31, 2021 and for those currently in progress, see Item 5. “*Operating and Financial Review and Prospects.*”

B. Business Overview

Overview

We are the leading online recruitment platform in Russia and the CIS region and focus on connecting job seekers with employers. We offer potential employers and recruiters paid access to our extensive CV database and job postings platform. We also provide job seekers and employers with a value added services portfolio centered around their recruitment needs. Our brand and the strength of our platform allow us to generate significant traffic, over 92% of which was free for us as of December 2021, according to our internal data, and we were the fifth most visited job and employment website globally as of January 1, 2022, according to the latest available data from SimilarWeb. Our CV database contained 41.8 million, 48.2 million and 54.5 million total CVs as of December 31, 2019, 2020 and 2021, respectively, and our platform hosted a daily average of approximately 588,000, 608,000 and 933,000 job postings in the years ended December 31, 2019, 2020 and 2021, respectively. For the years ended December 31, 2019, 2020 and 2021, our platform averaged 21.9 million, 22.5 million and 28.5 million unique visitors per month, respectively, according to LiveInternet.

Our user base consists primarily of job seekers who use our products and services to discover new career opportunities. The majority of the services we provide to job seekers are free. Our customer base consists primarily of businesses using our CV database and job posting service to fill vacancies inside their organizations.

The quality and quantity of CVs in our database attract an increasing number of customers, which leads to more job seekers turning to us as their primary recruitment and related services provider, creating a powerful network effect that has allowed us to continuously solidify our market leadership and increase the gap between us and our competitors.

Our portfolio of recruitment-centric VAS is designed to improve the customer experience, increase the effectiveness of the recruitment process for our customer base and enable us to penetrate each link of the recruitment value chain beginning with sourcing, to engaging, pre-selecting, interviewing and then onboarding the selected candidates. We are working to further integrate our VAS features into our core products in order to enhance efficiency throughout the overall recruitment process, which we believe will increase the value proposition of our services and improve retention rates and average revenue per customer.

We were founded in 2000 and have successfully established a strong, trusted brand and the leading market position, which have enabled us to achieve significant growth in recent years. We had approximately 322,000, 351,000 and 515,000 paying customers on our platform for the years ended December 31, 2019, 2020 and 2021, respectively. We have a highly diversified customer base, representing the majority of the industries active in the Russian economy. Our brand awareness is the highest among white and blue collar candidates as compared to other Russian online recruitment players, according to Socis MR Rus, which, coupled with a nationwide sales force and broad customer reach, creates barriers for new entrants to our markets.

We engage with job seekers and employers via our desktop sites, mobile sites and mobile applications. Since launch, our mobile applications had been downloaded 33.4 million times cumulatively as of December 31, 2021, and our mobile platforms currently account for the majority of our traffic. Our scalable technology platform utilizes an increasingly clear and simple user interface enhanced by our search engine, which is powered by AI and machine learning algorithms.

Our total revenue was P7,789 million, and P8,282 million and P15,968 million for the years ended December 31, 2019, 2020 and 2021, respectively. During the same periods, our net income was P1,581 million, P1,886 million and P5,493 million, respectively. In addition to our growth, we have consistently maintained strong profitability.

Our Market Opportunity

Despite of the current events described in the section D. Risk Factors, we believe the online recruitment market has significant growth potential in Russia and the CIS region, driven by intensifying competition for human capital, the ongoing shift of jobs marketing spend online and increasing maturity of the HR functions in Russia. The Russian labor market is historically characterized by a shrinking labor force and high turnover of employees leading to strong competition for highly skilled and talented employees. High internet penetration and ubiquitous usage of internet by businesses and consumers is creating a favorable backdrop for the rapid shift of recruitment services and spending on jobs advertising to online platforms from offline media.

As the leading online recruitment platform in Russia and the CIS region with significant market share, a well-recognized brand, the largest CV database and the most comprehensive portfolio of additional services, we believe we are well positioned to maintain and grow our market share in the online recruitment market.

In December 2020, we acquired 100% ownership interest in Zarplata.ru LLC (“Zarplata.ru”), a job classified platform with a strong footprint in certain Russian regions, such as Siberia and the Urals. From January 1, 2021, our statement of income and comprehensive income includes the results of Zarplata.ru. This affects the year-on-year comparisons of our revenue, operating expenses and other metrics in 2021. For the purposes of analysis of our key performance indicators, such as the number of paying customers and the average revenue per customer (“ARPC”), we combine our “Russia (hh.ru)” and “Russia (Zarplata.ru)” (collectively “Russia segments”) revenue, as we believe that our combined ARPC and combined number of paying customers allows us to assess better our results and position in the Russian online recruitment market, in which both of these segments operate.

As of March 31, 2021, we obtained control over Skillaz LLC (“Skillaz”), a Russian HR technology company that automates and enhances recruitment processes by delivering sophisticated and flexible software as a service (“SaaS”) solutions, as our call option to acquire a further 40.01% ownership interest in Skillaz (in addition to our 25.01% stake already acquired) became beneficial. On May 26, 2021, we formally exercised the option and acquired the 40.01% stake. In June 28, 2021, we acquired an additional 9.97% stake, thus increasing our total ownership interest in Skillaz to 74.99%. From April 1, 2021, our statement of income and comprehensive income includes the results of Skillaz. This affects the year-on-year comparisons of our revenue and operating expenses in 2021. For the purposes of the analysis of our key performance indicators, such as the number of paying customers and ARPC, we included Skillaz in our “Other segments.”

On April 20, 2021, the Group acquired 25% in the charter capital of Dream Job LLC (Russia), which operates the employer review platform ‘dreamjob.ru’, for a cash contribution of ₺ 60 million. We made this investment as we have observed the need for an independent and reliable employer review portal in Russia.

On October 28, 2021, we entered into a shares subscription agreement and acquired a minority stake in YouDo Web Technologies Limited (Cyprus) (“YouDo”), the leading online on-demand service marketplace in Russia (the “Investment”), in exchange for a cash-in investment of US\$ 5 million. Founded in 2012, YouDo is one of the largest Russian horizontal online service marketplaces matching freelance labor demand and supply in C2C and B2B segments. The service has nearly 9 million verified users and operates in all regions of Russia. The Investment in YouDo is in line with our strategy to further expand beyond the core recruitment market and enter promising adjacent segments within the entire HR value chain. We expect that it will enable the Company to access the rapidly developing gig-economy market and provide resources to accelerate YouDo’s expansion in the B2B segment.

Our Services

We provide both job seekers and employers with a broad range of recruitment related services. Our services include access to our CV database and job postings, as well as additional recruitment- centric VAS.

We derive revenue primarily from providing access to our CV database and posting job advertisements on our platform. Access to our CV database is a subscription-based service with the duration of the subscription ranging from one day to one year. The price of a subscription to our CV database is defined by the geographical and professional segment of the database to which a customer wishes to purchase access (for example, access to CVs of job seekers residing in Moscow and looking for a job in the professional area of marketing) and the duration of the subscription. Since August 1, 2020, each type of access to our CV database contains a limited number of job seekers' contacts to view (for example, there are 120 contacts provided for the one-day access and 9,000 contacts are provided for annual access to the whole of Russia). After reaching the limit, in order to view more job seekers' contact details, customers would need to purchase additional packs of contacts. Our job posting service allows customers to purchase one job posting or a package of multiple job postings and use them when needed to post or refresh job advertisements on our website. Customers may also choose to buy bundled subscriptions, which include access to our CV database and the ability to post job advertisements over the period of subscription.

Job seekers can search job postings and upload their CVs to our database to apply for posted vacancies. The majority of the services we provide to job seekers are free, but we also offer job seekers various fee-based career and promotional services.

The following table provides a breakdown of our revenue by product type:

| (in thousands of RUB) | For the year ended December 31, | | |
|-----------------------|---------------------------------|------------------|-------------------|
| | 2019 | 2020 | 2021 |
| Bundled Subscriptions | 2,223,951 | 2,372,467 | 4,130,071 |
| Job Postings | 3,112,188 | 3,342,225 | 6,963,354 |
| CV Database Access | 1,761,728 | 1,812,245 | 3,260,514 |
| Other VAS | 690,874 | 755,170 | 1,614,094 |
| Total | 7,788,741 | 8,282,107 | 15,968,033 |

CV Database Access

Our highly predictable, recurring subscription-based CV database accounts for 20.4% of our total revenue in the year ended December 31, 2021. Job seekers submit their CVs to be uploaded to our database, and employers pay a subscription fee to access and search our CV database for a period of time. Customers can specify a particular segment of our CV database to search, such as by professional area or geographical region. As of December 31, 2020, our CV database contained a total of more than 48.2 million CVs, 14.3 million of which were uploaded by job seekers in the Moscow region and 5.0 million by job seekers in the St. Petersburg region. As of December 31, 2021, our CV database grew to a total of more than 54.5 million CVs, 16.2 million of which were uploaded by job seekers in the Moscow region and 5.7 million by job seekers in the St. Petersburg region. The CVs in our database also represent job seekers in a variety of industries. As of December 31, 2021, approximately 64% of our CV database was comprised of white collar job seekers and 36% of blue collar job seekers. The following table provides a breakdown of the number of visible CVs in our database from each Russian Federal District as of January 1, 2022.

| Russian Federal Districts | Number of Visible CVs as of January 1, 2022 (thousands) | Year on year increase (%) |
|---------------------------|--|---------------------------------|
| | | |
| North West | 4,796 | 11.2 % |
| Central | 13,968 | 10.8 % |
| Volga | 6,174 | 13.5 % |
| Ural | 2,368 | 18.9 % |
| South | 3,196 | 13.5 % |
| North-Caucasus | 624 | 21.2 % |
| Siberian | 3,335 | 17.2 % |
| Far East | 951 | 21.9 % |

Our CV database contains, on average, approximately 1.3 CVs per registered account as of December 31, 2021. In addition, for every CV that was posted to our database, 56% of total visible CVs were used to apply to a job posting at least once over the last two years, and 71% of total visible CVs have either applied at least once for a job posting or edited a CV in the last two years as of December 31, 2021, which we believe is one of the highest conversion rates in our industry.

Since August 1, 2020, each type of new or renewed access to our CV database contains a limited number of job seekers contacts to view (for example, there are 120 contacts provided for the one-day access and 9,000 contacts are provided for annual access to the whole of Russia). After reaching the limit, in order to view more job seekers contact details, customers would need to purchase additional packs of contacts.

We evaluate and approve the CVs submitted to our database before they are uploaded to ensure our customers are viewing complete and high-quality CVs. We are continuing to develop and improve our AI system to streamline this approval process, and on average for the year ended December 31, 2021, approximately 69% of CVs submitted to our database were approved for publication by our AI and heuristic systems without the need for further human moderation. Our AI system also collects data from uploaded CVs to improve search results, suggest relevant applicants to our customers and improve overall functionality of our CV database. See “—*Technology and Intellectual Property—Artificial Intelligence.*”

Job Postings

In addition to searching our CV database, customers can post their job advertisements for up to 30 days on our platform for a one-off fee, depending on the volume of postings. Job postings represented 43.6% of our total revenue in the year ended December 31, 2021. Job seekers can browse our platform and apply for the positions they select. For the year ended December 31, 2021, our platform contained a daily average of approximately 933,000 job postings, approximately 295,000 of which were for positions in the Moscow and St. Petersburg regions, approximately 572,000 of which were for positions in other regions of Russia.

The job postings on our platform also represent positions across a broad range of industries.

Bundled Subscriptions

Our highly predictable, recurring bundled subscriptions accounted for 25.9% of our total revenue in the year ended December 31, 2021. We provide access to our CV database and allow customers to display job advertisements on our website on a subscription basis, with the duration of the subscription ranging from thirty days to one year. The number of job postings included in our bundled subscriptions is capped by a contractually stated limits, which depend on subscription duration and region. Since August 1, 2020, each type of new or renewed access to our CV database, including Bundled subscriptions, contains a limited number of job seekers contacts to view (for example, there are 128 contacts provided for the thirty days access and 9,000 contacts are provided for annual access to the whole of Russia). After reaching the limit, in order to view more job seekers’ contact details, customers would need to purchase additional packs of contacts. Our bundled subscriptions offer value to our customers who choose to purchase more than one of our services. For example, a customer may purchase a subscription to access our CV database for one month with a specified number of job postings over that same period included in a contract for a flat fee.

Human Resource Value Added Services

In addition to our primary online recruitment services, we offer customers additional VAS that are aimed at enhancing effectiveness and increasing efficiency throughout the recruitment process. Our product portfolio is constantly evolving, allowing us to meet the developing needs of our customer base. Currently, we offer employers an Applicant Tracking System (ATS), benchmarking tools, such as online labor market and salary analytics and employer branding consulting, as well as recruitment process automation tools. VAS represented 10.1% of our total revenue in the year ended December 31, 2021.

Beginning with our internally developed ATS platform, Talantix, we aim to complement our core products with VAS covering all recruitment related functions performed by our customers. We aim to be a “one-stop shop” solution for recruitment professionals by actively developing products and services for candidate sourcing, pre-selection, screening, interviewing and onboarding. We are also experimenting with alternative business models and recruitment products to address niche demands of our customers who may begin using only some of our core services, in order to keep them in our recruitment ecosystem.

Our VAS portfolio is built around three key areas:

- *Recruitment process management.* We developed Talantix as a SaaS-based ATS designed to automate the talent acquisition function and improve process management. We expect that Talantix will cover all of the principal day to day recruitment needs of small to medium enterprises. In order to address the need for process automation and to streamline our customers' routine work, in 2017, we introduced our "Virtual Recruiter" product, which is aimed predominantly at mass recruitment vacancies, or positions with limited qualifications that are mainly in the retail segment and are characterized by high employee turnover. Virtual Recruiter uses our sourcing capabilities (both on and outside of our platform) and chat-bot technologies to help customers automatically attract a wide range of potential suitable candidates from various sources, run the pre-screening and scoring process, schedule interviews and more, all without any human involvement from the customer's side. We aim to continue developing this product and fully integrate it into our ATS solutions.
- *Penetration into HR budgets.* Our product development strategy is aimed at providing a fully integrated platform that provides employers with a "one-stop shop" solution for each step of the recruitment process. We provide our customers with branding and advertising tools and tailor-made HR consulting services in order to promote their brand and improve flow of relevant candidates. We offer auxiliary products such as an online salary comparison tool that helps our customers benchmark salaries offered in various industries of the local market. Based on extensive data, our HR analytics tools assist our customers in monitoring and analyzing the job market and CVs and help make informed, timely decisions.
- *Alternative business models.* We also provide various alternative solutions for employers and professional recruiters, such as an aggregator that allows employers to find freelance HR specialists who can assist with short-term or one-time assignments. Our Virtual Recruiter product uses a pay for performance pricing model that is particularly appealing to customers that are seeking to fill time sensitive, highly frequent vacancies, such as mass recruitment. We are also testing the scale of our ClickMe tool, which operates on a CPC model and allows our customers to reach a wider audience and increase their traffic by advertising on third party sites. We believe our ClickMe tool provides us with an advantage over our competitors due to our earlier adoption of a CPC model in Russia, and its development helps mitigate the risk and reduce costs in the event that our competitors switch to a CPC or cost-per-action model. Our ClickMe tool model can also be used for our other recruitment services, such as our Virtual Recruiter tool, as it allows our customers to effectively source candidates outside our traditional platform, eliminating the need for alternative channels.

We offer job seekers various fee-based career and promotional services, including CV search push-up, CV constructor and career advisory services.

Our Customers

We sell our services predominantly to businesses that are looking for job seekers to fill vacancies inside their organizations. We refer to such businesses as "customers." In Russia, we divide our customers into (i) Key Accounts and (ii) Small and Medium Accounts, based on their annual revenue and employee headcount. We define "Key Accounts" as customers who, according to the Spark-Interfax database, have an annual revenue of P2 billion or more or a headcount of 250 or more employees and have not marked themselves as recruiting agencies on their page on our website, and we define "Small and Medium Accounts" as customers who, according to the Spark-Interfax database, have both an annual revenue of less than P2 billion and a headcount of less than 250 employees and have not marked themselves as recruiting agencies on their page on our website. Our website allows several legal entities and/or natural persons to be registered, each with a unique identification number, under a single account page (e.g., a group of companies). Each legal entity registered under a single account is defined as a separate customer and is included in the number of paying customers metric. Natural persons registered under a single account are assumed to be employees of the legal entities of that account and thus, are not considered separate customers and are not included in the number of paying customers metric. However, in a specific reporting period, if only natural persons used our services under such account, they are collectively included in the number of paying customers as one customer.

On rare occasions when information from the Spark-Interfax database is not available, we define Key Accounts as customers who have subscribed to our CV database for 180 or more consecutive days at any point since their initial registration.

Information from the Spark-Interfax database may change from time to time as companies file their new financial and other reports every year. As a result, a customer may be included in a different customer group in a subsequent accounting period.

We also derive a small portion of our revenue from the provision of our services to: (i) recruiting agencies that are looking for job seekers on behalf of their clients, (ii) job seekers who are willing to pay for premium services, such as promoting their CV in the search results and (iii) online advertising agencies, all of which we refer to collectively as “other customers.” We served approximately 322,000, 351,000 and 515,000 paying customers in the years ended December 31, 2019, 2020 and 2021, respectively.

We operate in all regions of Russia, and in terms of revenue contribution, the majority of our customers are located in the Moscow and St. Petersburg regions. However, the share of customers from other regions continues to grow. We believe this regional expansion provides a substantial growth opportunity due to the growing numbers of emerging businesses, increasing internet penetration and online recruitment services adoption throughout Russia.

The following table provides a breakdown of our customer base by type of customer account, as a percentage of revenue for a year indicated:

| | As of December 31, | | |
|-------------------------------|--------------------|--------------|--------------|
| | 2019 | 2020 | 2021 |
| Russia | | | |
| Key Accounts | 34.0 % | 35.9 % | 33.1 % |
| Small and Medium Accounts | 53.8 % | 52.5 % | 55.8 % |
| Other customers | 4.8 % | 4.8 % | 3.8 % |
| Other segments (all accounts) | 7.4 % | 6.7 % | 7.3 % |
| Total | 100 % | 100 % | 100 % |

The following table provides a breakdown of our customer base by type of customer account and by region, as a percentage of revenue for the year ended December 31, 2021:

| (for the year ended December 31, 2021) | Key Accounts | Small and Medium Accounts |
|--|---------------|---------------------------|
| Moscow and St. Petersburg region | 24.2 % | 30.6 % |
| Other regions of Russia | 8.9 % | 25.2 % |
| Total | 33.1 % | 55.8 % |

In the years ended December 31, 2019, 2020 and 2021, we had 11,125, 11,801 and 13,640 Key Accounts customers in Russia, respectively. In the same periods, we had 285,300, 314,845 and 469,866 Small and Medium Account customers in Russia, respectively. We maintain long-term relationships with our customers, particularly our Key Accounts customers.

We have a highly diversified customer base, particularly in Russia. Our top 10 customers represented 3.5% of our total revenue for the year ended December 31, 2021. Our customers also represent a broad range of industries, including retail, IT, construction and finance, resulting in balanced exposure to the economies of the Russian markets in which we operate.

We use average revenue per customer (“ARPC”) to track the average revenue we receive per customer during a specified period. ARPC is calculated by dividing revenue from customers during a specific period by the number of customers who received paid services during the same period. We calculate ARPC separately for Key Accounts and for Small and Medium Accounts. ARPC is impacted by the type of customer and the duration of our relationship with our paying customers. Key Accounts purchase higher usage of our services and typically purchase longer subscriptions. Small and Medium Accounts purchase less usage of our services or purchase shorter or one-off subscriptions. As a result, an increase in Key Accounts typically results in a higher ARPC while an increase in Small and Medium Accounts typically results in a lower ARPC. In addition, newer customers tend to purchase less usage and therefore, lower priced services, resulting in a lower ARPC, whereas more established customers typically purchase more usage, and therefore, higher priced services, resulting in a higher ARPC. The following tables provide a breakdown of our ARPC by type of customer account:

| | As of December 31, | | |
|---------------------------|--------------------|---------|---------|
| | 2019 | 2020 | 2021 |
| Russia (in RUB) | | | |
| Key Accounts | 237,897 | 251,807 | 387,872 |
| Small and Medium Accounts | 14,700 | 13,822 | 18,979 |

Competition

We are the largest player in the Russian online recruitment market in terms of CVs and job postings on the platform and offer the most comprehensive package of HR and recruiting services, supported by the largest CV database, a well-recognized brand and a growing base of job postings, as well as by our ability to attract new customers and retain existing ones. We believe that our scale and position in the Russian online recruitment market provide a competitive edge over other market participants and help us successfully sustain and compete for additional market share.

The Russian online recruitment market is characterized by a dynamic competitive landscape and ongoing technological evolution. We face competition mainly from Russian online job portals, online classifieds platforms with presence in the jobs vertical and offline media. Our key competitors include Russian online recruitment services providers such as SuperJob.ru and Rabota.ru, who also offer access to CV databases and job posting services. In December 2020, we completed the acquisition of Zarplata.ru, a former competitor, as part of our growth strategy to strengthen our market positions in regions of Siberia and Ural. As part of its broader strategy of expanding its ecosystem, Sberbank, Russia’s largest commercial bank, acquired Rabota.ru in 2019. During 2020, Sberbank has rebuilt Rabota.ru’s tech platform, revitalized its brand, started active marketing campaign and partially integrated it in Sberbank’s financial network. In March 2021, Rabota has introduced a free ATS system “SberHiring” which allows to automate the hiring process.

In addition, we face competition from the large Russian general classifieds company Avito, which is focused on blue collar job seekers and small businesses, monetizing primarily through a fee-per-job posting model. Our former shareholder, Mail.Ru, runs its classifieds business under the “Youla” brand and in 2018, launched a job aggregation model under this brand, and later in the summer of 2018, allowed employers to post job vacancies directly on its site for free, and it is uncertain how this could affect the overall competitive climate. In 2019, Mail.Ru acquired the mobile-first, geo-based recruitment service Worki, which focuses on the blue collar segment, in 2021 has rebranded it as VK Jobs with integration in VKontakte social network. Yandex, another well-established internet player in Russia, is currently present in the recruitment market via an aggregator platform Yandex.Rabota and launched its horizontal classifieds business, Yandex Ads, in November 2020. Yandex.Talents, a recruitment chat bot that automates communication with candidates was closed shortly before launch of Yandex Ads. Several new specialized HR technology companies are bringing new technologies to recruitment functions and could challenge the automation of certain recruitment related functions and have emerged as new players, which could gain a larger presence in the market. In certain geographies and specific segments, we compete mainly with offline media, such as local newspapers with a jobs classifieds section.

Our international competitors include, or may in the future include, global professional networks, such as LinkedIn, job portals and aggregators, such as Indeed, HR technology companies and players who operate adjacent business models, including social networks, such as Facebook, and search engines, such as Google, who recently introduced its enhanced job search user function called “Google for Jobs” in Russia. The competition from international players is currently limited, given that Russia is perceived as a market with strong domestic internet players, as well as Russia’s regulatory regime, compliance with which entails significant investments and costs, such as the requirement to store personal data of Russian citizens within Russia as prescribed by the Law on Personal Data. See “—*Regulation.*” Notably, access to LinkedIn’s resources in Russia was blocked by the Roskomnadzor in November 2016 as a result of LinkedIn’s failure to comply with this regulation. We believe we are advantageously positioned against our indirect competitors, such as social networks and search engines.

Because our CV database, traffic to our website and the range of additional services for employers exceed those of our competitors, we view premium pricing of our services to be justified and sustainable. We have historically been able to retain our customers and attract new ones while periodically increasing the prices for our services.

The main monetization model adopted in the Russian online recruitment market is either providing paid access to a CV database, charging a fee per job posting or a combination thereof. Should some international players, such as Indeed, expand their operations in Russia and propose to the market an alternative monetization model adopted elsewhere, such as CPC, we might be forced to change our business model accordingly. However, we believe that with successful introduction of our ClickMe product, which operates on the cost-per-click (“CPC”) model, we are well positioned and prepared for such challenges.

The competition in Human Capital Management (“HCM”) services is largely fragmented and differs across various types of services. Currently, key competitors in broader HCM space are large international, such as Oracle and SAP, and local, such as 1C and IBS, IT service providers, while future competition may arise from growing HR technology start-up companies, as well as new developing business and monetization models, such as recruiting chat bots or advertising agencies, providing recruiting services on cost-per-acquisition basis.

Sales and Marketing

Our sales and marketing efforts are focused on increasing job seeker traffic, promoting our brand name and further establishing our reputation as the leading recruitment platform in Russia. We employ a diverse mix of marketing and communications channels to attract and retain customers, and we are not dependent on any single marketing channel. For the year ended December 31, 2021, we acquired approximately 80% of customers that were new to our platform by using free marketing channels, according to our internal data. In the years ended December 31, 2019, 2020 and 2021, our advertising spend was ₱1,047 million, ₱1,105 million and ₱2,113 million, or 13.4%, 13.3% and 13.2% of our total revenue, respectively. In the year ended December 31, 2021, roughly half of total spend was on digital advertising (including search engines and social media), one-fifth on TV advertising and the rest on other marketing channels (including outdoor and other offline advertisements). We also use different advertising channels to target our regional markets, which we adapt to each region’s evolving needs, such as using offline advertising in one region versus digital marketing in another.

According to our internal data and Google Analytics as of December 2021, 92% of our website traffic came from free marketing sources, such as a user typing our name into a search engine, organically typing our name into a browser that takes a user directly to our website, by email distributions to our registered users or through referrals, where a current user refers a new user to our website. Only 8% of our website traffic came from paid advertising, such as CPC or meta search, during the same period, and our TV advertising campaigns promote awareness and help generate more traffic through free marketing sources.

Job seekers

We target job seekers primarily through digital marketing, TV and outdoor advertising, and the effectiveness of our marketing campaigns has been demonstrated by the increase in the incoming traffic from our target group. We focus our advertising efforts on attracting job seekers, which, in turn, attracts more paying customers to our platform.

Small and Medium Accounts

Small and Medium Accounts represent a large market opportunity for us, and we continuously focus on increasing our brand awareness with these customers. Our various marketing campaigns, such as telemarketing and search engine advertising, are targeted at these customers, promoting our reputation, increasing our brand awareness and educating our audience about the existence of online recruiting. In addition, our job seeker TV marketing campaigns also have proven to attract more Small and Medium Accounts customers directly. We also have 109 sales professionals who are dedicated to selling services to Small and Medium Accounts as of December 31, 2021.

Key Accounts

We maintain close contact with our Key Accounts customers through our participation in industry conferences and events and by providing various educational services, such as HR webinars and online education, which help Key Accounts customers use our products more effectively. In addition, 81 members of our sales team representatives cater to the needs of our Key Accounts customers on a daily basis as of December 31, 2021. With our established customers, we promote our portfolio of HCM services to increase customer engagement and customer retention, which continue to be the driving forces behind our growth.

We extensively test and measure the effectiveness of our marketing strategies by both customer type and region and adjust our spending accordingly. We also monitor the marketing activity of our competitors, including by market segment and customer type, to effectively adjust our marketing 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 market.

Sales function

We believe that our sales function represents a significant competitive advantage and differentiating factor that sets us apart from our competitors, and our sales force is comprised of highly skilled, versatile professionals who have strong regional presences combined with our well-developed sales and support processes through our customer relationship management (“CRM”) platform and other predictive analysis tools.

As at December 31, 2021, we had a total of 370 employees on our sales force, 318 of which are in Russia and 52 of which are in other countries. The following table demonstrates our number of sales employees broken down by region:

| Geography | As at December 31, 2021 |
|--------------|----------------------------|
| Russia | 318 |
| Kazakhstan | 35 |
| Belarus | 16 |
| Azerbaijan | 1 |
| Total | 370 |

Most of our customers are self-served and use our platform without any interaction with the salesforce. When customers require support from the sales force, we interact with them at every point of contact on our platform, from registration and initial product introduction to recurring service use. A new customer first interacts with our registration group, which consists of 42 people based in Yaroslavl who are responsible for client verification and fraud prevention. The registration group inputs key data and ensures an accurate and smooth onboarding process. Then, our telesales team, which consists of 67 people based in Yaroslavl, takes over, and the customer is assigned to a sales manager depending on its region of operations. Next, the customer is moved to the customer development team, who assigns the customer to the Small and Medium Accounts team, or to the Key Accounts coverage teams. These specialized sales teams cater to the specific type of customer, depending on their needs. Additionally, our CRM notification system powered by predictive analytics tools analyzes customer activity on our platform in real time and, based on predictive analytics, suggest relevant actions to our sales force, further enhancing our ability to proactively provide efficient, personalized service to each customer.

Our Platform

Our users access our platform through desktop sites, mobile sites and mobile applications. Our back-end technology, built on a Java base and PostgreSQL database, is consistently used in all front-end interfaces, to promote the logical consistency and relevance of data. For the desktop version of our site, we use standard web technologies and an adaptive layout to work on mobile and tablet devices in addition to mobile applications and our mobile site. Our customers predominantly use our desktop platform where they can access full employer functionality, but both job seekers and employers are increasingly turning to mobile devices to access our platform. In terms of unique monthly average users, for the years ended December 31, 2020 and 2021, 71% and 72%, respectively, of our traffic came from mobile devices.

Our mobile platform expands our footprint and complements our desktop platform. Our platform is available through a mobile version of our website, and via iOS, Android and Windows Phone applications. Initially outsourced, we moved the development of our applications in-house in 2013, in order to better control the quality of our apps and respond to evolving customer needs.

Our iOS and Android applications are also becoming increasingly popular, with the number of cumulative downloads since launch of our job seeker applications in the table below.

| | For the year ended December 31, | | |
|------------------------------|---------------------------------|---------------|---------------|
| | 2019 | 2020 | 2021 |
| (in thousands) | | | |
| Cumulative iOS downloads | 6,691 | 8,126 | 9,661 |
| Cumulative Android downloads | 15,535 | 20,153 | 23,888 |
| Total | 22,226 | 28,279 | 33,549 |

Our mobile applications are designed to respond to the developing needs of our users, and we have separate versions designed for job seekers and employers. Our job seeker applications are fully functional and support all activity from registration to interaction between the job seeker and employer. Most employers work with our desktop platform while using our mobile platform as a second, complementary screen. Job seekers account for the majority of our mobile traffic.

Our application is ranked among the top applications on app store-generated lists for business-related free applications in both the iOS and Android application stores in Russia. Job seekers using our mobile applications typically return more frequently than those accessing our platform via desktop sites. In addition to receiving updates, job seekers using our applications also receive push notifications based on the data they provided and certain behavioral traits. For example, job seekers may receive notifications about newly posted vacancies that may be of interest to them based on their previous search patterns. These personalized messages assist in increasing our job seeker retention rate. As of December 31, 2021, 75% of registered job seekers used our mobile platform only (including both mobile website and applications). A significant share of registered job seekers (47% in December 2021) are using only our mobile applications. We continuously enhance job seeker experience on our mobile platform in order to improve conversions of mobile traffic into applications from job seekers.

Some of our Key Accounts customers can interact with our services through paid access to our API interface, which allows them, for example, to create job postings and process applications.

Technology and Intellectual Property

We design, test and update our website and develop our proprietary solutions in-house. We have developed our infrastructure to be highly agile and scalable, allowing us to efficiently expand our product portfolio and enter new market segments, without compromising quality or customer continuity. Our site experienced 99.93% average uptime for the year ended December 31, 2021. We also use well-known and proven open source tools rather than third-party proprietary tools to eliminate dependency on any third-party vendor.

As of December 31, 2021, our services were supported and enhanced by a team of 264 experienced and dedicated product development and system administration employees with in-depth knowledge of information technologies and online recruitment. We have grown this team from 151 to 176 to 264 employees, as of December 31, 2019, 2020 and 2021, respectively. We also provide ongoing education to our product development team to ensure that our team is up to date on new technologies and advances in our markets. Our development team is responsible for product innovation, testing, user experience improvements, search engine optimization and online advertising. The number and the quality of new technology releases from our development team is constantly rising, with the number of technological bugs per release consistently declining. For example, we had 0.29 bugs per release in 2020, which we decreased to 0.26 bugs per release in 2021. We have been able to develop innovative and effective products and services to meet the evolving needs of our customers, and we plan to continue to strengthen our development function.

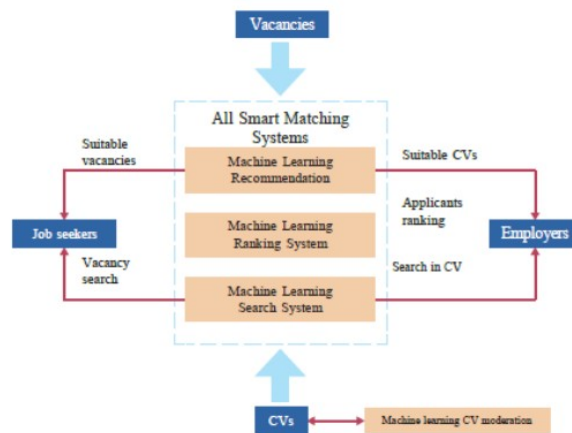
Artificial Intelligence

Our AI uses machine-learning algorithms to analyze the data provided by our users as well as user behavior to offer job seekers and employers better functionality and enhanced service levels. For example, our Machine Learning Recommendation System provides job seekers with suggested relevant vacancies while offering employers recommendations based on their previous activity on the website.

These recommendations are provided to users via email or directly on the homepage while browsing, allowing them to more efficiently utilize our services. Our Machine Learning Ranking System uses a variety of criteria to rank applicants for a job vacancy and provides employers with an ordered list of relevant suggestions. Our Search System uses data collected from CVs and job postings to improve search results. Using hundreds of criteria, our Search System sorts search results based on the probability of application. Recently, we were granted a patent for our Machine Learning Candidate Recommendation System, and we aim to seek patent protection for all of the components of our Machine Learning Systems.

Our AI system also efficiently assists with our CV moderation process. We evaluate and approve each CV submitted to our database to ensure quality, and for the year ended December 31, 2021, all of the CVs submitted to our database were screened by our AI and heuristics system, with on average approximately 69% of CVs receiving approval from our AI to be posted on our database without the need for further human action.

AI improves the conversion of users to registered users, the conversion of registered users to those who upload their CV to our database, as well as the conversion of users in our CV database to submit applications for a posted vacancy. Our AI improves the functionality and effectiveness of our products, driving our revenue while providing our customers with high quality service. During 2021, our AI systems on average facilitated approximately 601,600 relevant vacancy applications and views of employers contact details daily, which increased by 110% compared to 2020. Our development team focuses on improving our AI Smart Matching Systems.



User interface and user experience

We developed our platform to provide users with a simple and clear interface, and we are constantly optimizing our interface to improve the user experience at each stage. We have a bespoke customized interface for different groups of customers (anonymous users, applicants, paying customers and prospective customers). We streamline our platform by providing simplified CV forms, click-on fields for data input rather than empty fields, reducing the number of required fields in forms and customizing our interface for different users. Our simple but smart interface improves our conversion of users to registered users and of registered users to those who upload a CV, and these conversions increase the attractiveness of our platform to customers. In 2019, we modified the first time user experience for our mobile apps and adopted a simpler, more intuitive approach to interactions in order to fully optimize user engagement and encourage conversions. We are developing a sequenced “call-to-action” approach in our mobile apps that will drive users through a funnel to the desired action.

Our technology infrastructure

We host our platform at two data centers in Moscow, and we have two backup servers located at these data centers and one backup server located at our offices in Moscow. We also have one backup storage facility at the headquarters of our key operating subsidiary in Moscow. We have designed our websites, applications and infrastructure to be able to support high traffic volume. Our average uptime has exceeded 99% since 2017, with an average uptime of 99.9% for the year ended December 31, 2021. With network bandwidth of 20 gigabits per second, our infrastructure offers significant headroom, well in excess of our current outgoing traffic needs of around 4 gigabits per second. Our platform is also more than capable of handling a peak load, which was estimated to be approximately 12,000 requests per second that our platform was able to handle during one of our busiest traffic periods in November 2021. Further, we continuously monitor and stress test our traffic and storage capacities through conducting heavy stress tests of 10,000 requests per second, and we maintain a predictable load limit of approximately 11,260 requests per second. We conduct these tests and monitor our infrastructure capabilities in order to continue constantly grow and upgrade our platform. Since 2003, we have processed cumulatively over 1.2 billion job applications.

Our intellectual property

We own our domain names and trademarks relating to the design and content of our website, including our brand name and various logos and slogans. As of February 2022, we held more than 110 registered trademarks in Russia, Cyprus, Belarus, Kazakhstan and other countries in which we operate, including Uzbekistan, Georgia, Azerbaijan and Kyrgyzstan, including our name and certain marks associated with each project.

Security and Data Protection

We have built a multi-level system to protect our data, as it is the backbone of our business. We protect data by a combination of processing procedures and technology tools. Only a limited number of technical specialists are granted access to our data servers, and they handle our data using encrypted data transmission channels, which are accessible only with a key. Most of our developers do not have a direct access to our production servers, and we use a separate security system to monitor employee activity and data leakage.

We protect our server infrastructure from external hacker attempts by locating the servers within an internal network that is isolated from the internet and protected by two firewalls. The system of user authentication on the site includes monitoring of suspicious activity and protection from brute force attacks. Passwords for user authentication are stored by a special adaptive cryptographic function, which prevents them from being used even in the event of data leakage. We also protect the platform against external denial-of-service attacks with a system that, in the event of an attack, filters suspicious traffic.

In addition, we conduct regular tests for any internal or external unauthorized access to our systems and correct any irregularities.

Regulation

We are subject to a number of laws and regulations in Russia and other jurisdictions that regulate data protection and information security and advertising services.

Intellectual Property Regulation

The Civil Code (Part IV) is the basic law in Russia that governs intellectual property rights, including their protection and enforcement. According to it, the software and technologies 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 material form. In addition, we obtain proprietary 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 any copyrights created by our employees during the course of their employment with us and within the scope of their job functions, and have the exclusive rights to their further use and disposal.

Under Russian law, the registration of copyrighted materials is not required. Software may be registered by a copyright holder, at its discretion, with the Russian Federal Service for Intellectual Property, or Rospatent, but such registration is not customary.

Only trademarks and patents for inventions, utility models and industrial designs require mandatory registration with Rospatent. Trademarks registered abroad under the Madrid Agreement Concerning the International Registration of Trademarks dated April 14, 1891 and/or the Protocol to the Agreement dated June 27, 1989, have equal legal protection in Russia as locally registered trademarks. Our main brands are registered as trademarks in Russia, the CIS and several other countries where we operate.

The Civil Code generally provides for the legal protection of trademarks registered with Rospatent. In addition, in accordance with the Agreement Concerning the International Registration of Marks (Madrid, 1891) and protocols thereto, Russia protects trademarks registered with the World Intellectual Property Organization if international registration of such trademarks extends to Russia. Upon the registration of a trademark, Rospatent issues a certificate of registration of the trademark, which is valid for 10 years from the date on which the application for registration was filed. This term may be extended for another 10 years an unlimited number of times. The certificate of registration of a trademark is issued with respect to certain classes of goods or services of the International Classification of Goods and Services, which means that the trademark is not protected if it is used for other types of goods or services that are not covered by the certificate of registration. In the absence of registration (i) the entity using the designation may not be able to protect its trademark against unauthorized use by a third party; (ii) 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 of intellectual property rights pursuant to agreements for assignment of rights to a trademark, franchising agreements, license agreements and pledge agreements are subject to registration with Rospatent. Failure to comply with the registration requirement results in such transfer being treated as non-existent, and use of the relevant intellectual property in the absence of registration of the relevant transfer may trigger civil, administrative or criminal liability.

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 the relevant consumers in Russia.

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-unlike the ordinary trademarks (which can be registered for 10 years and renewed for each subsequent 10 years period an unlimited number of times), the well-known trademarks registration generally remains effective for an unlimited period of time.
- In order to register a mark as a well-known trademark, a person using the mark must submit the relevant application to Rospatent, together with certain documents including evidence that the relevant mark has become well known (such as the results of consumers surveys, documentary evidence of costs incurred for the advertising of the mark, etc.). Rospatent must take a decision on the application within 10 months, but this period may be extended subject to the regulator's requests for and consideration of additional documents and/or clarifications from the applicant.

The application may be denied in the following circumstances:

- the applicant has not provided the documents evidencing that the relevant mark has become well known; or
- the relevant mark has become well known after the priority date of another person's trademark which is identical or confusingly similar with the relevant mark and which has been registered for the use in respect of similar goods.

The mark is recognized as a well-known trademark from the date of its registration (i.e. its entry into the register of well-known trademarks).

In light of the recent conflict, export controls and international businesses suspending operations in Russia or leaving Russia, there have been discussions led by FAS as regards allowing so-called "parallel import" (import into Russia without the permission of the right holders).

Advertising Regulation

The principal Russian law governing advertising is the Federal Law of the Russian Federation 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 types and methods of advertising that are prohibited regardless of the advertised product and the advertising medium:

- advertising that may induce criminal, violent or cruel behavior;
- advertising that judges or otherwise humiliates those who do not use the advertised product;
- use of pornographic or indecent materials in advertising;
- use of foreign words that may lead to the advertising being misleading;
- statements that the advertised product has been approved by state or municipal authorities or officials;
- depiction of smoking and alcohol consumption;
- 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.

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.

The Advertising Law, as well as the Competition 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.

The Advertising Law does not specifically regulate display advertising, such as pop-up ads appearing on third-party websites based on user activity data, however, it may be encompassed by notion of “telecom” advertising and, therefore, trigger the application of the Advertising Law and its provisions on necessity of consent. The consent should be executed in a form that allows to ascertain the fact that such consent was obtained. In some cases, violation of the Advertising Law can lead to civil actions or administrative penalties that can be imposed by the FAS. As required by the Advertising Law, the sender of ads is required to receive the recipient’s prior consent before any dissemination by e-mail.

On July 2, 2021, the President of the Russian Federation signed the Federal Law N 347-FZ of 02.07.2021 on Amendments to the Federal Law on Advertising, providing the creation of a unified system for recording online advertising. Thus, from September 1, 2022 onwards all advertisers, advertising distributors and advertising system operators who place advertisements on the Internet aimed at attracting the attention of advertising consumers located in the Russian Federation and who meet the criteria defined by the Russian Government must provide information on such advertisements to Roskomnadzor, which will automate the collection, processing, recording, storage and access to information on online advertising.

Privacy and Personal Data Protection Regulation

We are subject to laws and regulations regarding privacy and protection of the user data, including 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. The amendments to the Personal Data Law (which entered into force on March 1, 2021) set forth new rules on processing of a specific type of personal data, being personal data which are made available to the general public (the “Relevant Data”). Relevant Data would comprise user profiles which are publicly available.

Russian law uses the term “data operator” to denote a person who determines the scope and purposes of the processing (this notion 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” which is equivalent to the notion of “data processor” under the GDPR.

The Personal Data Law, among other things, requires, subject to a limited number of exceptions, that an individual provide specific, informed and conscious consent to any 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. In respect of most types of data, the Personal Data Law does not require the consent to be in writing (under the Personal Data Law, “in writing” means hand-written or subject to qualified electronic signature) but requires that the consent be in a form that, from an evidential perspective, sufficiently attests to that the data subject.

The consent must be in writing in certain cases, including: (i) where the processing relates to special categories of personal data (regarding the data subject’s race, nationality, political views, religion, philosophical beliefs, health conditions or intimate information); (ii) where the processing of personal data relates to any biometrics; (iii) cross-border transfers to a state that does not provide adequate protection of rights of subjects (e.g. under Russian law, the United States is one of such states); and (iv) the certain types processing of an employee’s personal data, etc. The written consent of subjects must meet a number of formal requirements and must be signed by holographic or electronic signature.

The Relevant Data can only be processed/transferred to third parties to the extent there is a consent of the data subject (the consent shall be in the form to be prepared by Roskomnadzor, the Russian data protection authority). On February 24, 2021, Roskomnadzor adopted an order setting out the requirements to the consent of the data subject for distribution, which came into force as of September 1, 2021 and will be effective until September 1, 2027. The data subject may specify (in such consent) certain restrictions on data processing (such restrictions can, however, not apply to processing in state or public interest). In the absence of consent, the data controller 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 controller which is processing data. In the absence of the consent, the data controller 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 controller.

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 controller/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 controller to stop the processing through the court proceedings. The rules do not apply to processing by the Russian state authorities.

By accepting our offer, users consent to the processing of their personal data by clicking an icon indicating their consent to the offer. Consent can be obtained by the operator itself or using the information system of Roskomnadzor, which provides the formal procedure for the interaction of the data subject with the data operator.

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”). These types of such “restricted processing actions” include recording, systematization, accumulation, storage, clarification (update, modification) and extraction/download. The Roskomnadzor comments prohibit parallel input of gathered personal data into a Russian information system and a foreign-based system. These 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 in general 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 either 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.

The Yarovaya Law requires telecom providers and arrangers of information distribution by means of internet (the “arranger”) to store *metadata* (information confirming the fact of receipt, transmission, delivery and/or processing of voice data, text messages, pictures, sounds, video or other communications). Arrangers are required to ensure such storage for a period of *one year*. As of July 1, 2018, the arrangers are required to store the *contents of communications*, including voice data, text messages, pictures, sounds, video or other communications for a period of *six months*. In December 2020, the Ministry of Digital Development, Communications and Mass Media of the Russian Federation suggested delaying implementation of certain requirements on data storage for one year in light of the COVID-19 outbreak and related worsening in economic conditions. The term *arranger* denotes 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.

In addition, the Sovereign Internet Law provides certain requirements for the arrangers. In particular, arrangers are required to take part in practical trainings arranged by the Russian authorities and to provide the necessary assistance to the Russian investigative authorities. The Russian authorities are still adopting implementing legislation necessary to implement the Sovereign Internet Law.

Failure to obtain consent or comply with the other rules of data privacy laws may lead to civil, criminal, disciplinary and administrative liability. The amount of fines is being constantly increased by the Russian legislations (currently the maximum fine is set forth for violation of the Russian data localization rules, as described above, and it equals P18 million, while a legislative initiative is being discussed to introduce turnover-based penalties for personal data breach). Moreover, under Federal Law No. 236-FZ “On the Activities of Foreign Persons in the Information and Telecommunications Network ‘Internet’ on the Territory of the Russian Federation,” dated July 1, 2021, liability for failure to comply with the Russian data localization rules may include, for example, prohibitions or restrictions on personal data processing or export, prohibitions on payments from Russia and advertisements of and on the relevant resource and/or marking of the resource as non-compliant in search results of search engines. The 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. The authorities are also be entitled to block access from Russia to the resources which process personal data in violation of the rules. A special register (Register of Infringers of Rights of the Personal Data Subjects) has been established to record information on the unlawful processing of personal data.

The Law on Information also sets forth certain content moderation rules. This law provides for an obligation of online businesses to adopt notice-and-take-down approach and delete (block) information which, under Russian law, is considered illicit immediately upon notice from the authorities and requires certain businesses (e.g. audiovisual services owners and social networks with more than 500,000 daily users) to review and proactively delete illicit content. In December 2021, Russian courts issued major fines (up to circa US\$100 million) against several global companies for failure to comply with these rules.

There have been recent discussions as regards the risk of blocking of Internet in Russia from inside or from the outside of Russia. If this risk materializes, our services may be temporarily or fully unavailable in Russia.

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 activities of for market players 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 regulator may impose significant administrative fines on market players 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 result of such a mandatory reorganization. In December 2019, the FAS determined that our subsidiary, Headhunter LLC, together with our competitors SuperJob and RDV-Soft, are currently occupying dominant positions in the market of internet-based services related to ensuring information coordination between employees, employers and staffing agencies in Russia, and that Headhunter LLC’s actions prohibit the use of third-party software that led to the restriction of competition on adjacent product markets (app stores). See also Item 3. Key Information “*Risk Factors—Risks Relating to the Russian Federation and Other Markets in Which We Operate—The FAS’s determination that we hold a dominant position in the market where we operate, together with SuperJob and RDV-Soft (a company that operates the Rabota.ru recruiting website), and that we abused this dominant position through restricting access to our CV database for Stafori LLC’s “Robot Vera” software may adversely affect our business, financial condition and results of operations.*”

The Competition Law expressly provides for its extraterritorial application to transactions and actions which 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 of mergers, acquisitions, company formations and certain other transactions involving companies which meet certain financial thresholds. Certain specific rules and thresholds are provided by the Competition Law in relation to pre-approval by the FAS of acquisitions of financial services providers, which, under the Competition Law, include credit institutions, but do not include payment agents. Different thresholds apply to transactions with other financial entities as targets.

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 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.

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.

C. Organizational Structure

Please refer to Note 27 to our consolidated financial statements included elsewhere in this Annual Report for a listing of the company's consolidated subsidiaries, including name, country of incorporation and proportion of ownership interest.

D. Property, Plant and Equipment

The principal executive office of our key operating subsidiary is located at 9/10 Godovikova Street, Moscow, 129085, Russia. We also lease operating office space in Yaroslavl, Saint Petersburg, Voronezh, Nizhny Novgorod, Krasnodar, Sochi, Kazan, Ekaterinburg, Novosibirsk and Vladivostok, Russia; Minsk, Belarus and Almaty, Kazakhstan. Our additions to property and equipment and intangible assets in the year ended December 31, 2021 were P1,634 million, and they primarily consisted of goodwill and intangible assets of P1,362 million acquired in a business combination (please refer to Note 8 to our consolidated financial statements included elsewhere in the Annual Report for more information).

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this Annual Report. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the Item 3. "Key Information, D. Risk Factors" section of this Annual Report. Actual results could differ materially from those contained in any forward-looking statements.

Overview

We are the leading online recruitment platform in Russia and the CIS region and focus on connecting job seekers with employers. We offer potential employers and recruiters paid access to our extensive CV database and job postings platform. We also provide job seekers and employers with a value added services portfolio centered around their recruitment needs. Our brand and the strength of our platform allow us to generate significant traffic, over 92% of which was free for us as of December 2021, according to our internal data, and we were the fifth most visited job and employment website globally as of January 1, 2022, according to the latest available data from SimilarWeb. Our CV database contained 41.8 million, 48.2 million and 54.5 million total CVs as of December 31, 2019, 2020 and 2021, respectively, and our platform hosted a daily average of approximately 588,000, 608,000 and 933,000 job postings in the years ended December 31, 2019, 2020 and 2021, respectively. For the years ended December 31, 2019, 2020 and 2021, our platform averaged 21.9 million, 22.5 million and 28.5 million unique visitors per month, respectively, according to LiveInternet.

Our user base consists primarily of job seekers who use our products and services to discover new career opportunities. The majority of the services we provide to job seekers are free. Our customer base consists primarily of businesses using our CV database and job posting service to fill vacancies inside their organizations.

We were founded in 2000 and have successfully established a strong, trusted brand and the leading market position, which have enabled us to achieve significant growth in recent years. We had approximately 322,000, 351,000 and 515,000 paying customers on our platform for the years ended December 31, 2019, 2020 and 2021, respectively. We have a highly diversified customer base, representing the majority of the industries active in the Russian economy.

Our total revenue was P7,789 million, P8,282 million and P15,968 million in the years ended December 31, 2019, 2020 and 2021, respectively. During the same periods, our net income was P1,581 million, P1,886 million and P5,493 million, respectively. In addition to our growth, we have consistently maintained strong profitability.

Impact of the Latest Geopolitical Developments on the Company

As far as we are aware, neither we nor any of our subsidiaries is directly subject to any sanctions announced through the date of this Annual Report by the United States, the United Kingdom, the European Union or other countries.

As the market situation is constantly evolving, it's difficult to accurately predict the full impact of the sanctions that were introduced, and, despite very strong online recruitment industry fundamentals, we cannot guarantee that these sanctions will not adversely affect the Russian economy or our business activities and financial position.

Neither we nor any of our subsidiaries have any operations or generate any revenue in Ukraine. In the ordinary course of business, our subsidiaries, like many Russian companies, have routine commercial operations with and generate revenues from Russian persons and entities that have been recently sanctioned. The share of revenue generated from such newly sanctioned entities is not substantial for us due to the low customer concentration in our revenue structure and business model. In addition, one of our Russian subsidiaries currently has an outstanding Ruble-denominated loan with one of the sanctioned banks, VTB Bank.

To the extent applicable to us and our operations, we have complied and intend to continue to comply with all applicable sanction laws and regulations. However, there is no assurance that our operations with sanctioned entities would not be viewed as activities meeting the criteria for "secondary" economic sanctions under applicable United States legislation.

At the date of this Annual Report, our management believes that our ability to conduct business has not been inhibited by the sanctions that were recently introduced. We have a strong balance sheet, with a significant cash balance and a low Net Debt / Adjusted EBITDA ratio. Our subscription-based business model is highly cash generative, and we recently paid an interim dividend for the year December 31, 2021. Our debt is due in more than 12 months, including a P4 billion bond payable at the end of 2023, and our subsidiary's loan with VTB Bank matures in 2025. All of these factors allow us to maintain our cash position and preserve financial flexibility even in the case of a protracted economic downturn. However, recently the United States, the United Kingdom, the European Union authorities announced that certain Russian banks may be disconnected from SWIFT. While we believe that this will not impact our day-to-day operations adversely, if all Russian banks will be disconnected from SWIFT, we may experience difficulties in conducting payments to our shareholders abroad, including dividend payments.

There is no assurance that the ability of U.S. persons to acquire and trade in our securities will not be restricted. Moreover, on February 28, 2022, Nasdaq suspended trading of our ADSs amid escalation of the conflict between Russian and Ukraine and the rapidly evolving situation around sanctions and there can be no assurance that trading of our ADSs will be resumed by Nasdaq and that the ADSs will not be delisted from Nasdaq and moved to the over-the-counter market.

We will continue to closely monitor all developments in the key markets in which we operate and analyze recently introduced and potential additional sanctions, in order to be able to react to the changing environment accordingly and to make every effort to make sure we minimize any negative impact on our business.

Impact of COVID-19 on Our Operations and Financial Position

The ongoing COVID-19 pandemic has affected our financial results mostly via decrease in business activity in Russia, especially as a result of measures taken by authorities to curb the spread of COVID-19, such as shelter-in-place orders, the implementation of non-working days and businesses closures. A decrease in business activity may result in a decrease in a number of job postings advertised by our customers and the number of CV database subscriptions purchased or renewed, leading to a decrease in our revenue.

The most severe restrictions in Russia were in place from March 30, 2020 to May 11, 2020, when a nation-wide period of non-working days was introduced and shelter-in-place orders were in effect in Moscow. This affected our revenues in the first and second quarter of 2020. A gradual recovery of business activities followed in the third quarter of 2020, resulting in the gradual recovery in our KPIs. As a result, year-to-year comparison of our financial results for 2021 is partly affected by the financial results for 2020.

From the second quarter of 2021 through the end of 2021, as economy recovered from the COVID-related restrictions of 2020, we saw increase in demand for candidates on the back of lagging candidate activity. This drives the increase in the number of paying customers on our platform and the increase in the average consumption per customer and may be a temporary effect.

We have seen no measurable and adverse impact of COVID-19 on our financial position as of December 31, 2021. However, our financial position, results and liquidity may be affected in the future by any further adverse developments related to COVID-19. See Item 3.D “*Risk Factors—Risks Relating to Our Business and Industry—A regional or global health pandemic, including COVID-19, potential actions taken to contain a disease, and speed and extent of the recovery could severely affect our business, results of operations and financial condition due to impacts on our customers.*”

Segments

For management purposes, we are organized into operating segments based on the geography of our operations or other subdivisions as presented in internal reporting to our chief operating decision-maker.

In December 2020, we acquired 100% share in Zarplata.ru and in March 2021, the Group obtained control over Skillaz. Before the acquisitions, our operating segments were “Russia”, “Belarus”, “Kazakhstan” and “Other Countries”. After the acquisitions, we further subdivided our operations in Russia into “Russia (hh.ru)” segment, representing all operations of our “Russia” segment before the acquisition, and “Russia (Zarplata.ru)” segment, representing operations by Zarplata.ru, and added the “Skillaz” segment, representing operations by Skillaz. Thus, our operating segments after the acquisitions are “Russia (hh.ru)”, “Russia (Zarplata.ru)”, “Belarus”, “Kazakhstan”, “Other Countries”, and “Skillaz”. As each operating segment other than “Russia (hh.ru)” individually comprises less than 10% of revenue, for reporting purposes we combine all operating segments other than “Russia (hh.ru)” into “Other segments” category.

In addition, when reviewing our Russia operating segments (Russia (hh.ru) and Russia (Zarplata.ru)), we disaggregate revenue in this segment by customer location (including large cities, Moscow and St. Petersburg, and other regions in Russia) and type of customer account (Key Accounts and Small and Medium Accounts) to review relevant key operating performance measures within each group.

Key Indicators of Operating and Financial Performance

Our management monitors and analyzes certain operating and financial performance indicators. This process ensures timely evaluation of the performance of our business and the effectiveness of our strategies, enabling our management to react promptly to the changing requirements of job seekers and customers and evolving market conditions. We believe that many online businesses monitor similar indicators, however, there are inherent challenges with respect to gathering and assessing the data underlying our performance indicators. See Item 3. “*Key Information, D. Risk Factors—Risks Relating to Our Business and Industry—Real or perceived inaccuracies of our internally calculated or third-party sourced user metrics may harm our reputation and adversely affect our business and operating results.*”

Key Operating Performance Indicators

We use the following key operating performance indicators to assess the performance of our online recruitment services, from which we generate substantially all of our revenue. These measures include the number of paying customers, the number of job postings on our websites, ARPC, the average number of UVMs to our website, and the number of CVs and visible CVs in our database.

The following table sets forth our key operating performance indicators as of the dates (number of CVs and number of visible CVs) or for the periods indicated (number of paying customers, ARPC, daily average number of job postings and average UMs):

| | As of and for the year ended December 31, | | |
|--|---|----------------|----------------|
| | 2019 | 2020 | 2021 |
| Number of paying customers | | | |
| Russia operating segments⁽²⁾ | | | |
| Key Accounts, total | 11,125 | 11,801 | 13,640 |
| Moscow and St. Petersburg | 5,368 | 5,514 | 6,206 |
| Other regions of Russia | 5,757 | 6,287 | 7,434 |
| Small and Medium Accounts, total | 285,300 | 314,845 | 469,866 |
| Moscow and St. Petersburg | 123,295 | 129,599 | 172,669 |
| Other regions of Russia | 162,005 | 185,246 | 297,197 |
| Foreign customers of Russia segment | 1,253 | 1,579 | 2,782 |
| Russia segment, total | 297,678 | 328,225 | 486,288 |
| Other segments, total | 24,715 | 22,334 | 29,189 |
| Total number of paying customers | 322,393 | 350,559 | 515,477 |
| ARPC (in RUB)⁽¹⁾ | | | |
| Russia operating segments⁽²⁾ | | | |
| Key Accounts, total | 237,897 | 251,807 | 387,872 |
| Moscow and St. Petersburg | 369,217 | 391,050 | 623,342 |
| Other regions of Russia | 115,451 | 129,684 | 191,299 |
| Small and Medium Accounts, total | 14,700 | 13,822 | 18,979 |
| Moscow and St. Petersburg | 20,922 | 19,494 | 28,272 |
| Other regions of Russia | 9,965 | 9,854 | 13,579 |
| Other segments, total | 23,345 | 24,977 | 39,686 |
| Job postings (in thousands) | 588 | 608 | 933 |
| Average UMs (in millions) | 21.9 | 22.5 | 28.5 |
| Number of CVs (in millions) | 41.8 | 48.2 | 54.5 |
| Number of visible CVs (in millions) | 31.4 | 37.5 | 41.1 |

(1) ARPC is calculated by dividing revenue by the number of paying customers, respectively, for the period.

(2) The key operating performance indicators of Russia operating segments related to contracts with customers of “Russia (hh.ru)” and “Russia (Zarplata.ru)” operating segments.

We sell our services predominantly to businesses that are looking for job seekers to fill vacancies inside their organizations. We refer to such businesses as “customers.” In Russia, we divide our customers into (i) Key Accounts and (ii) Small and Medium Accounts, based on their annual revenue and employee headcount. We define “Key Accounts” as customers who, according to the Spark-Interfax database, have an annual revenue of 2 billion or more or a headcount of 250 or more employees and have not marked themselves as recruiting agencies on their page on our website, and we define “Small and Medium Accounts” as customers who, according to the Spark-Interfax database, have both an annual revenue of less than 2 billion and a headcount of less than 250 employees and have not marked themselves as recruiting agencies on their page on our website. Our website allows several legal entities and/or natural persons to be registered, each with a unique identification number, under a single account page (e.g., a group of companies). Each legal entity registered under a single account is defined as a separate customer and is included in the number of paying customers metric. Natural persons registered under a single account are assumed to be employees of the legal entities of that account and thus, are not considered separate customers and are not included in the number of paying customers metric. However, in a specific reporting period, if only natural persons used our services under such account, they are collectively included in the number of paying customers as one customer.

On rare occasions when information from the Spark-Interfax database is not available, we define Key Accounts as customers who have subscribed to our CV database for 180 or more consecutive days at any point since their initial registration and Small and Medium Accounts as customers who do not match these criteria.

Information from the Spark-Interfax database may change from time to time as companies file their new financial and other reports every year. As a result, a customer may be included in a different customer group in a subsequent accounting period.

We also derive a small portion of our revenue from the provision of our services to: (i) recruiting agencies looking for job seekers on behalf of their clients, (ii) job seekers who are willing to pay for premium services, such as promoting their CV in the search results and (iii) online advertising agencies, all of which we refer to collectively as “other customers.” Each customer is assigned a unique identification number on our platform.

Our revenue is driven primarily by the number of database subscriptions active in a period and the number of jobs postings on our website. In addition, our revenue is impacted by the number of job seeker contacts viewed by a customer in a database subscription, the frequency with which customers pay to refresh their job postings (where a customer pays for the same job posting again so that it appears at the top of the job posting list), pay for premium placement of their job posting (where a customer pays for their job posting to appear at the top of search results) or purchase other value added services, such as display advertisements.

We calculate average revenue per customer (“ARPC”) by dividing revenue from customers during a specific period by the number of customers who received paid services during the same period. In Russia, we calculate ARPC separately for Key Accounts and for Small and Medium Accounts. ARPC is impacted by the type of customer and the duration of our relationship with our paying customers. Key Accounts use our services more and typically purchase longer subscriptions. Small and Medium Accounts purchase less usage or purchase shorter or one-off subscriptions. As a result, an increase in Key Accounts typically results in a higher ARPC, while an increase in Small and Medium Accounts typically results in a lower ARPC. In addition, newer customers tend to purchase less usage and therefore, lower priced services, resulting in a lower ARPC, whereas more established customers typically purchase more usage, and therefore, higher priced services, resulting in a higher ARPC. In addition to the factors described above, ARPC in our other segments is also impacted by foreign exchange fluctuations as we translate local currency amounts into our reporting currency, the ruble.

The number of “job postings” refers to the total daily average number of jobs advertised by our customers on our website during a specified period. The number of job postings shows the volume of job postings available to job seekers on our website on average during a period. It does not reflect the total number of actual vacancies filled or offered through our website during a period. Customers are primarily charged on a per posting basis or a flat fee subscription basis for a capped number of postings over a specific period of time. Customers may refresh job postings before the expiration of the 30 day standard display period for the same fee as the initial posting to generate more job seeker applications. An increase in the number of customers and number of job postings by these customers increases our ability to attract and retain job seekers.

Our “average unique monthly visitors” (“average U MVs”) refers to the average number of unique visitors to our website during a calendar month. The “number of CVs” refers to the number of CVs completed by job seekers and uploaded to our website following the completion of an automated or human-assisted pre-moderation process. Once a job seeker’s CV has been uploaded to the website, he or she may choose to hide their CV while, for example, he or she is not actively searching for a job. A CV may be made visible again by a job seeker at any time. When a job seeker hides his or her CV, although it remains in our database and we may reach the job seeker with direct marketing efforts, it is not discoverable by our customers who have purchased a subscription to use our CV database. The “number of visible CVs” represents the number of CVs discoverable by our customers who have purchased a subscription to use our CV database. The number of CVs represents the total volume of data related to job seekers available to us, and the number of visible CVs represents the value of our services to our customers.

We view average U MVs and the number of CVs as key indicators of growth in our brand awareness among job seekers and as measures of our ability to attract job seekers to register on our website. Historically, an increase in the average U MVs has resulted in an increase in the number of new registered job seekers, which in turn, has resulted in an increase in the number of CVs added to our database. Although we do not directly generate revenue from job seekers uploading their CVs to our database or replying to job postings, the size of our database is a key indicator of the scale of our platform, which enables us to attract new customers and encourages our existing customers to purchase additional services.

The size and growth of the number of UMs, the number of CVs and the number of jobs advertised increase the value we deliver to customers looking to fill their vacancies through our platform, resulting in an increase in the number of paying customers, ARPC and the growth of revenue from our online recruitment services. This growth is also driven by an overall expansion of the online recruitment market in Russia and the other countries in which we operate, our ability to retain customers and up-sell our services, and our efforts to attract new customers and job seekers. These efforts include continuously improving our website and other platforms to enhance the job seeker experience, tracking the effectiveness of our marketing and brand promotion activities and expanding into new market segments. In addition, during times of economic slowdown, we are usually able to grow the size of our CV database, which becomes even more attractive to our customers as the economy improves, enabling us to encourage our existing customers to purchase additional services as well as attract new customers due to the scale of our database.

Key Financial Performance Indicators

Revenue by customer type

The following table sets forth the revenue from our customers broken down by region for the periods indicated.

| | For the year ended December 31, | | |
|--|---------------------------------|------------------|-------------------|
| | 2019 | 2020 | 2021 |
| (in thousands of RUB) | | | |
| Key Accounts in Russia | | | |
| Russia operating segments ⁽¹⁾ | | | |
| Moscow and St. Petersburg | 1,981,959 | 2,156,248 | 3,868,460 |
| Other regions of Russia | 664,649 | 815,323 | 1,422,118 |
| Sub-total | 2,646,608 | 2,971,571 | 5,290,578 |
| Small and Medium Accounts in Russia | | | |
| Russia operating segments ⁽¹⁾ | | | |
| Moscow and St. Petersburg | 2,579,517 | 2,526,381 | 4,881,678 |
| Other regions of Russia | 1,614,359 | 1,825,497 | 4,035,679 |
| Sub-total | 4,193,876 | 4,351,878 | 8,917,357 |
| Other customers in Russia | 329,893 | 342,993 | 506,436 |
| Foreign customers of Russia | 41,385 | 57,822 | 95,272 |
| Russia, total | 7,211,762 | 7,724,264 | 14,809,643 |
| Other segments, total | 576,979 | 557,843 | 1,158,390 |
| Total Revenue | 7,788,741 | 8,282,107 | 15,968,033 |

(1) The revenue from Russia operating segments related to contracts with customers of “Russia (hh.ru)” and “Russia (Zarplata.ru)” operating segments.

We generated 92.6%, 93.3% and 92.7% of our total revenue from our Russia segments (“Russia (hh.ru)” and “Russia (Zarplata.ru)”) for the years ended December 31, 2019, 2020 and 2021, respectively. In these segments, we generated 36.7%, 38.5% and 35.7% of total segment revenue for the years ended December 31, 2019, 2020 and 2021, respectively, from our Key Accounts and 58.2%, 56.3% and 60.2% of total segments revenue from Small and Medium Accounts for the same periods. Our Key Accounts are characterized by high customer retention rates, with 90% of customers who purchased our services in the year ended December 31, 2020 also purchasing our services in the year ended December 31, 2021, compared to 86% of customers who purchased our services in the year ended December 31, 2019 also purchasing our services in the year ended December 31, 2020. The number of our Small and Medium Accounts have historically grown faster than the number of our Key Accounts, as smaller businesses are increasingly discovering the efficiency and cost advantages of online recruiting and moving from offline forms of advertisements to online advertisements, assisted by our brand awareness campaigns. For the year ended December 31, 2020, this trend was muted by the COVID-19 pandemic and related government measures to curb its spread, which mostly affected our Small and Medium Accounts. Due to the nature of our business, a substantial portion of our customers pay upfront for subscriptions, resulting in substantial contract liabilities on our balance sheet.

We believe that our revenue will continue to be driven by broad macroeconomic factors in Russia, such as the rate of general economic growth, the state of the Russian job market reflected in such metrics as the unemployment rate, and employee turnover. In addition, we expect our revenue to continue to be positively impacted by the ongoing structural shift from an “offline” to “online” HR environment and the increasing number of businesses using online advertisements. Although our revenue growth may slow down in a weakened economy, the growth in the number of UMs on our website and the increase in the number of CVs in our database during a downturn positions us to grow when economic conditions improve, as we believe our leading platform has attracted and will continue to attract customers to post their job postings when they are searching for candidates.

We set the prices for access to our CV database based on the depth and breadth of access to our database and for job postings based on the volume of job postings our customers post on our website. The price of a subscription to our CV database is defined by the geographical and professional segment of the database to which a customer wishes to purchase access (for example, access to CVs of job seekers residing in Moscow and looking for a job in the professional area of marketing), the duration of the subscription, which can be one day, one week, two weeks, one month, three months, six months or one year, and (effective August 1, 2020) the number of jobseeker contact views included in the subscription. The price of the specific geographic and professional segments of the CV database is set according to the relative size of the database measured by the number of visible CVs (however, not always pro rata). The longer the duration of the subscription, the lower the price is per day.

The following table sets forth the revenue we generate per customer type, broken down by region as a percentage of our total revenue for the periods indicated.

| | For the year ended December 31, | | |
|--|---------------------------------|----------------|----------------|
| | 2019 | 2020 | 2021 |
| Key Accounts in Russia | | | |
| Russia operating segments ⁽¹⁾ | | | |
| <i>Moscow and St. Petersburg</i> | 25.4 % | 26.0 % | 24.2 % |
| <i>Other regions of Russia</i> | 8.5 % | 9.8 % | 8.9 % |
| Sub-total | 34.0 % | 35.9 % | 33.1 % |
| Small and Medium Accounts in Russia | | | |
| Russia operating segments ⁽¹⁾ | | | |
| <i>Moscow and St. Petersburg</i> | 33.1 % | 30.5 % | 30.6 % |
| <i>Other regions of Russia</i> | 20.7 % | 22.0 % | 25.2 % |
| Sub-total | 53.8 % | 52.5 % | 55.8 % |
| Other customers | 4.2 % | 4.1 % | 3.2 % |
| Foreign customers of Russia | 0.5 % | 0.7 % | 0.6 % |
| Russia, total | 92.6 % | 93.3 % | 92.7 % |
| Other segments, total | 7.4 % | 6.7 % | 7.3 % |
| Total | 100.0 % | 100.0 % | 100.0 % |

(1) The revenue from Russia operating segments related to contracts with customers of “Russia (hh.ru)” and “Russia (Zarplata.ru)” operating segments.

Russia Operating Segments

Key Accounts Revenue. Key Accounts in Russia accounted for 33.1% of our total revenue for the year ended December 31, 2021. Key Accounts tend to purchase higher volumes of services and more frequently use our additional value added services, such as ad displays and company-style branded pages than Small and Medium Accounts. Although the number of our Key Accounts has grown at a slower pace than Small and Medium Accounts over the last years, we have been increasing our ARPC in this group through focus on monetization improvements. On August 1, 2020, we introduced limits on the number of job seeker contact views for our new CV database subscriptions. For example, our annual access to the “All Russia” geographic segment of the CV database is now limited to 9,000 job seeker contact views. A limit depends on durations of a subscription, and the longer the duration, the higher the limit. After reaching a limit included in a subscription, a customer would need to purchase an extension (“top-up”) to view more job seeker contacts. An extension may be purchased together with the subscription depending on estimated usage. A “contact view” is an event where a customer un-hides the contact details of a job seeker on a CV. A customer may read through other sections of a CV, such as experience or education, before un-hiding a job seeker’s contact details. In our Key Accounts segment, where the effect of the introduction of limits is most sizable, additional revenue we received from top-up contacts has contributed approximately 15% increase in ARPC in 2021, compared to 2020.

Revenue in our Key Accounts segment increased by 78% in the year ended December 31, 2021 compared to the year ended December 31, 2020, as a result of a 16% increase in the number of paying customers and a 54% increase in the ARPC. The increase in the ARPC was mainly due to the following factors: (i) the increase in average consumption, which was driven mostly by competition for candidates amid lagging growth in the number of active job seekers, as well as low-base effect as consumption in 2020 was affected by COVID-related restrictions; (ii) revenue we received from top-up contacts within the new limited model in subscription products; (iii) and the increase in average unit price on the back of annual price inflation. Within Key Accounts, we derived 24.2% and 8.9% of our total revenue from Moscow and St. Petersburg and other regions of Russia, respectively, for the year ended December 31, 2021.

Our Key Accounts were quite resilient to the COVID-19 pandemic on the back of the scale of their organizations and the high rates of customer retention of our subscription business model. For instance, in the second quarter of 2020, when the impact of COVID-19 was the most noticeable in Russia, the number of paying customers in our Key Accounts segments decreased by 0.4%, and revenue in this customer group decreased by 6.1%, compared to the second quarter of 2019. The decrease in the number of paying customers and revenue in Moscow and St. Petersburg was offset by an increase in Other regions of Russia, as they were less impacted.

We believe that we will be able to grow our revenue from our Key Accounts by enhancing monetization of existing customers as well as by increasing the number of customers in this segment, particularly in the other regions of Russia, coupled with increasing the number of Key Accounts who purchase our value added services, such as display advertisements and branded employer pages. See Item 4. “*Information on the Company, B. Business Overview—Our Services—Human Resource Value Added Services*” for additional information on our value added services.

Small and Medium Accounts Revenue. Small and Medium Accounts in Russia accounted for 55.8% of our total revenue for the year ended December 31, 2021. Revenue in our Small and Medium Accounts segment increased by 104.9% in the year ended December 31, 2021 compared to the year ended December 31, 2020, driven almost equally by the increase in the number of paying customers and the increase in ARPC. The number of customers in the Small and Medium Accounts segment grew by 49.2% in the year ended December 31, 2021 compared to the year ended December 31, 2020, mainly due to the growth in the number of customers in the Other regions of Russia. This was driven by economic recovery and low base effect in our “Russia (hh.ru)” segment, as well as addition of customers of our “Russia (Zarplata.ru)” operating segment. Within Small and Medium Accounts, we derived 30.6% and 25.3% of our total revenue from Moscow and St. Petersburg and other regions of Russia, respectively, for the year ended December 31, 2021.

The COVID-19 pandemic adversely impacted our Small and Medium Accounts more than our Key Accounts. As our Small and Medium Accounts purchase fewer long-term subscription products, revenue generated from these accounts is more directly related to usage and they were more impacted during “shelter-in-place” orders than larger organizations. For instance, in the second quarter of 2020, when the impact of COVID-19 was the most noticeable in Russia, the number of paying customers in our Small and Medium Accounts segments decreased by 22.1% and revenue in this customer group decreased by 28.2%, compared to the second quarter of 2019. The decrease occurred both in Moscow and St. Petersburg and in Other regions of Russia, however, the Other regions of Russia were less impacted.

We believe that we will be able to grow our revenue from Small and Medium Accounts by further promoting our brand with wide-scale TV, online and outdoor campaigns, offering competitive pricing on our products and retaining and migrating our Small and Medium Accounts customers to higher priced products over time. In addition, we are working to grow the number of our Small and Medium Accounts customers by increasing the number of CVs from blue collar job seekers in our database.

Other Customers Revenue. Other customers revenue is comprised of revenue from recruiters and ad agencies who purchase access to our CV database and advertising products, and job seekers who purchase a premium service such as CV highlight, which places their CV at the top of a search in our CV database. Other customers revenue accounted for 3.2% of our total revenue for the year ended December 31, 2021.

Other Operating Segments

We generated 7.3% and 6.7% of our total revenue from our other operating segments for the year ended December 31, 2021 and December 31, 2020, respectively. Total revenue in Other segments increased by 107.7% in the year ended December 31, 2021 compared to the year ended December 31, 2020, driven mostly by (i) increased business activities in Belarus and Kazakhstan, which was affected by the low base effect of financial results for 2020 and (ii) the acquisition of Skillaz in March 2021.

Operating costs and expenses (exclusive of depreciation and amortization)

Our operating costs and expenses (exclusive of depreciation and amortization) consist primarily of personnel and marketing expenses. The following table sets forth our operating expenses as a percentage of our revenue for the periods indicated.

| | For the year ended December 31, | | |
|--|---------------------------------|---------------|---------------|
| | 2019 | 2020 | 2021 |
| Personnel expenses | 28.7 % | 31.2 % | 26.2 % |
| Marketing expenses | 13.4 % | 13.3 % | 13.2 % |
| <i>Other general and administrative expenses</i> | | | |
| Subcontractor and other costs related to provision of services | 2.4 % | 2.4 % | 2.7 % |
| Office rent and maintenance | 2.7 % | 2.1 % | 1.9 % |
| Professional services | 4.5 % | 4.1 % | 2.9 % |
| Insurance services | 1.4 % | 2.2 % | 1.1 % |
| Hosting and other website maintenance | 0.5 % | 0.6 % | 0.5 % |
| Other operating expenses | 1.6 % | 0.9 % | 1.2 % |
| Total other general and administrative expenses | 13.1 % | 12.1 % | 10.3 % |
| Operating costs and expenses (exclusive of depreciation and amortization) | 55.2 % | 56.6 % | 49.7 % |

Personnel Expenses

Our personnel expenses consist primarily of salaries and benefits to our development staff, who represent 19.4% of our total number of employees, and salaries and benefits of our sales team, who represent 27.2% of our total number of employees as of December 31, 2021. In addition to a fixed base salary, which the majority of our staff receive, our sales staff derive a substantial portion of their salary from commissions based on performance. For all periods presented, the majority of the compensation paid to our sales personnel was performance based.

We anticipate that our personnel expenses will continue to increase in absolute terms as we hire additional personnel and incur additional costs in connection with the expansion of our business operations.

| Personnel expenses* (in thousands of RUB) | For the year ended December 31, | | |
|--|---------------------------------|--------------------|--------------------|
| | 2019 | 2020 | 2021 |
| Sales | (404,658) | (453,109) | (730,433) |
| Marketing | (129,075) | (124,295) | (182,434) |
| Production | (134,331) | (152,119) | (258,551) |
| Development | (392,628) | (492,457) | (756,480) |
| Product | (118,895) | (148,667) | (271,171) |
| Administrative | (251,382) | (277,714) | (397,916) |
| Senior management | (172,510) | (138,951) | (214,186) |
| Board of directors | (15,097) | (30,099) | (30,460) |
| Subtotal | (1,618,576) | (1,817,411) | (2,841,631) |
| Tax and social | (455,494) | (483,986) | (766,685) |
| Capitalized R&D | 31,261 | 12,443 | 16,860 |
| Total | (2,042,809) | (2,288,954) | (3,591,456) |

* Adjusted for the equity-settled awards, including social taxes, IPO-related costs, SPO related costs and transaction costs related to business combinations.

Our personnel expenses comprised 28.7%, 31.2% and 26.2% as a percentage of revenue for the years ended December 31, 2019, 2020 and 2021, respectively.

Our personnel expenses, excluding equity-settled awards and related social taxes, and personnel expenses which form part of our IPO-related costs, SPO-related costs, transaction costs related to business combinations, and other financing and transactional costs comprised 26.2%, 27.6% and 22.5% as a percentage of revenue for the years ended December 31, 2019, 2020 and 2021, respectively.

Please see “Reconciliation of operating costs and expenses (exclusive of depreciation and amortization), the most directly comparable IFRS financial measure, to Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization)” elsewhere in this Annual Report.

Marketing Expenses

We continue investing in our brand awareness in Russia with robust online, outdoor and TV advertising campaigns. Our total marketing expenses for the years ended December 31, 2019, 2020 and 2021 were ₱1,047 million, ₱1,105 million and ₱2,113 million, respectively.

Marketing expenses vary from city to city, depending on local competition, our strategic objectives in each market and the marketing channels we use to support our growth and promote our brand. We plan to continue investing in marketing activities, including offline channels, to strengthen our brand recognition and grow our job seeker and customer base.

As a result of our strategy to expand our business operations and create greater brand awareness, we expect that our marketing expenses will continue to increase in absolute terms as we invest in marketing in new and existing geographic areas. If we can leverage our strong brand and utilize the scalability of our business model, our marketing expenses may decrease as a percentage of our revenue. Our marketing expenses comprised 13.4%, 13.3% and 13.2% as a percentage of revenue for the years ended December 31, 2019, 2020 and 2021, respectively. As a result of our continuous investment, we believe our brand remains an undisputed leader in top-of-mind awareness in Russia among other online recruitment portals, according to measurements performed by professional firms engaged by us.

Other general and administrative expenses

Our other general and administrative expenses consist primarily of professional services, insurance costs and short-term office rent and maintenance costs. Our general and administrative expenses comprised 13.1%, 12.1% and 10.3% as a percentage of revenue for the years ended December 31, 2019, 2020 and 2021, respectively.

Non-IFRS Measures and Other Financial Information

| (in thousands of RUB, except percentages) | For the year ended December 31, | | |
|---|---------------------------------|-----------|-----------|
| | 2019* | 2020* | 2021 |
| EBITDA ⁽¹⁾ | 3,435,281 | 3,672,371 | 8,384,868 |
| EBITDA Margin ⁽²⁾ | 44.1 % | 44.3 % | 52.5 % |
| Adjusted EBITDA ⁽³⁾ | 3,930,747 | 4,103,715 | 8,652,564 |
| Adjusted EBITDA Margin ⁽⁴⁾ | 50.5 % | 49.5 % | 54.2 % |
| Adjusted Net Income ⁽⁵⁾ | 2,409,122 | 2,683,097 | 6,005,210 |
| Adjusted Net Income Margin ⁽⁶⁾ | 30.9 % | 32.4 % | 37.6 % |

* These periods have been reclassified from prior periods. Please see “— Modification of the presentation of Adjusted EBITDA and Adjusted Net Income” below for more detail.

- (1) We define EBITDA as net income/(loss) plus: (i) income tax expense; (ii) net interest costs; and (iii) depreciation and amortization.
- (2) We define EBITDA Margin as EBITDA divided by revenue.
- (3) We define Adjusted EBITDA as net income/(loss), plus: (i) income tax expense; (ii) net interest costs; (iii) depreciation and amortization; (iv) expenses related to equity-settled awards, including related social taxes; (v) initial public offering (“IPO”) related costs; (vi) secondary public offering (“SPO”) related costs; (vii) transaction costs related to business combinations; (viii) insurance expenses related to IPO; (ix) one-off litigation settlement and related costs; (xi) income from the depository; (xii) net foreign exchange (gain)/loss; (xiii) (gain)/loss on remeasurement of previously held interest in equity-accounted investees; (xiv) (gain)/loss on financial assets measured at fair value through profit and loss; (xv) share of (profit)/loss of equity-accounted investees; (xvi) other financing and transactional costs; (xvii) movement in tax provisions and related indemnities recognized upon business combinations.
- (4) We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

(5) We define Adjusted Net Income as net income/(loss), plus: (i) expenses related to equity-settled awards, including related social taxes; (ii) initial public offering (“IPO”) related costs; (iii) SPO-related costs; (iv) transaction costs related to business combinations; (v) insurance expenses related to IPO; (vi) one-off litigation settlement and related costs; (vii) income from the depositary; (viii) net foreign exchange (gain)/loss; (ix) (gain)/loss on remeasurement of previously held interest in equity-accounted investees; (x) (gain)/loss on financial assets measured at fair value through profit and loss; (xi) share of (profit)/loss of equity-accounted investees; (xii) other financing and transactional costs; (xiii) movement in tax provisions and related indemnities recognized upon business combinations; (xiv) amortization of intangible assets recognized upon the acquisition of our predecessor; (xv) tax effect on adjustments.

(6) We define Adjusted Net Income Margin as Adjusted Net Income divided by revenue.

| (in thousands of RUB, except ratios) | As of December 31, | | |
|--|--------------------|-------------|-------------|
| | 2019 | 2020 | 2021 |
| Net Working Capital ⁽⁷⁾ | (2,994,358) | (3,849,012) | (6,127,547) |
| Total Debt | 5,129,055 | 8,276,426 | 8,037,654 |
| Net Debt ⁽⁸⁾ | 3,039,840 | 4,908,816 | 1,214,426 |
| Net Debt to Adjusted EBITDA Ratio ⁽⁹⁾ | 0.8x | 1.2x | 0.1x |

(7) We define Net Working Capital as our trade and other receivables plus prepaid expenses and other current assets, less our contract liabilities, trade and other payables and other liabilities, in all cases, a current portion of a specific asset or liability.

(8) We define Net Debt as current portion of our loans and borrowings, plus our loans and borrowings, less our cash and cash equivalents and short-term investments.

(9) We define Net Debt to Adjusted EBITDA Ratio as Net Debt divided by Adjusted EBITDA.

EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are used by our management to monitor the underlying performance of the business and the operations. EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) as reported by us to EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin and Adjusted Net Income Margin as reported by other companies. EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are unaudited and have not been prepared in accordance with IFRS or any other generally accepted accounting principles.

EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) are not measurements of performance under IFRS or any other generally accepted accounting principles, and you should not consider EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin or Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) as alternatives to net income, operating profit or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) have limitations as analytical tools, and you should not consider them in isolation. Some of these limitations are:

- EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments,
- EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) do not reflect changes in, or cash requirements for, our working capital needs, and

- the fact that other companies in our industry may calculate EBITDA, Adjusted EBITDA, Adjusted Net Income, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income Margin and Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) differently than we do, which limits their usefulness as comparative measures.

We have provided a reconciliation below of net income, the most directly comparable IFRS measure, to EBITDA and Adjusted EBITDA.

| (in thousands of RUB) | For the year ended December 31, | | |
|---|---------------------------------|------------------|------------------|
| | 2019* | 2020* | 2021 |
| Net income | 1,581,026 | 1,885,825 | 5,492,771 |
| <i>Add the effect of:</i> | | | |
| Income tax expense | 644,422 | 685,772 | 1,374,834 |
| Net interest expense | 526,516 | 350,216 | 450,979 |
| Depreciation and amortization | 683,317 | 750,558 | 1,066,284 |
| EBITDA | 3,435,281 | 3,672,371 | 8,384,868 |
| <i>Add the effect of:</i> | | | |
| Equity-settled awards and related social taxes ^(a) | 178,953 | 249,286 | 486,601 |
| IPO-related costs ^(b) | 190,284 | — | — |
| Insurance expenses related to the IPO ^(c) | 100,048 | 54,772 | — |
| SPO-related costs ^(d) | — | 151,087 | 120,961 |
| Transaction costs related to business combinations ^(e) | — | 51,665 | 23,083 |
| One-off litigation settlement and related legal costs ^(f) | 17,734 | — | — |
| Income from the depositary ^(g) | (22,095) | (41,617) | (58,226) |
| Net foreign exchange loss/(gain) ^(h) | 46,508 | (83,030) | (1,424) |
| Gain on remeasurement of previously held interests in equity-accounted investees ⁽ⁱ⁾ | — | — | (223,308) |
| Gain on financial asset measured at fair value through profit or loss ^(j) | — | — | (34,508) |
| Share of loss of equity-accounted investees ^(k) | 30,542 | 49,181 | 17,925 |
| Other financing and transactional costs ^(l) | — | — | 28,044 |
| Movement in tax provisions and related indemnities recognized upon business combinations ^(m) | — | — | (91,452) |
| Adjusted EBITDA | 3,977,255 | 4,103,715 | 8,652,564 |

* These periods have been reclassified from prior periods. Please see “— Modification of the presentation of Adjusted EBITDA and Adjusted Net Income” below for more detail.

- Represents non-cash expenses related to equity-settled awards issued in accordance with the long-term incentive plans (“LTIPs”), and as part of remuneration of Board members, as disclosed in Notes 20(a) and 29(b) to our consolidated financial statements included elsewhere in this Annual Report, and related social taxes.
- In connection with the IPO, we incurred expenses related to legal, accounting, and other professional fees that are not indicative of our ongoing expenses.
- Represents insurance expenses incurred in connection with our IPO, which are not indicative of our underlying business performance. Specifically, in connection with our IPO in May 2019 we purchased a one-year insurance policy for \$2.7 million, of which we allocated \$2.4 million to the cover related to our IPO and \$250 thousand to directors’ and officers’ insurance in the ordinary course of business, based on the estimate of our insurance provider. The cost is expensed over the policy term on a pro-rata time basis and thus recurs in the reporting periods during its term.
- Represents legal, accounting, and other professional fees, as well as personnel expenses incurred in connection with our secondary public offerings, which are not indicative of our underlying business performance.
- Represents legal, accounting, and other professional fees, as well as personnel expenses incurred in connection with business combinations, which are not indicative of our underlying business performance. Specifically, our transaction costs in the years 2020 and 2021 related mostly to acquisition of Zarplata.ru and Skillaz.
- Represents one-off litigation settlement and costs related to administrative proceeding with the Federal Antimonopoly Service of Russia.
- Represents contributions we receive from the sole depositary of our ADRs in accordance with the Deposit Agreement, which are not indicative of our underlying business performance.

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- h) Represents foreign exchange gain or loss, which are not indicative of our underlying business performance as they are not part of our operating activities.
- i) Represents gain or loss from remeasurement of previously held interests in equity-accounted investees, which is not indicative of our underlying business performance. Specifically, we recognized P223 million gain on remeasurement of the previously held interest in Skillaz at fair value as at the acquisition date as of March 31, 2021.
- j) Represents gain or loss on financial assets measured at fair value through profit or loss, which is not indicative of our underlying business performance. Specifically, in 2021 we recognized P35 million gain from change in fair value of the call option to purchase an additional 40.01% ownership interest in Skillaz.
- k) Represents share of profit or loss of equity-accounted investees which is not indicative of our underlying business performance.
- l) Represents costs incurred in connection with potential financing and strategic transactions that are not indicative of our underlying business performance.
- m) Represents gain or loss generated from movements in provisions for historical tax risks and related indemnities recognized upon business combinations, which are not indicative of our underlying business performance. Specifically, we have written-off P158 million of tax risks (other than income tax) due to their expiration and P67 million related indemnity recognized upon the acquisition of Zarplata.ru, resulting in net other income of P91 million in 2021.

We have provided a reconciliation below of net income, the most directly comparable IFRS measure, to Adjusted Net Income.

| (in thousands of RUB) | For the year ended December 31, | | |
|---|---------------------------------|------------------|------------------|
| | 2019* | 2020* | 2021 |
| Net income | 1,581,026 | 1,885,825 | 5,492,771 |
| <i>Add the effect of:</i> | | | |
| Equity-settled awards and related social taxes ^(a) | 178,953 | 249,286 | 486,601 |
| IPO-related costs ^(b) | 190,284 | — | — |
| Insurance expenses related to the IPO ^(c) | 100,048 | 54,772 | — |
| SPO-related costs ^(d) | — | 151,087 | 120,961 |
| Transaction costs related to business combinations ^(e) | — | 51,665 | 23,083 |
| One-off litigation settlement and related legal costs ^(f) | 17,734 | — | — |
| Income from the depositary ^(g) | (22,095) | (41,617) | (58,226) |
| Net foreign exchange loss/(gain) ^(h) | 46,508 | (83,030) | (1,424) |
| Gain on remeasurement of previously held interests in equity-accounted investees ⁽ⁱ⁾ | — | — | (223,308) |
| Gain on financial asset measured at fair value through profit or loss ^(j) | — | (150) | (34,508) |
| Share of loss of equity-accounted investees ^(k) | 30,542 | 49,181 | 17,925 |
| Other financing and transactional costs ^(l) | — | — | 28,044 |
| Movement in tax provisions and related indemnities recognized upon business combinations ^(m) | — | — | (135,546) |
| Amortization of intangible assets recognized upon the Acquisition ⁽ⁿ⁾ | 415,787 | 415,787 | 415,787 |
| Tax effect of adjustments ^(o) | (98,107) | (49,709) | (126,950) |
| Adjusted Net Income | 2,440,680 | 2,683,097 | 6,005,210 |

* These periods have been reclassified from prior periods. Please see “— Modification of the presentation of Adjusted EBITDA and Adjusted Net Income” below for more detail.

- a) Represents non-cash expenses related to equity-settled awards issued in accordance with the long-term incentive plans (“LTIPs”), and as part of remuneration of Board members, as disclosed in Notes 20(a) and 29(b) to our consolidated financial statements included elsewhere in this Annual Report, and related social taxes.
- b) In connection with the IPO, we incurred expenses related to legal, accounting, and other professional fees that are not indicative of our ongoing expenses.
- c) Represents insurance expenses incurred in connection with our IPO, which are not indicative of our underlying business performance. Specifically, in connection with our IPO in May 2019 we purchased a one-year insurance policy for \$2.7 million, of which we allocated \$2.4 million to the cover related to our IPO and \$250 thousand to directors’ and officers’ insurance in the ordinary course of business, based on the estimate of our insurance provider. The cost is expensed over the policy term on a pro-rata time basis and thus recurs in the reporting periods during its term.
- d) Represents legal, accounting, and other professional fees, as well as personnel expenses incurred in connection with our secondary public offerings, which are not indicative of our underlying business performance.

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- e) Represents legal, accounting, and other professional fees, as well as personnel expenses incurred in connection with business combinations, which are not indicative of our underlying business performance. Specifically, our transaction costs in the years 2020 and 2021 related mostly to acquisition of Zarplata.ru and Skillaz.
- f) Represents one-off litigation settlement and costs related to administrative proceeding with the Federal Antimonopoly Service of Russia.
- g) Represents contributions we receive from the sole depository of our ADRs in accordance with the Deposit Agreement, which are not indicative of our underlying business performance.
- h) Represents foreign exchange gain or loss, which are not indicative of our underlying business performance as they are not part of our operating activities.
- i) Represents gain or loss from remeasurement of previously held interests in equity-accounted investees, which is not indicative of our underlying business performance. Specifically, we recognized P223 million gain on remeasurement of the previously held interest in Skillaz at fair value as at the acquisition date as of March 31, 2021.
- j) Represents gain or loss on financial assets measured at fair value through profit or loss, which is not indicative of our underlying business performance. Specifically, in 2021 we recognized P35 million gain from change in fair value of the call option to purchase an additional 40.01% ownership interest in Skillaz.
- k) Represents share of profit or loss of equity-accounted investees which is not indicative of our underlying business performance.
- l) Represents costs incurred in connection with potential financing and strategic transactions that are not indicative of our underlying business performance.
- m) Represents gain or loss generated from movements in provisions for historical tax risks and related indemnities recognized upon business combinations, which are not indicative of our underlying business performance. Specifically, we have written-off P158 million of tax risks (other than income tax) due to their expiration and P67 million related indemnity recognized upon the acquisition of Zarplata.ru, resulting in net other income of P91 million in 2021.
- n) As a result of the acquisition of 100% ownership interest in HeadHunter FSU Limited (see "Presentation of Financial and Other Information" for more information about the Acquisition), a predecessor entity of the Group, in 2016 we recognized the following intangible assets: (i) trademark and domain names in the amount of P1,634,306 thousand, (ii) non-contractual customer relationships in the amount of P2,064,035 thousand and (iii) CV database in the amount of P618,601 thousand, which have a useful life of 10 years, 5-10 years and 10 years, respectively. We believe that acquisition of our predecessor entity does not relate to operating activities of the Group as it relates to initial private equity investment in the Group prior to IPO.
- o) Represents income tax on taxable or deductible adjustments presented above.

Reconciliation of operating costs and expenses (exclusive of depreciation and amortization), the most directly comparable IFRS financial measure, to Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization):

| (in thousands of RUB) | For the year ended December 31, 2019 | | | |
|---|--------------------------------------|--------------------|---|--------------------|
| | Personnel expenses | Marketing expenses | Other general and administrative expenses | Total |
| Operating costs and expenses (exclusive of depreciation and amortization) | (2,234,309) | (1,046,678) | (1,019,276) | (4,300,263) |
| <i>Add the effect of:</i> | | | | |
| Equity-settled awards, including social taxes ^(a) | 178,953 | — | — | 178,953 |
| IPO-related costs ^(b) | 12,547 | — | 177,737 | 190,284 |
| Insurance cover related to IPO ^(c) | — | — | 100,048 | 100,048 |
| One-off litigation settlements and legal costs ^(d) | — | — | 17,734 | 17,734 |
| Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) | (2,042,809) | (1,046,678) | (723,757) | (3,813,244) |

| (in thousands of RUB) | For the year ended December 31, 2020 | | | |
|---|--------------------------------------|--------------------|---|--------------------|
| | Personnel expenses | Marketing expenses | Other general and administrative expenses | Total |
| Operating costs and expenses (exclusive of depreciation and amortization) | (2,579,958) | (1,105,247) | (1,006,095) | (4,691,300) |
| <i>Add the effect of:</i> | | | | |
| Equity-settled awards, including social taxes ^(a) | 249,286 | — | — | 249,286 |
| Insurance cover related to IPO ^(c) | — | — | 54,772 | 54,772 |
| SPO-related costs ^(e) | 38,677 | — | 112,410 | 151,087 |
| Transaction costs related to business combinations ^(f) | 3,042 | — | 48,623 | 51,665 |
| Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) | (2,288,954) | (1,105,247) | (790,290) | (4,184,490) |

| (in thousands of RUB) | For the year ended December 31, 2021 | | | |
|---|--------------------------------------|--------------------|---|--------------------|
| | Personnel expenses | Marketing expenses | Other general and administrative expenses | Total |
| Operating costs and expenses (exclusive of depreciation and amortization) | (4,183,569) | (2,113,439) | (1,652,207) | (7,949,215) |
| <i>Add the effect of:</i> | | | | |
| Equity-settled awards, including social taxes ^(a) | 486,601 | — | — | 486,601 |
| SPO-related costs ^(e) | 55,939 | — | 65,022 | 120,961 |
| Transaction costs related to business combinations ^(f) | 21,530 | — | 1,553 | 23,083 |
| Other financing and transactional costs ^(g) | 28,044 | — | — | 28,044 |
| Adjusted Operating Costs and Expenses (Exclusive of Depreciation and Amortization) | (3,591,455) | (2,113,439) | (1,585,632) | (7,290,526) |

a) Represents non-cash expenses related to equity-settled awards issued in accordance with the long-term incentive plans (“LTIPs”), and as part of remuneration of Board members, as disclosed in Notes 20(a) and 29(b) to our consolidated financial statements included elsewhere in this Annual Report, and related social taxes.

b) In connection with the IPO, we incurred expenses related to legal, accounting, and other professional fees that are not indicative of our ongoing expenses.

c) Represents insurance expenses incurred in connection with our IPO, which are not indicative of our underlying business performance. Specifically, in connection with our IPO in May 2019 we purchased a one-year insurance policy for \$2.7 million, of which we allocated \$2.4 million to the cover related to our IPO and \$250 thousand to directors’ and officers’ insurance in the ordinary course of business, based on the estimate of our insurance provider. The cost is expensed over the policy term on a pro-rata time basis and thus recurs in the reporting periods during its term.

d) Represents one-off litigation settlement and costs related to administrative proceeding with the Federal Antimonopoly Service of Russia.

e) Represents legal, accounting, and other professional fees, as well as personnel expenses incurred in connection with our secondary public offerings, which are not indicative of our underlying business performance.

f) Represents legal, accounting, and other professional fees, as well as personnel expenses incurred in connection with business combinations, which are not indicative of our underlying business performance. Specifically, our transaction costs in the years 2020 and 2021 related mostly to acquisition of Zarplata.ru and Skillaz.

g) Represents costs incurred in connection with potential financing and strategic transactions that are not indicative of our underlying business performance.

We believe that Net Working Capital is a useful metric to assess our ability to service debt, fund new investment opportunities, distribute dividends to our shareholders and assess our working capital requirements.

Calculation of our Net Working Capital is presented in the table below:

| (in thousands of RUB) | As of December 31, | | |
|--|--------------------|--------------------|--------------------|
| | 2019 | 2020 | 2021 |
| Calculation of Net Working Capital: | | | |
| Trade and other receivables | 57,908 | 69,120 | 154,602 |
| Prepaid expenses and other current assets | 119,249 | 179,118 | 234,514 |
| Contract liabilities | (2,367,416) | (2,785,402) | (4,560,634) |
| Trade and other payables | (780,219) | (1,273,089) | (1,816,113) |
| Other current liabilities | (23,880) | (38,759) | (139,916) |
| Net Working Capital | (2,994,358) | (3,849,012) | (6,127,547) |

We believe that Net Debt and Net Debt to Adjusted EBITDA Ratio are important measures that indicate our ability to repay outstanding debt.

Calculation of our Net Debt is presented in the table below:

| (in thousands of RUB) | As of December 31, | | |
|--|--------------------|------------------|------------------|
| | 2019 | 2020 | 2021 |
| Calculation of Net Debt: | | | |
| Loans and borrowings | 4,064,501 | 7,791,326 | 7,338,876 |
| Loans and borrowings (current portion) | 1,064,554 | 485,100 | 698,778 |
| Cash and cash equivalents | (2,089,215) | (3,367,610) | (6,523,228) |
| Short-term investments | — | — | (300,000) |
| Net Debt | 3,039,840 | 4,908,816 | 1,214,426 |

Modification of the presentation of Adjusted EBITDA and Adjusted Net Income

Beginning from the first quarter of 2021, we modified the presentation of Adjusted EBITDA and Adjusted Net Income, our non-IFRS measures, to exclude the impact of foreign exchange gains and losses as the nature of such gains and losses is not operational. We believe this revised presentation will provide a better understanding of our operating performance and a more meaningful comparison of our results between periods.

Prior period amounts have been reclassified to conform to this presentation. These changes have no impact on any of the previously reported IFRS results for any periods presented.

The following table presents the effects of the changes on the presentation of non-IFRS measures as reflected in our previous reports:

| (in millions of RUB) | For the year ended December 31, 2020 | | |
|-------------------------------|--------------------------------------|---|----------------------------------|
| | Non-IFRS Prior Presentation | Net foreign exchange gain and related income tax effect | Non-IFRS Revised Presentation |
| Adjusted EBITDA | 4,187 | (83) | 4,104 |
| Adjusted EBITDA Margin, % | 50.6 % | (1.1) ppts | 49.5 % |
| Adjusted Net Income | 2,733 | (50) | 2,683 |
| Adjusted Net Income Margin, % | 33.0 % | (0.6) ppts | 32.4 % |

| (in millions of RUB) | For the year ended December 31, 2019 | | |
|-------------------------------|--------------------------------------|---|----------------------------------|
| | Non-IFRS Prior Presentation | Net foreign exchange gain and related income tax effect | Non-IFRS Revised Presentation |
| Adjusted EBITDA | 3,931 | 46 | 3,977 |
| Adjusted EBITDA Margin, % | 50.5 % | 0.6 ppts | 51.1 % |
| Adjusted Net Income | 2,409 | 32 | 2,441 |
| Adjusted Net Income Margin, % | 30.9 % | 0.4 ppts | 31.3 % |

A. Operating Results

For a discussion of our results of operations for the year ended December 31, 2019, including a year-to-year comparison between 2020 and 2019, and a discussion of our liquidity and capital resources for the year ended December 31, 2019, refer to Item 5. “Operating and Financial Review and Prospects” in our Annual Report on Form 20-F for the year ended December 31, 2020.

Comparison of the Year Ended December 31, 2021 to the Year Ended December 31, 2020

(in thousands of RUB)

| | For the year ended December 31, | |
|---|---------------------------------|------------------|
| | 2020 | 2021 |
| Revenue | 8,282,107 | 15,968,033 |
| Operating costs and expenses (exclusive of depreciation and amortization) | (4,691,300) | (7,949,215) |
| Depreciation and amortization | (750,558) | (1,066,284) |
| Operating income | 2,840,249 | 6,952,534 |
| Finance income | 59,329 | 243,108 |
| Finance costs | (409,545) | (659,579) |
| Changes in put liability to non-controlling participants in subsidiary | — | (32,467) |
| Net foreign exchange gain | 83,030 | 1,424 |
| Gain on remeasurement of previously held interest in equity accounted investees | — | 223,308 |
| Share of loss of equity-accounted investees (net of income tax) | (49,181) | (17,925) |
| Other income | 47,715 | 157,202 |
| Profit before income tax | 2,571,597 | 6,867,605 |
| Income tax expense | (685,772) | (1,374,834) |
| Net income | 1,885,825 | 5,492,771 |

Revenue

Our revenue was P15,968 million for the year ended December 31, 2021 compared to P8,282 million for the year ended December 31, 2020. Revenue for the year ended December 31, 2021 increased by P7,686 million, or 92.8%, compared to the year ended December 31, 2020, primarily due to an increase in revenue in Russia operating segments.

Russia segments revenue. Revenue in our Russia segments (comprising “Russia (hh.ru)” and “Russia (Zarplata.ru)” segments) was P14,810 million for the year ended December 31, 2021 compared to P7,724 million for the year ended December 31, 2020. Revenue in our Russia segments increased by P7,086 million, or 91.7%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, due to post-COVID rebound of economy, further adoption of online recruitment services, our monetization improvements, as well as low base effect when our revenue was low in the second and third quarter of 2020 on the back of COVID-19 related restrictions. As a global phenomenon, post-COVID economic recovery coupled with lagging job seeker activity resulted in increased competition for labour force, driving the number of paying customers and average consumption up, which may be a temporary effect. In 2021, our revenue in Key Accounts increased by 78%, compared to 2020, mostly due to an increase in ARPC in this segment by 54.0%, which was driven by an increase in average consumption, additional revenue we received from top-up contacts, and an increase in average price per unit as a result of annual price inflation, each of these three factors contributing relatively equally to ARPC growth. Revenue in our Small and Medium Accounts by 104.9%, driven almost equally by the increase in the number of paying customers by 49.2% (explained partly by the addition of Zarplata.ru customers) and the increase in ARPC by 37.3%, driven relatively equally by the increase in average consumption and the increase in average price per unit.

Other segments revenue. Our revenue in our other segments was P1,158 million for the year ended December 31, 2021 compared to P558 million for the year ended December 31, 2020. Revenue increased by P600 million, or 108%, compared to the year ended December 31, 2020, primarily due to the consolidation of Skillaz from March 31, 2021.

Operating costs and expenses (exclusive of depreciation and amortization)

Operating costs and expenses (exclusive of depreciation and amortization) were ₱7,949 million for the year ended December 31, 2021 compared to ₱4,691 million for the year ended December 31, 2020. Operating costs and expenses (exclusive of depreciation and amortization) for the year ended December 31, 2021 increased by ₱3,258 million, or 69.4%, compared to the year ended December 31, 2020. The main factors that contributed to such increases were an increase in personnel expenses of ₱1,604 million, an increase in marketing expenses of ₱1,008 million and an increase of other general and administrative expenses by ₱646 million.

Our personnel expenses for the year ended December 31, 2021 increased as a result of: (i) the addition of personnel expenses of Zarplata.ru from January 1, 2021 and personnel expenses of Skillaz from March 31, 2021; (ii) an increase in share-based compensation expense arising from the 2021 RSU Plan; (iii) an increase in headcount by 112 people in our “Russia (hh.ru)” segment from December 31, 2020 to December 31, 2021, primarily in our development and sales teams; (iv) recovery from the economic impact of COVID-19, such that our cost savings initiatives implemented during the year ended December 31, 2020 did not continue during the year ended December 31, 2021; (v) indexation of salary rates from April 1, 2021 and (vi) an increase of our sales team bonuses on the back of exceeding sales targets for the year ended December 31, 2021.

Our marketing expenses for the year ended December 31, 2021 increased by ₱1,008 million primarily due to: (i) an increase in marketing expense in our “Russia (hh.ru)” segment across various channels and (ii) the addition of marketing expenses of our “Russia (Zarplata.ru)” segment from January 1, 2021.

Our other general and administrative expenses for the year ended December 31, 2021 increased by ₱646 million mainly due to: (i) the addition of Zarplata.ru and Skillaz other general and administrative expenses and (ii) an increase in subcontractor costs in our “Russia (hh.ru)” segment on the back of the increase in revenue from other value-added services.

Depreciation and amortization

Depreciation and amortization were ₱1,066 million for the year ended December 31, 2021 compared to ₱751 million for the year ended December 31, 2020. Depreciation and amortization increased by ₱315 million, or 42.1%, compared to the year ended December 31, 2020, primarily due to amortization of intangible assets of Zarplata.ru and Skillaz measured at fair value on acquisition.

Finance income and costs

Finance income was ₱243 million for the year ended December 31, 2021 compared to ₱59 million for the year ended December 31, 2020. Finance income for the year ended December 31, 2021 increased by ₱184 million, or 310%, compared to the year ended December 31, 2020, primarily due to: (i) an increase in available cash balances throughout the year ended December 31, 2021 as compared to the year ended December 31, 2020 that were deposited, (ii) an increase in deposit interest rates due to gradual increase in the Key Rate of the Central Bank of Russia over the last 12 months from 4.25% as of December 31, 2020 to 8.5% as of December 31, 2021, and (iii) the ₱35 million gain we recognized in 2021 on remeasurement of the option to acquire 40.01% participation interest in Skillaz, the financial asset measured at fair value through profit and loss.

Finance costs were ₱660 million for the year ended December 31, 2021 compared to ₱410 million for the year ended December 31, 2020. Finance costs for the year ended December 31, 2021 increased by ₱250 million, or 61.1%, compared to the year ended December 31, 2020, primarily due: (i) interest accrued on non-convertible bonds issued in the fourth quarter 2020 to finance the Zarplata.ru acquisition and (ii) a gradual increase in the Key Rate of the Central Bank of Russia over the last 12 months from 4.25% as of December 31, 2020 to 8.5% as of December 31, 2021, which resulted in increase in the interest charge that accrued on our bank loan.

Net foreign exchange gain/(loss)

Net foreign exchange gain was ₱1.4 million for the year ended December 31, 2021 compared to a gain of ₱83 million for the year ended December 31, 2020. The net foreign exchange gain for the year ended December 31, 2021 reflects mostly the foreign exchange gain on USD-denominated cash balances, partly offset by the foreign exchange loss on USD-denominated payable, which mainly include dividends payable.

Income tax expense

Income tax expense was ₱1,375 million for the year ended December 31, 2021, compared to ₱686 million for the year ended December 31, 2020. Income tax expense for the year ended December 31, 2021, increased by ₱689 million compared to the year ended December 31, 2020, primarily due to increase in our profit before income tax from ₱2,572 million in the year ended December 31, 2020, to ₱6,868 million in the year ended December 31, 2021.

The effective tax rate was 29.0%, 26.7% and 20.0% for the years ended December 31, 2019, 2020 and 2021, respectively (see Note 13(c) of our consolidated financial statements included in this Annual Report).

For the year ended December 31, 2021, the effective tax rate equaled the statutory tax rate in the Russian Federation of 20% primarily due to the fact that the reversal of the provision for uncertain income tax positions, which is a mid-term factor set to cease as soon as the provision is released in full, were fully offset by (a) a non-deductible interest expense on the bank loan related to the Acquisition (see Note 21(a) in our consolidated financial statements included in this Annual Report), which we consider to be mid-term, and it may decrease in the future as we repay this bank loan and (b) other non-deductible expenses, mostly related to provision on social taxes related to our 2016 HeadHunter Unit Option Plan and 2018 HeadHunter Unit Option Plan (see Note 20 in our consolidated financial statements included in this Annual Report), which we consider to be mid-term as these programs would end.

Net Income

Net income was ₱5,493 million for the year ended December 31, 2021 compared to ₱1,886 million for the year ended December 31, 2020. Net Income increased by ₱3,607 million compared with the year ended December 31, 2020, primarily due to the reasons described above.

Recent Accounting Pronouncements

See Note 30 to our consolidated financial statements included elsewhere in this Annual Report for information regarding recent accounting standards issued. These new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

B. Liquidity and Capital Resources

Our principal financial instruments are comprised of cash and cash equivalents and our Credit Facility and non-convertible bonds (as described further below under the heading “—*Indebtedness*”). Other financial assets and liabilities include short-term investments, trade and other receivables, deposits with financial institutions and trade and other payables. Substantially all of our financial assets are neither past due nor impaired.

As of December 31, 2021, our current liabilities exceeded current assets by ₱1,102 million. Our current liabilities were mainly represented by contract liabilities. Due to the nature of our business, a substantial portion of our customers pay upfront for subscriptions, thus contract liabilities arise. We expect that contract liabilities will continue to exceed the total amount of inventories and trade receivables on our balance sheet, resulting in negative working capital in the future.

The following are the remaining contractual maturities of financial liabilities at as of December 31, 2021. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(in thousands of Russian Roubles)

| | Contractual cash flows | | | | |
|--------------------------------------|------------------------|-------------------|------------------|------------------|------------------|
| | Carrying amount | Total | Less than 1 year | 1-2 years | 2-5 years |
| Non-derivative financial liabilities | | | | | |
| Bank loan | 4,048,059 | 5,240,966 | 1,091,707 | 823,594 | 3,325,665 |
| Non-convertible bonds | 3,985,802 | 4,514,560 | 257,280 | 4,257,280 | — |
| Lease liabilities | 197,045 | 222,389 | 116,469 | 96,756 | 9,164 |
| Trade and other payables | 963,294 | 970,901 | 853,057 | 67,267 | 50,577 |
| Other | 3,793 | 3,871 | 784 | 3,087 | — |
| Total | 9,197,993 | 10,952,687 | 2,319,297 | 5,247,984 | 3,385,406 |

For information about our material capital expenditures as of December 31, 2021, see Item 4.D. “*Information on the Company—Property, Plant and Equipment.*”

Cash flows

| (in thousands of RUB) | For the year ended December 31, | |
|---|---------------------------------|------------------|
| | 2020 | 2021 |
| Net cash generated from operating activities | 3,214,573 | 8,659,380 |
| Net cash (used in) investing activities | (3,227,607) | (1,575,289) |
| Net cash (used in)/generated from financing activities | 1,114,050 | (3,959,093) |
| Net (decrease)/increase in cash and cash equivalents | 1,101,016 | 3,124,998 |

Net cash generated from operating activities

For the year ended December 31, 2021, net cash generated from operating activities was P8,659 million, compared to P3,215 million for the year ended December 31, 2020. The change between the periods of P5,444 million was primarily driven by: (i) an increase in net income (adjusted for non-cash items and items not affecting cash flow from operating activities), and (ii) an increase in contract liabilities due an increase in advances received from customers.

Net cash used in investing activities

For the year ended December 31, 2021, net cash used in investing activities was P1,575 million and included (i) P234 million deferred consideration paid in the first quarter of 2021 for acquisition of Zarplata.ru, (ii) P556 million (net of cash acquired) paid for acquisition of 40.01% stake in Skillaz in the second quarter of 2021, (iii) P61 million paid in the second quarter of 2021 for acquisition of 25% in the charter capital of Dream Job LLC (Russia), and (iv) P366 million paid in the fourth quarter of 2021 for acquisition of a minority share in the charter capital of YouDo Web Technologies Limited, compared to P3,228 million net cash used in investing activities for the year ended December 31, 2020, which included mainly P3,004 million payment for acquisition of Zarplata.ru (net of cash acquired).

Net cash used in/generated from financing activities

For the year ended December 31, 2021, net cash used in financing activities was P3,959 million, compared to net cash generated from financing activities of P1,114 million for the year ended December 31, 2020. The change between the periods of P5,073 million was primarily due to the (i) issue of P4,000 million interest-bearing non-convertible bonds in the fourth quarter of 2020 to finance acquisition of Zarplata.ru not occurring in 2021; (ii) P1,096 paid in 2021 for repurchase of shares as we launched our share buy-back program in the end of 2021. (See Note 19 to our consolidated financial statements included in this Annual Report).

Indebtedness

In connection with the financing of the Acquisition, through our wholly owned subsidiary Zemenik LLC, on May 16, 2016, we entered into a syndicated credit facility with VTB, dated May 16, 2016, borrowing P5 billion (the “Credit Facility”). On October 5, 2017, we entered into an amendment to the Credit Facility pursuant to which we increased the maximum principal amount to P7 billion by borrowing an additional P2 billion. The applicable interest rate on the P7 billion principal amount was decreased from 3.7% to 2.0% above the Key Rate of the Central Bank of Russia, and certain key financial covenants were amended. An additional P2 billion was then distributed to our shareholders.

On April 22, 2019, we signed Amendment No. 5. In order to simplify our intra-group arrangements, in accordance with Amendment No. 5, the outstanding debt related to Tranches C and D in the total principal amount of P1.9 billion as well as any interest accrued thereon and outstanding as of the date of Amendment No. 5, were assigned to HeadHunter Group PLC. Matching amendment agreements were also signed to the security documentation. Capitalized terms in this paragraph have the definitions provided in the Credit Facility.

On August 24, 2020, we refinanced our Credit Facility by entering into the 2020 Credit Facility, which superseded the Credit Facility, by borrowing P4,615 million to repay the outstanding debt under the Credit Facility by Headhunter Group PLC and Zemenik LLC. The 2020 Credit Facility relaxed certain financial and behavioral covenants and extended the permitted term for a securities follow-on offering by December 31, 2021.

The 2020 Credit Facility was amended on December 10, 2020 (“2020 Credit Facility Amendment No. 1”) to allow Headhunter LLC to proceed with (i) the Bonds issuance, which were subsequently issued on December 14, 2020, (ii) the execution of options to acquire 40.01% in Skillaz and (iii) the Zarplata.ru Acquisition.

The 2020 Credit Facility may be terminated at any time in the event of a default, or likely default, by the lender; 50% of the 2020 Credit Facility matures pursuant to a quarterly schedule starting from September 2020, in equal quarterly instalments, and 50% of the 2020 Credit Facility matures in June 2025. Headhunter FSU Limited, HeadHunter Group PLC and Headhunter LLC also provided independent guarantees in favor of VTB in connection with the 2020 Credit Facility. The 2020 Credit Facility includes various legal restrictions including change of control provisions, restrictions and limitations on shareholder distributions, a prepayment penalty, as well as financial covenants. As of December 31, 2021, the Group complied with all financial and other covenants in the 2020 Credit Facility agreement.

The 2020 Credit Facility was collateralized with the shares of Headhunter FSU Limited and participation interest in Headhunter LLC.

The 2020 Credit Facility, as its predecessor, contains certain restrictions on our ability to declare and pay dividends, including that we cannot declare and pay dividends to our shareholders without the prior written consent of VTB, except for in certain circumstances, including, *inter alia*, dividends not exceeding 100% of the Adjusted Consolidated Net Profit of the Group, provided that the pro-forma Net Debt to EBITDA ratio immediately after the payment calculated under terms of the 2020 Credit Facility does not exceed 3.0:1.

On December 14, 2020, Headhunter LLC completed the placement of 6.45% P4 billion of 001P-01R series interest-bearing non-convertible non-documentary exchange bonds eligible for collective safe custody with a maturity up to 1,092 days. The Bonds will pay interest quarterly and are due in December 2023. This was the first Ruble bond offering by Headhunter LLC which utilized the P20 billion unsecured indefinite term bond program registered on October 14, 2020, with the Moscow Exchange.

On November 26, 2021, we entered into a second amendment to the 2020 Credit Facility to waive the change of control requirement and allow the Selling Shareholders to sell ordinary shares if such sale would result in their aggregate holding being below 35% of our total outstanding ordinary shares, to remove the time limit for any subsequent follow-on offerings of securities and to relax the conditions of certain other corporate covenants.

Buyback Program

On September 30, 2021, we announced a share buyback program under which we may repurchase up to an aggregate of P3 billion (or its equivalent in US dollars) of our ordinary shares represented by ADSs listed on Nasdaq over a period beginning on

October 11, 2021 and continuing until the earlier of the completion of the repurchase or August 10, 2022, when the authority of our board of directors to repurchase shares will expire (the “Buyback Program”). The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities. The primary purpose of the Buyback Program is to fund our long-term incentive programs. Our board of directors reviews the Buyback Program periodically and may authorize adjustment of its terms and size or suspend or discontinue the program. On March 3, 2022, we terminated share buyback, but may reinstate the Buyback Program by giving proper notice to the broker within its term. As of the date of this Annual Report, we have repurchased 283,673 ADSs pursuant to the Buyback Program.

See “Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers” in Part II of this Annual Report for further information.

C. Research and Development, Patents and Licenses, etc.

See Note 5 to our consolidated financial statements included in this Annual Report.

D. Trend Information

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events since December 31, 2021 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

Please refer to Note 6 to our consolidated financial statements included elsewhere in this Annual Report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management Executive Officers and Board Members

The following table presents information about our current executive officers and Board, including their ages as of the date of this Annual Report:

| Name | Age | Position |
|---------------------------------------|-----|--|
| <i>Executive Officers</i> | | |
| Mikhail Zhukov | 54 | Chief Executive Officer and Board Member |
| Grigorii Moiseev | 44 | Chief Financial Officer |
| Dmitry Sergienkov | 35 | Deputy Chief Executive Officer |
| <i>Other Senior Management</i> | | |
| Olga Mets | 41 | Chief Marketing Officer of Headhunter LLC |
| Andrey Panteleev | 33 | Chief Commercial Officer of Headhunter LLC |
| <i>Board Members</i> | | |
| Douglas Gardner ⁽¹⁾ | 59 | Board Member |
| Olga Filatova ⁽¹⁾⁽²⁾⁽³⁾ | 41 | Board Member |
| Dmitri Krukov ⁽³⁾ | 52 | Chairman of the Board |
| Valentin Mashkov ⁽²⁾ | 38 | Board Member |
| Maksim Melnikov ⁽²⁾⁽³⁾ | 45 | Board Member |

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and corporate governance committee.

The current business addresses for our executive officers and the members of our Board is c/o Headhunter LLC, 9/10 Godovikova Street, Moscow, 129085 Russia.

Executive Officers

Mikhail Zhukov has served as our key operating subsidiary's Chief Executive Officer since February 2008 and as a member of our board of directors since May 2019. Prior to joining us, Mr. Zhukov worked for a variety of different Russian IT companies. Mr. Zhukov launched the insource IT company (IT-SK) at Sibur in 2007 and launched the Network Integration Division at IBS (a major Russian systems integrator) in 1994. He holds a Masters in Engineering from Moscow Aviation Institute (National Research University) and a diploma in Economics from Plekhanov Russian Academy of Economics. Mr. Zhukov also holds a certificate for the Program for Executive Development from IMD in Lausanne, Switzerland.

Grigori Moiseev has served as our key operating subsidiary's Chief Financial Officer since February 2008. Prior to joining us, Mr. Moiseev was the Chief Financial Officer at Sputnik Labs (now known as TS Consulting), a Russian IT start-up from 2005, and the Chief Information Officer at Helios Computer from 2002. During his time with us, Mr. Moiseev has developed our strategic financial and investment plans, established our financial control and reporting functions, and he currently manages all of our accounting and financial reporting processes.

Dmitry Sergienkov has served as our key operating subsidiary's Deputy Chief Executive Officer since July 2021 and is responsible for product development, strategy and corporate development. Prior to this role, Mr. Sergienkov served as our key operating subsidiary's Chief Strategy Officer from August 2017 to July 2021 and has been instrumental in driving our organic and inorganic business expansion, the execution of our monetization strategy and building our public company franchise. Prior to joining us, Mr. Sergienkov served as Vice President in the Investment Banking Department at J.P. Morgan Chase in London, advising telecommunications, media and technology companies across Europe, Middle East and Africa in M&A and capital markets transactions. Mr. Sergienkov brings to our team international experience of working with the leading global technology companies as well as a breadth of knowledge of strategic investment decisions. He is a permanent member of CFA Institute and Association of Chartered Certified Accountants and holds a diploma in Strategic Management from State University of Management.

Other Senior Management

Olga Mets has served as our key operating subsidiary's Chief Marketing Officer since May 2010. Prior to joining us, Mrs. Mets worked as Head of Marketing in Adobe Systems Inc., Russia and CIS, leading the communication and partner activities in the territory for more than four years. Now, she is responsible for development and efficient implementation of our marketing and communication strategy. While working with us, Mrs. Mets and her team have won and successfully maintained leading positions in traffic, brand awareness and customer engagement. In 2013, Mrs. Mets headed the list of Best Russian CMOs in TOP 1000 Managers Rating by Kommersant (a leading Russian business newspaper). Mrs. Mets graduated from the Moscow State University with a Masters in Linguistics, Communications and Modern Languages.

Andrey Panteleev has served as our key operating subsidiary's Chief Commercial Officer since November 2018, and before that, he served the Head of our key operating subsidiary's Small and Medium Accounts ("SMA") Department since 2017. From 2014 to 2017, Mr. Panteleev served as our Digital Marketing Director. Mr. Panteleev joined us in 2006 and held a variety of positions, and he previously worked as a consultant in digital marketing for large internet companies in Russia. He has vast experience working with audience engagement and analysis. As the Head of our SMA Department, Mr. Panteleev has been working with clients since 2017 and has engaged in the development and adaptation of the fast-growing segment of small and medium businesses by implementing effective ways of selling products, discovering new ways to interact with customers, conducting market analysis and assessing the competitive environment. Mr. Panteleev holds a degree in Marketing from the State University of Technology.

Board Members

Olga Filatova has served as a member of our board of directors since December 2020. Ms. Filatova is a people, HR technology and organization consultant. Ms. Filatova founded People Innovations, an independent HR consultancy, in June 2018. Previously, Ms. Filatova served as VP HR & Educational Projects for Mail.ru Group, a Russian internet company, from September 2016 to June 2018, and as Managing Director for HR for Severgroup, a private investment company, from July 2015 to September 2016. During 2002 to 2016, she also held various positions at heavy industries, FMCG and oil companies. Ms. Filatova received a Bachelor's degree in general management with honours and a Master's degree with honours in strategic and corporate governance from National Research University Higher School of Economics (HSE University) and an MBA from Stockholm School of Economics. Ms. Filatova is also a professor of the Department of Organizational Behavior and Human Resource Management at the Graduate School of Business at HSE University.

Dmitri Krukov has served as Chairman of our board of directors and as a member of our board of directors since May 2019. Mr. 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 CIAN plc, an online real estate marketplace in Russia, and Banki.ru Holding Limited, the largest financial marketplace in Russia. 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.

Valentin Mashkov has served as a member of our board of directors since August 2020. Mr. Mashkov is a partner at Elbrus Capital, a Russia and CIS-focused private equity business, since 2010. Currently, Mr. Mashkov is a director on the boards for Go Travel Un Limited, the leading travel metasearch company in Eastern Europe and Central Asia, and TransferGo Holdings Limited, a UK-based registered payment service provider. Before joining Elbrus Capital in 2010, Mr. Mashkov was Director for Investments and Portfolio Management at Interros from 2009 to 2010, and Associate in European Special Situations Group at Goldman Sachs from 2007 to 2009. Mr. Mashkov has served on boards of several private companies in Elbrus Capital's portfolio as director or observer. Mr. Mashkov received a BA with honors in Economics from the Higher School of Economics in Moscow.

Maksim Melnikov has served as a member of our board of directors since May 2019. Mr. Melnikov has been the CEO and a member of the board of directors of the CIAN plc, an online real estate marketplace in Russia, since February 2014. From 2010 to 2014, Mr. Melnikov served as CEO 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.

Douglas Gardner has served as a member of our board of directors since March 2022. Mr. Gardner is the founder and Managing Director of CAIGAN Capital, an advisory and director services firm. He currently serves as a board member and the Chairman of Audit & Finance Committee of Kaspi.kz, a board member and the Chairman of the Audit Committee of CIAN plc, and a board member of MTS Bank (PJSC), a subsidiary of Mobile TeleSystems PJSC, and has served as a board member of several listed companies, including Chelpipe Group. Mr. Gardner was previously elected as the Managing Partner of Ernst & Young, Russia & CIS and has also served as the Head of Financial Services and Managing Partner for Central Asia at Arthur Andersen. Mr. Gardner received a Bachelor of Business Administration in Accounting from the University of Oklahoma.

Board Diversity

The table below provides certain information regarding the diversity of our board of directors as of the date of this Annual Report.

| Board Diversity Matrix (as of April 26, 2022) | | | | |
|--|--------|------|------------|-------------------------|
| Country of Principal Executive Offices | Russia | | | |
| Foreign Private Issuer | Yes | | | |
| Disclosure Prohibited Under Home Country Law | No | | | |
| Total Number of Directors | 6 | | | |
| | Female | Male | Non-Binary | Did Not Disclose Gender |
| Part I: Gender Identity | | | | |
| Directors | 1 | 5 | 0 | 0 |
| Part II: Demographic Background | | | | |
| Underrepresented Individual in Home Country Jurisdiction | | | 0 | |
| LGBTQ+ | | | 0 | |
| Did Not Disclose Demographic Background | | | 0 | |

B. Compensation

We set out below the amount of compensation paid and benefits in kind provided by us or our subsidiaries to our executive officers and members of our Board for services in all capacities to us or our subsidiaries for the year ended December 31, 2021, as well as the amount contributed by us or our subsidiaries to retirement benefit plans for our executive officers and members of our Board.

Executive Officer and Board Member Compensation

The compensation for each of our executive officers consists of the following elements: base salary, cash bonus based on a mix of financial and non-financial KPIs and share-based compensation.

The compensation for the members of our Board includes salary in an amount of \$30,000 per year, plus \$10,000 per year for a director's service as a committee member and \$20,000 for a director's service as chairman of a committee. We also reimburse the directors for reasonable travel and other out-of-pocket expenses and provide the directors with coverage under customary director and officer liability insurance policies. In addition, each director is entitled to an annual grant of such number of ordinary shares as is equal to a market value of \$30,000, based on the closing price as at the end of the trading day immediately preceding the date of annual grant, which shall be issued and transferred to the director upon the expiration of a three-year lock-up period from the date of the relevant grant. In case of an early termination of a director's service for any reason, such director shall be entitled only to the amount of shares pro rata to the days worked.

Total amount of compensation paid and benefits in kind provided to our executive officers, senior management and members of our board for the year ended December 31, 2021 was P467 million.

We do not currently maintain any profit-sharing or pension plan for the benefit of our executive officers. On July 27, 2021, our Board, based on the recommendation of the compensation committee, established the new HeadHunter Group PLC 2021 Restricted Stock Units Plan (the "2021 RSU Plan"), to provide a more straight-forward, predictable and competitive long-term incentive plan to retain our key talent. The maximum number of our ordinary shares provided under the 2021 RSU Plan is 6% of the fully diluted aggregate number of our ordinary shares issued and outstanding from time to time. As of December 31, 2021, the Board approved grant of 491,064 RSUs to the Group employees, of which 130,786 RSUs were granted as part of modification of the options granted under the HeadHunter Unit Option Plan in 2020.

On May 25, 2021 and on November 24, 2021, our Board, based on the recommendation of the compensation committee, approved the third annual grant of equity awards to the directors.

An aggregate of 6,813 ordinary shares was granted as equity awards to the directors as follows:

| Name | Number of Shares | Grant Price | Date of Grant | Lock-up Expiration Date |
|------------------|------------------|-------------|------------------|-------------------------|
| Martin Cocker | 797 | \$ 37.65 | May 12, 2021 | May 12, 2024 |
| Morten Heuing | 797 | \$ 37.65 | May 12, 2021 | May 12, 2024 |
| Dmitri Krukov | 797 | \$ 37.65 | May 12, 2021 | May 12, 2024 |
| Maksim Melnikov | 797 | \$ 37.65 | May 12, 2021 | May 12, 2024 |
| Thomas Otter | 797 | \$ 37.65 | May 12, 2021 | May 12, 2024 |
| Mikhail Zhukov | 797 | \$ 37.65 | May 12, 2021 | May 12, 2024 |
| Terje Seljeseth | 797 | \$ 37.65 | May 12, 2021 | May 12, 2024 |
| Valentin Mashkov | 688 | \$ 43.58 | August 6, 2021 | August 6, 2024 |
| Olga Filatova | 546 | \$ 54.95 | December 1, 2021 | December 1, 2024 |

Equity Incentive Plans

Management Incentive Agreement

In connection with the Acquisition, we established the 2016 HeadHunter Unit Option Plan, which we amended and restated in connection with the consummation of the IPO (the “Management Incentive Agreement”). The maximum number of ordinary shares available for issuance under the Management Incentive Agreement shall be 3.375% of the issued ordinary share capital of the Company immediately preceding the IPO. As of the date of this Annual Report, the Management Incentive Agreement has been fully granted, and a maximum of 1,271,436 ordinary shares are available for issuance. Under the Management Incentive Agreement, the Company shall issue ordinary shares or ADSs representing such ordinary shares. The material terms of the Management Incentive Agreement are summarized below.

Plan administration. The Management Incentive Agreement is administered by our board of directors.

Eligibility. Individuals who are employees or directors of the Company or its subsidiaries are eligible for awards under the Management Incentive Agreement.

Awards/Options. Awards are granted by the board to participants by the issuance of a certificate, which evidences the rights of the participant to a financial benefit, payable by Highworld Investments Limited, an investment vehicle associated with Elbrus Capital, and ELQ Investors VIII Limited, an investment vehicle associated with The Goldman Sachs Group, Inc., and in the event of an initial public offering, rights to be issued ordinary shares by the Company. A certificate may provide for additional terms, conditions, restrictions and/or limitations covering the grant of the award and may, at the discretion of the board, contain a provision that waives or modifies any of the rules of the Management Incentive Agreement in the case of the participant to whom that option is granted.

Strike price. The price per share paid by our principal shareholders in the Acquisition. Participants who received grants in 2017, 2018 and 2019 may have a higher strike price.

Vesting period. 25% vested on the date of the IPO and was paid by our principal shareholders in cash. 18.75% vested on the first anniversary of the IPO and was settled in equity by the Company, 18.75% vested on the second anniversary of the IPO and was settled in equity by the Company, and 18.75% will vest on the third anniversary of the IPO, which will be settled in equity by the Company.

Exercise. The exercise of an award is automatic as of each vesting date.

Lapse. Generally, an award will lapse upon a participant ceasing to hold employment or be a director within the group or upon a participant’s bankruptcy, purported assignment, charge, pledge, disposal, dealing with (including creating a trust over) or encumbering his or her rights and interest under the plan and in certain other circumstances as determined by the board. However, the board retains discretion to determine whether an award shall lapse.

Adjustments. In the event of a variation of the Company's share capital (whether by way of capitalization, rights issue or subdivision or consolidation of shares or a share capital reduction), the board may make such adjustments to this Management Incentive Agreement as it considers appropriate.

Alterations. Generally, the board may at any time alter or add to all or any of the provisions of this Management Incentive Agreement or the terms of any award in any respect provided that no alteration or addition shall be made by the board if, in the reasonable opinion of the board, such alteration or addition abrogates or alters adversely any rights of participants then subsisting without the consent in writing of participants holding 75% of the unvested units granted under this Management Incentive Agreement (such consent being deemed to have been received if such percentage of participants have not objected in writing to the board's alteration or addition within 15 business days of the board sending the participants notice of the alteration or addition).

Tax. Generally, each participant undertakes to make all tax and currency control filings and pay all the taxes that such participant has to make or pay as a result of the entry into and performance of the Management Incentive Agreement. To the extent that a participant breaches this obligation, such participant shall indemnify the Company in an amount equal to any and all losses, costs and expenses incurred by the Company or its subsidiaries as a result of such breach. Any principal shareholder and/or the Company may, in its absolute discretion, elect to make a deduction from any payment from it to a participant on account of tax (including an amount equal to any tax or social security contributions payable by the Company or its subsidiaries) and pay such amount to any applicable tax authority.

Term. The board may, at any time, resolve to cease making further grants of options under the Management Incentive Agreement, although awards outstanding on the date the Management Incentive Agreement terminates will not be affected by the termination of the Management Incentive Agreement.

We shall indemnify each principal shareholder in respect of any cost, loss or liability a principal shareholder incurs under or in connection with the Management Incentive Agreement, other than as a result of such principal shareholder breaching its payment obligation under the Management Incentive Agreement.

HeadHunter Unit Option Plan

On April 16, 2018, we established the HeadHunter Unit Option Plan, as amended on March 29, 2019 and June 19, 2019 (the "HeadHunter Unit Option Plan"), with the purpose of giving us a competitive advantage in attracting, retaining and motivating officers, employees and directors by providing them incentives directly linked to shareholder value. The maximum number of ordinary shares available for issuance under the HeadHunter Unit Option Plan shall be 3% of the issued ordinary share capital of the Company immediately preceding the IPO, calculated as at the date of the IPO, which is a maximum of 1,500,000 ordinary shares. Under the HeadHunter Unit Option Plan, the Company shall issue ordinary shares or ADSs representing such ordinary shares. The material terms of the HeadHunter Unit Option Plan are summarized below.

Plan administration. The HeadHunter Unit Option Plan is administered by our board of directors.

Eligibility. Individuals who are employees or directors of the Company or its subsidiaries are eligible for awards under the HeadHunter Unit Option Plan.

Awards/Options. Awards are granted by the board to participants by the issuance of a certificate, which evidences the rights of the participant to be issued ordinary shares by the Company. A certificate may provide for additional terms, conditions, restrictions and/or limitations covering the grant of the award and may, at the discretion of the board, contain a provision that waives or modifies any of the rules of the HeadHunter Unit Option Plan in the case of the participant to whom that option is granted.

Strike price. The initial public offering price for an option granted prior to the IPO. For an option granted after the completion of the IPO, the closing price per share on the date immediately preceding the grant date.

Vesting period. 20% will vest on each of the third, fourth, fifth, sixth and seventh anniversaries of the grant date.

Exercise. The exercise of an award is automatic as of each vesting date.

Lapse. Generally, an award will lapse upon a participant ceasing to hold employment or be a director within the group or upon purported transfer, assignment (other than to his personal representatives on the participant's death), charging, pledging, disposal by, dealing with (including creating a trust over) or encumbering the option by the participant and in certain other circumstances as determined by the board. However, the board retains discretion to determine whether an award shall lapse. Furthermore, if the strike price is not met (i.e. the calculation of an award equals zero or a negative number) on a particular vesting date, the board may determine the vested (but not exercised) portion of such award be carried forward to the next vesting date.

Adjustments. in the event of a variation of the Company's share capital (whether by way of capitalization, rights issue or subdivision or consolidation of shares or a share capital reduction), the board may make such adjustments to this HeadHunter Unit Option Plan as it considers appropriate.

Alterations. Generally, the board may at any time alter or add to all or any of the provisions of this HeadHunter Unit Option Plan or the terms of any award in any respect provided that no alteration or addition shall be made by the board if, in the reasonable opinion of the board, such alteration or addition abrogates or alters adversely any rights of participants then subsisting without the consent in writing of participants holding 75% of the unvested units granted under this HeadHunter Unit Option Plan (such consent being deemed to have been received if such percentage of participants have not objected in writing to the board's alteration or addition within 15 business days of the board sending the participants notice of the alteration or addition).

Tax. Generally, each participant undertakes to make all tax and currency control filings and pay all the taxes that such participant has to make or pay as a result of the entry into and performance of the HeadHunter Unit Option Plan. To the extent that a participant breaches this obligation, such participant shall indemnify the Company in an amount equal to any and all losses, costs and expenses incurred by the Company or its subsidiaries as a result of such breach. The Company may, in its absolute discretion, elect to make a deduction from any payment from it to a participant on account of tax (including an amount equal to any tax or social security contributions payable by the Company or its subsidiaries) and pay such amount to any applicable tax authority.

Term. The board may, at any time, resolve to cease making further grants of options under the HeadHunter Unit Option Plan, although awards outstanding on the date the HeadHunter Unit Option Plan terminates will not be affected by the termination of the HeadHunter Unit Option Plan.

2021 RSU Plan

Under the 2021 RSU Plan, the Company may make grants of Restricted Stock Units ("RSUs") for up to a maximum number of shares equal to six percent (6%) of the fully diluted aggregate number of ordinary shares issued and outstanding (by number) from time to time. Any RSU that is terminated or cancelled without any ordinary shares being delivered to any participant will become available for further RSUs under the 2021 RSU Plan. Each RSU carries the right to receive, at no cost to the recipient, one (1) share (either an ordinary share or an ADS in the discretion of the administrator) upon satisfaction of the applicable vesting conditions. The material terms of the 2021 RSU Plan are summarized below.

Plan administration. The 2021 RSU Plan is administered by our Board, and to the extent the Board does not exercise such authority, by our compensation committee of the Board (the "Compensation Committee").

Eligibility. Individuals who are employees or directors of the Group are eligible for awards under the 2021 RSU Plan. An internal committee made up of the Company's executive officers will identify potential recipients of RSUs and recommend such individuals to the Compensation Committee, who will in part recommend such list to the Board.

Awards. The administrator shall determine the terms of all RSU, subject to the limitations provided under the 2021 RSU Plan, and the Company shall furnish to each Participant an award agreement setting forth the terms applicable to the participant's RSU. Such agreement may provide for additional terms, conditions, restrictions and/or limitations covering the grant of the award and may, at the discretion of the administrator, include an obligation on the participant to agree to lock-up arrangements with respect to award shares acquired pursuant to such RSU.

Vesting period. Unless otherwise provided in an award agreement and subject to the other provisions of the 2021 RSU Plan, RSU shall vest as to 25% of the shares subject thereto on the first anniversary of the date of grant and as to an additional 1/16th of the shares subject thereto on each succeeding three-month anniversary over the following 3 years, in each case subject to continued employment with the Group. Another vesting schedule for each RSU grant may be determined by the administrator at its own discretion.

Settlement. The Company shall settle the RSUs in ordinary shares as soon as reasonably practicable following the vesting date, but no later than two months following the vesting date.

Lapse. Generally, an award will lapse upon a participant ceasing to hold employment within the Group company or upon purported transfer, assignment (other than to his personal representatives on the participant's death), charging, pledging, disposal by, dealing with (including creating a trust over) or encumbering the option by the participant and in certain other circumstances as determined by the board.

Adjustments. In the event of any stock split or combination of shares (including a reverse stock split), reorganization, recapitalization, merger, exchange of stock, redemption, repurchase, consolidation, other change in the capital structure of the Company, sale of assets or other similar event which requires adjustment in the good faith determination of the Administrator in order to avoid the enlargement or dilution of rights hereunder, the Administrator shall make adjustments to the maximum number Shares that may be delivered under the Plan and also make such changes in the number and kind of shares of stock, securities or other property (including cash) covered by outstanding RSU, and the terms thereof, as the Administrator determines to be appropriate.

Assignment. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, RSUs under the 2021 RSU Plan are generally non-transferable prior to vesting.

Alterations. The administrator may approve the amendment or alteration of any RSU in accordance with the terms of the 2021 RSU Plan, provided that no such amendment or alteration shall adversely affect or abrogate an RSU held by a participant without the participant's consent unless, in the case of an adverse amendment or alteration that similarly affects all then outstanding unvested RSU, the participants holding at least seventy-five percent (75%) of such unvested RSU shall consent in writing to such amendment or alteration.

Tax. Participants shall be solely responsible for any taxes and currency control obligations arising by reason of RSUs held by them, and we, as a condition to the settlement of RSUs, may require a participant to take all steps required to satisfy any tax withholding or other payment obligation. Where the Company is acting as a tax agent for a participant under applicable law, we will (i) pay on such participant's behalf any taxes, social contributions or other payments to the relevant authorities that are required by law to be paid with in respect of the RSUs, or (ii) withhold any monies from any compensation paid to such participant on account of tax (including an amount equal to any tax or social security contributions payable by any of the Group members) for income or employment tax purposes and pay such amount to any applicable tax authority.

Term. The 2021 RSU Plan became effective as of July 1, 2021 and shall expire on August 1, 2025 (unless terminated earlier by the Board), provided that outstanding RSUs granted prior to such expiration (if any) shall remain outstanding in accordance with their terms following such expiration.

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 five years expiring in February 2026. These agreements each contain customary provisions regarding confidentiality of information. All agreements, except the agreement with our CFO, have an assignment of inventions provision. The agreement with our CFO contains a noncompetition clause.

Our directors entered into a director service agreement with us providing for the terms and conditions of their service on our board of directors. The directors agree that for a period of one year (in the case of Mr. Mashkov, Mrs. Filatova, Mr. Krukov and Mr. Melnikov) or two years (in the case of Mr. Heuing, Mr. Cocker, Mr. Otter and Mr. Seljiset) following the termination of their service on our board of directors, they will not become engaged in any manner, directly or indirectly, in our business in any region in which our business is being (or planned to be) conducted by us, nor will they solicit senior personnel to leave our employment.

Insurance and Indemnification

Our amended and restated memorandum and 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. Independent directors will also be entitled to such indemnification under their service contracts.

Legacy Options

Mr. Zhukov has served as chief executive officer of our key operating subsidiary, Headhunter LLC, since 2008, prior to the Acquisition of the Headhunter business by the principal shareholders from Mail.Ru. In connection with his employment prior to the Acquisition, Mr. Zhukov was invited to participate in Mail.Ru's incentive plan and was awarded certain options that expire on December 31, 2022, all of which have vested but have not been exercised.

C. Board Practices

Board of Directors

Our board is comprised of nine members, including five independent directors as defined under Nasdaq rules. Subject to the provisions of our Shareholders Agreement and the corresponding provisions of our amended and restated memorandum and articles of association, our board is entitled to appoint an eligible person as a board member in addition to the existing directors, provided that the total number of directors shall not at any time exceed the number fixed in our amended and restated memorandum and articles of association. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election. Our board members do not have a retirement age requirement under our amended and restated memorandum and articles of association. Our board members were elected by our board of directors in accordance with our amended and restated memorandum and articles of association prior to the completion of the IPO and were re-elected at the annual general meeting held on October 24, 2019 to serve until their successors are duly elected and qualified. On August 5, 2020, Ion Dagtoglou stepped down from the board and Valentin Mashkov was nominated by Highworld Investments Limited and appointed by the board in his place and re-elected to the same position by our general meeting on November 2, 2020, to serve until his successor is duly elected and qualified. On November 30, 2020, Evgeny Zelensky was replaced by Olga Filatova, who was appointed by ELQ VIII Investors Limited, as a member of the board and re-elected to the same position by our general meeting on August 10, 2021. On March 7, 2022, Martin Cocker, Thomas Otter and Terje Seljeseth stepped down from the board and Douglas Gardner was nominated by Highworld Investments Limited and appointed by the board to serve until the next following annual general meeting, when he will be eligible for re-election. On March 14, 2022, Morten Heuing resigned from the board.

Board Committee Composition

The board has established an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit Committee

The audit committee, which consists of Olga Filatova and Douglas Gardner, assists the board in overseeing our accounting and financial reporting processes and the audits of our financial statements. Mr. Gardner serves as chairman of the committee. The audit committee consists exclusively of members of our board who are financially literate, and Mr. Gardner is considered an "audit committee financial expert" as defined by the SEC. Our board has determined that Douglas Gardner and Olga Filatova each satisfy the "independence" requirements set forth in Rule 10A-3 under the Exchange Act. The audit committee is governed by a charter that complies with Nasdaq rules.

The audit committee is 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 semi-annual financial statements prior to the filing of the respective annual and semi-annual 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 meets 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.

Compensation Committee

The compensation committee, which consists of Olga Filatova, Valentin Mashkov and Maksim Melnikov, assists the board in determining executive officer compensation. Mr. Mashkov serves as chairman of the committee. The committee recommends to the board for determination the compensation of each of our executive officers. Under SEC and Nasdaq 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.

The compensation committee is 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; and
- 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.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee, which consists of Olga Filatova, Dmitri Krukov and Maksim Melnikov, assists 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. Mr. Krukov serves as chairman of the committee.

The nominating and corporate governance committee is responsible for:

- drawing up selection criteria for board members and CEO;
- reviewing and evaluating the composition, function and duties of our board;
- recommending nominees for selection to our board and its corresponding committees;

- leading the board in a self-evaluation, at least annually, to determine whether it and its committees are functioning effectively; 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.

Board of Directors

The primary responsibility of our board of directors is to oversee the operations of our company, and to supervise the policies of senior management and the affairs of our company. Our directors may be elected by the Board or annual general meeting of shareholders and the then-serving directors were re-elected at the annual general meeting on August 10, 2021, to serve until their successors are duly elected and qualified. Douglas Gardner was appointed by the Board on March 7, 2022 and shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.

Duties of Board Members and Conflicts of Interest

Under Cyprus law, our directors 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).

D. Employees

We believe that our corporate culture and our relationship with our employees contribute to our success. Our employees are continuously innovating, and our structure rewards productivity. In addition to their fixed compensation, our employees are incentivized based on our comprehensive employee KPI system, which rewards employee performance.

As of December 31, 2019, 2020 and 2021, we had a total of 772, 832 and 1,361 employees, respectively. The table below sets out the number of employees by geography as of December 31, 2021:

| Geography | <u>As at December 31, 2021</u> |
|------------------|---------------------------------------|
| Russia | 1,270 |
| Kazakhstan | 50 |
| Belarus | 39 |
| Azerbaijan | 2 |
| Total | 1,361 |

The table below sets out the number of employees by category as of December 31, 2021:

| Department | As at December 31, 2021 |
|-------------------|-------------------------|
| Sales | 370 |
| Marketing | 113 |
| Production | 296 |
| Development | 264 |
| Product | 100 |
| Administrative | 203 |
| Senior management | 15 |
| Total | 1,361 |

We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes. Our employees are not represented by any collective bargaining agreements or labor unions.

E. Share Ownership

For information regarding the share ownership of directors and officers, see Item 7. “*Major Shareholders and Related Party Transactions, A. Major Shareholders.*” For information as to our equity incentive plans, see Item 6. “*Director, Senior Management and Employees, B. Compensation—Long-Term Incentive Plans.*”

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information relating to the beneficial ownership of our ordinary shares as of April 1, 2022, for:

- (a) each person, or group of affiliated persons, known by us to beneficially own 5% or more of our outstanding ordinary shares;
- (b) each of our executive officers and members of our board of directors individually; and
- (c) all of our executive officers and members of our board of directors as a group.

For further information regarding material transactions between us and principal shareholders, see “—*Related Party Transactions*” below.

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, or the right to receive the economic benefit of ownership, as well as any shares that the individual has the right to acquire within 60 days of March 1, 2022 through the exercise of any option, warrant or other right. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power and the right to receive the economic benefit of ownership with respect to all ordinary shares held by that person.

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Unless otherwise indicated below, the address for each beneficial owner listed is c/o HeadHunter Group PLC, 9/10 Godovikova St. Moscow, 129085, Russia.

| Name of beneficial owner | Shares beneficially owned | |
|---|---------------------------|----------------|
| | Number | Percent |
| 5% or Greater Shareholders | | |
| Highworld Investments Limited ⁽¹⁾ | 16,162,497 | 31.9 % |
| Kayne Anderson Rudnick Investment Management LLC ⁽²⁾ | 5,224,549 | 10.32 % |
| ELQ Investors VIII Limited ⁽³⁾ | 4,402,281 | 8.7 % |
| Executive Officers and Board Members⁽⁴⁾ | | |
| Mikhail Zhukov* | — | — |
| Grigorii Moiseev* | — | — |
| Dmitry Sergienkov* | — | — |
| Olga Filatova* | — | — |
| Dmitri Krukov* | — | — |
| Valentin Mashkov* | — | — |
| Maksim Melnikov* | — | — |
| Douglas Gardner* | — | — |
| All executive officers and board members as a group (8 persons) | | |
| Total | 25,789,327 | 50.92 % |

* Indicates beneficial ownership of less than 1% of the total outstanding ordinary shares.

- Based on information reported on a Schedule 13G/A filed on February 11, 2022, Highworld Investments Limited is the record holder of 16,162,497 ordinary shares. Elbrus Capital General Partner II Limited is the general partner of Elbrus Capital Fund II, L.P., which is the majority shareholder of Highworld Investments Limited. As a result, each of Elbrus Capital General Partner II Limited and Elbrus Capital Fund II L.P. may be deemed to share voting and dispositive power over the ordinary shares owned by Highworld Investments Limited. The office address for Highworld Investments Limited is Papachristoforou Bldg.32, Kritis Str., Office 104, CY-3087, Limassol, Cyprus. The address of each of Elbrus Capital General Partner II Limited and Elbrus Capital Fund II, L.P. is One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.
- Based on information reported on a Schedule 13G/A filed on February 11, 2022, Kayne Anderson Rudnick Investment Management LLC ("Kayne Anderson") beneficially owns 5,224,549 ordinary shares. Kayne Anderson has sole voting power over 1,266,613 ordinary shares and sole dispositive power over 1,525,156 ordinary shares, and shares voting and dispositive power over 3,699,393 ordinary shares with Virtus Investment Advisers, Inc. and shares voting and dispositive power over 3,198,978 ordinary shares with Virtus Opportunities Trust, on behalf of Virtus KAR International Small Cap Fund. The address for Kayne Anderson is 1800 Avenue of the Stars, 2nd Floor, Los Angeles, California 90067, United States of America. The address for Virtus Investment Advisers, Inc. is One Financial Plaza, Hartford, Connecticut 06103, United States of America. The address for Virtus Opportunities Trust is 101 Munson Street, Greenfield, Massachusetts 01301, United States of America.
- Based on information reported on a Schedule 13G/A filed on February 14, 2022, ELQ Investors VIII Ltd is the record holder of 4,402,281 ordinary shares. ELQ Investors VIII Ltd is a wholly owned, indirect subsidiary of The Goldman Sachs Group Inc., which is a publicly traded company, and as a result the Goldman Sachs Group Inc. may be deemed to share voting and dispositive power over the ordinary shares held by ELQ Investors VIII Ltd. In addition, The Goldman Sachs Group Inc. may be deemed to share voting and dispositive power over an additional 10,498 ordinary shares underlying American Depositary Receipts held in a trading account of a wholly owned, indirect subsidiary of The Goldman Sachs Group Inc. The address for ELQ Investors VIII Ltd is Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom. The address of The Goldman Sachs Group Inc. is 200 West Street, New York, NY 10282, United States of America.
- Other than our Chief Executive Officer and Chief Financial Officer, our executive officers are officers of our key operating subsidiary.

To our knowledge, other than as provided in the table above, our other filings with the SEC and this Annual Report, there has been no significant change in the percentage ownership held by any major shareholder since January 1, 2019. The major shareholders listed above do not have voting rights with respect to their ordinary shares that are different from the voting rights of other holders of our ordinary shares. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of the Company.

As of December 31, 2021, there were 50,635,720 ordinary shares outstanding. To our knowledge, 19,251,886 ordinary shares or ADSs representing ordinary shares, representing approximately 38.0% of our total outstanding ordinary shares, were held by 67 record shareholders with registered addresses in the United States. Because some of the Company's ADSs are held through brokers or other nominees, the number of record holders of the Company's ADSs with addresses in the United States may be fewer than the number of beneficial owners of ADSs in the United States.

B. Related Party Transactions

The following is a description of our related party transactions since January 1, 2021.

Relationship with Elbrus Capital and The Goldman Sachs Group, Inc.

In this Annual Report and in the discussion below, we refer to Highworld Investments Limited, a subsidiary of Elbrus Capital Fund II, L.P. and Elbrus Capital Fund IIB, L.P., and ELQ Investors VIII Limited, a subsidiary of The Goldman Sachs Group, Inc. as “our principal shareholders.”

Shareholders’ Agreement

On May 13, 2019, we and our principal shareholders entered into a new Shareholders’ Agreement (the “Original Shareholders’ Agreement”). Pursuant to the Original Shareholders’ Agreement, our principal shareholders agreed to vote in favor of each other’s directors nominees so that they may be appointed as directors in accordance with our amended and restated memorandum and articles of association.

Our amended and restated articles of association provide that at any time when our principal shareholders’ ownership percentage in the aggregate is equal to or greater than 35%, our principal shareholders will have the right to nominate, appoint, remove and substitute five directors in the aggregate (the “Five Director Nominees”), such number to be allocated based on our principal shareholders’ respective ownership percentages:

- If our principal shareholders’ ownership percentages are not equal to one another, Highworld Investments Limited will have the right to nominate, appoint, remove and substitute the number of directors equal to (a) the number of shares that Highworld Investments Limited owns, divided by the aggregate ownership percentage of our principal shareholders multiplied by (b) five (rounded to the nearest whole number), and ELQ Investors VIII Limited will have the right to nominate, appoint, remove and substitute the remaining directors of the Five Director Nominees.
- If our principal shareholders’ ownership percentages are equal to one another, Highworld Investments Limited will have the right to nominate, appoint, remove and substitute three directors, and ELQ Investors VIII Limited will have the right to nominate, appoint, remove and substitute two directors.

In addition, our amended and restated articles of association and the Original Shareholders’ Agreement provide that notwithstanding anything provided in the provisions relating to the Five Director Nominees, (a) at any time when Highworld Investments Limited’s ownership percentage is equal to or greater than 7%, Highworld Investments Limited will always have the right to nominate, appoint, remove and substitute one director, who will be the chairman of the board, and (b) at any time when ELQ Investors VIII Limited’s ownership percentage is equal to or greater than 7%, ELQ Investors VIII Limited will always have the right to nominate, appoint, remove and substitute one director.

The agreements that we entered with our directors provide that a director nominated by our principal shareholders may share information with the entity that has nominated such director. In addition, the Original Shareholders’ Agreement provides that at any time when our principal shareholders’ ownership percentage in the aggregate is equal to or greater than 35%, neither of our principal shareholders will take any actions to affect the policies of the Company without the prior consent of the other principal shareholder. In addition, pursuant to the Original Shareholders’ Agreement, the future sale of shares by a principal shareholder will be subject to the reasonable approval by the other principal shareholder until the earlier of: (i) three years from the date of the completion of the IPO or (ii) the date on which either of our principal shareholders’ ownership falls below 7%. The approval process will be performed by a coordination committee, consisting of one representative from each of our principal shareholders. Subject to certain restrictions, when either of our principal shareholders proposes such a transfer, the other principal shareholder will have the right to effect a transfer on the same terms.

Notwithstanding the above, a sale of shares by a principal shareholder may proceed without such approval if such sale: (A) is to an affiliate of the respective principal shareholder (a “Permitted Transferee”) or (B) (i) does not result in Highworld Investment Limited’s ownership (along with its Permitted Transferees) falling below 21% plus one share, (ii) does not result in ELQ Investors VIII Limited’s ownership (along with its Permitted Transferees) falling below 14% plus one share, (iii) occurs at least twelve months

from the date of the completion of the IPO and (iv) is underwritten by an underwriter that participated in the IPO. The Original Shareholders' Agreement will terminate once any Selling Shareholder's ownership falls below 7%.

On June 1, 2021, ELQ Investors VIII Limited and Highworld Investments Limited entered into an amended and restated shareholders' agreement (the "Amended and Restated Shareholders' Agreement") to amend, restate and supersede the Original Shareholders' Agreement.

The Amended and Restated Shareholders' Agreement provides that until May 13, 2024, ELQ Investors VIII Limited shall not transfer any of its shares without Highworld Investments Limited's written consent (to be given or withheld at its sole discretion). Notwithstanding the foregoing, ELQ Investors VIII Limited may transfer any shares in us without Highworld Investments Limited's consent if (i) such transfer is to any of its affiliates (a "Permitted Transferee"), (ii) such transfer does not result in ELQ Investors VIII Limited (along with its Permitted Transferees) owning less than 2,025,429 shares in us or (iii) ELQ Investors VIII Limited or any of its affiliates reasonably determines, following consultation with external counsel, or is informed by a governmental authority, that it is or may become impermissible under applicable law for ELQ Investors VIII Limited or any of its Permitted Transferees to continue to hold shares in us.

The above restrictions will cease to apply to ELQ Investors VIII Limited at any time following the date on which the total number of our shares held by Highworld Investments Limited (along with its affiliates) is (i) less than 15,697,074 (the "Minimum Shareholding Requirement") or (ii) greater than 17,722,502 (the "Maximum Shareholding Requirement"). Notwithstanding the foregoing, if, within 20 business days of the date on which Highworld Investments Limited (along with its affiliates) has ceased to hold a total number of shares in us greater than the Minimum Shareholding Requirement, Highworld Investments Limited has provided notice to ELQ Investors VIII Limited that the total number of shares in us held by Highworld Investments Limited (along with its affiliates) has again become greater than the Minimum Shareholding Requirement (but, in any case, lower than the Maximum Shareholding Requirement), then the restrictions described above shall again apply to ELQ Investors VIII Limited in accordance with their terms, without prejudice to any transfer of shares made by ELQ Investors VIII Limited during the time when such restrictions were not applicable.

Further, the Amended and Restated Shareholders' Agreement provides that each of Highworld Investments Limited and ELQ Investors VIII Limited agrees to vote all of its shares in us on matters subject to the vote of Highworld Investments Limited and ELQ Investors VIII Limited so that at any time when either Highworld Investments Limited or ELQ Investors VIII Limited has the right to nominate one or more directors pursuant to the Amended and Restated Shareholders' Agreement, our board of directors shall consist of nine directors unless otherwise agreed in writing by Highworld Investments Limited and ELQ Investors VIII Limited.

Registration Rights Agreement

On May 13, 2019, we and our principal shareholders entered into a Registration Rights Agreement (the "Registration Rights Agreement").

The Registration Rights Agreement allows our principal shareholders up to (a) five registrations (in the aggregate) over any twelve month period or (b) such other greater number of registrations as agreed upon by us and our principal shareholders then holding any of the registrable securities (defined to include, among other things, our ordinary shares, our ADSs and any securities convertible or exchangeable into our ordinary shares or our ADSs). The Registration Rights Agreement allows our principal shareholders to request registration for all or any portion of their registrable securities, subject to cutbacks. The requesting holder may request that any registration be an underwritten offering, in which case all of our principal shareholders selling such registrable securities will have the collective right to choose the managing underwriter. Moreover, no registration shall count as one of the permitted registrations, unless such registration has been declared effective by the SEC. Subject to certain exceptions, the Company may not cause any other registration of securities for sale for its own account to become effective within 120 days following the effective date of any registration required under the Registration Rights Agreement.

The Registration Rights Agreement also requires us to use our best efforts to qualify and remain qualified to register securities pursuant to a registration statement on Form F-3 (or any successor form) under the Securities Act. The Registration Rights Agreement grants each of our principal shareholders holding registrable securities anticipated to have an aggregate sale price (net of any underwriting discounts and commissions, if any) in excess of \$1 million, the right to require us to file registration statements, including a shelf registration statement, and if we are a well-known seasoned issuer, an automatic shelf registration statement, on Form F-3 (or any successor form) of all or any portion of the registrable securities owned by the requesting Selling Shareholder and their affiliates. To the extent that Form F-3 is not available to a holder that has requested registration on Form F-3, the Registration Rights Agreement requires us to use our best efforts to effect such registration on Form F-1.

Whenever we propose to register any of our securities, whether in a primary or secondary offering, each of our principal shareholders (and their permitted transferees) then holding registrable securities has the right to request that such registrable securities beneficially owned by such holder be included in such registration, subject to cutbacks, provided that the amount of registrable securities of our principal shareholders shall not be reduced below 50% of the total amount of securities included in such offering. Under the Registration Rights Agreement, we have agreed to pay the fees and expenses associated with registration (excluding underwriting fees, commissions or discounts). The Registration Rights Agreement contains customary provisions with respect to registration proceedings, underwritten offerings, and indemnity and contribution rights.

Equity Incentive Plans

For a description of our equity incentive plans, please see Item 6. “*Directors, Senior Management and Employees, B. Compensation—Equity Incentive Plans.*”

Agreements with Board Members and Executive Officers

For a description of our agreements with our board members and executive officers, please see Item 6. “*Directors, Senior Management and Employees, B. Compensation—Executive Officer and Board Member Employment Agreements.*”

Indemnification Agreements

We have entered into indemnification agreements with our board members and executive officers. Our amended and restated memorandum and articles of association require us to indemnify our board members and executive officers to the fullest extent permitted by law. See Item 6. “*Directors, Senior Management and Employees, B. Compensation—Insurance and Indemnification*” for a description of these indemnification agreements.

Related Party Transaction Policy

We adopted 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 covers, 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 \$120,000 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.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information Consolidated Financial Statements

See Item 18. “*Financial Statements.*”

Legal and Arbitration 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 operation, nor are we aware of any such material litigation or regulatory actions threatened against us, except as described below.

In late December 2017, we filed a suit against Stafori LLC, a third-party software manufacturer and creator of "Robot Vera" software, which offers automated candidate search services, with the Moscow City Court. Stafori LLC was using our database in violation of related legislation via using unauthorized access through other clients' accounts, and the court recognized our right to restrict its access to our database as it constitutes our intellectual property. However, we were not able to prove that Stafori LLC infringed our intellectual property rights.

In September 2018, the FAS requested that we provide information in connection with a complaint by Stafori LLC alleging violation of antitrust legislation by restricting "Robot Vera" software's access to our CV database. Following a review of the provided materials, the FAS prepared an analytical report defining the market as "the market of internet-based services related to ensuring information coordination between employees, employers and staffing agencies" and analyzing competition in such market, and based on the report and complaint of Stafori LLC, initiated an administrative proceeding in mid-April 2019 against us and two of our competitors.

On January 23, 2020, the FAS issued its final decision, which concluded that our actions did not limit overall competition in Russia's online recruitment market. At the same time, the FAS determined that we infringed on Stafori's interests and ordered us to consider their applications for registration of their products on our system, if Stafori submits such applications. On July 13, 2020, the FAS determined a final fine for violation of antitrust laws that we are required to pay and defined it to be P 737,500. The FAS will not issue any further rulings or orders in connection with this investigation. We contested judicially the FAS decision on April 22, 2020, and the imposed fine on July 31, 2020. We lost the first instance and appeal court hearings, and on February 18, 2022, we filed a cassation appeal to the Supreme Court of the Russian Federation. In addition, the FAS determined that we, jointly with two of our competitors, are currently occupying dominant positions in the market of internet-based services related to ensuring information coordination between employees, employers and staffing agencies in Russia. See Item 3. "*Key Information, D. Risk Factors—Risks Relating to the Russian Federation and Other Markets in Which We Operate—The FAS's determination that we hold a dominant position in the market where we operate, together with SuperJob and RDV-Soft (a company that operates the Rabota.ru recruiting website), and that we abused this dominant position through restricting access to our CV database for Stafori LLC's "Robot Vera" software may adversely affect our business, financial condition and results of operations*" and "*Selective or arbitrary government action could have a material adverse effect on our business, financial condition, results of operations and prospects.*"

Dividend Policy

We have historically paid dividends, and while we have not adopted a formal dividend policy, we currently expect to continue to do so in the future. We plan to annually distribute at least 50% of our Adjusted Net Income, as defined in "*Presentation of Financial and Other Information*," subject to our investment and debt repayment requirements. Any future determination regarding the payment of a dividend will depend on a range of factors, including the availability of distributable profits, our liquidity and financial position, our future growth initiatives and strategic plans, including possible acquisitions, restrictions imposed by our financing arrangements, tax considerations and other relevant factors. The payment of all future dividends, if any, must be recommended by our board of directors, at its sole discretion.

We may only pay out dividends of the profits as shown in our 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 amended and restated memorandum and articles of association.

As a holding company, the level of our income and our ability to pay dividends depend primarily upon the receipt of dividends and other distributions from our subsidiaries. The payment of dividends by our subsidiaries is contingent upon the sufficiency of their earnings, cash flows, regulatory capital requirements and distributable profits.

Our 2020 Credit Facility contains certain restrictions on our ability to declare and pay dividends, including that we cannot declare and pay dividends to our shareholders without the prior written consent of VTB Bank, except for dividends not exceeding 100% of the Adjusted Consolidated Net Profit of the Group, provided that the pro-forma Net Debt to EBITDA ratio immediately after the payment calculated under terms of the 2020 Credit Facility does not exceed 2.75:1. Capitalized terms have the definitions provided in the 2020 Credit Facility, which is filed as an exhibit to this Annual Report. See Item 5. “*Operating and Financial Review and Prospects, B. Liquidity and Capital Resources—Indebtedness.*”

During the years ended December 31, 2019, 2020 and 2021, we paid dividends in the aggregate amount of ₺1,134 million, ₺1,885 million and ₺2,074 million, respectively. See Item 7. “*Major Shareholders and Related Party Transactions, B. Related Party Transactions—Relationship with Elbrus Capital and The Goldman Sachs Group, Inc.—Loans to Shareholders.*”

To the extent that we declare and pay dividends, holders of ADSs on the relevant record date will be entitled to receive dividends payable in respect of ADSs. Cash dividends may be paid to the depositary in any currency and will be converted into U.S. dollars by the depositary and paid to holders of ADSs net of applicable fees and charges of, and expenses incurred by, the depositary and net of taxes withheld.

B. Significant Changes

None.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our ADSs commenced trading on The Nasdaq Global Select Market on May 9, 2019. Prior to this, no public market existed for our ADSs.

Our ADSs commenced trading on Moscow Exchange on September 25, 2020.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs commenced trading on The Nasdaq Global Select Market on May 9, 2019, under the symbol “HHR.”

Our ADSs were included in the Level 1 List of Moscow Exchange and commenced trading on the Innovation and Investment Market on September 25, 2020, under the symbol “HHRU.”

D. Selling Shareholders

Not Applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

A copy of our amended and restated memorandum and articles of association is attached as Exhibit 1.1 to this Annual Report. The information called for by this Item is set forth in Exhibit 2.5 to this Annual Report and is incorporated by reference into this Annual Report.

C. 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 Annual Report:

- Amended and Restated Shareholders' Agreement, dated as of June 21, 2021, by and between Highworld Investments Limited and ELQ Investors VIII Limited. A copy of the Shareholders' Agreement is included as Exhibit 2.3 to this Annual Report. See Item 7.B. "Major Shareholders and Related Party Transactions—Related Party Transactions—Shareholders' Agreement".
- Registration Rights Agreement dated as of May 13, 2019, by and among HeadHunter Group PLC, Highworld Investments Limited and ELQ Investors VIII Limited. A copy of the Registration Rights Agreement is included as Exhibit 2.4 to this Annual Report. See Item 7.B. "Major Shareholders and Related Party Transactions—Related Party Transactions—Registration Rights Agreement".
- Amended and Restated 2016 Headhunter Unit Option Plan (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-8 (File No. 333-232778) filed with the SEC on July 24, 2019). See Item 6. "Directors, Senior Management and Employees, B. Compensation—Equity Incentive Plans."
- Amended and Restated 2018 Headhunter Unit Option Plan (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 (File No. 333-232778) filed with the SEC on July 24, 2019). See Item 6. "Directors, Senior Management and Employees, B. Compensation—Equity Incentive Plans."
- HeadHunter Group PLC 2021 Restricted Stock Units Plan. A copy of the 2021 Restricted Stock Units Plan is included as Exhibit 4.3 to this Annual Report. See Item 6. "Directors, Senior Management and Employees, B. Compensation—Equity Incentive Plans."

D. Exchange Controls

There are no Cyprus exchange control regulations that would affect the import or export of capital or the remittance of dividends, interest or other payments to non-resident holders of our shares.

E. Taxation

The following summary contains a description of certain of certain Cyprus, Russian and U.S. federal income tax consequences of the acquisition, ownership and disposition of ADSs. The summary is based upon the tax laws of Cyprus, Russia and the United States and, in each case, the regulations thereunder, which are subject to change.

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

In June 2019, we changed the effective place of management of HeadHunter Group PLC from Cyprus to Russia, which resulted in HeadHunter Group PLC becoming a Russian tax resident. As a rule, a company is considered to be a resident of Cyprus for tax purposes if its management and control are exercised in Cyprus. The Cyprus Tax Authorities have published documents which indicate, for their purposes, the minimum requirements that need to be satisfied for a company to be considered a tax resident of Cyprus are the following: (i) whether the company is incorporated in Cyprus and is a tax resident only in Cyprus; (ii) whether 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 board of directors' meetings take place in Cyprus and the board of directors' minutes are prepared and kept in Cyprus, and, also, whether the majority of the board of directors are tax residents of Cyprus; (iii) whether the shareholders' meetings take place in Cyprus; (iv) whether the terms and conditions of the issued by the company general powers of attorney do not prevent the company and its board of directors to exercise control and make decisions; (v) whether the corporate seal and all statutory books and records are maintained in Cyprus; (vi) whether the corporate filings and reporting functions are performed by representatives located in Cyprus; (vii) whether the agreements relating to the company's business or assets are executed or signed in Cyprus.

From 2023, a company incorporated and registered in Cyprus and which has its management and control outside of Cyprus will by default be considered a tax resident of Cyprus provided it is not tax resident in any other jurisdiction.

With respect to the holders of our shares, such holder may be considered to be a resident of Cyprus for tax purposes in a tax year (which is the calendar year) if such holder is physically present in Cyprus for a period or periods exceeding in aggregate more than 183 days in that calendar year. As from 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 is not physically present 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 activities 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; and
 - The individual maintains a permanent residence in Cyprus (by owning or leasing such residence).
- The holding and disposal of the shares by a non-tax resident will not create any tax liability in Cyprus. Non-tax residents are not liable for any tax on the disposal of shares or other securities of a Cyprus company unless the Cyprus company is the owner of immovable property situated in Cyprus.

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, GDRs and bonds of companies and options thereon) shall be exempt from taxation in Cyprus.

In case of a Cyprus company which is the direct or indirect (subject to conditions for indirect ownership) owner of immovable property situated in Cyprus and its shares are not 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 the shares of which are sold.

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 case the recipient of dividend is a company that is tax resident of Cyprus, such as the Company:

- (a) It is exempt from the SDC on dividends if it receives the dividend from another company, which is a tax resident of Cyprus.
- (b) 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.

In June 2019, we completed the change of the place of management of HeadHunter Group PLC from Cyprus to Russia, which resulted in HeadHunter Group PLC becoming a Russian tax resident. Following such change, HeadHunter Group PLC is subject to all taxes and entitled to all tax exemptions provided by the Tax Code of Russia, including a holding exemption, according to which a 0% tax rate will be applied (subject to various conditions for application of such exemption) to the profits distributed from our Russian operating company to HeadHunter Group PLC. Due to recent changes in the Russian Tax Code, this participation exemption regime will no longer apply to us starting in 2024, which may increase the tax we pay on dividends from our Russian operating entities to HeadHunter Group PLC from 0% to 13% starting January 1, 2024, while still requiring, in general, a 15% tax withholding from dividends paid by HeadHunter Group PLC to our shareholders. We are considering options to prevent such double taxation from occurring. The Russian tax service may challenge the status of HeadHunter Group PLC as a Russian tax resident and may deny HeadHunter Group PLC the tax exemptions provided by the Russian Tax Code. See Item 3. *“Key Information, D. Risk Factors—Risks Relating to Russian Taxation—Russian tax residence rules are relatively untested, and our tax residence status may be challenged.”* In turn, we will withhold tax on dividend payments to our investors at the generally applicable 15% tax rate, which may be reduced under an applicable tax treaty between Russia and a country of residence of an investor, if certain conditions defined in the tax treaty are met (in particular, if an investor receiving a dividend is the beneficial owner of the respective dividend). See *“—Material Russian Tax Considerations—Taxation of dividends and other distributions (including distributions in kind).”*

In October 2018, we resolved to establish a branch office of our Cyprus company, Headhunter FSU Limited, in Russia, which is the immediate parent of our Russian operating company, Headhunter LLC, and voluntarily applied for the status of a Russian tax resident in November 2018. Headhunter FSU Limited became a Russian tax resident immediately after the application to the Russian tax service, which was filed on November 8, 2018. As a result, with effect from that date, Headhunter FSU Limited is subject to all taxes and entitled to all tax exemptions provided by the Russian Tax Code, including a holding exemption, according to which a 0% tax rate will be applied (subject to various conditions for application of such exemption) to the profits distributed from our Russian operating company, Headhunter LLC, to Headhunter FSU Limited. The Russian tax service may challenge the status of Headhunter FSU Limited as a Russian tax resident and may deny Headhunter FSU Limited the tax exemptions provided by the Russian Tax Code. See Item 3. *“Key Information, D. Risk Factors—Risks Relating to Russian Taxation—Russian tax residence rules are relatively untested, and our tax residence status may be challenged.”*

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 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 SDC and only be subject to income tax.

Taxation of income and gains of the Investors

Individual Non-Cyprus tax resident investors

Under Cyprus legislation there is no withholding tax on dividends and interest paid to non-Cyprus tax residents.

Individual Cyprus tax resident investors

Gains from disposal of ADRs

Any gain from the disposal by a Cyprus tax resident individual of securities shall be exempt from 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 (American Depositary Receipts (“ADRs”), GDRs), 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.

Dividend income

Cyprus tax resident individuals are exempt from income tax on dividend income, but are subject to 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 shares) 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.

The distribution of dividend income to individual holders of ADSs that are Cypriot tax resident individuals (irrespective of their domicile status) is subject to contributions to the General Healthcare Scheme (GHS) at the rate of 2.65%.

Corporate Non-Cyprus tax resident investors

No withholding tax applies in Cyprus with respect to payment of interests and dividends by the Company to non-Cyprus tax resident investors.

It is noted, however, that from December 31, 2022, withholding taxes will apply on dividend and interest payments made to companies which: (a) are tax resident in jurisdictions included in the EU list of non-cooperative jurisdictions for tax purposes (the “EU Blacklist”); or (b) have been incorporated/registered in a jurisdiction included in the EU Blacklist and is not tax resident in any other jurisdiction that is not included in the EU Blacklist.

Corporate Cyprus tax resident investors

Gains from disposal of ADRs

Any gain from disposal by a Cyprus tax resident company of securities shall be exempt from 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 (American Depositary Receipts (“ADRs”), GDRs), 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.

Dividend income

Dividend income received by a Cyprus tax resident company is exempt from income tax in Cyprus.

Dividend income received or deemed to be received by a Cyprus tax resident company, is exempt from SDC, except in the event that the payer is not a Cyprus tax resident company in which case SDC is levied at the rate of 17% provided the following conditions are met:

- a) if the payer engages directly or indirectly more than 50% in activities which lead to investment income; and
- b) 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.

Inheritance Tax

There is no Cyprus inheritance tax.

Deemed Distributions

In case 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 would be deemed to have distributed this amount as a dividend two years after that year end. On such amount of deemed dividend SDC, currently at a rate of 17%, is imposed to the extent that the ultimate direct/indirect shareholders of the Company are both Cyprus tax resident and Cyprus tax domiciled.

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:

1. 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).
2. The interest limitation rule contains an annual EUR3.000.000 safe-harbor threshold. This means that borrowing costs up to and including EUR3.000.000 are in any case not limited by this rule (the EUR3.000.000 threshold would apply in cases where ‘30% of taxable EBITDA’ results to an amount below EUR3.000.000).
3. In the case of a Cyprus group the EUR3.000.000 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 Principle

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 that the respective tax authorities may challenge the arm's length principle applied to transactions with our related parties and therefore an additional tax liabilities may accrue. If additional taxes are assessed with this respect, they may be material.

Stamp Duty

Cyprus levies stamp duty on an 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 EUR0.05 to EUR35) 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.

In case it is payable (a) the maximum amount of stamp duty would be EUR20,000 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 EUR4,100 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).

It is noted, however, that from December 31, 2022, withholding taxes will apply on interest payments made to companies which: (a) are tax resident in jurisdictions included in the EU list of non-cooperative jurisdictions for tax purposes (the "EU Blacklist"); or (b) have been incorporated/registered in a jurisdiction included in the EU Blacklist and is not tax resident in any other jurisdiction that is not included in the EU Blacklist.

Capital Duty

Capital duty is payable to the Registrar of Companies as follows:

- EUR20 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 our ADSs.

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. This summary is based upon the law as in effect as at the date hereof. 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.

General

The following is a summary of certain Russian tax considerations relevant to the purchase, ownership and disposal of ADSs, as well as the receipt of dividend income, by Russian resident and non-resident investors 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 taxes levied at the level of regional, municipal, or other non-federal authorities of the Russian Federation or procedures related to them. Likewise, this overview does not address the availability of double tax treaty relief in respect of ADSs, and it should be noted that practical difficulties, including satisfying certain documentation requirements, may arise from claiming relief under a double tax treaty. In addition, certain Russian double tax treaties have been recently revised and the Russian-Netherlands double tax treaty was denounced. It is highly likely that the number of tax treaties subject to revisions may increase. Prospective holders should consult their own professional advisors regarding the tax consequences of investing in ADSs. No representations with respect to the Russian tax consequences for any particular holder are made hereby.

The provisions of the Russian Tax Code applicable to holders of and transactions involving ADSs are ambiguous and lack interpretive guidance. Both the substantive provisions of the Russian Tax Code applicable to financial instruments and the interpretation and application of those provisions by the Russian tax authorities may be subject to rapid and unpredictable change and inconsistency compared to jurisdictions with more developed capital markets or taxation systems. In practice, the interpretation and application of these provisions rests largely with local Russian tax inspectorates.

The interpretation of different tax inspectorates in the Russian Federation may be inconsistent or contradictory, and tax inspectorates may impose conditions, requirements or restrictions not stipulated by the existing legislation. Similarly, in the absence of binding precedents, court rulings on tax or related matters by different Russian courts relating to the same or similar circumstances may also be inconsistent or contradictory.

For the purposes of this summary, a “Russian Resident Holder” is a holder of ADSs who is:

- an individual holding ADSs who actually stays in the Russian Federation for an aggregate period of 183 days (including the day of arrival in the Russian Federation and the day of departure from the Russian Federation) or more in a period of 12 consecutive months. Medical treatment or education outside the Russian Federation also counts as days spent in the Russian Federation if the individual spent less than six months outside the Russian Federation for these purposes. The Ministry of Finance’s interpretation of this definition suggests that for tax withholding purposes, an individual’s tax residence status should be determined on the date of the income payment (based on the number of days in the Russian Federation in a 12-month period preceding the date of payment), and nevertheless, individuals’ final tax liability in the Russian Federation for the reporting calendar year should be determined based on their tax residence status for such calendar year, i.e., those individuals who spend 183 days of a calendar year or more in the Russian Federation qualify as Russian tax residents;
- a Russian legal entity;
- a legal entity or organization established in a jurisdiction other than the Russian Federation that purchases, holds and/or disposes of ADSs through permanent establishment in the Russian Federation;
- a legal entity or organization established in a jurisdiction other than the Russian Federation that is recognized as a Russian tax resident based on Russian domestic law (whereby the Russian Federation is recognized as the place of effective management of the legal entity or organization as determined in the Russian Tax Code), unless otherwise envisaged by a double tax treaty;
- a legal entity or organization established in a jurisdiction other than the Russian Federation that is recognized as a Russian tax resident, despite conflicting tax residence as per relevant foreign and Russian law, based on the provisions of a double tax treaty (for the purposes of application of such double tax treaty); or

- a legal entity or organization established in a jurisdiction other than the Russian Federation that has voluntarily obtained Russian tax residence.

For the purposes of this summary, a “Non-Resident Holder” is a holder of ADSs who does not qualify as a Russian Resident Holder according to the criteria provided above. According to Russian tax legislation, taxation of income of Non-Resident Holders who are individuals depends on whether the income is assessed as coming from Russian or non-Russian sources.

Holders of ADSs should seek professional advice regarding their tax status and the relevant tax consequences in the Russian Federation.

The definition of Russian-sourced income is broad, and in terms of investment income it generally includes dividends from Russian organizations and legal entities that are recognized as Russian tax residents, income from sale of securities in the Russian Federation, and other investment income received by taxpayers as a result of their activities in the Russian Federation.

Taxation of ADS Acquisition

The Russian Tax Code stipulates a capital gains principle with respect to the calculation of either personal or corporate income tax for operations with securities. Pursuant to this provision, personal / corporate income tax is to be calculated at the moment of security disposal. Thus, at the moment of security acquisition, no tax implications should arise, except for the cases described below.

Russian Resident Holders—Individuals

No Russian tax implications should generally arise for Russian Resident Holders—Individuals upon acquisition of ADSs except for the deemed income taxation as described below.

Taxable deemed income may arise for the Russian Resident Holders—Individuals when ADSs are purchased at a price below their market value, which is unlikely in the market conditions. For such cases, the tax base is determined in Russian rubles as the amount by which the market value of the ADSs (determined at the date of the transaction) exceeds the amount of actual expenses of the individual during acquisition. The deemed income shall be taxed at a 13% tax rate (or 15% tax rate for income exceeding P 5 million per annum) in the Russian Federation.

Russian Resident Holders—Legal Entities

No Russian tax implications generally arise for Russian Resident Holders—Legal Entities when they acquire ADSs for a consideration.

Non-Resident Holders—Individuals

No Russian tax implications should arise for Non-Resident Holders—Individuals when they acquire ADSs, except for the deemed income taxation as described below.

Taxable deemed income may arise for the Non-Resident Holders—Individuals when ADSs are purchased at a price below their market value, which is unlikely in the market conditions. Generally, deemed income should not be qualified as Russian-sourced income. However, considering its broad definition, if income is deemed as a Russian-sourced, the tax base will be determined in Russian rubles as the amount by which the market value of the ADSs (determined at the date of the transaction) exceeds the actual expenses of the individual upon acquisition and shall be taxed in the Russian Federation at a 30% tax rate.

Non-Resident Holders—Legal Entities

No Russian tax implications generally arise for Non-Resident Holders—Legal Entities when they acquire ADSs for a consideration.

Taxation of Dividends and other distributions (including distributions in kind)

There is a special income taxation mechanism for securities from Russian issuers held in certain types of accounts with Russian custodians. These include shares held in special accounts of foreign nominal holders (i.e. foreign custodians, depositaries, foreign authorized holders (e.g. foreign brokers)) or depositary receipt programs. This regime provides for a reduction of withholding tax on ADS dividends based on the disclosure of aggregated information to the Russian custodian about the persons executing rights attached to the relevant shares.

Because we have changed our tax residence from Cyprus to the Russian Federation (as of June 19, 2019) and we remain organized under the laws of Cyprus and governed by Cypriot corporate laws, it is unclear from the standpoint of Russian tax legislation who should act as the tax agent, given the impossibility of acting directly through a Russian custodian and given that the foreign custodian (if any) would not be able to perform the tax agent's obligations under Russian tax legislation. Consequently, the procedure for applying the reduced tax rate is administered by the Company acting in its capacity of the tax agent.

In light of the above, while we have informed Holders of our willingness to collect the relevant information from the Holders in order to apply the reduced tax rates pursuant to either Russian tax legislation or double tax treaties, we, nevertheless, reserve the right to withhold the tax at the general rate of 15% and pay the dividends net of this amount pursuant to the provisions of the Russian Tax Code.

A recipient of dividend income who is entitled to reduced tax rates on dividends from the ADSs according to either the Russian Tax Code or a double tax treaty may apply for a refund in accordance with the general tax refund procedure envisaged by the Russian Tax Code. See “—*Material Russian Tax Considerations—Refund of Russian Tax Withheld.*”

Russian Resident Holders—Individuals

Payments of Russian-sourced dividends from the ADSs to the Russian Resident Holders—Individuals should be subject to statutory Russian tax at a rate of 13% (or 15% for income exceeding P 5 million per annum) of the gross dividend amount. Whereas the distribution is made in kind, the 13% tax rate (or 15% tax rate for income exceeding P 5 million per annum) applies to the gross market price of the distribution received.

Nevertheless, certain specifics and uncertainty surrounding the withholding tax mechanism in the Russian Federation may lead to taxation of dividends at source at a 15% tax rate, normally applicable to Russian non-resident individuals. For this reason, we have informed Holders that Russian Resident Holders—Individuals are required to send an application along with relevant documents to the Company to apply for the 13% (or 15% tax rate for income exceeding P 5 million per annum) withholding tax rate. Without said application, the Company may be required to withhold the general 15% tax on dividends.

Russian Resident Holders—Legal Entities

Payment of Russian-sourced dividends from ADSs received by Russian Resident Holders—Legal Entities should, in general, be subject to a statutory Russian tax at a rate of 13% of the gross dividend amount.

Notably, dividends received by Russian legal entities from qualified Russian and foreign subsidiaries are taxable at a rate of 0%, provided that the Russian legal entity owns no less than 50% of the subsidiary for at least 365 consecutive days. However, dividends from foreign companies registered in “low tax” jurisdictions listed in the official schedule of the Russian Ministry of Finance are excluded from this rule. The current version of the list of “low tax” jurisdictions does not include any countries where HeadHunter Group companies have subsidiaries. Starting in 2024, the above allowance will be unavailable to non-Russian registered entities that voluntarily declared themselves as Russian tax residents.

Nevertheless, the specifics and uncertainty of the withholding tax mechanism in the Russian Federation may lead to taxation of dividends at source at a 15% tax rate. Thus, we have informed Holders that Russian Resident Holders—Legal Entities are required to send an application along with relevant documents to the Company to apply for the 13% (or 0%) tax rate, without which the Company is required to withhold a 15% tax on dividends.

Non-resident Holders—Individuals

Payments of Russian-sourced dividends from ADSs to the Non-Resident Holders—Individuals should be subject to a statutory Russian tax at a rate of 15% of the gross dividend amount. Whereas the distribution is made in kind, the 15% tax rate applies to the gross market price of the distribution received.

Nevertheless, the specifics and uncertainty of the withholding tax mechanism in the Russian Federation may lead to taxation of dividends at source at a 15% tax rate, even when Non-Resident Holders—Individuals are legally entitled to a reduced tax rate based on a double tax treaty concluded with the Russian Federation. Thus, we have informed Holders that Non-Resident Holders—Individuals are required to send an application along with relevant documents (i.e. a valid tax residence certificate for the year in question) to the Company to apply for the reduced tax rate (if any such rate is stipulated by a double tax treaty), without which the Company is required to withhold a 15% tax on dividends.

Non-Resident Holders—Legal Entities

Payment of Russian-sourced dividends from ADSs received by Non-Resident Holders—Legal Entities should be subject to a statutory Russian tax at the rate of 15% of the gross dividend amount.

Despite the fact that Non-Resident Holders—Legal Entities may be legally entitled to a reduced tax rate pursuant to the provisions of respective double tax treaties, the specifics and uncertainty of the withholding tax mechanism in the Russian Federation may lead to taxation of dividends at source at a 15% tax rate. Thus, we have informed Holders that Non-Resident Holders—Legal Entities are required to send an application along with relevant documents to the Company to apply for the reduced tax rate (if any is stipulated by double tax treaties), without which the Company will be required to withhold a 15% tax on dividends.

Taxation of disposal of ADS/capital gains

The following sections summarize the taxation of capital gains with respect to the disposal of ADSs.

Russian Resident Holders—Individuals

Capital gains arising from the sale, exchange or other disposal of ADSs by Russian Resident Holders—Individuals must be declared on the holder's tax return and are subject to personal income tax at a rate of 13% (or 15% tax rate for income exceeding ₺5 million per annum), unless there is a tax agent that calculates and withholds Russian personal income tax at source in full (e.g. a Russian broker or Russian legal entity, a byer of the ADSs).

The taxable capital gain of Russian Resident Holders—Individuals upon the sale of securities is calculated as the gross sale proceeds calculated in Russian rubles at the date of sale minus the actual expenses calculated in Russian rubles at the date of purchase. For the purpose of currency conversion, the official exchange rates of the Central Bank of Russia on specific dates are used. Expenses must be proved by documentary evidence related to the purchase of the ADSs (including the cost of the securities and the expenses associated with their purchase, holding and sale, and the deemed income amount on which personal income tax was accrued and paid on acquisition (receipt) of the ADSs).

Starting 2021, subject to certain conditions, capital gains from the sale, exchange or other disposal of shares, including shares of non-Russian registered but Russian tax resident entities may be exempt from tax in Russia if the shares disposed have been held continuously for not less than five years. It is currently not clear whether this exemption is applicable to the ADSs. Therefore, Russian Resident Holders—Individuals should consult their own tax advisers.

Russian Resident Holders—Legal Entities

Capital gains arising from the sale or other disposal of the ADSs by a Russian Resident Holder—Legal Entity are taxable at the regular Russian corporate profits tax rate of 20%. According to the current Russian tax legislation, the financial result (profit or loss) arising from activities connected with securities quoted on a stock exchange, which meet the criteria established by the Federal Law No. 39-FZ “On the Securities Market” dated April 22, 1996, may be accounted for together with the financial result arising from other operations (i.e. may be included into the general tax base). In calculating the financial result income can be reduced for expenses that are supported by documentary evidence related to the purchase of the ADSs (including the cost of the securities and the expenses related to their purchase, holding and sale). Therefore, Russian Resident Holders—Legal Entities may be able to offset losses incurred through operations on 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 Russian Tax Code also lays out special rules for the calculation of the tax base for the purposes of transactions with securities, which are subject to transfer pricing control in the Russian Federation.

Starting 2021, subject to certain conditions, capital gains from the sale, exchange or other disposal of shares, including shares of non-Russian registered but Russian tax resident entities, may be exempt from tax in Russia if the shares disposed have been held continuously for not less than five years, provided that those shares make up the charter capital of companies whose immovable property in the Russian Federation directly or indirectly constitutes 50% or less of the company’s asset. It is currently not clear whether this exemption is applicable to the ADSs. Therefore, Russian Resident Holders—Legal Entities should consult their own tax advisers.

Non-Resident Holders—Individuals

Generally, income received by Non-Resident Holders—Individuals from disposal of ADSs is not considered as taxable event in Russia unless it is qualified as Russian-sourced income (i.e. when Non-Resident Holders—Individuals conduct their transactions with a Russian broker).

According to Russian tax legislation, income received from the sale or disposal of ADSs should be treated as Russian-sourced income if the sale or disposal occurred in the Russian Federation. However, Russian tax law gives no clear indication as to how to identify the source of income received from the sale and disposal of securities, except that income received from the sale of securities “in the Russian Federation” will be treated as having been received from a Russian source. Thus, considering the broad and obscure definition of Russian-sourced income, there is a risk that capital gains arising from the sale, exchange or other disposal of ADSs by Non-Russian Resident Holders will be treated as Russian-sourced income in terms of personal income tax and will be subject to taxation in the Russian Federation at the statutory tax rate of 30%. Nevertheless, Non-Resident Holders—Individuals may be entitled to tax exemption on capital gains arising from the sale, exchange or other disposal of ADSs based on an applicable double tax treaty.

Non-Resident Holders—Individuals should consult their own tax advisers with respect to the tax consequences of disposal of ADSs.

Non-Resident Holders—Legal Entities

Capital gains arising from the sale, exchange or other disposal of the ADSs by Non-Resident Holders—Legal Entities should not be subject to tax in the Russian Federation if the immovable property located in the Russian Federation constitutes directly or indirectly 50% or less of the Company’s assets or securities are treated as quoted on a stock exchange markets. The Company believes that the ADSs will fall under the aforementioned exemption.

Stamp Duties

Holders are not subject to any Russian stamp duties for transactions with ADSs as discussed in this section of this Annual Report (e.g., on the purchase or sale of ADSs), except for certain transactions involving the inheritance of ADSs.

Tax treaty relief—Application of reduced tax rates under double tax treaties

To receive the benefits of a double tax treaty in cases where any income on the ADSs is received from a Russian source and is subject to Russian taxes, Non-Resident Holders (individuals, legal entities, and organizations) are required to confirm that they are the beneficial owners of the income.

A Non-Resident Holder will need to provide the payer of the income, who acts as a tax agent, with a certificate of tax residence issued by the competent tax authority of the relevant treaty country before the income is paid and confirm that it is the beneficial owner of this income. However, the payer of income may request additional documents confirming the entitlement and eligibility of Non-Resident Holder for the benefits of the relevant double tax treaty in relation to income concerned. The tax residence certificate should confirm that the respective Non-Resident Holder is a tax resident of the relevant double tax treaty country (for the applicable double tax treaty). This certificate should generally be apostilled or legalized. A notarized Russian translation of the certificate must be provided to the person regarded as a tax agent. Non-Resident Holders that are legal entities should consult their own tax advisers regarding any available double tax treaty relief and the relevant Russian procedures.

Non-Resident Holders should consult their own tax advisers about available double tax treaty relief and the procedures for obtaining such relief with respect to any Russian taxes imposed in respect of dividend income from the ADSs or any income received in connection with the acquisition, sale or other disposal of the ADSs.

Refund of Russian Tax Withheld

Russian Resident Holders—Legal Entities and Individuals

In the absence of a proper tax withholding mechanism, Russian Resident Holders may be subject to a 15% tax rate on the dividends paid to them. See “—*Material Russian Tax Considerations—Taxation of Dividends and other distributions (including distributions in kind)*.” To apply a lower tax rate on dividends pursuant to the Russian Tax Code, Russian Resident Holders may be required to provide documentary proof of their Russian tax residence. Alternatively, they may attempt to claim the refund of excessively withheld taxes.

In order to obtain a tax refund, Russian Resident Holders—Individuals should submit an application and the required documents to the tax agent within three years following the date when the respective tax was paid. The Russian Tax Code stipulates that a tax agent must refund over-withheld tax within a three month period following the date when the application for a refund is submitted. Further, the tax agent itself may require a refund by applying to the Russian tax authorities within three years following the date when the respective tax was paid.

Russian Resident Holders—Legal Entities may claim for a refund of excessively withheld tax by filing the application and required documents to the Russian tax authorities within three years following the date when the respective tax was paid.

Non-Resident Holders—Legal Entities and Individuals

If the Russian withholding tax on income derived from Russian sources for a Non-Resident Holder which is a legal entity or an organization, was withheld at source, and such Non-Resident Holder, which is a legal entity or an organization, is entitled to benefits from a double tax treaty allowing such a legal entity or organization not to pay tax in the Russian Federation, or allowing it to pay tax at a reduced rate on such income, a claim for a refund of the tax withheld at the source can be filed with the Russian tax authorities within three years following the tax period in which the tax was withheld.

To process a claim for a refund, the Russian tax authorities require: (i) a confirmation of the tax treaty residence of the non-resident at the time the income was paid (this confirmation should be apostilled or legalized and should be provided for the year when the income in respect to which the refund is claimed was paid); (ii) a document confirming that the applicant satisfies any additional conditions envisaged under the Russian Tax Code or the relevant double tax treaty for application of the reduced tax rate; and (iii) an application for the refund of the tax withheld in a format provided by the Russian tax authorities. Where tax is withheld in respect of dividends on the ADSs registered in special accounts (i.e. foreign nominal holder, foreign authorized holder or foreign depositary receipt program depo accounts) and opened with a Russian custodian, the following documents are required in addition to those listed under (i) and (ii) above: (a) a document confirming the exercise of rights (or confirming the exercise of rights in the interests of the applicant by a trustee or other similar person) attached to the ADSs on which the dividend income was paid, as at the date of the decision to distribute dividends by a Russian entity; (b) a document confirming the amount of dividend income on the ADSs; and (c) information on the custodian (custodians) that transferred the amount of dividend income to the foreign company (holder of the relevant account in the Russian custodian).

If the Russian personal income tax on income derived from Russian sources by a Non-Resident Holder who is an individual was withheld at source, and such individual Non-Resident Holder is entitled to the benefits of a double tax treaty allowing such an individual not to pay the tax in the Russian Federation or allowing such an individual to pay the tax at a reduced rate in relation to such income, an application for a refund, as well as a tax residence certificate issued by the competent authorities of the country of residence with a valid double tax treaty with the Russian Federation should be submitted to the tax agent within three years following the date when the respective tax was paid. The Russian Tax Code stipulates that a tax agent must refund over-withheld tax within three months period following the date when the application for a refund is submitted.

The Russian tax authorities require a Russian translation of the above documents if they are in a foreign language. The decision regarding the refund of the tax withheld should be taken within one month of filing the required documents with the Russian tax authorities. However, procedures for processing such claims have not been clearly established, and there is significant uncertainty regarding the availability and timing of such refunds.

In practice, the Russian tax authorities require a wide variety of documentation confirming the right of a Non-Resident Holder to obtain the tax relief available under the applicable double tax treaty. Such documentation may not be explicitly required by the Russian Tax Code.

Obtaining a refund of Russian taxes withheld at source is likely to be a time-consuming process, and no assurance can be given that such a refund will be granted in practice.

Non-Resident Holders (and in certain limited cases Russian Resident Holders) should consult their own tax advisers about possible tax treaty relief and/or tax refunds as applicable and the procedures required to obtain such treaty relief or refund with respect to any Russian taxes imposed on income received from the acquisition, ownership or disposition of 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 to the U.S. Holders described below of owning and disposing of ADSs.

The following discussion describes material U.S. federal income tax consequences to U.S. Holders (as defined below), and solely to the extent described below under “—*FATCA*,” to non-U.S. persons, under present law of an investment in the ADSs. This summary applies only to U.S. Holders that 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 Annual Report, 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 Annual Report, 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 Annual Report 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. 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 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;
- 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;
- persons holding ADSs as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the Company’s stock by vote or value;
- persons subject to special tax accounting rules as a result of gross income with respect to the ADSs being taken into account in an applicable financial statement;
- 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; or
- 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 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 and the activities of the partnership. A U.S. Holder that is a partner in such partnership should consult its tax advisor.

Exchange of ADSs for Ordinary Shares

Generally, 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 the Company.

Dividends and Other Distributions on ADSs

As described in the section entitled Item 8. “*Financial Information, A. Consolidated Statements and Other Financial Information —Dividend Policy*,” we may pay dividends to holders of our ordinary shares from time to time in the future. If we do make distributions of cash or property on our ordinary shares, subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by the Company 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 received, to the extent such distributions are paid out of the Company’s 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 the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions to be reported 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 capital gains rate, provided that (1) either the ADSs are readily tradable on an established securities market in the United States or the Company is eligible for the benefits of the income tax treaty between the United States and Russia (the “Treaty”), (2) the Company is not a passive foreign investment company (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year and (3) certain other requirements are met. U.S. Holders should consult their own tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs.

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 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 Russia or under the Treaty, the amount of tax withheld that is refundable (even if such refund may not be available in practice) 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). The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company 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 passive foreign investment company 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.

Passive Foreign Investment Company Rules

The Company 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 (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, 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 percent or more (by value) of the stock.

Under the PFIC rules, if the Company were considered a PFIC at any time that a U.S. Holder holds ADSs, the Company would continue to be treated as a PFIC with respect to such investment unless (i) the Company ceases to be a PFIC and (ii) the U.S. Holder has made a "deemed sale" election under the PFIC rules.

Based on the recent, current and anticipated composition of the income, assets and operations of the Company and its subsidiaries, the Company does not expect to be treated as a PFIC for the taxable year ended December 31, 2021. This is a factual determination, however, that depends on, among other things, the composition of the income and assets, and the market value of the shares and assets, of the Company and its subsidiaries from time to time, and thus the determination can only be made annually after the close of each taxable year. Therefore there can be no assurances that the Company will not be classified as a PFIC for the current taxable year or for any future taxable year.

If the Company is treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own shares in any of our subsidiaries that are also PFICs. However, an election for mark-to-market treatment would likely not be available with respect to any such subsidiaries. If the Company is 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 the Company 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. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the ADSs if the Company is considered a PFIC.

If the Company is 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. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

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.

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 requirement on their ownership and disposition of the ADSs.

U.S. Foreign Account Tax Compliance Act (FATCA)

Certain provisions of the Code and Treasury regulations (commonly collectively referred to as "FATCA") generally impose a 30% withholding tax regime with respect to certain "foreign passthru payments" made by a "foreign financial institution" (an "FFI"). If we were to be treated as an FFI, such withholding may be imposed on such payments to any other FFI (including an intermediary through which an investor may hold the ADSs) that is not a "participating FFI" (as defined under FATCA) or any other investor who does not provide information sufficient to establish that the investor is not subject to withholding under FATCA, and we may be required to report certain information regarding investors to the relevant tax authorities, which information may be shared with taxing authorities in the United States, unless such other FFI or investor is otherwise exempt from FATCA. Under current guidance, the term "foreign passthru payment" is not defined, and it is therefore not clear whether or to what extent payments on the ADSs would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before the date that is two years after the date of publication in the Federal Register of final regulations defining the term "foreign passthru payment." Prospective investors in the ADSs should consult their tax advisors regarding the potential impact of FATCA and any non-U.S. legislation implementing FATCA on their potential investment in 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 OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN ADSS UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are required to make certain filings with the SEC. The SEC maintains an internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that site is www.sec.gov.

We also make available on our website, free of charge, our annual reports on Form 20-F and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is www.hh.ru. The information contained on our website is not incorporated by reference in this document.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Credit risk

Credit risk is the risk that a counterparty of ours fails to meet its obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| (in thousands of RUB) | Carrying amount as at December 31, | |
|---------------------------|---------------------------------------|------------------|
| | 2020 | 2021 |
| Trade receivables | 61,028 | 141,125 |
| Cash and cash equivalents | 3,367,610 | 6,523,228 |
| Short-term investments | — | 300,000 |
| Loans issued | 19,719 | — |
| Total | 3,448,357 | 6,964,353 |

Trade receivables represent amounts owed by customers to us for the services provided. Our customers come from various industries and none of our customers accounted for more than 10% of the revenues of the Group.

Our cash and cash equivalents of the Group are primarily kept with Russian banks ALFA-BANK (JSC) (credit ratings: Moody's – Ba1, S&P – A3) and VTB Bank (PJSC) (credit ratings: Moody's – Baa3 S&P – A3). The Group's short-term investments are kept with Russian bank Gazprombank (JSC) (credit ratings: Moody's – Baa3, S&P – A3). The Group limits its exposure to credit risk by holding cash and cash equivalents in the banks with high credit-ratings assigned by international credit-rating agencies.

As a result of the subsequent geopolitical events, S&P and Moody's have withdrawn their credit ratings of Russian banks.

Currency risk

Our exposure to the risk of changes in foreign exchange rates related primarily to the net assets of our subsidiaries denominated in a currency that is different from their functional currency. The functional currencies of our companies are primarily the Russian Ruble (₽), Belarus Ruble (BYN) and Kazakh Tenge (KZT). As of December 31, 2020 and 2021, net assets denominated in foreign currency mainly relate USD-denominated cash balances.

Our exposure to foreign currency risk was as follows:

| (in thousands of RUB) | December 31, 2020 | | |
|-----------------------------|-------------------|------------------|------------------|
| | USD- denominated | EUR- denominated | RUB- denominated |
| Cash and cash equivalents | 173,016 | 930 | 14,391 |
| Trade and other payables | (32,371) | (8,063) | — |
| Trade and other receivables | 6,481 | 794 | — |
| Net exposure | 147,126 | (6,339) | 14,391 |

| (in thousands of RUB) | December 31, 2021 | | |
|-----------------------------|-------------------|------------------|------------------|
| | USD- denominated | EUR- denominated | RUB- denominated |
| Cash and cash equivalents | 185,071 | 12,647 | 5,694 |
| Trade and other payables | (220,511) | (6,255) | (962) |
| Trade and other receivables | 4,663 | 623 | — |
| Net exposure | (30,777) | 7,015 | 4,732 |

Sensitivity analysis

We estimate that an appreciation of USD relative to the RUB by 10% would result in P3,078 loss before tax and decrease of equity as at December 31, 2021 (as of December 31, 2020 – gain of P14,713).

As a result of the subsequent events, significant depreciation of the Russian Ruble has resulted in upward revaluation of USD denominated payables, as well as cash and cash equivalents. The net effect on profit or loss (before the effect of income taxes) in case of a 50% weakening of the Russian Ruble against USD will be P15,389 (based on currency exposure as at December 31, 2021).

We estimate that an appreciation or depreciation of other currencies would not result in material loss before tax and decrease of equity as at December 31, 2021 and December 31, 2020.

We limit the Group's exposure to currency risk by denominating substantial monetary assets and liabilities in currencies that match the cash flows generated by the underlying operations of the Group. In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our liabilities exposed to liquidity risk mainly consist of bank loans payable, lease payables and trade and other payables repayable in the period of less than one year. See Notes 21, 22 and 23 to our consolidated financial statements included elsewhere in this Annual Report.

We manage liquidity risk by constantly reviewing forecasted cash flows to ensure that we have sufficient liquidity to maintain necessary capital expenditures and service our debt without incurring temporary cash shortfalls.

As at December 31, 2021, our current liabilities exceeded current assets by P1,102 million. Our current liabilities were mainly represented by contract liabilities of P4,561 million. Due to the nature of our business, a substantial portion of customers pay upfront for subscriptions, thus contract liabilities arise. We expect that contract liabilities will continue to be significant and thus negative working capital will be maintained in the future periods. Management considers such structure of the working capital acceptable to our business model.

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 and exclude the impact of netting agreements.

At December 31, 2020

| (in thousands of RUB) | Contractual cash flows | | | | |
|---|------------------------|-------------------|------------------|------------------|------------------|
| | Carrying amount | Total | Less than 1 year | 1 - 2 years | 2 - 5 years |
| Non-derivative financial liabilities | | | | | |
| Bank loan | 4,302,297 | 5,315,182 | 752,223 | 717,226 | 3,845,733 |
| Non-convertible bonds | 3,972,640 | 4,771,840 | 257,280 | 257,280 | 4,257,280 |
| Other loan | 1,488 | 1,540 | 1,540 | — | — |
| Lease liabilities | 241,997 | 274,447 | 94,775 | 93,050 | 86,622 |
| Trade and other payables | 954,492 | 962,358 | 775,885 | 67,762 | 118,711 |
| Total: | 9,472,914 | 11,325,367 | 1,881,703 | 1,135,318 | 8,308,346 |

At December 31, 2021

| (in thousands of RUB) | Contractual cash flows | | | | |
|---|------------------------|-------------------|------------------|------------------|------------------|
| | Carrying amount | Total | Less than 1 year | 1 - 2 years | 2 - 5 years |
| Non-derivative financial liabilities | | | | | |
| Bank loan | 4,048,059 | 5,240,966 | 1,091,707 | 823,594 | 3,325,665 |
| Non-convertible bonds | 3,985,802 | 4,514,560 | 257,280 | 4,257,280 | — |
| Other loan | 3,793 | 3,871 | 784 | 3,087 | — |
| Lease liabilities | 197,045 | 222,389 | 116,469 | 96,756 | 9,164 |
| Trade and other payables | 963,294 | 970,901 | 853,057 | 67,267 | 50,577 |
| Total: | 9,197,993 | 10,952,687 | 2,319,297 | 5,247,984 | 3,385,406 |

We do not expect that the cash outflows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Item 12. Description of Securities Other than Equity Securities

D. American Depositary Shares.

Fees and Expenses

Holders of our ADSs are required to pay the following fees under the terms of the deposit agreement:

Persons to whom ADSs are issued, and persons withdrawing ordinary shares or whose ADS are cancelled or reduced for any other reason must pay:

U.S. \$5.00 (or less) per 100 ADSs (or portion of 100 ADSs) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered

U.S. \$0.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the ordinary shares had been deposited for issuance of ADSs

U.S. \$0.05 (or less) per ADSs per calendar year

For:

- Issuance of ADSs, including issuances resulting from a distribution of ordinary shares or rights or other property and issuances pursuant to a stock dividend, stock split, merger, exchange of securities, or any other transaction or event affecting the ADSs or the deposited securities
- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Any cash distribution made, or any elective cash/share dividend offered, to ADS holders
- Distribution of securities distributed to holders of deposited securities, where such securities (or net cash proceeds from the sale of such securities in connection with a distribution) are distributed by the depositary to ADS holders
- Depositary services (or portion thereof), which fee may be charged on a periodic basis during each calendar year and shall be assessed against ADR holders as of the record date or record dates set by the depositary during each calendar year and shall be payable at the sole discretion of the depositary by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions

Persons to whom ADSs are issued, and persons withdrawing ordinary shares or whose ADS are cancelled or reduced for any other reason must pay:

Registration or transfer fees

Expenses of the depositary

Stock transfer or other taxes and other

Any fees, charges and expenses incurred by the

For:

- Transfer and registration of ordinary shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw ordinary shares
- SWIFT, cable, telex, facsimile transmission and delivery charges incurred at the request of persons depositing, or ADR holders delivering shares, ADRs or deposited securities
- converting foreign currency to U.S. dollars
- As necessary governmental charges
- As necessary depositary or its agents (including, without limitation, expenses incurred in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) or in connection with the servicing of deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against ADR holders as of the record date or dates set by the depositary and shall be payable in the same manner as described above with respect to fees for depositary services)

In connection with the conversion of foreign currency into U.S. dollars, JPMorgan Chase Bank, N.A. shall deduct out of such foreign currency the fees, expenses and other charges charged by it and/or its agent (which may be a division, branch or affiliate) so appointed in connection with such conversion.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary.

The fees and charges described above may be amended from time to time. ADR holders will receive prior notice of any increase in such fees and charges. The right of the depositary to receive payment of fees, charges and expenses as provided above shall survive the termination of the deposit agreement.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary 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 generally refuse to provide fee-based services until its fees for these services are paid.

In performing its duties under the deposit agreement, the depositary may use brokers, dealers or other service providers that are affiliates of the depositary and that may earn or share fees or commissions.

Payment of Taxes

Holders of our ADSs are responsible for any taxes or other governmental charges (including any penalties and/or interest) payable on their ADSs or on the deposited securities represented by any of their ADSs. All registered holders and beneficial owners of ADRs, and all prior holders and beneficial owners thereof, jointly and severally, agree to indemnify us, the depositary and our and the depositary's respective agents in respect of such taxes or other governmental charges. The depositary may refuse to register any transfer of ADSs, to effect any split up or combination of ADRs, or allow holders of our ADSs to withdraw the deposited securities represented by their ADSs until such taxes or other charges are paid. It may deduct from any distributions owed to a holder of our ADSs or sell deposited securities represented by such holder's ADSs to pay any taxes owed and such holder 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.

By holding an ADR or an interest therein, holders of ADRs have agreed to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained, which obligations shall survive any transfer or surrender of ADSs or the termination of the deposit agreement.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2021. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2021.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act.

Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that, as of December 31, 2021, our internal control over financial reporting was effective.

Attestation Report of the Registered Public Accounting Firm

JSC “KPMG”, the independent registered public accounting firm that audited our consolidated financial statements included in this Annual Report, has audited our internal control over financial reporting as of December 31, 2021, as stated in its report on page F-3.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]**Item 16A. Audit Committee Financial Expert**

Our Board has determined that Mr. Gardner and Mrs. Filatova each satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act. Our board of directors has also determined that Mr. Gardner is considered an “audit committee financial expert” as defined in Item 16A of Form 20-F under the Exchange Act.

Item 16B. Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all our employees, officers and directors, including our principal executive, principal financial and principal accounting officers. Our Code of Business Conduct and Ethics addresses, among other things, competition and fair dealing, conflicts of interest, financial matters and external reporting, company funds and assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the Code of Business Conduct and Ethics, employee misconduct, conflicts of interest or other violations. Our Code of Business Conduct and Ethics is intended to meet the definition of “code of ethics” under Item 16B of Form 20-F under the Exchange Act.

We intend to disclose on our website any amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics that applies to our directors or executive officers to the extent required under the rules of the SEC or the Nasdaq. Our Code of Business Conduct and Ethics is available under the Corporate Governance section of our investor relations website at www.investor.hh.ru. The information contained on our website is not incorporated by reference in this Annual Report.

Item 16C. Principal Accounting Fees and Services

JSC “KPMG” (“KPMG”) acted as our independent auditor for the fiscal years ended December 31, 2020 and 2021. The table below sets out the total amount billed to us by KPMG, for services performed in the years ended December 31, 2020 and 2021, and breaks down these amounts by category of service:

| | 2020 RUB '000 | 2021 RUB '000 |
|--------------------|------------------|------------------|
| Audit Fees | 61,436 | 68,718 |
| Audit Related Fees | — | — |
| Tax Fees | — | — |
| All Other Fees | 175 | 400 |
| Total | 61,610 | 69,118 |

Audit Fees

Audit fees for the years ended December 31, 2020 and 2021 were related to the audit of our consolidated financial statements, work on registration statements and comfort letters and interim review services provided in connection with our regulatory filings.

Audit Related Fees

There were no audit related fees for the year ended December 31, 2020 and 2021.

Tax Fees

There were no tax fees incurred for the years ended December 31, 2020 and 2021.

All Other Fees

All other fees in the years ended December 31, 2020 and 2021 related to services in connection with non-audit compliance and staff training.

Pre-Approval Policies and Procedures

The advance approval of the Audit Committee or members thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

All services provided by our auditors are approved in advance by either the Audit Committee or members thereof, to whom authority has been delegated, in accordance with the Audit Committee's pre-approval policy.

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

Not applicable.

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

Share Buyback Program

On September 30, 2021, we announced that the board of directors had approved a program to repurchase up to P3.0 billion (or its equivalent in USD) of the Company's ordinary shares represented by ADSs. The repurchase program was authorized at the Company's general meeting of shareholders on August 10, 2021. The authorization to repurchase will expire on August 10, 2022 unless renewed by the decision of a general meeting of shareholders of the Company. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities. The primary purpose of the repurchase program is to fund the Company's long-term incentive programs.

| 2021 | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs-1 | Maximum Value of Shares that May Yet Be Purchased Under the Plans or Programs |
|--------------|-------------------------------------|---------------------------------|--|---|
| January | — | P — | — | P — |
| February | — | P — | — | P — |
| March | — | P — | — | P — |
| April | — | P — | — | P — |
| May | — | P — | — | P — |
| June | — | P — | — | P — |
| July | — | P — | — | P — |
| August | — | P — | — | P — |
| September | — | P — | — | P — |
| October | 35,954 | P 3,940 | 35,954 | P 2,858 million |
| November | 41,112 | P 4,060 | 41,112 | P 2,691 million |
| December | 206,607 | P 3,813 | 206,607 | P 1,904 million |
| Total | 283,673 | P 3,865 | 283,673 | P 1,904 million |

- (1) This column includes all the shares repurchased as a part of the repurchase program announced on September 30, 2021, as further described above. As of December 31, 2021, we had repurchased 283,673 of our ADSs (or 283,673 of our ordinary shares) for a total of approximately P1,096 million under the share repurchase program.

During the year ended December 31, 2021, the average price paid per share for share repurchases was equal to P3,865, translated into Rubles from USD at the exchange rate at the date of share repurchase transactions. As of December 31, 2021, the maximum value of shares that may yet be purchased under the share repurchase program is approximately to P1,904 million.

Our board of directors reviews the share repurchase program periodically, and may authorize adjustment of its terms and size or suspend or discontinue the program. On March 3, 2022, we terminated share buyback, but may reinstate the share repurchase program by giving proper notice to the broker within its term.

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

We are a "foreign private issuer" (as such term is defined in Rule 3b-4 under the Exchange Act), and our American Depositary Shares are listed on Nasdaq. We believe the following to be the significant differences between our corporate governance practices and those applicable to U.S. companies under the Nasdaq listing standards. In general, under Nasdaq rules, foreign private issuers, as defined under the Exchange Act, are permitted to follow home country corporate governance practices instead of the corporate governance practices of the Nasdaq. Accordingly, we follow corporate governance practices of our home country, Cyprus, in lieu of certain of the corporate governance requirements of Nasdaq. We intend to rely on this "foreign private issuer exemption" with respect to:

- Nasdaq Listing Rule 5620(c), which requires an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting stock;
- Nasdaq Listing Rule 5605(b)(2), which requires an issuer to have regularly scheduled meetings at which only independent directors attend;
- Nasdaq Listing Rule 5605(c)(2), which requires, among other things, an audit committee to consist of at least three members, except that the Company shall comply with the requirements of Nasdaq Listing Rule 5605(c)(2)(A)(ii);
- Nasdaq Listing Rule 5605(d)(2), which requires an issuer to have a compensation committee comprised solely of independent directors;
- Nasdaq Listing Rule 5605(e)(1), which provides that director nominees must either be selected, or recommended for the Board's selection, either by independent directors constituting a majority of the Board's independent directors in a vote in which only independent directors participate, or a nominations committee comprised solely of independent directors;
- Nasdaq Listing Rule 5605(b)(1), which requires an issuer to have, among other things, a majority of its board members be independent; and
- Nasdaq Listing Rule 5635(c), which requires that shareholders approve the establishment or any material amendments to any equity compensation arrangements.

Our board of directors has not made any determination with respect to our intention to follow Nasdaq Listing Rule 5635(a), (b) and (d), relating to matters requiring shareholder approval. Cypriot law and our amended and restated memorandum and articles of association permit us, with approval of our board of directors and without shareholder approval, to take the following actions:

- Acquire the stock or assets of another company, where such acquisition results in the issuance of 20% or more of our outstanding share capital or voting power, in contrast to Nasdaq Listing Rule 5635(a), which would require shareholder approval in order to enter into such an acquisition.
- Enter into any transaction that may result in a person, or group of persons acting together, holding more than 20% of our outstanding share capital or voting power. Such transaction may be considered a change of control under Nasdaq Listing Rule 5635(b), requiring shareholder approval. Notwithstanding the above, Cypriot law would not permit us to enter into any reorganization, merger or consolidation without shareholder approval.
- Enter into any transaction other than a public offering involving the sale, issuance or potential issuance by the company of shares (or securities convertible into or exercisable for shares) equal to 20% or more of the outstanding share capital of the Company or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock, in contrast to Nasdaq Listing Rule 5635(d), which would require shareholder approval for such issuance of shares (or securities convertible into or exercisable for shares).

Other than as discussed above, we comply with and intend to continue to comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may in the future, however, decide to use other foreign private issuer exemptions with respect to some or all of the other Nasdaq rules. Following our home country governance practices may provide less protection than is accorded to investors under Nasdaq rules applicable to domestic issuers.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 17. Financial Statements

We have provided financial statements pursuant to Item 18.

Item 18. Financial Statements

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Annual Report. The audit report of KPMG, independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

Item 19. Exhibits

List all exhibits filed as part of the registration statement or annual report, including exhibits incorporated by reference.

| Exhibit No. | Description | Incorporation by Reference | | | | Filed / Furnished |
|-------------|---|----------------------------|------------|----------------|-------------|----------------------|
| | | Form | File No. | Exhibit No. | Filing Date | |
| 1.1 | Articles of Association of HeadHunter Group PLC. | F-1/A | 333-224065 | 3.1 | 4/25/2019 | |
| 2.1 | Form of Deposit Agreement among HeadHunter Group PLC, JP Morgan Chase Bank, N.A., as depositary, and the holders from time to time of the American Depositary Shares issued thereunder. | F-1/A | 333-224065 | 4.1 | 4/25/2019 | |
| 2.2 | Form of American Depositary Receipt (included in Exhibit 2.1). | F-1/A | 333-224065 | 4.2 | 4/25/2019 | |
| 2.3 | Amended and Restated Shareholders' Agreement, dated as of June 1, 2021, by and between Highworld Investments Limited and ELQ Investors VIII Limited. | 6-K | 001-38882 | 99.1 | 6/1/2021 | |
| 2.4 | Registration Rights Agreement, dated as of May 13, 2019, by and among HeadHunter Group PLC, Highworld Investments Limited and ELQ Investors VIII Limited. | 20-F | 001-38882 | 2.4 | 3/16/2020 | |
| 2.5 | Description of Securities. | 20-F | 001-38882 | 2.5 | 3/16/2020 | |
| 4.1† | Amended and Restated 2016 Headhunter Unit Option Plan. | S-8 | 333-232778 | 4.2 | 7/24/2019 | |
| 4.2† | Amended and Restated 2018 Headhunter Unit Option Plan. | S-8 | 333-232778 | 4.3 | 7/24/2019 | |
| 4.3† | HeadHunter Group PLC 2021 Restricted Stock Units Plan. | * | | | | |
| 4.4 | English translation of the Syndicated Facility Agreement by and between the Company and VTB Bank (PJSC), dated August 24, 2020, as amended. | * | | | | |
| 8.1 | List of Subsidiaries. | * | | | | |
| 12.1 | Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | * | | | | |
| 12.2 | Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | * | | | | |
| 13.1 | Principal Executive Officer Certification Pursuant to Section 906 | ** | | | | |
| 13.2 | Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | ** | | | | |

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| 15.1 | Consent of JSC “KPMG”, independent registered public accounting firm. | * |
| 101.INS | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document. | * |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. | * |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. | * |
| 101.DEF | Inline XBRL Taxonomy Definition Linkbase Document. | * |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. | * |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. | * |
| 104 | Cover Page Interactive Data File (embedded within the InLine XBRL document). | * |

* Filed herewith.

** Furnished herewith.

† Indicates management contract or compensatory plan or arrangement.

Certain agreements filed as exhibits to this Annual Report contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and that may not be reflected in such agreements. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

HeadHunter Group PLC

By: /s/ MIKHAIL ZHUKOV

Name: Mikhail Zhukov

Title: Chief Executive Officer

Date: April 27, 2022

By: /s/ GRIGORII MOISEEV

Name: Grigorii Moiseev

Title: Chief Financial Officer

Date: April 27, 2022

HeadHunter Group PLC

Consolidated Financial Statements
for the years ended December 31, 2021, 2020
and 2019 together with the Report of
Independent Registered Public Accounting Firm

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| Consolidated Statements of Financial Position as of December 31, 2021 and 2020 | F-6 |
| Consolidated Statements of Changes in Equity for the years ended December 31, 2021, 2020 and 2019 | F-7 |
| Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019 | F-8 |
| Notes to the Consolidated Financial Statements for the years ended December 31, 2021, 2020 and 2019 | F-9 |

JSC “KPMG”

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Moscow, Russia 123112

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Internet www.kpmg.ru

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

HeadHunter Group PLC:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated statements of financial position of HeadHunter Group PLC, and subsidiaries (the “Group”) as of December 31, 2021 and 2020, the related consolidated statements of income and comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements). We also have audited the Group’s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

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

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of goodwill related to Zarplata.ru

As discussed in Notes 5(g(ii)) and 15 to the consolidated financial statements, the Group has RUB 10,630 million of goodwill as of December 31, 2021, of which RUB 2,918 million related to the Zarplata.ru cash-generating unit ("CGU"). The Group performs goodwill impairment testing on an annual basis or when events occur, or circumstances change that would indicate the carrying value exceeds the recoverable amount of the CGU. Management uses the discounted cash flow method to estimate the value in use of Zarplata.ru CGU that corresponds to its recoverable value.

We identified the valuation of goodwill related to Zarplata.ru as a critical audit matter. There was complex auditor judgment required in evaluating certain significant assumptions, including revenue growth rates, EBITDA margins and the discount rate used to measure the value in use of the CGU. The evaluation of these assumptions was challenging because minor changes to these assumptions could cause significant changes to the Group's assessment of the recoverable value.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of internal controls related to the valuation of the Zarplata.ru CGU, including certain controls related to the estimates of revenue growth rates, EBITDA margins and the discount rate used to measure the CGU's value in use. We performed sensitivity analyses over forecasted revenue growth rates, estimated EBITDA margins and the discount rate to assess their impact on the Group's determination of the recoverable amount of the reporting unit. We evaluated the reasonableness of the assumed revenue growth rates and projected EBITDA margins by comparing them to Zarplata.ru historic results, underlying integration strategies and growth plans approved by the Board of Directors. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the discount rate by comparing it against a discount rate range that was independently developed using publicly available market data for comparable entities, and
- assessing the reasonableness of revenue growth rates and EBITDA margins by comparing them to publicly available market data for comparable entities.

/s/ JSC "KPMG"

We have served as the Group's auditor since 2017.

Moscow, Russia
April 27, 2022

Consolidated Statements of Income and Comprehensive Income

For the years ended December 31,

(in thousands of Russian Roubles, except per share amounts)

| | Note | 2021 | 2020 | 2019 |
|---|----------|------------------|------------------|------------------|
| Revenue | 10 | 15,968,033 | 8,282,107 | 7,788,741 |
| Operating costs and expenses (exclusive of depreciation and amortization) | 11 | (7,949,215) | (4,691,300) | (4,300,263) |
| Depreciation and amortization | 14,15,23 | (1,066,284) | (750,558) | (683,317) |
| Operating income | | 6,952,534 | 2,840,249 | 2,805,161 |
| Finance income | 12(a) | 243,108 | 59,329 | 76,764 |
| Finance costs | 12(b) | (659,579) | (409,545) | (603,280) |
| Changes in put liability to non-controlling participants in subsidiary | 24 | (32,467) | — | — |
| Net foreign exchange gain/(loss) | | 1,424 | 83,030 | (46,508) |
| Gain on remeasurement of previously held interest in equity accounted investees | 8(a) | 223,308 | — | — |
| Share of loss of equity-accounted investees (net of income tax) | 16 | (17,925) | (49,181) | (30,542) |
| Other income | | 157,202 | 47,715 | 23,853 |
| Profit before income tax | | 6,867,605 | 2,571,597 | 2,225,448 |
| Income tax expense | 13 | (1,374,834) | (685,772) | (644,422) |
| Net income for the year | | 5,492,771 | 1,885,825 | 1,581,026 |
| <i>Attributable to:</i> | | | | |
| Owners of the Company | | 5,390,677 | 1,748,960 | 1,448,018 |
| Non-controlling interest | | 102,094 | 136,865 | 133,008 |
| Other comprehensive (loss)/income | | | | |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> | | | | |
| Foreign currency translation differences | | (1,822) | 15,109 | (41,818) |
| Total comprehensive income, net of tax | | 5,490,949 | 1,900,934 | 1,539,208 |
| <i>Attributable to:</i> | | | | |
| Owners of the Company | | 5,388,139 | 1,762,011 | 1,408,597 |
| Non-controlling interest | | 102,810 | 138,923 | 130,611 |
| Earnings per share | | | | |
| Basic (in Russian Roubles per share) | 9 | 106.75 | 34.84 | 28.96 |
| Diluted (in Russian Roubles per share) | 9 | 103.96 | 33.90 | 28.42 |

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on April 27, 2022 and signed by the management:

Mikhail Zhukov

Chief Executive Officer

Grigorii Moiseev

Chief Financial Officer

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

Consolidated Statements of Financial Position

As at December 31,

(in thousands of Russian Roubles)

| | Note | 2021 | 2020 Revised Note 8(b))* |
|---|------|-------------------|--------------------------------|
| Non-current assets | | | |
| Goodwill | 15 | 10,630,361 | 9,881,100 |
| Intangible assets | 15 | 3,325,135 | 3,386,265 |
| Property and equipment | 14 | 423,986 | 466,725 |
| Equity-accounted investees | 16 | 414,621 | 129,666 |
| Right-of-use assets | 23 | 179,000 | 215,120 |
| Deferred tax assets | 13 | 451,890 | 176,328 |
| Loans issued | | — | 11,541 |
| Other financial assets | | — | 25,491 |
| Other non-current assets | | 27,091 | 22,176 |
| Total non-current assets | | 15,452,084 | 14,314,412 |
| Current assets | | | |
| Trade and other receivables | 17 | 154,602 | 69,120 |
| Indemnification asset | 8(b) | 117,844 | 186,473 |
| Loans issued (current portion) | | — | 8,178 |
| Prepaid expenses and other current assets | | 234,514 | 179,118 |
| Short-term investments | | 300,000 | — |
| Cash and cash equivalents | 18 | 6,523,228 | 3,367,610 |
| Total current assets | | 7,330,188 | 3,810,499 |
| Total assets | | 22,782,272 | 18,124,911 |
| Equity | | | |
| Share capital | 19 | 8,655 | 8,597 |
| Share premium | 19 | 1,568,626 | 1,568,626 |
| Share-based payments reserve | 20 | 694,096 | 418,418 |
| Treasury shares | 19 | (1,096,357) | — |
| Foreign currency translation reserve | 19 | (94,678) | (92,140) |
| Retained earnings | | 4,756,114 | 1,536,137 |
| Total equity attributable to owners of the Company | | 5,836,456 | 3,439,638 |
| Non-controlling interest | | 126,888 | 69,104 |
| Total equity | | 5,963,344 | 3,508,742 |
| Non-current liabilities | | | |
| Loans and borrowings | 21 | 7,338,876 | 7,791,326 |
| Lease liabilities | 23 | 96,181 | 164,245 |
| Deferred tax liabilities | 13 | 504,367 | 611,152 |
| Contract liabilities | 10 | 84,205 | — |
| Trade and other payables | 22 | 110,236 | 178,607 |
| Provisions | 25 | 117,345 | 87,822 |
| Other non-current liabilities | 24 | 135,741 | 142,531 |
| Total non-current liabilities | | 8,386,951 | 8,975,683 |
| Current liabilities | | | |
| Contract liabilities | 10 | 4,560,634 | 2,785,402 |
| Trade and other payables | 22 | 1,816,113 | 1,273,089 |
| Loans and borrowings (current portion) | 21 | 698,778 | 485,100 |
| Lease liabilities (current portion) | 23 | 100,864 | 77,752 |
| Income tax payable | 13 | 357,555 | 401,733 |
| Provisions (current portion) | 25 | 758,117 | 578,651 |
| Other current liabilities | 24 | 139,916 | 38,759 |
| Total current liabilities | | 8,431,977 | 5,640,486 |
| Total liabilities | | 16,818,928 | 14,616,169 |
| Total equity and liabilities | | 22,782,272 | 18,124,911 |

* Certain amounts shown here do not correspond to the consolidated financial statements for the year ended December 31, 2020 and reflect adjustments made, refer to Note 8 (b).

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

Consolidated Statements of Changes in Equity
For the years ended

(in thousands of Russian Roubles)

| | Attributable to owners of the Company | | | | | | Non-controlling interest | Total equity |
|--|---------------------------------------|------------------|------------------------------|--------------------|--------------------------------------|-------------------|--------------------------|------------------|
| | Share capital | Share premium | Share-based payments reserve | Treasury shares | Foreign currency translation reserve | Retained earnings | | |
| Balance as at January 1, 2019 | 8,547 | 1,568,626 | 160,774 | — | (66,957) | 1,302,981 | 29,449 | 3,003,420 |
| Net income for the year | — | — | — | — | — | 1,448,018 | 133,008 | 1,581,026 |
| Other comprehensive loss | — | — | — | — | (39,421) | — | (2,397) | (41,818) |
| LTIPs (Note 20(a)) | — | — | 121,635 | — | — | — | — | 121,635 |
| Share-based payments to Board of Directors (Note 29(b)) | — | — | 12,842 | — | — | — | — | 12,842 |
| Acquisition of non-controlling interest | — | — | — | — | 1,187 | (2,957) | (1,770) | (337) |
| Distributions to shareholders and non-controlling interest (Note 19(d)) | — | — | — | — | — | (1,160,345) | (126,460) | (1,286,805) |
| Balance as at December 31, 2019 | 8,547 | 1,568,626 | 295,251 | — | (105,191) | 1,587,697 | 33,263 | 3,388,193 |
| Balance as at January 1, 2020 | 8,547 | 1,568,626 | 295,251 | — | (105,191) | 1,587,697 | 33,263 | 3,388,193 |
| Net income for the year | — | — | — | — | — | 1,748,960 | 136,865 | 1,885,825 |
| Other comprehensive income | — | — | — | — | 13,051 | — | 2,058 | 15,109 |
| Shares issued under LTIPs (Note 20(a)) | 50 | — | — | — | — | — | — | 50 |
| LTIPs (Note 20(a)) | — | — | 101,453 | — | — | — | — | 101,453 |
| Share-based payments to Board of Directors (Note 29(b)) | — | — | 21,714 | — | — | — | — | 21,714 |
| Distributions to shareholders and non-controlling interest (Note 19(d)) | — | — | — | — | — | (1,800,520) | (103,126) | (1,903,646) |
| Contribution from non-controlling interest (Note 27) | — | — | — | — | — | — | 44 | 44 |
| Balance as at December 31, 2020 | 8,597 | 1,568,626 | 418,418 | — | (92,140) | 1,536,137 | 69,104 | 3,508,742 |
| Balance as at January 1, 2021 | 8,597 | 1,568,626 | 418,418 | — | (92,140) | 1,536,137 | 69,104 | 3,508,742 |
| Net income for the year | — | — | — | — | — | 5,390,677 | 102,094 | 5,492,771 |
| Other comprehensive loss | — | — | — | — | (2,538) | — | 716 | (1,822) |
| Shares issued under LTIPs (Note 20(a)) | 58 | — | — | — | — | — | — | 58 |
| LTIPs (Note 20(a)) | — | — | 241,963 | — | — | — | — | 241,963 |
| Tax benefit from LTIPs (Note 13(c)) | — | — | 12,445 | — | — | — | — | 12,445 |
| Share-based payments to Board of Directors (Note 29(b)) | — | — | 21,270 | — | — | — | — | 21,270 |
| Non-controlling interests arising from business combination (Note 8(a)) | — | — | — | — | — | — | 149,752 | 149,752 |
| Acquisition of non-controlling interests without a change in control (Note 8(a)) | — | — | — | — | — | (123,010) | (32,167) | (155,177) |
| Distributions to shareholders and non-controlling interest (Note 19(d)) | — | — | — | — | — | (2,047,690) | (109,932) | (2,157,622) |
| Treasury shares acquired (Note 19(f)) | — | — | — | (1,096,357) | — | — | — | (1,096,357) |
| Reclassification of non-controlling interests to liability | — | — | — | — | — | — | (52,679) | (52,679) |
| Balance as at December 31, 2021 | 8,655 | 1,568,626 | 694,096 | (1,096,357) | (94,678) | 4,756,114 | 126,888 | 5,963,344 |

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

Consolidated Statements of Cash Flows

For the years ended December 31,

(in thousands of Russian Roubles)

| | Note | 2021 | 2020 | 2019 |
|---|--------------|-------------|-------------|-------------|
| OPERATING ACTIVITIES: | | | | |
| Net income | | 5,492,771 | 1,885,825 | 1,581,026 |
| <i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i> | | | | |
| Depreciation and amortization | 14,15,23 | 1,066,284 | 750,558 | 683,317 |
| Net finance costs | 12 | 416,471 | 350,216 | 526,516 |
| Gain on remeasurement of previously held interest in equity accounted investees | 8(a) | (223,308) | — | — |
| Net foreign exchange (gain)/ loss | | (1,424) | (83,030) | 46,508 |
| Write-off of expired other tax risks and related indemnity | | (91,452) | — | — |
| Other non-cash items | | 4,808 | (5,509) | 5,690 |
| LTIPs, including social taxes | 20 | 516,241 | 262,647 | 196,993 |
| Share grant to the Board of Directors | 29 | 21,270 | 21,714 | 12,842 |
| Share of loss of equity-accounted investees, net of income tax | 16 | 17,925 | 49,181 | 30,542 |
| Income tax expense | 13 | 1,374,834 | 685,772 | 644,422 |
| Change in trade receivables, prepaid expenses and other current and non-current assets | | (138,147) | (19,546) | (90,218) |
| Change in contract liabilities | | 1,687,796 | 343,903 | 307,388 |
| Change in trade and other payables | | 642,227 | 161,742 | 76,418 |
| Change in provisions | | 140,351 | — | — |
| Change in other liabilities | 24 | 26,729 | 17,300 | 147,685 |
| Income tax paid | | (1,788,020) | (840,021) | (975,655) |
| Interest paid | 21(c) | (505,976) | (366,179) | (582,420) |
| Net cash generated from operating activities | | 8,659,380 | 3,214,573 | 2,611,054 |
| INVESTING ACTIVITIES: | | | | |
| Acquisition of subsidiary, net of cash acquired | 8(a), 8(b) | (556,208) | (3,004,299) | — |
| Payment of deferred consideration for the acquisition of subsidiary | 8(b) | (233,836) | — | — |
| Acquisition of equity-accounted investee | 16 | (426,998) | — | (234,730) |
| Acquisition of intangible assets | | (114,825) | (77,723) | (97,818) |
| Acquisition of property and equipment | | (151,012) | (178,782) | (381,648) |
| Loans issued | | (73,997) | (19,235) | — |
| Repayment of loans issued, including related interest | | 77,000 | — | — |
| Investments in short-term deposits | | (300,000) | — | — |
| Interest received | | 204,587 | 52,432 | 77,079 |
| Net cash used in investing activities | | (1,575,289) | (3,227,607) | (637,117) |
| FINANCING ACTIVITIES: | | | | |
| Acquisition of treasury shares | 19(f) | (1,096,357) | — | — |
| Bank and other loans received | 21(a),21(c) | 7,765 | 4,616,478 | — |
| Non-convertible bonds issued | 21(b), 21(c) | — | 4,000,000 | — |
| Bank loans and other borrowings origination fees paid | 21(a), 21(c) | (43,615) | (56,668) | — |
| Bank and other loans repaid | 21(a), 21(c) | (400,672) | (5,397,895) | (1,325,000) |
| Payment for lease liabilities | 21(c), 23 | (90,166) | (59,737) | (61,376) |
| Dividends paid to shareholders | 19(d), 21(c) | (2,073,893) | (1,885,441) | (1,133,501) |
| Dividends paid to non-controlling interest | 19(d), 21(c) | (106,978) | (102,731) | (131,456) |
| Acquisition of non-controlling interests | 21(c) | (155,177) | — | (2,107) |
| Contribution from non-controlling interest | 27 | — | 44 | — |
| Net cash (used in)/generated from financing activities | | (3,959,093) | 1,114,050 | (2,653,440) |
| Net increase/(decrease) in cash and cash equivalents | | 3,124,998 | 1,101,016 | (679,503) |
| Cash and cash equivalents, beginning of year | | 3,367,610 | 2,089,215 | 2,861,110 |
| Effect of exchange rate changes on cash | | 30,620 | 177,379 | (92,392) |
| Cash and cash equivalents, end of year | | 6,523,228 | 3,367,610 | 2,089,215 |

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

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

1. Reporting entity

(a) Organization and operations

HeadHunter Group PLC (the “Company”), together with its subsidiaries (the “Group”, “We”, “Our”, “Ours”), is Russia’s leading online recruiting website hh.ru. We help employers and job seekers in Russia connect with each other. We also operate in Belarus, Kazakhstan and other countries.

The Company’s registered address is 42 Dositheou Street, Strovolos, Nicosia, Cyprus and business address is 9/10 Godovikova str., Moscow, Russia.

On May 8, 2019 the Group completed the initial public offering of American Depositary Shares, or ADSs. Each ADS represents one ordinary share of the Group. The Group’s existing shareholders have offered 16,304,348 of the Group’s ADSs in this offering. The initial public offering price was \$13.50 per ADS. On May 10, 2019 the underwriters exercised their option to purchase 2,445,652 additional ADSs from the existing shareholders at the public offering price, less the underwriting discount.

On July 20, 2020 the Group completed the secondary public offering of 5,000,000 ADSs, each representing one ordinary share of the Group, offered by ELQ Investors VIII Limited, an investment vehicle associated with The Goldman Sachs Group, Inc. at a public offering price of \$20.25 per share. On August 13, 2020 the underwriters exercised their option to purchase 510,217 additional ADSs from ELQ Investors VIII Limited at the public offering price, less the underwriting discount.

On June 7, 2021 the Group completed the secondary public offering of 4,500,000 ADSs, each representing one ordinary share of the Group, offered by ELQ Investors VIII Limited and Highworld Investments Limited at a public offering price of \$37.0 per share. On June 21, 2021 the underwriters exercised their option to purchase 675,000 additional ADSs from ELQ Investors VIII Limited and Highworld Investments Limited at the public offering price, less the underwriting discount.

After completion of the initial public offering and secondary public offerings, Highworld Investments Limited and ELQ Investors VIII Limited collectively have 40.61% of the Group’s voting shares.

The ADSs are listed on The Nasdaq Global Select Market under the symbol “HHR” and on Moscow Stock Exchange under the symbol “HHRU”.

On June 19, 2019 the Group has obtained a Russian tax residency status. As a Russian tax resident, the Group is subject to the Russian Tax Code requirements.

(b) Business environment

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which contribute together with other legal and fiscal impediments to 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 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 rouble, 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 longer-term effects of the imposed and possible additional sanctions are difficult to determine.

In recent months, following the commencement of military operations in Ukraine by the Russian Federation, additional severe sanctions were imposed by the United States of America, the European Union and some other countries on the Russian government, as well as major financial institutions and certain other entities and individuals in Russia. Please see Note 31.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

These 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.

(c) The COVID-19 pandemic

From the second quarter of 2021 through the end of 2021, as economy recovered from the COVID-related restrictions of 2020, we saw increase in demand for the candidates on the back of lagging candidate activity. This drives the increase in the number of paying customers on our platform and the increase in the average consumption per customer and may be a temporary effect.

We have not seen a specific impact of COVID-19 on our financial position as at December 31, 2021. Recent developments in the first quarter of 2022, as of the date of this Annual Report, also do not indicate specific impact of COVID-19 on our financial position. Our financial position, results and liquidity may be affected in the future by any further adverse developments related to COVID-19.

2. Basis of accounting

(a) Basis of presentation

The Company was incorporated on May 28, 2014 as an investment vehicle of investment funds affiliated with Elbrus Capital Private Equity Fund and Goldman Sachs ESSG.

On February 24, 2016 (the "Acquisition Date") the Company acquired 100% ownership interest in Headhunter FSU Limited, collectively with its subsidiaries referred to as "HeadHunter", from Mail.Ru Group Limited (LSE: MAIL) (the "Acquisition"). The Company had no material operations before the Acquisition Date and has succeeded to substantially all of the business of HeadHunter after the Acquisition.

The Acquisition was accounted for as a business combination using the acquisition method of accounting.

(b) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB"). These consolidated financial statements have not been prepared for the purpose of satisfying the statutory filing requirements of the Company.

(c) Going concern

The financial position of the Group, its cash flows, liquidity position and credit facilities are described in the primary statements and notes of these consolidated financial statements, including Note 21 in relation to the long-term loans and borrowings obtained by the Group in order to finance business combinations. In addition, Note 26 includes the Group's policies for managing its liquidity risk.

Despite the latest geopolitical developments, management reasonably assumes that the Group has adequate resources to continue its operations without significant disruptions for the foreseeable future, which is at least 12 months from the date when these consolidated financial statements were authorized for issue. Accordingly, they are satisfied that the consolidated financial statements should be prepared on a going concern basis. Please see also Notes 1(b), 1(c), 31. Management believes that there are no material uncertainties regarding going concern.

3. Functional and presentation currency

These consolidated financial statements are presented in Russian Roubles ("RUB"), which is the Company's functional and presentation currency. Financial information presented in RUB has been rounded to the nearest thousand, except when otherwise indicated.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

4. Changes in significant accounting policies

Changes applicable from January 1, 2021

The following new amendments are effective from January 1, 2021 but they do not have an effect on the Group's financial statements:

"COVID-19-Related Rent Concessions" - Amendment to IFRS 16;

"Interest Rate Benchmark Reform - Phase 2" - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

Changes applicable from January 1, 2020

The Group applied *Definition of a Business (Amendments to IFRS 3)* to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in Note 5. See also Note 8 for details of the Group's acquisition of a subsidiary during the year.

A number of other amendments to standards are effective from January 1, 2020 but they do not have a material effect on the Group's financial statements.

5. Significant accounting policies

The accounting policies have been applied consistently throughout the periods presented in these consolidated financial statements.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group (see (iii) below).

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

(ii) Non-controlling interests (NCI)

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

If, however, the LLC subsidiary's charter provides exit rights for its participants, then the participants interests classified as liability to NCI. All changes in liability to NCI are recognized in the profit and loss.

Change in the Group's interest in a subsidiary that do not result in a loss of control is accounted for as equity transaction.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with IFRS 9 depending on the level of influence retained.

(v) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. At the date of acquisition, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognized as goodwill. The goodwill is included within the carrying amount of the investment. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, until the date on which significant influence ceases.

Our investments in associate are generally designated as separate cash-generating unites ("CGUs"). The recoverable amount of these CGUs is determined based on a value in use calculation using appropriate financial models.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising in retranslation are recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to RUB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to RUB at monthly average exchange rates.

Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the foreign currency translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

(c) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

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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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The financial assets of the Group comprise trade and other receivables and cash and cash equivalents, which are classified as measured at amortized cost. Cash and cash equivalents comprise cash balances and call deposits.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group has not designated any financial liabilities at FVTPL and it has no current intention to do so.

(iii) Derecognition and modification

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

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The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion option;
- change in the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Changes in cash flows on existing financial assets or financial liabilities are not considered as modification, if they result from existing contractual terms, e.g. changes in interest rates effectively initiated by the Group due to changes in the Central Bank of Russia key rate, if the loan contract entitles the Group to prepay the loan without significant penalty.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Group currently has a legally enforceable right to set off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the Group and all counterparties.

(d) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

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Dividends

Dividends are recognized as a liability in the period in which they are declared.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented within category “Treasury shares” in the consolidated statements of changes in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in “Treasury shares” and the resulting surplus or deficit on the transaction is presented within “Share premium”.

(e) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within ‘Operating costs and expenses (exclusive of depreciation and amortization)’ in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

*Notes to the Consolidated Financial Statements**(in thousands of Russian Rubles, unless otherwise stated)*

The estimated useful lives for the current and comparative periods are as follows:

| | |
|--------------------------------|---|
| • core systems equipment | 2-5 years |
| • office equipment | 2-5 years |
| • furniture and fixtures | 2-5 years |
| • leasehold improvements | 3-5 years (the shorter of five years or the remaining period of the lease term) |
| • other property and equipment | 1-3 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(f) Intangible assets**(i) Goodwill**

Goodwill that arises on the acquisition of subsidiaries is included in intangible assets. For measurement of goodwill, see Note 15.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Intangible assets assumed in business combination

Identifiable intangible assets assumed in a business combination are initially recognized at fair value and subsequently measured at initially recognized amount less accumulated amortization and accumulated impairment losses. Such assets include, but are not limited to: brand name “hh.ru” (registered on March 11, 2011 with certificate № 431008), brand name “zarplata.ru” since 2020 (see Note 8) (registered on January 19, 2017 with certificate #602175), brand name “skillaz” since 2021 (see Note 8) (registered on February 15, 2021 with certificate #797909), web-sites, software “skillaz”, CV databases, and non-contractual customer relationships.

(iii) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The capitalised expenditures include direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in the profit or loss as incurred.

Subsequent to initial recognition, capitalised development expenditures are measured at cost less accumulated amortization and accumulated impairment losses.

In accordance with the policies above, the Group has capitalised expenditures related to development of the Group’s website software.

*Notes to the Consolidated Financial Statements**(in thousands of Russian Rubles, unless otherwise stated)***(iv) Other intangible assets**

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

(v) Subsequent expenditures

Subsequent expenditures are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in the profit or loss as incurred.

(vi) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

| | |
|---|------------|
| • CV database | 2-10 years |
| • non-contractual customer relationships | 5-10 years |
| • domain names | 10 years |
| • patents and trademarks | 5-10 years |
| • website software | 3 years |
| • software “skillaz” | 5 years |
| • corporate, office software, licences and others | 1-3 years |

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(g) Impairment**(i) Financial assets**

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECLs.

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When determining whether the credit risk of a financial asset 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 asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated annually or when events occur or circumstances change that would indicate the carrying value exceeds the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGU that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise the purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension period, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise purchase, extension or termination option or if there is a revised in-substance fixed lease payments.

When the lease liability is remeasured in this way, 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.

The Group presents right-of use assets and lease liabilities in separate lines in the consolidated statement of financial position.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee and which include renewal options. The Group considers the broader economics of the contract, not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is enforceable beyond the date on which the contract can be terminated. Due to the nature of leased assets and considering the useful life of leasehold improvements the Group analyzed contract arrangements and their economics and has not identified any special termination policies, incentives or renewal options that should impact the lease term.

The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Short-term leases

The Group has elected not to recognize right-of-use assets and lease liabilities of 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.

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(i) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

(j) Revenue

We earn revenue primarily from granting access to our CV database and displaying job advertisements on our web site. The payment terms for most contracts require a full prepayment. Unearned revenues are reported in the consolidated statement of financial position as contract liabilities.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

CV database access (before August 2020). We grant access to our CV database on a subscription basis for a period of time ranging from one day to twelve months. Revenue is recognized on a straight-line basis over the period of subscription. The Group ceased provision of this type of subscription in August 2020 due to replacement by the *CV database access with limited number of contact views*. However, revenue from the old service were recognised till the end of the subscription periods of all existing contracts, i.e. August 2021.

CV database access with limited number of contact views (from August 2020). The Group grants access to CV database and allows customers to open job-seekers contacts capped by a contractually stated limit on a subscription basis for the period of time ranging from one day to twelve months. In such subscriptions revenue is recognized based on the number of CV contacts viewed during the reporting period. The expected number of CV contact views made is estimated based on the historical data for specific categories of customers and is re-measured at each reporting date.

Job postings. Customers purchase a certain number of job postings and use them to post job advertisements on our web site when needed. Revenue from each job posting is recognized over the period of display of an advertisement on our web site on a straight-line basis.

Bundled subscriptions. In our Bundled Subscriptions the allocation of the consideration received between CV database access component and Job postings component is based on the relative standalone selling prices and expected usage of job postings at contract inception. The expected usage of job postings in our Bundled Subscriptions is estimated based on the historical data for specific categories of customers and is re-measured at each reporting date. Revenue attributable to CV database access component in the contracts entered before August 2020 is recognized over the period of subscription on a straight-line basis and in the contracts entered starting from August 2020 based on the number of CV contacts viewed during the reporting period. The expected usage of contact views is estimated based on the historical data for specific categories of customers and is re-measured at each reporting date. Revenue attributable to Job postings component is recognized over the period of display of a job posting on our website.

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Other value-added services ("VAS"). Revenue from other VAS primarily consists of display and context advertising, branded employer pages, online assessment, online education, eventing, as well as premium services for job seekers. Revenue from other value-added services is recognized when the services are rendered. In particular, revenue from cost-per-click advertising is recognized based on the number of impressions or clicks that have occurred over the reporting period, and revenue from time-based advertising is recognized on a straight-line basis over the period of display of a banner on our web site.

Starting March 31, 2021 the revenue from other VAS includes Skillaz' software offerings via a cloud-based IT environment ("SaaS") or on-premise IT environments. Revenue from Skillaz' software offerings via a cloud-based IT environment ("SaaS"), including related support and maintenance, is recognized on a straight-line basis over the period in which the cloud services are provided. Revenue from Skillaz' software offerings via on-premise IT environment is recognized at the point of time when the license is transferred to the client.

(k) Employee benefits

Employee benefits include short-term employee benefits, social taxes, share-based payments and other long-term employee benefits, and are disclosed in 'Personnel expenses' in Note 11.

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or other type of remuneration if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Social taxes and State pension fund

Social taxes represent the Group's payments to the State owned defined contribution plan under which an entity pays fixed contributions to the State and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Russia's State pension fund, are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(iii) Share-based payments

Equity-settled awards

The cost of equity-settled awards is based on the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 20.

The related cost is recognised in 'Personnel expenses' (see Note 11), together with a corresponding increase in equity (share premium), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled awards at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of income and comprehensive income for a period represents the movement in cumulative expense recognised between the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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Cash-settled awards

A liability is recognised for the fair value of cash-settled awards. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in 'Personnel expenses' (see Note 11). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using an appropriate valuation model.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(l) Finance income and costs

Finance income comprises mostly interest income on funds invested on deposit accounts and loans given. Interest income is recognized as it accrues in profit or loss.

Finance costs comprise interest expense on loans received, and other expenses related to financial activities.

Interest paid is classified as operating activity in the consolidated statements of cash flows.

(m) Foreign currency exchange gains and losses

Foreign currency exchange gains and losses are reported on a net basis.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(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. All operating segments' operating results (see Note 7), for which discrete financial information is available, are reviewed regularly by the Group's CEO and Board of directors to make decisions about resources to be allocated to the segment and assess its performance. Segment results that are reported to the CEO and Board of directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(p) Earnings per share

Net income 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.

(q) Basis of preparation and measurement

The consolidated financial statements have been prepared on the historical cost basis except for the liability for cash-settled awards (see Note 5(k)(iii)) and the call option (see Note 8(a)) which are measured at fair value on each reporting date, and assets acquired and liabilities assumed in the business combination which are measured at fair value at the date of acquisition (see Note 8).

6. Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about areas of estimation uncertainty and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the notes stated below.

(a) Key areas of estimation uncertainty and critical judgments:

- Note 15 "Intangible assets and goodwill" - goodwill impairment;
- Note 31 "Subsequent events" – going concern assessment.

(b) Other areas of estimation uncertainty and judgments:

- Note 8 "Business combination" – fair values of intangible assets and their estimated useful lives;
- Note 20 "Long-term Incentive Plans (LTIPs)" - grants under new "2021 RSU Plan";

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- Note 5(j) “Revenue” - recognition and measurement of revenue;
- Note 13 “Income taxes”, Note 28 “Contingencies” – provisions for income tax and tax contingencies;
- Note 16 “Equity-accounted investees” – impairment of investment in associate and determining the fair value of the option contracts;
- Note 25 “Provision” – provision for taxes, other than income tax.

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Operating segments

(a) Basis for segmentation

The chief operating decision-maker (CODM) of the Group is the Board of Directors and the Chief Executive Officer. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group’s operating segments are based on the geography of the Group’s operations or other subdivisions as presented in internal reporting to the CODM. In December 2020, we acquired 100% share in LLC “Zarplata.ru”, a job classified platform with a strong footprint in certain Russian regions, such as Siberia and the Urals. In March 2021, the Group obtained control over LLC “Skillaz”, a Russian HR technology company which automates and enhances recruitment processes by delivering sophisticated and flexible software as a service (“SaaS”) solutions (“Skillaz”). Before the acquisitions, our operating segments were “Russia”, “Belarus”, “Kazakhstan” and “Other Countries”. After the acquisitions, we further subdivided our operations in Russia into “Russia (hh.ru)” segment, representing all operations of our “Russia” segment before the acquisition, and “Russia (Zarplata.ru)” segment, representing operations by LLC “Zarplata.ru”, and added the “Skillaz” segment, representing operations by LLC “Skillaz”. Thus, our operating segments after the acquisitions are “Russia (hh.ru)”, “Russia (Zarplata.ru)”, “Belarus”, “Kazakhstan”, “Other Countries”, and “Skillaz”. As each operating segment other than “Russia (hh.ru)” individually comprises less than 10% of revenue, for reporting purposes we combine all operating segments other than “Russia (hh.ru)” into “Other segments” category.

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As financial results of LLC “Zarplata.ru” for the period from the acquisition date to December 31, 2020 were not material, they are not included in the consolidated statement of income and comprehensive income and in the ‘Operating segments’ note for the year ended December 31, 2020.

(b) Information about reportable segments

The CODM assesses the performance of the operating segments based on a measure of Segment Revenue and Segment Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (non-IFRS measure). Information related to each reportable segment is set out below.

The Group does not report total assets or total liabilities based on its operating segments.

Goodwill is allocated to reportable segments as described in Note 15. Intangible assets other than goodwill are allocated primarily to the “Russia(hh.ru)” and Other (in the part of Skillaz CGU and Zarplata.ru CGU - see Note 8) reportable segments.

| For the year ended December 31, 2021 | | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|------------------|--------------|------------------|
| | Russia (hh.ru) | Other segments | Total segments | Unallocated | Eliminations | Total |
| External revenue | 13,891,375 | 2,076,658 | 15,968,033 | — | — | 15,968,033 |
| Inter-segment revenue | 21,670 | 60,312 | 81,982 | — | (81,982) | — |
| External expenses | (5,547,518) | (1,441,886) | (6,989,404) | (318,289) | — | (7,307,693) |
| Inter-segment expenses | (59,878) | (21,224) | (81,102) | — | 81,102 | — |
| Segment EBITDA | 8,305,649 | 673,860 | 8,979,509 | (318,289) | (880) | 8,660,340 |

| For the year ended December 31, 2020 | | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|------------------|----------------|------------------|
| | Russia (hh.ru) | Other segments | Total segments | Unallocated | Eliminations | Total |
| External revenue | 7,724,264 | 557,843 | 8,282,107 | — | — | 8,282,107 |
| Inter-segment revenue | 3,981 | 9,587 | 13,568 | — | (13,568) | — |
| External expenses | (3,726,803) | (170,367) | (3,897,170) | (272,412) | — | (4,169,582) |
| Inter-segment expenses | (10,513) | (539) | (11,052) | — | 11,052 | — |
| Segment EBITDA | 3,990,929 | 396,524 | 4,387,453 | (272,412) | (2,516) | 4,112,525 |

| For the year ended December 31, 2019 | | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-----------------|--------------|------------------|
| | Russia (hh.ru) | Other segments | Total segments | Unallocated | Eliminations | Total |
| External revenue | 7,211,762 | 576,979 | 7,788,741 | — | — | 7,788,741 |
| Inter-segment revenue | 252 | 10,692 | 10,944 | — | (10,944) | — |
| External expenses | (3,480,172) | (202,636) | (3,682,808) | (94,072) | — | (3,776,880) |
| Inter-segment expenses | (10,806) | (378) | (11,184) | — | 11,184 | — |
| Segment EBITDA | 3,721,036 | 384,657 | 4,105,693 | (94,072) | 240 | 4,011,861 |

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(c) Reconciliation of information on reportable segments to IFRS measures

Reconciliation of consolidated profit before income tax to Segment EBITDA of the Group is presented below:

| | For the year ended December 31, | | |
|---|---------------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Consolidated profit before income tax | 6,867,605 | 2,571,597 | 2,225,448 |
| <i>Adjusted for:</i> | | | |
| Depreciation and amortization | 1,066,284 | 750,558 | 683,317 |
| Net finance costs | 416,471 | 350,216 | 526,516 |
| Gain on remeasurement of previously held interest in equity accounted investees (Note 8(a)) | (223,308) | — | — |
| Net foreign exchange (gain) /loss | (1,424) | (83,030) | 46,508 |
| IPO-related costs | — | — | 190,284 |
| SPO-related costs | 74,443 | 122,940 | — |
| Costs related to business combinations | 23,083 | 51,665 | — |
| Insurance cover related to IPO | — | 54,772 | 100,048 |
| LTIPs (Note 20) | 516,241 | 262,646 | 196,993 |
| Grant of shares to Board of Directors (including social taxes) (Note 29(b)) | 24,654 | 23,597 | 15,025 |
| Share of loss of equity-accounted investees (net of income tax) (Note 16) | 17,925 | 49,181 | 30,542 |
| One-off litigation settlements and legal costs | — | — | 17,734 |
| Other financing and transactional costs | 28,044 | — | 1,541 |
| Income from depositary (Note 24) | (58,226) | (41,617) | (22,095) |
| Write-off of expired tax risks and related indemnity | (91,452) | — | — |
| Segment EBITDA (as presented to the CODM) | 8,660,340 | 4,112,525 | 4,011,861 |

Reconciliation of consolidated operating costs and expenses (exclusive of depreciation and amortization) to Segment External expenses of the Group is presented below:

| | For the year ended December 31, | | |
|---|---------------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Consolidated operating costs and expenses (exclusive of depreciation and amortization) | 7,949,215 | 4,691,300 | 4,300,263 |
| <i>Adjusted for:</i> | | | |
| IPO-related costs | — | — | (190,284) |
| Insurance cover related to IPO | — | (54,772) | (100,048) |
| SPO-related costs | (74,443) | (122,940) | — |
| Costs related to business combinations | (23,083) | (51,665) | — |
| LTIPs (Note 20) | (516,241) | (262,646) | (196,993) |
| Grant of shares to the Board of Directors (including social taxes) (Note 29(b)) | (24,654) | (23,597) | (15,025) |
| One-off litigation settlements and legal costs | — | — | (17,734) |
| Other financing and transactional costs | (28,044) | — | (1,541) |
| Changes in put liability to non-controlling participants in subsidiary | 32,467 | — | — |
| Other | (7,524) | (6,098) | (1,758) |
| Segment External expenses (as presented to the CODM) | 7,307,693 | 4,169,582 | 3,776,880 |

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(d) Geographical information

The geographical information below analyses the Group's revenue by country of domicile of a customer, including the Group's principal country of operations and in all foreign countries.

| | For the year ended December 31, | | |
|--|---------------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Russia | 14,965,091 | 7,663,785 | 7,170,042 |
| All foreign countries, including: | 1,002,942 | 618,322 | 618,699 |
| Belarus | 459,289 | 301,208 | 343,964 |
| Kazakhstan | 443,557 | 256,564 | 232,990 |
| Other countries | 100,096 | 60,550 | 41,745 |
| | 15,968,033 | 8,282,107 | 7,788,741 |

(e) Major customers

In all reporting periods no customer represented 10% or more of the Group's total revenue.

8. Business combination

(a) LLC "Skillaz"

As at December 31, 2020 the Group had 25.01% ownership interest and option contracts to purchase an additional 40.01% ownership interest in LLC "Skillaz", a Russian HR technology company which automates routine recruitment processes by implementing complex built-to-suit integration projects ("Skillaz").

As of March 31, 2021, based on performance of Skillaz in the first quarter of 2021, its business plan and the resulting projected future cash flows, the exercise of the call options became beneficial for the Group. Given that the Group was exposed to variable returns from its involvement with the investee, as well as had the ability to use its power over the investee to affect the amount of those returns via potential substantive rights, the Group determined that it had obtained control over Skillaz as at March 31, 2021.

Accordingly, the Group ceased to account for its investment in Skillaz under the equity method and consolidated Skillaz as a subsidiary since March 31, 2021. For the purposes of the below disclosures the "acquisition date" is March 31, 2021.

On May 25, 2021 Board of Directors approved the exercise of the option contracts. On May 26, 2021 the option contracts were exercised.

The Group's previously held interest in Skillaz was measured at fair value as at the acquisition date, and the corresponding gain of 223,308 was recognized in the "Gain on remeasurement of previously held interest in equity accounted investees" line in the consolidated statement of income and comprehensive income for the year ended December 31, 2021.

Movement in the Group's previously held interest in Skillaz:

| | |
|--|----------------|
| Previously held interest at the equity method as at December 31, 2020 | 129,666 |
| Share of loss of equity-accounted investees (net of income tax) | (4,864) |
| Previously held interest at the equity method at control acquisition date | 124,802 |
| Fair value of previously held interest at control acquisition date | 348,110 |
| Gain on remeasurement of previously held interest at the fair value | 223,308 |

Notes to the Consolidated Financial Statements

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Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

| | |
|---|------------------|
| Cash consideration paid | 622,732 |
| The control acquisition date fair value of the Group's previously held interest | 348,110 |
| Financial assets at fair value through profit or loss | 59,999 |
| Total consideration transferred | 1,030,841 |

Cash outflow related to the acquisition for the year ended December 31, 2021 was as follows:

| | |
|--|------------------|
| Cash consideration transferred | (622,732) |
| Cash acquired | 66,524 |
| Net cash outflow on acquisition | (556,208) |

The fair value of the call option was 59,999 at acquisition date (as of December 31, 2020 - 25,491). The corresponding gain of 34,508 is included within "Finance income" in the consolidated statement of income and comprehensive income for the year ended December 31, 2021 (see Note 12(a)). Key assumptions used in the Black Scholes Merton ("BSM") pricing model were as follows:

- a) as at December 31, 2020: expected volatility - 38%, risk-free interest rate - 3.9%
- b) at control acquisition date: expected volatility - 38%, risk-free interest rate - 4.8%

Identifiable assets acquired and liabilities assumed

As of December 31, 2021 the Group finalised purchase price allocation for Skillaz acquisition. The fair values of the identifiable assets and liabilities as at the date of control acquisition were as follows:

| | |
|---|------------------|
| Assets | |
| Intangible assets | 609,420 |
| Property and equipment | 3,436 |
| Trade and other receivables | 3,223 |
| Prepaid expenses and other current assets | 3,555 |
| Loans issued | 3,224 |
| Cash and cash equivalents | 66,524 |
| | 689,382 |
| Contract liabilities (non-current) | 134,004 |
| Contract liabilities (current) | 36,908 |
| Trade and other payables | 40,362 |
| Loans and borrowings | 50,000 |
| | 261,274 |
| Total net assets | 428,108 |
| The amount of non-controlling interest measured at the proportionate share of the identifiable net assets | (149,752) |
| Goodwill arising on acquisition | 752,485 |
| Purchase consideration | 1,030,841 |

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Goodwill is mainly attributable to the potential of Skillaz to further enhance its position in the Applicants Tracking Systems market, as well as prospects of potential synergies expected to arise in the future and are not separately recognised. Goodwill is equal to the difference between fair value of net assets acquired in the business combination excluding the amount of non-controlling interest measured at the proportionate share of the identifiable net assets and the purchase consideration transferred. Goodwill is allocated predominantly to Skillaz CGU. Goodwill is not expected to be deductible for income tax purposes.

The recoverable amount of Skillaz CGU represented its fair value less costs of disposal on the basis of company valuation performed by external appraisers as part of the acquisition accounting (Level 3) as at acquisition date. The key assumptions used in the fair value estimation represented management's assessment of future trends in CGU'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 CGU's five-year business plan and based on the following key assumptions: revenue annual average growth rate, terminal growth rate and discount rate. The pre-tax discount rate applied to the cash flow projections is 21.3%, the terminal growth rate for the free cash flows is 2.5% and the average annual revenue growth rate in the five-year period is 45.7%. When estimating the fair value of previously held interest in Skillaz as at acquisition date, discount for the lack of control of 12.8% was applied to the company valuation.

The Group determined the fair value of Skillaz's software, non-contractual customer relationships and other intangible assets and recognized them as intangible assets of 609,420. Skillaz applies a tax exemption under Russian tax legislation which is expected to be in force during the useful lives of all net assets identified. Therefore, no deferred tax liability is assumed on the difference between the fair value and the tax base of the intangible assets identified.

The fair value of the trade and other receivables is 3,223. The gross amount of trade receivables is 8,004 and bad debt provision is recognized of 4,781.

Measurement of fair values

The fair values of the material assets acquired have been calculated using the following valuation techniques (Level 3 of fair value hierarchy):

| Assets acquired | Valuation technique |
|--|---|
| Developed software | <i>Multi-period excess earnings method:</i> The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the asset, by excluding any cash flows related to contributory assets. |
| Non-contractual customer relationships | <i>Multi-period excess earnings method:</i> The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets. |

The Group exercised significant judgments in the accounting for the business combination. The most significant judgments related to the determination of fair values of intangible assets and their estimated useful lives. In determining the fair values of the intangible assets management made assumptions on the timing and the amounts of the Skillaz' future cash flows, applicable growth rates and discount factors.

For the period from March 31, 2021 till December 31, 2021 Skillaz contributed revenue of RUB 255 million and net loss before tax of RUB 200 million of the Group's results. If the combination had occurred on January 1, 2021, revenue from continuing operations of the Group for the year ended December 31, 2021 would have been approximately RUB 16,039 million and profit before tax from continuing operations for the Group would have been approximately RUB 6,821 million. In determining these amounts, management assumed that the fair value adjustments, that arose on the date of acquisition, would have been the same if the acquisition had occurred on January 1, 2021.

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Acquisition of additional interest in Skillaz

On June 28, 2021 the Group increased its share in Skillaz by 9.97% to 74.99% for total cash consideration of 155,177. The difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid of 123,010 was reflected in the retained earnings attributable to the owners of the Group in the consolidated statement of changes in equity for the year ended December 31, 2021.

(b) LLC “Zarplata.ru”

On December 25, 2020, the Group acquired 100% of the issued charter capital and voting interests of LLC Zarplata.ru (“Zarplata”) from Hearst Shkulev Digital Regional Network B.V. Zarplata is a job classified platform operating in certain Russian regions, such as Siberia and the Urals. It was formed by consolidating local city portals, which has created high local brand recognition and means that Zarplata has a significant share of organic traffic.

The net assets of Zarplata recognised in the consolidated financial statements for the year ended December 31, 2020 were based on a provisional assessment of their fair value.

During the year ended December 31, 2021 the Group finalised the purchase price allocation for acquisition of Zarplata. Management has engaged independent experts to assist the Group in its determination of the final fair values of the assets acquired.

As a result, the valuation of the non-contractual customer relationships was updated and the acquisition date fair value of non-contractual customer relationships was 528,772, a decrease of 53,694 over the provisional value. The calculation of the tax base of acquired intangible assets was updated, which resulted in a decrease in the deferred tax liability of 47,818. There was also a corresponding increase in goodwill of 5,876, resulting in 2,918,486 of total goodwill arising on the acquisition.

The 2020 comparative information was revised to reflect the adjustment to the provisional amounts. The decreased amortisation charge on the non-contractual customer relationships from the date of acquisition to December 31, 2020 was not material.

The final fair values of the identifiable assets and liabilities of Zarplata at the date of acquisition were as follows:

| | <u>Fair values</u> |
|---|--------------------|
| Assets | |
| Intangible assets | 1,094,227 |
| Property and equipment | 10,601 |
| Deferred tax assets | 8,420 |
| Trade and other receivables | 6,746 |
| Indemnification asset | 186,473 |
| Prepaid expenses and other current assets | 42,125 |
| Cash and cash equivalents | 95,701 |
| | 1,444,293 |
| Liabilities | |
| Contract liabilities | 74,731 |
| Trade and other payables | 27,210 |
| Income tax payable | 86,695 |
| Provisions | 488,646 |
| Deferred tax liability | 180,791 |
| | 858,073 |
| Goodwill | 2,918,486 |
| Purchase consideration | 3,504,706 |

*Notes to the Consolidated Financial Statements**(in thousands of Russian Rubles, unless otherwise stated)*

The goodwill represents potential of Zarplata to further enhance its position in Russian regions, as well as the value of any synergies expected to arise in the future that are not separately recognised. Goodwill is equal to the difference between fair value of net assets acquired in the business acquisition and the purchase consideration transferred. Goodwill is allocated predominantly to Zarplata CGU. Goodwill recognised is not expected to be deductible for income tax purposes.

The Group incurred acquisition-related costs of 51,665 presented by external legal fees and due diligence costs. These costs were included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in the consolidated statement of income and comprehensive income for the year ended December 31, 2020.

Consideration transferred

| | |
|--|-------------------------|
| Cash paid | 3,100,000 |
| Contingent consideration payable | 404,706 |
| Total consideration transferred | <u>3,504,706</u> |

Cash outflow related to the acquisition for the year ended December 31, 2020 was as follows:

| | |
|--|---------------------------|
| Cash consideration transferred | (3,100,000) |
| Cash acquired | 95,701 |
| Net cash outflow on acquisition | <u>(3,004,299)</u> |

Contingent consideration payable as at acquisition date consists of (a) 216,764 payable subject to customary closing conditions, and (b) 187,942 payable over 4-year period subject to certain historical tax risks identified in Zarplata not being realised.

To determine the fair value of the consideration stipulated in item (b), we discounted future cash flows over the 4-year period. The fair value of the consideration payable stipulated in item (b) as at acquisition date is 187,942. The undiscounted value of the consideration payable stipulated in item (b) as at acquisition date is 203,796.

The customary closing conditions were fulfilled and the payment of 216,764, which is stipulated in item (a), was settled as of March 31, 2021. Also the payment of 17,000, which is included in the consideration stipulated in item (b), was settled in February 2021, as the specified tax risks have not been realised. The fair value of the consideration payable stipulated in item (b) as at reporting date is 177,503. The undiscounted value of the consideration payable stipulated in item (b) as at reporting date is 185,111.

Based on current assessment of the historical tax risks, as at December 31, 2021 it is probable that the outstanding amount payable in item (b) will be settled.

The Group determined the fair value of Zarplata's software, trademarks, client base, CV database and recognized as intangible assets as 1,094,227.

The fair value of the trade and other receivables is 6,746. The gross amount of trade receivables is 8,760 and it is expected that the full contractual amounts can be collected.

Deferred tax liability represents deferred tax on the temporary difference related to identified intangible assets.

The Company identified certain tax risks pertaining to Zarplata.ru and the unfavorable outcome of most of them is assessed as possible, while others are considered as probable. The share purchase agreement commits the seller to reimburse part of the losses incurred, suffered or sustained by the Company in respect of this matter during the four years from the date of the agreement. The Company made a provision for these tax risks, both probable and possible (included in Income tax payable and Provisions), of 586,100 as at acquisition date and 432,626 as of December 31, 2021 and a related indemnification asset at fair value of 186,473 as at acquisition date and 117,844 as of December 31, 2021.

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If the combination had occurred on January 1, 2020, revenue from continuing operations of the Group for the year ended December 31, 2020 would have been approximately RUB 9,062 million, and profit before tax from continuing operations for the Group would have been approximately RUB 2,562 million. In determining these amounts, management assumed that the fair value adjustments, that arose on the date of acquisition, would have been the same if the acquisition had occurred on January 1, 2020.

Measurement of fair values

The fair values of the material assets acquired have been calculated using the following valuation techniques (Level 3 of fair value hierarchy):

| Assets acquired | Valuation technique |
|--|---|
| Trademark and domain names | <i>Relief-from-royalty method:</i> The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. |
| Non-contractual customer relationships | <i>Multi-period excess earnings method:</i> The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets. |
| CV Database | <i>Cost method:</i> This approach seeks to determine how much an asset would cost to replace. |
| Websites | <i>Cost method:</i> This approach seeks to determine how much an asset would cost to replace. |

The Group exercised significant judgments in the accounting for the business combination. The most significant judgments related to the determination of fair values of intangible assets and their estimated useful lives as well as fair values of income tax and other taxes provisions and related indemnification asset. In determining of the fair values of the intangible assets management made assumptions on the timing and the amounts of the Zarplata's future cash flows, applicable growth rates and discount factors, expected attrition rates of the customer relationships and comparable royalty rates for similar businesses. In determining fair values of tax provisions, deferred tax liabilities and indemnification asset management made assumptions in relation to probability, base amounts and applicable rates of taxation. Certain key assumptions are further disclosed in Note 15.

9. Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the owners of the Company by the weighted average number of ordinary shares of the Company outstanding over the period.

On May 8, 2020 the Company issued 317,860 new shares, bringing the total number of issued ordinary shares to 50,317,860, and settled with this issue the 18.75% of the awards which vested on the first anniversary of the IPO under the 2016 HeadHunter Unit Option Plan. See Note 20(a)(i).

On May 14, 2021 the Company issued 317,860 new shares, bringing the total number of issued ordinary shares to 50,635,720 as of December 31, 2021, and settled with this issue the 18.75% of the awards which vested on the second anniversary of the IPO under the 2016 HeadHunter Unit Option Plan. See Note 20(a)(i).

Diluted earnings per share are calculated by dividing the net income attributable to the owners of the Company by the weighted average number of ordinary shares outstanding over the period plus number of ordinary shares that would be issued if all existing convertible instruments, if any, were converted.

Under the 2016 HeadHunter Unit Option Plan, the Company may issue up to 1,271,436 new shares to settle the awards provided by the plan over the period of 4 years from the date of the IPO (see Note 20(a)(i)), of which 635,720 shares have already been issued, 23,126 shares have been forfeited and the remaining 612,590 shares may be issued after December 31, 2021.

Under the 2018 HeadHunter Unit Option Plan, the Company may issue new shares to settle the awards provided in the plan over the period of 7 years from the grant date (see Note 20(a)(ii)) depending on share price performance; if on December 31, 2021 all units would vest, 513,612 new shares would have been issued.

Also, as of December 31, 2021 the Company may issue up to 42,534 new shares over next 3 year period as part of the remuneration of its Board of Directors.

Accordingly, 1,659,800 new shares may be issued by the Company in total as of December 31, 2021 in relation to the Long-term Incentive Plans (LTIPs) and Board of Directors remuneration agreements (as of December 31, 2020 – 1,358,914 shares, as of December 31, 2019 – 1,514,114 shares).

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

10. Revenue

(a) Disaggregation of revenue from contracts with customers

| | For the year ended December 31, | | | | | | | | |
|-----------------------|---------------------------------|----------------------|-----------|----------------------|-----------|---------|----------------------|-----------|---------|
| | 2021 | | | 2020 | | | 2019 | | |
| | Total other segments | | | Total other segments | | | Total other segments | | |
| | Russia (hh.ru) | Russia (Zarplata.ru) | Other | Total segments | Russia | Other | Total segments | Russia | Other |
| Bundled Subscriptions | 3,787,713 | 276,535 | 65,823 | 4,130,071 | 2,332,272 | 40,195 | 2,372,467 | 2,154,831 | 69,120 |
| CV Database Access | 2,740,223 | 109,917 | 410,374 | 3,260,514 | 1,538,702 | 273,543 | 1,812,245 | 1,508,085 | 253,643 |
| Job Postings | 6,194,180 | 390,455 | 378,719 | 6,963,354 | 3,134,522 | 207,703 | 3,342,225 | 2,900,678 | 211,510 |
| Other VAS | 1,169,259 | 141,361 | 303,474 | 1,614,094 | 718,768 | 36,402 | 755,170 | 648,168 | 42,706 |
| Total revenue | 13,891,375 | 918,268 | 1,158,390 | 15,968,033 | 7,724,264 | 557,843 | 8,282,107 | 7,211,762 | 576,979 |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

In the following table, revenue from contracts with customers of “Russia (hh.ru)” and “Russia (Zarplata.ru)” operating segments is disaggregated by type of customer:

| | For the year ended December 31, | | |
|---|---------------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Key Accounts in Russia | | | |
| <i>Moscow and St.Petersburg</i> | 3,868,460 | 2,156,248 | 1,981,959 |
| <i>Other regions of Russia</i> | 1,422,118 | 815,323 | 664,649 |
| Sub-total | 5,290,578 | 2,971,571 | 2,646,608 |
| Small and Medium Accounts in Russia | | | |
| <i>Moscow and St.Petersburg</i> | 4,881,678 | 2,526,381 | 2,579,517 |
| <i>Other regions of Russia</i> | 4,035,679 | 1,825,497 | 1,614,359 |
| Sub-total | 8,917,357 | 4,351,878 | 4,193,876 |
| Foreign customers of Russia segment | 95,272 | 57,822 | 41,385 |
| Other customers in Russia | 506,436 | 342,993 | 329,893 |
| Total for “Russia” operating segment | 14,809,643 | 7,724,264 | 7,211,762 |

The revenue arising from non-monetary exchanges of services with customers included in the table above is 77,763 for the year ended December 31, 2021, 43,397 for the year ended December 31, 2020 and 50,804 for the year ended December 31, 2019.

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

| | Note | As at December 31, | |
|--|------|--------------------|-----------|
| | | 2021 | 2020 |
| Receivables, which are included in “Trade and other receivables” | 17 | 141,125 | 61,028 |
| Contract liabilities | | 4,644,839 | 2,785,402 |

The contract liabilities primarily relate to the advance consideration received from customers for granting access to our CV database and displaying job advertisements on our web site, for which revenue is recognised when performance obligations are met.

Increase in contract liabilities is explained primarily by growth of our revenues. The increasing number of contracts with customers and their value translates into increase in prepayments made by customers, thus contract liabilities increase.

The amount of 2,619,549 recognised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended December 31, 2021 (for the year ended December 31, 2020 – 2,196,418).

The revenue recognised for the year ended December 31, 2021 from performance obligations satisfied (or partially satisfied) in previous periods is 20,649 (for the year ended December 31, 2020 – 10,662). This is mainly due to changes in the estimate of the expected usage of job postings in our Bundled Subscriptions.

No information is provided about remaining performance obligations as at December 31, 2021 that have an original expected duration of one year or less, as allowed by IFRS 15.

11. Operating costs and expenses (exclusive of depreciation and amortization)

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(in thousands of Russian Rubles, unless otherwise stated)

| | For the year ended December 31, | | |
|--|------------------------------------|--------------------|--------------------|
| | 2021 | 2020 | 2019 |
| Personnel expenses | (4,183,569) | (2,579,958) | (2,234,309) |
| Marketing expenses | (2,113,439) | (1,105,247) | (1,046,678) |
| Subcontractor and other costs related to provision of services | (430,276) | (194,644) | (186,337) |
| Office rent and maintenance | (306,116) | (176,672) | (206,501) |
| Professional services | (470,918) | (335,681) | (347,963) |
| Insurance services | (169,537) | (181,047) | (111,251) |
| Hosting and other website maintenance | (81,471) | (46,325) | (40,421) |
| Other operating expenses | (193,889) | (71,726) | (126,803) |
| Operating costs and expenses (exclusive of depreciation and amortization) | (7,949,215) | (4,691,300) | (4,300,263) |

Contributions to state pension funds recognised within “Personnel expenses” is 602,977 for the year ended December 31, 2021, 375,977 for the year ended December 31, 2020 and 291,211 for the year ended December 31, 2019.

12. Finance income and costs

(a) Finance income

| | For the year ended December 31, | | |
|---|------------------------------------|---------------|---------------|
| | 2021 | 2020 | 2019 |
| Interest on term deposits | 204,497 | 51,857 | 76,202 |
| Interest accrued on loans to related parties (Note 29(c)) | 782 | 947 | — |
| Interest accrued on loan to third party | 2,807 | — | — |
| Net gain on financial assets measured at fair value through profit and loss (Note 8(a)) | 34,508 | 150 | — |
| Other interest income | 514 | 6,375 | 562 |
| Total finance income | 243,108 | 59,329 | 76,764 |

(b) Finance costs

| | For the year ended December 31, | | |
|---|------------------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Interest accrued on bank loan (Note 21(a)) | (342,425) | (357,377) | (559,527) |
| Interest accrued on non-convertible bonds (Note 21(b)) | (270,442) | (12,543) | — |
| Interest accrued on lease liabilities (Note 23) | (20,466) | (26,334) | (32,941) |
| Interest accrued on loans from related parties (Note 29(c)) | (572) | — | — |
| Interest accrued on other loan | — | — | (6,391) |
| Other interest costs | (25,674) | (13,291) | (4,421) |
| Total finance costs | (659,579) | (409,545) | (603,280) |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

13. Income taxes

(a) Amounts recognized in profit or loss

As the Group generates most of its revenues and profits from operations in Russia, the Group's applicable tax rate is the Russian corporate income tax rate of 20%.

| | For the year ended December 31, | | |
|---|------------------------------------|------------------|--------------------|
| | 2021 | 2020 | 2019 |
| Current tax expense: | | | |
| Current year | (1,935,291) | (873,925) | (923,760) |
| Reversal of provision for uncertain income tax positions | 221,700 | 92,012 | 110,708 |
| Recognition of provision for uncertain income tax positions | (31,332) | (4,044) | (447,034) |
| Total current tax expense | (1,744,923) | (785,957) | (1,260,086) |
| Deferred tax reversal: | | | |
| Origination and reversal of temporary differences | 370,089 | 100,185 | 168,630 |
| Reversal of deferred tax on unremitted earnings | — | — | 447,034 |
| Total deferred tax reversal | 370,089 | 100,185 | 615,664 |
| Total income tax expense | (1,374,834) | (685,772) | (644,422) |

In June 2019, the Group reversed its deferred tax liability on unremitted earnings of 447,034 and recognized provision for uncertain tax positions of 447,034 due to change in the parent company tax residency status (see Note 1(a)) and applicable income tax rate on dividends and based on the Group interpretations of tax laws.

(b) Income tax payable

| | December 31, 2021 | December 31, 2020 |
|--|----------------------|----------------------|
| Current income tax payable | 202,112 | 55,921 |
| Provision for uncertain income tax positions (Notes 13(a), 8(b)) | 155,443 | 345,812 |
| Total income tax payable | 357,555 | 401,733 |

(c) Reconciliation of effective tax rate

| | For the year ended December 31, | | |
|---|---------------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Profit before income tax | 6,867,605 | 2,571,597 | 2,225,448 |
| Income tax at 20% tax rate | (1,373,521) | (514,319) | (445,090) |
| Effect of tax rates in foreign jurisdictions | 2,920 | 3,878 | (23,408) |
| Withholding tax on intra-group dividends | (14,643) | (15,771) | (77,516) |
| Reversal/(recognition) of provision for uncertain income tax positions | 221,700 | 92,012 | 137,952 |
| Non-taxable gain on remeasurement of previously held interest in equity accounted investees | 44,662 | — | — |
| Unrecognized deferred tax asset | (101,829) | (134,495) | (113,047) |
| Non-deductible interest expense | — | — | (18,421) |
| Non-deductible expenses related to LTIPs | (56,662) | (52,465) | (35,485) |
| Effect of tax exemption in subsidiary | (43,008) | — | — |
| Other net non-deductible expense | (54,453) | (64,612) | (69,407) |
| Total income tax expense | (1,374,834) | (685,772) | (644,422) |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

(d) Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | December 31, 2021 | December 31, 2020* |
|--|----------------------|-----------------------|
| <i>Deferred tax assets:</i> | | |
| Contract liabilities | 329,221 | 140,143 |
| Unused vacation accruals | 21,942 | 11,567 |
| Employee benefits | 37,799 | 30,502 |
| Trade and other payables | 15,210 | 6,408 |
| Right-of-use assets and lease liabilities | 5,251 | 5,452 |
| Intangible assets | 4,244 | 7,883 |
| Property and equipment | 2,149 | — |
| Tax benefit from LTIPs - income | 46,586 | — |
| Tax benefit from LTIPs - equity | 12,445 | — |
| Deferred tax assets netting | (22,957) | (25,627) |
| Total deferred tax assets | 451,890 | 176,328 |
| <i>Deferred tax liabilities:</i> | | |
| Property and equipment | — | (4,478) |
| Intangible assets | (572) | (4,918) |
| Intangible assets identified on acquisitions | (515,369) | (610,436) |
| Loans and borrowings | (11,383) | (16,947) |
| Deferred tax liabilities netting | 22,957 | 25,627 |
| Total deferred tax liabilities | (504,367) | (611,152) |
| Net deferred tax liability | (52,477) | (434,824) |

* Certain amounts shown here do not correspond to the consolidated financial statements for the year ended December 31, 2020 and reflect adjustments made, refer to Note 8(b).

Unrecognized deferred tax assets as at December 31, 2021 were 669,664 (as at December 31, 2020 – 567,835). They relate to tax losses of the Group's subsidiaries. The tax losses do not expire under current Russian tax legislation. Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profit will be available against which the Group's subsidiaries can utilise the benefits therefrom.

(e) Movement in deferred tax balances

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

| | January 1, 2021 | Recognized in profit or loss | Recognized in equity | Effect of movement in exchange rates | December 31, 2021 |
|---|--------------------|---------------------------------|-------------------------|--|----------------------|
| Property and equipment | (4,478) | 6,629 | — | (2) | 2,149 |
| Intangible assets | (607,471) | 95,799 | — | (25) | (511,697) |
| Unused vacation accruals | 11,567 | 10,411 | — | (36) | 21,942 |
| Employee benefits | 30,502 | 7,321 | — | (24) | 37,799 |
| Contract liabilities | 140,143 | 189,179 | — | (101) | 329,221 |
| Trade and other payables | 6,408 | 8,798 | — | 4 | 15,210 |
| Loans and borrowings | (16,947) | 5,564 | — | — | (11,383) |
| Right-of-use assets and lease liabilities | 5,452 | (198) | — | (3) | 5,251 |
| Tax benefit from LTIPs - income | — | 46,586 | — | — | 46,586 |
| Tax benefit from LTIPs - equity | — | — | 12,445 | — | 12,445 |
| Net deferred tax liability | (434,824) | 370,089 | 12,445 | (187) | (52,477) |

| | January 1, 2020 | Recognized in profit or loss | Acquired in business combination* | Effect of movement in exchange rates | December 31, 2020* |
|---|--------------------|---------------------------------|---|--|-----------------------|
| Property and equipment | (9,696) | 5,473 | (260) | 5 | (4,478) |
| Intangible assets | (522,280) | 87,695 | (172,907) | 21 | (607,471) |
| Unused vacation accruals | 8,614 | 2,870 | 24 | 59 | 11,567 |
| Employee benefits | 13,323 | 16,438 | 731 | 10 | 30,502 |
| Contract liabilities | 135,203 | 4,809 | — | 131 | 140,143 |
| Trade and other payables | 7,728 | (1,464) | 41 | 103 | 6,408 |
| Loans and borrowings | — | (16,947) | — | — | (16,947) |
| Right-of-use assets and lease liabilities | 4,139 | 1,311 | — | 2 | 5,452 |
| Net deferred tax liability | (362,969) | 100,185 | (172,371) | 331 | (434,824) |

* Certain amounts shown here do not correspond to the consolidated financial statements for the year ended December 31, 2020 and reflect adjustments made, refer to Note 8(b).

14. Property and equipment

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

| | Servers and computers | Office equipment, furniture and other | Leasehold improvements | Total |
|--|----------------------------------|--|-----------------------------------|-----------------------|
| Cost | | | | |
| Balance at January 1, 2021 | 202,129 | 293,035 | 285,883 | 781,047 |
| Acquisition through business combinations (Note 8) | — | 3,436 | — | 3,436 |
| Additions | 75,667 | 69,831 | 5,325 | 150,823 |
| Disposals | (3,890) | (75,867) | (6,933) | (86,690) |
| Foreign currency translation difference | — | (95) | (11) | (106) |
| Balance at December 31, 2021 | <u>273,906</u> | <u>290,340</u> | <u>284,264</u> | <u>848,510</u> |
| Depreciation | | | | |
| Balance at January 1, 2021 | 94,071 | 144,150 | 76,101 | 314,322 |
| Depreciation for the year | 45,619 | 79,962 | 71,262 | 196,843 |
| Disposals | (3,890) | (75,729) | (6,933) | (86,552) |
| Foreign currency translation difference | — | (81) | (8) | (89) |
| Balance at December 31, 2021 | <u>135,800</u> | <u>148,302</u> | <u>140,422</u> | <u>424,524</u> |
| Net book value | | | | |
| At December 31, 2021 | <u>138,106</u> | <u>142,038</u> | <u>143,842</u> | <u>423,986</u> |

| | Servers and computers | Office equipment, furniture and other | Leasehold improvements | Total |
|--|----------------------------------|--|-----------------------------------|-----------------------|
| Cost | | | | |
| Balance at January 1, 2020 | 174,157 | 215,484 | 209,731 | 599,372 |
| Acquisition through business combinations (Note 8) | 4,843 | 5,758 | — | 10,601 |
| Additions | 23,390 | 77,728 | 76,125 | 177,243 |
| Disposals | (261) | (6,124) | — | (6,385) |
| Foreign currency translation difference | — | 189 | 27 | 216 |
| Balance at December 31, 2020 | <u>202,129</u> | <u>293,035</u> | <u>285,883</u> | <u>781,047</u> |
| Depreciation | | | | |
| Balance at January 1, 2020 | 64,523 | 87,468 | 17,637 | 169,628 |
| Depreciation for the year | 29,809 | 62,146 | 58,457 | 150,412 |
| Disposals | (261) | (5,604) | — | (5,865) |
| Foreign currency translation difference | — | 140 | 7 | 147 |
| Balance at December 31, 2020 | <u>94,071</u> | <u>144,150</u> | <u>76,101</u> | <u>314,322</u> |
| Net book value | | | | |
| At December 31, 2020 | <u>108,058</u> | <u>148,885</u> | <u>209,782</u> | <u>466,725</u> |

15. Intangible assets and goodwill

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

| | Goodwill | CV database | Non-contractual customer relationships | Trademarks and domains | Website software | Patents and copyrights | Other software, licenses and other | Total |
|--|-------------------|----------------|--|------------------------|------------------|------------------------|------------------------------------|-------------------|
| Cost | | | | | | | | |
| Balance at January 1, 2021 | 9,881,100 | 737,913 | 2,572,532 | 1,902,437 | 212,508 | 6,473 | 77,491 | 15,390,454 |
| Acquisition through business combinations (Note 8) | 752,485 | — | 39,273 | 212 | 566,384 | — | 3,551 | 1,361,905 |
| Additions arising from internal development | — | — | — | — | 17,998 | — | — | 17,998 |
| Other additions | — | — | — | 33 | 5,212 | 3,667 | 90,685 | 99,597 |
| Disposals | — | — | — | — | (27,063) | (2,741) | (57,887) | (87,691) |
| Foreign currency translation difference | (3,224) | — | — | 113 | (128) | — | (31) | (3,270) |
| Balance at December 31, 2021 | 10,630,361 | 737,913 | 2,611,805 | 1,902,795 | 774,911 | 7,399 | 113,809 | 16,778,993 |
| Amortization | | | | | | | | |
| Balance at January 1, 2021 | — | 299,287 | 987,817 | 735,559 | 46,992 | 5,913 | 47,521 | 2,123,089 |
| Amortization for the year | — | 103,165 | 271,980 | 190,220 | 152,668 | 2,100 | 67,959 | 788,092 |
| Disposals | — | — | — | — | (27,063) | (2,726) | (57,887) | (87,676) |
| Foreign currency translation difference | — | — | — | 14 | (1) | — | (21) | (8) |
| Balance at December 31, 2021 | — | 402,452 | 1,259,797 | 925,793 | 172,596 | 5,287 | 57,572 | 2,823,497 |
| Net book value | | | | | | | | |
| At December 31, 2021 | 10,630,361 | 335,461 | 1,352,008 | 977,002 | 602,315 | 2,112 | 56,237 | 13,955,496 |

| | Goodwill* | CV database | Non-contractual customer relationships* | Trademarks and domains | Website software | Patents and copyrights | Other software, licenses and other | Total |
|--|------------------|----------------|---|------------------------|------------------|------------------------|------------------------------------|-------------------|
| Cost | | | | | | | | |
| Balance at January 1, 2020 | 6,954,183 | 635,605 | 2,043,760 | 1,526,889 | 163,466 | 5,735 | 88,743 | 11,418,381 |
| Acquisition through business combinations (Note 8) | 2,918,486 | 102,308 | 528,772 | 375,724 | 82,549 | — | 4,874 | 4,012,713 |
| Additions arising from internal development | — | — | — | — | 15,040 | — | — | 15,040 |
| Other additions | — | — | — | — | 10,973 | 1,588 | 56,053 | 68,614 |
| Disposals | — | — | — | — | (59,545) | (874) | (72,265) | (132,684) |
| Foreign currency translation difference | 8,431 | — | — | (176) | 25 | 24 | 86 | 8,390 |
| Balance at December 31, 2020* | 9,881,100 | 737,913 | 2,572,532 | 1,902,437 | 212,508 | 6,473 | 77,491 | 15,390,454 |
| Amortization | | | | | | | | |
| Balance at January 1, 2020 | — | 235,725 | 783,441 | 583,022 | 73,713 | 4,440 | 50,440 | 1,730,781 |
| Amortization for the year | — | 63,562 | 204,376 | 152,559 | 32,824 | 2,333 | 69,309 | 524,963 |
| Disposals | — | — | — | — | (59,545) | (860) | (72,265) | (132,670) |
| Foreign currency translation difference | — | — | — | (22) | — | — | 37 | 15 |
| Balance at December 31, 2020* | — | 299,287 | 987,817 | 735,559 | 46,992 | 5,913 | 47,521 | 2,123,089 |
| Net book value | | | | | | | | |
| At December 31, 2020* | 9,881,100 | 438,626 | 1,584,715 | 1,166,878 | 165,516 | 560 | 29,970 | 13,267,365 |

* Certain amounts shown here do not correspond to the consolidated financial statements for the year ended December 31, 2020 and reflect adjustments made, refer to Note 8 (b).

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Impairment test

Goodwill as at December 31, 2021 of 10,630,361 (as at December 31, 2020* – 9,881,100) is attributable to the acquisition of 100% ownership interest in HeadHunter in 2016, the acquisition of 100% ownership interest in Zarplata in December 2020 (see Note 8(b)), and the acquisition of 65.02% ownership interest in Skillaz in the first quarter of 2021 (see Note 8(a)).

Carrying amount of goodwill allocated to each of the CGUs:

| | December 31, 2021 | December 31, 2020* |
|--|----------------------|-----------------------|
| HeadHunter “Russia” operating segment | 6,607,362 | 6,607,362 |
| HeadHunter “Kazakhstan” operating segment | 171,792 | 178,380 |
| HeadHunter “Belarus” operating segment | 180,236 | 176,872 |
| Zarplata operating segment (see Note 8(b)) | 2,918,486 | 2,918,486 |
| Skillaz operating segment (see Note 8(a)) | 752,485 | — |
| Total goodwill | 10,630,361 | 9,881,100 |

* Certain amounts shown here do not correspond to the consolidated financial statements for the year ended December 31, 2020 and reflect adjustments made, refer to Note 8(b).

At December 31, 2021 management estimated the recoverable amount of the Group’s cash-generating units (“CGU”).

The recoverable amount of the HeadHunter CGUs represented its fair value less costs of disposal on the basis of quoted prices of Company’s ordinary shares (Level 1) on the estimated portion attributable to each respective CGU. At December 31, 2021 the estimated recoverable amounts of all CGUs exceeded their carrying amounts. No reasonably possible change in the fair value less costs of disposal of CGUs would result in the impairment.

The recoverable amount of the Zarplata 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 forecasted based on past experience, actual operating results and the Group’s five-year business plan and based on the following key assumptions: revenue annual average growth rate, EBITDA margin, terminal growth rate and discount rate. The compound revenue annual growth rate for 2021-2026 is 11.4%. The forecasted EBITDA margin for 2022-2026 ranges from 35.3% to 43.7%. The pre-tax discount rate applied to the cash flow projections is 17.2% and the terminal growth rate for the free cash flows is 3.2%. As of December 31, 2021 a reasonably possible decrease in revenue’s compound annual growth rate by 1%-point, holding other assumptions constant, would lead to an impairment of the Zarplata CGU by RUB 120 million. The events described in Note 31 are likely to increase the discount rate and may reduce Zarplata revenue’s compound annual growth by more than 1%-point. This would result in further impairment of the Zarplata’ CGU, however, the financial effect is not possible to quantify.

The recoverable amount of the Skillaz 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 forecasted based on past experience, actual operating results and the Group’s five-year business plan and based on the following key assumptions: revenue annual average growth rate, EBITDA margin, terminal growth rate and discount rate. The compound revenue annual growth rate for 2021-2026 is 44.8%. The forecasted EBITDA margin for 2022-2026 ranges from negative 5.8% to positive 24%. The pre-tax discount rate applied to the cash flow projections is 22.0% and the terminal growth rate for the free cash flows is 3%. No reasonable possible changes in key assumptions used in the estimation would lead to the impairment of the CGU as at reporting date. The events described in Note 31 are likely to increase the discount rate and may reduce Skillaz’ revenue. This may result in impairment of Skillaz’ CGU, however, the financial effect is not possible to quantify.

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16. Equity-accounted investees

Investments in equity-accounted investees as of December 31, 2021 and 2020 comprised the following:

| | Country of incorporation | Voting shares | | Carrying values | |
|--------------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Skillaz LLC | Russia | — | 25.01 % | — | 129,666 |
| YouDo Web Technologies Limited | Cyprus | 9.91 % | — | 360,574 | — |
| Dream Job LLC | Russia | 25 % | — | 54,047 | — |
| | | | | 414,621 | 129,666 |

The above entities have the same reporting date as the Company. None of the entities were listed on a public exchange as of December 31, 2021 and 2020.

(a) Skillaz

As at March 31, 2021 the Group obtained control over Skillaz. For details please refer to Note 8(a). Thus, Skillaz ceased to be accounted as equity-accounted investee since March 31, 2021.

The following table summarises the financial information of Skillaz as of December 31, 2020 and for the period from January 1, 2021 till March 31, 2021, the year ended December 31, 2020 and the period from May 6, 2019 (the date when the Group acquired a stake of 25.01% in Skillaz) till December 31, 2019, as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Skillaz as of December 31, 2020.

| | December 31, 2020 | | |
|---|-------------------|--|--|
| Percentage ownership interest | 25.01 % | | |
| Non-current assets | 73,467 | | |
| Current assets | 74,005 | | |
| Non-current liabilities | (49,297) | | |
| Current liabilities | (214,493) | | |
| Net assets (100%) | (116,318) | | |
| Group's share of net assets (25.01%) | (29,091) | | |
| Goodwill | 158,757 | | |
| Carrying amount of the Group's interest in associate | 129,666 | | |

| | Period from January 1, 2021 till March 31, 2021 | Year ended December 31, 2020 | Period from May 6, 2019 till December 31, 2019 |
|---|---|------------------------------|--|
| Revenue | 70,498 | 152,750 | 67,701 |
| Loss from continuing operations (100%) | (19,450) | (196,647) | (122,118) |
| Total comprehensive loss (100%) | (19,450) | (196,647) | (122,118) |
| Group's share of total comprehensive loss (25.01%) | (4,864) | (49,181) | (30,542) |

The associate had no contingent liabilities or capital commitments as at December 31, 2020.

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(b) YouDo

On October 28, 2021 the Group entered into a shares subscription agreement and acquired a stake of 9.91% in YouDo Web Technologies Limited (Cyprus) (“YouDo”), the leading online on-demand service marketplace in Russia, in exchange for a cash consideration of \$ 5 million or 349,052 (at exchange rate as of October 28, 2021). The acquisition related costs were 17,329 and have been included in the cost of the investment. The principal place of YouDo’s business is Russia.

Management expects that acquisition will enable the Group to access the rapidly developing gig-economy market.

The Group concluded that it has significant influence over YouDo as the Group has a power to participate in the financial and operating policy decisions through its representation in YouDo’s Board of Directors. Thus, the Group’s ownership interest in YouDo represents an investment in an associate and accounted for under the equity method starting October 28, 2021.

In December 2021 the Group finalised purchase price allocation for YouDo acquisition. The fair value of the identifiable assets and liabilities of YouDo at the date of acquisition before the Group’s contribution under a shares subscription agreement has been calculated with reference to its value in use (Level 3) and were as follows:

| | Fair values |
|---|----------------|
| Non-current assets | 628,010 |
| Current assets | 127,441 |
| Non-current liabilities | (53,768) |
| Current liabilities | (186,002) |
| Total net assets (100%) | 515,681 |
| The Group’s contribution to YouDo’s equity | 349,052 |
| Total net assets, including the Group’s contribution | 864,733 |
| Group’s share of net assets (9.91%) | 85,695 |

The Group has concluded call option contracts to purchase an additional 46.89% ownership interest in YouDo, one of which grants the right to purchase 14.90% ownership interest through the period of six months from October 28, 2022 and another to acquire 31.99% (or 46.89% in case call option 1 was not exercised) through the period of six months from October 28, 2023 (together referred to as “the call options”).

The Group also entered into several option agreements, which give right to other shareholders to sell and cause an obligation to the Group to purchase an additional 43.2% ownership interest in YouDo, if the Group acquires control over YouDo under the call options described above.

The Group also entered in option agreement, which give right to other shareholder to purchase and cause an obligation to the Group to sell the existing share of 9.91%, if the Group does not acquire control under the call options described above.

The fair value of the option agreements referred to above is not material, taking into account the terms and conditions on which the options were acquired, and based on the expected business enterprise value at the acquisition date and at the reporting date.

Goodwill on transaction was calculated as the excess of the consideration transferred by the Group over the share in the fair value of the net assets acquired and the fair value of the call options.

| | Total |
|---------------------------------------|----------------|
| Group’s share of net assets (9.91%) | 85,695 |
| Goodwill | 280,686 |
| Cash consideration transferred | 366,381 |

Goodwill related to the associate of 280,686 is included in the carrying amount of the investment in associate. Goodwill is mainly attributable to the potential of YouDo to further enhance its position in B2B segment.

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The following table summarises the financial information of YouDo as of December 31, 2021 and for the period from October 28, 2021 till December 31, 2021, as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in YouDo.

| | December 31, 2021 |
|---|---|
| Percentage ownership interest | 9.91 % |
| Non-current assets | 610,622 |
| Current assets | 324,752 |
| Non-current liabilities | (53,768) |
| Current liabilities | (75,461) |
| Net assets (100%) | 806,145 |
| Group's share of net assets (9.91%) | 79,888 |
| Goodwill | 280,686 |
| Carrying amount of the Group's interest in associate | 360,574 |
| | Period from October 28, 2021 till December 31, 2021 |
| Revenue | 86,539 |
| Loss before income tax | (58,592) |
| Income tax (expense)/benefit | — |
| Net loss for the period (100%) | (58,592) |
| Total comprehensive loss (100%) | (58,592) |
| Group's share of total comprehensive loss (9.91%) | (5,807) |

The associate had no contingent liabilities or capital commitments as at December 31, 2021.

(i) Impairment test

The investment in associate was identified as a separate 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 associate's business and were based on the relevant external and internal historical data. Cash flows were forecasted based on past experience, actual operating results and the associate's business plan and based on the following key assumptions: revenue growth rates, EBITDA margin, discount rate, and terminal value growth rate. At December 31, 2021 the estimated recoverable amounts of the CGU exceeded its carrying amounts.

Revenue growth rates and EBITDA margin were forecasted taking into account the estimated sales volume and price growth for the next seven years taking into account an uncertainty associated with the start-up business. Management expects that the revenue will grow at a CAGR of 41.1% from 2021 to 2028. The expected EBITDA margin in 2028 is 34.9%. The pre-tax discount rate applied to the cash flow projections is 17.6%, the annual growth rate for the forecasted cash flows after 2028 year is 3%.

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(in thousands of Russian Rubles, unless otherwise stated)

The changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have result in the impairment by the amounts shown below:

| | <u>Effect</u> |
|---|---------------|
| 31 December 2021 | |
| Annual revenue growth rate (5% decrease) | 81,813 |
| EBITDA (10% decrease) | 47,754 |
| Pre-tax discount rate (1%-point increase) | 46,534 |

The events described in Note 31 are likely to further increase the discount rate and may reduce YouDo' revenue. This may result in the impairment of YouDo' CGU, however, the financial effect is not possible to quantify.

(c) Dream Job

On April 20, 2021 the Group acquired 25% in the charter capital of Dream Job LLC (Russia) which operates employer review platform dreamjob.ru for cash contribution of RUB 60 million as we see a call for independent and reliable employer review portal in Russia.

The table below aggregate information of associate that is not individually material to the Group:

| | <u>2021</u> |
|-----------------------------------|-------------|
| The Group's share of: | |
| - loss from continuing operations | (7,254) |
| - total comprehensive loss | (7,254) |

17. Trade and other receivables

| | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|--|------------------------------|------------------------------|
| Trade receivables | 141,125 | 61,028 |
| Taxes receivable | 2,881 | 2,955 |
| Other receivables | 10,596 | 5,137 |
| Total trade and other receivables | <u>154,602</u> | <u>69,120</u> |

The Group has recognised allowance for impairment losses of 17,337 and 5,734 as at December 31, 2021 and 2020, respectively, within line "Trade and other receivables" in the consolidated statement of financial position.

18. Cash and cash equivalents

| | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|--|------------------------------|------------------------------|
| Petty cash | 448 | 344 |
| Bank balances | 6,320,570 | 3,315,485 |
| Call deposits | 202,210 | 51,781 |
| Total cash and cash equivalents | <u>6,523,228</u> | <u>3,367,610</u> |

Call deposits represent callable deposits with original maturities of three months or less. The Group's exposure to interest rate risk and credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26.

*Notes to the Consolidated Financial Statements**(in thousands of Russian Rubles, unless otherwise stated)***19. Capital and reserves****(a) Share capital**

(Number of shares, unless stated otherwise)

| | December 31, 2021 | December 31, 2020 |
|-----------------------------|----------------------|----------------------|
| Number of shares issued | 50,635,720 | 50,317,860 |
| Number of shares authorized | 60,000,000 | 60,000,000 |
| Par value | EUR 0.002 | EUR 0.002 |
| Share capital | <u>8,655</u> | <u>8,597</u> |

The Company issued 1,000 ordinary shares on May 28, 2014 in exchange for contribution in cash of 47 that were allocated to Share capital and 99,000 ordinary shares on February 24, 2016 in exchange for contribution in cash of 5,000,000, of which 8,500 were allocated to Share capital and 4,991,500 to Share premium.

On March 1, 2018 the Registrar of Companies of Cyprus registered the subdivision of the existing Company's share capital of 100,000 ordinary shares of EUR 1.00 each into 50,000,000 ordinary shares of EUR 0.002 each.

On October 24, 2019, the shareholders approved the increase of the authorized share capital of the Company from 50,000,000 shares to 60,000,000 shares.

On May 8, 2020 the Company issued 317,860 new shares under the 2016 HeadHunter Unit Option Plan, bringing the total number of issued ordinary shares to 50,317,860. See Note 20(a)(i).

On May 14, 2021 the Company issued 317,860 new shares, bringing the total number of issued ordinary shares to 50,635,720 as of December 31, 2021. See Note 20(a)(i).

All shares issued are fully paid, except 317,860 shares issued on May 8, 2020 and 317,860 shares issued on May 14, 2021, which are not paid as at December 31, 2021, and relevant shareholder receivable of 108 is included in the Trade and other receivables in the consolidated statement of financial position as of December 31, 2021 (as of December 31, 2020 – 50).

(b) Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of shareholders.

(c) Share premium

On January 29, 2018 the District Court of Nicosia (Cyprus) issued a court order ratifying the reduction of the share premium of the Company by 3,422,874. On February 16, 2018 the Registrar of Companies of Cyprus registered the reduction of the Group's share premium by 3,422,874 based on the shareholders resolution and the court order.

As at December 31, 2019, 2020 and 2021 the share premium included a contribution of 1,568,626.

(d) Distributions to shareholders and non-controlling interest**(i) Distributions to shareholders**

On May 28, 2019 the Board of Directors approved dividend of \$0.36 per share for the year ended December 31, 2018, which totalled to \$18,000,000 or 1,160,345. The dividends were paid to shareholders in July 2019.

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On March 11, 2020 the Board of Directors approved dividends of \$0.50 per share for the year ended December 31, 2019, which totalled to \$25,000,000 or 1,800,520. The dividends were paid to shareholders in September 2020.

On May 25, 2021 the Board of Directors approved dividends of \$0.55 per share for the year ended December 31, 2020, which totalled to \$27,849,643 or 2,047,690. The dividends were paid to shareholders in July 2021.

(ii) Distributions to non-controlling interest

The Group subsidiaries in Kazakhstan and Belarus have declared dividends to the Group and to the non-controlling interest.

Dividends declared by these entities to non-controlling shareholders were 109,932 for the year ended December 31, 2021, 103,126 for the year ended December 31, 2020 and 126,460 for the year ended December 31, 2019.

Dividends settled by these entities to non-controlling shareholders (including withholding tax) were 106,978 for the year ended December 31, 2021, 102,731 for the year ended December 31, 2020 and 131,456 for the year ended December 31, 2019.

(e) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(f) Treasury shares

On September 30, 2021 the Group announced a share buyback program under which the Group may repurchase up to an aggregate of RUB 3 billion (or its equivalent in US dollars) of its ordinary shares over a period beginning on October 11, 2021 and continuing until the earlier of the completion of the repurchase or August 10, 2022, when the authority of the board of directors to repurchase shares will expire (the "Buyback Program"). The primary purpose of the Buyback Program is to fund the Group's long-term incentive programs (see Note 20).

During 2021 the Group repurchased a total of 283,673 ADRs on the market for an aggregate consideration of 1,096,357 (none is 2020). The Group accounts for ADRs repurchased as treasury shares at cost.

On March 3, 2022 the Group terminated the share buyback program.

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(in thousands of Russian Rubles, unless otherwise stated)

20. Long-Term Incentive Plans (LTIPs)

(a) Equity-settled awards

(i) 2016 HeadHunter Unit Option Plan

In 2016, the shareholders of the Group established an incentive program that provides key management of the Group with rights to receive cash payments if a “liquidity event” occurs. “Liquidity event” includes either an Initial Public Offering (hereinafter – “IPO”) or Sale (initial or subsequent) of the Company’s shares by shareholders. The amount of payment is conditional on share price at the date of the liquidity event. In the initial plan the participants of the program were not entitled to receive shares of the Company. The Group has no liability to make cash payments to management, therefore the program was classified by the Group as equity-settled.

The following awards were issued as at December 31, 2021:

| Awards series | Number of units | Grant date | Exercise price (per unit) | Fair value at grant date |
|---------------|-----------------|-------------------|---------------------------|--------------------------|
| Series 1 | 785 | May 10, 2016 | 500 | 160,871 |
| Series 2 | 20 | September 1, 2017 | 500 | 25,511 |
| Series 3 | 15 | September 1, 2017 | 900 | 15,415 |
| Series 4 | 12 | December 1, 2017 | 900 | 13,070 |
| Series 5 | 8 | March 1, 2018 | 900 | 8,478 |
| Series 6 | 14 | May 28, 2019 | 500 | 27,671 |
| Series 7 | 20 | May 28, 2019 | 1,250 | 22,191 |

A unit is defined in the 2016 HeadHunter Unit Option Plan as 0.005% of net proceeds from a “liquidity event”.

The fair value of the awards of Series 1 – Series 5, which were granted before the completion of the IPO, was estimated at the grant date using the Black Scholes Merton (“BSM”) pricing model, taking into account the terms and conditions on which the awards were granted. The fair value of the awards was calculated based on the expected business enterprise value at the grant date.

The weighted average assumptions used in the BSM pricing model for grants made were as follows:

| | Awards series | | | | |
|-------------------------------------|---------------|----------|----------|----------|----------|
| | Series 1 | Series 2 | Series 3 | Series 4 | Series 5 |
| Expected volatility | 39 % | 39 % | 39 % | 39 % | 39 % |
| Expected dividend yield | — | — | — | — | — |
| Risk-free interest rate | 7.7 % | 7.7 % | 7.7 % | 7.3 % | 6.4 % |
| Expected life at grant date (years) | 5.66 | 3.24 | 3.24 | 2.99 | 1.66 |

Expected volatility was calculated based on actual experience of similar entities that have traded equity instruments.

The fair value of the awards of Series 6 – Series 7, which were granted after the completion of the IPO, was estimated at the grant date using the market price of the underlying shares, taking into account the terms and conditions on which the awards were granted.

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The movement of the awards of Series 1 – 7 were as follows:

| | For the year ended December 31, | |
|---|---------------------------------|------------|
| | 2021 | 2020 |
| Outstanding at beginning of the period (units) | 890 | 890 |
| Forfeited during the period (units) | (16) | — |
| Outstanding at end of the period (units) | 874 | 890 |

In April 2018 and March 2019 the Group amended the 2016 HeadHunter Unit Option Plan. In accordance with the amended Plan, if an IPO occurs, 25% of the awards will vest on the date of IPO and will be paid by the shareholders in cash and 18.75% will vest on each of the first, second, third and fourth anniversaries of IPO, and each will be settled in equity by the Company. The modification of the Plan did not change the classification of the awards as equity-settled.

The modification of the Plan was not beneficial to most participants of the program who received awards of Series 1. The modification of the Plan was beneficial to the participants who received awards of Series 2 – Series 5. The incremental fair value of 10,815 was calculated as the difference between the fair value of the initial and amended program at the modification date and will be recognized over the modified vesting period.

In June 2019, the Group further amended the 2016 HeadHunter Unit Option Plan. As the result of this amendment, the participants of awards of Series 1– Series 7 became unconditionally entitled to additional lump sum payment. This amendment was beneficial to the participants. The fair value of the additional award of RUB 28 million was recognized in the year ended December 31, 2019.

As a result of completion of the IPO on May 8, 2019, 25% of the awards of Series 1 – Series 7 were vested and subsequently settled in cash by shareholders, and on the first and secondary anniversaries of the IPO on May 8, 2020 and May 8, 2021, the 37.5% of the awards of Series 1 – Series 7 were vested and subsequently exercised and settled by the Company in shares.

Total employee expenses (excluding social taxes) arising from the 2016 HeadHunter Option Plan were 14,489 for the year ended December 31, 2021, 35,500 for the year ended December 31, 2020 and 88,438 for the year ended December 31, 2019 and are included in ‘Operating costs and expenses (exclusive of depreciation and amortization)’ in the consolidated statement of income and comprehensive income.

The social taxes accrued were 144,029 for the year ended December 31, 2021, which are payable due to change in the parent company tax residency status (see Note 1(a)), and are included in ‘Operating costs and expenses (exclusive of depreciation and amortization)’ in the consolidated statement of income and comprehensive income (for the year ended December 31, 2020 - 115,974, for the year ended December 31, 2019 – 40,548). The related liability of 300,551 is presented within ‘Provisions’ in the consolidated statement of financial position as at December 31, 2021 (as at December 31, 2020 - 156,522, as at December 31, 2019 – 40,548). Uncertainties relate mostly to whether the relationships with the participants of the programmes will be treated as employment in terms of Russian law.

(ii) 2018 Unit Option Plan

In 2018, the shareholders of the Group established an incentive program that provides key management of the Group with rights to receive shares. The amount of payment is conditional on share price at the vesting date. The share options vest if the average share price exceed the exercise price at the vesting date and the participant remains employed on such date. The awards vest in instalments over the vesting period, being 20% after 3 years in service from the grant date and 20% annually thereafter, resulting in full vesting in 7 years. The programme assumes grant of up to 600 units, and a unit is defined as 0.005% of the number of issued ordinary shares of the Company.

The Group has no liability to make cash payments to management, therefore the program is classified by the Group as equity-settled in these consolidated financial statements.

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The Board of Directors approved the grant of 300 units, 41 units and 33 units on May 28, 2019, March 5, 2020 and May 26, 2020, respectively, under the 2018 Unit Option Plan.

| Awards series | Number of units | Date grant approved by the Board of Directors | Exercise price (per unit) USD | Fair value at grant date |
|---------------|-----------------|---|-------------------------------|--------------------------|
| Series 1 | 300 | May 28, 2019 | 13.50 | 265,394 |
| Series 2 | 41 | March 5, 2020 | 21.23 | 30,787 |
| Series 3 | 33 | May 26, 2020 | 18.92 | 40,448 |

The fair value of the awards is estimated at the grant date using a Monte-Carlo simulation model, taking into account the terms and conditions on which the awards were granted. The model simulates the market price of the underlying shares and compares it against the exercise price.

The weighted average assumptions used in the Monte-Carlo pricing model for the for the Series 1 award installments were as follows:

| | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Expected volatility | 43 % | 43 % | 43 % | 43 % | 43 % |
| Expected dividend yield | 1.53 % | 1.53 % | 1.53 % | 1.53 % | 1.53 % |
| Risk-free interest rate | 1.74 % | 1.77 % | 1.80 % | 1.86 % | 1.92 % |
| Expected life at grant date (years) | 3 | 4 | 5 | 6 | 7 |
| Forfeiture rate | 3.39 % | 3.39 % | 3.39 % | 3.39 % | 3.39 % |
| Fair value (per unit) | 763 | 859 | 932 | 996 | 1,028 |
| Total fair value | 44,205 | 49,815 | 54,036 | 57,738 | 59,600 |

The weighted average assumptions used in the Monte-Carlo pricing model for the Series 2 award installments were as follows:

| | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Expected volatility | 50 % | 50 % | 50 % | 50 % | 50 % |
| Expected dividend yield | 1.94 % | 1.94 % | 1.94 % | 1.94 % | 1.94 % |
| Risk-free interest rate | 0.29 % | 0.33 % | 0.37 % | 0.46 % | 0.55 % |
| Expected life at grant date (years) | 3 | 4 | 5 | 6 | 7 |
| Forfeiture rate | 3.39 % | 3.39 % | 3.39 % | 3.39 % | 3.39 % |
| Fair value (per unit) | 498 | 668 | 802 | 924 | 994 |
| Total fair value | 3,946 | 5,292 | 6,355 | 7,319 | 7,875 |

The weighted average assumptions used in the Monte-Carlo pricing model for the Series 3 award installments were as follows:

| | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Expected volatility | 50 % | 50 % | 50 % | 50 % | 50 % |
| Expected dividend yield | 1.85 % | 1.85 % | 1.85 % | 1.85 % | 1.85 % |
| Risk-free interest rate | 0.22 % | 0.27 % | 0.32 % | 0.42 % | 0.51 % |
| Expected life at grant date (years) | 3 | 4 | 5 | 6 | 7 |
| Forfeiture rate | 3.39 % | 3.39 % | 3.39 % | 3.39 % | 3.39 % |
| Fair value (per unit) | 1,008 | 1,172 | 1,298 | 1,404 | 1,460 |
| Total fair value | 6,428 | 7,476 | 8,278 | 8,954 | 9,312 |

Expected volatility is calculated based on actual experience of similar entities that have traded equity instruments. The risk-free interest rate applied is based on U.S. Treasury yield curve in effect at the grant date. The forfeiture rate is based on historical data and current expectations and is not necessarily indicative of forfeiture patterns that may occur.

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In July 2021, the awards of Series 2 and Series 3 were replaced by the awards under the new 2021 Restricted Stock Units Plan (Note 20 (a)(iii)). As the result of this replacement, the participants of awards of Series 2 and Series 3 became entitled to fixed amount of shares, which vest over 4-year period commencing on the grant date, with the first vesting occurring on the first anniversary of the grant date. The modification of the awards of Series 2 and Series 3 did not change the classification of the awards as equity-settled. The modification of the awards was beneficial to the participants of Series 2 and Series 3. The incremental fair value of 104,497 was calculated as the difference between the fair value of the initial and amended program at the modification date and will be recognized over the modified vesting period (Note 20 (a)(iii)).

The movement of the awards of Series 1 were as follows:

| (number of units) | For the year ended December 31, | |
|---|---------------------------------|------------|
| | 2021 | 2020 |
| Outstanding at beginning of the period | 300 | 300 |
| Forfeited during the period | (26) | — |
| Outstanding at end of the period | 274 | 300 |

The movement of the awards of Series 2 - 3 were as follows:

| (number of units) | For the year ended December 31, | |
|---|---------------------------------|-----------|
| | 2021 | 2020 |
| Outstanding at beginning of the period | 71 | — |
| Granted during the period | — | 74 |
| Modified during the period | (68) | — |
| Forfeited during the period | (3) | (3) |
| Outstanding at end of the period | — | 71 |

Total employee expenses (excluding social taxes) arising from the 2018 HeadHunter Option Plan were 49,503 for the year ended December 31, 2021, 65,953 for the year ended December 31, 2020 and 33,196 for the year ended December 31, 2019, and are included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in the consolidated statement of income and comprehensive income.

The social taxes accrued were 37,233 for the year ended December 31, 2021, 8,262 for the year ended December 31, 2020 and 1,746 for the year ended December 31, 2019, which are payable due to change in the parent company tax residency status (see Note 1(a)), and are included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in the consolidated statement of income and comprehensive income. The related liability of 47,240 is presented within 'Provisions' in the consolidated statement of financial position (as at December 31, 2020 - 10,007). Uncertainties relate mostly to whether the relationships with the participants of the programmes will be treated as employment in terms of Russian law.

(iii) 2021 RSU Plan

In July 2021, the shareholders of the Group established a new 2021 Restricted Stock Units Plan (the "2021 RSU Plan") to provide more straight-forward, predictable, and competitive long-term incentives to the key talent of the Group.

Under the 2021 RSU Plan, the Group shall issue restricted stock units ("RSUs") carrying the right to receive either ordinary shares or ADSs representing such ordinary shares. The maximum number of shares provided under the 2021 RSU Plan is 6% of the fully diluted aggregate number of ordinary shares issued and outstanding from time to time. Awards under the 2021 RSU Plan are expected to be granted in tranches during the 2-4-years period. Each grant will be subject to approval by the Board of Directors upon the recommendation of management and the Compensation Committee, based on certain selection criteria.

In connection with the establishment of the 2021 RSU Plan, the awards of Series 2 and Series 3 previously granted under the 2018 Plan were replaced with awards under the 2021 RSU Plan (see Note 20(a)(ii)).

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On July 27, 2021, the Board of Directors approved the first grant of awards under 2021 RSU Plan of 251,921 RSUs, including grant of 121,135 RSUs to new participants and grant of 130,786 RSUs to participant of awards Series 2 and Series 3 of 2018 Unit Option Plan.

The modification of the awards was beneficial to the participants of Series 2 and Series 3 of 2018 Unit Option Plan. The fair value of the initial (2018 Unit Option Plan) at the modification date was 355,457. The incremental fair value of 104,497 was calculated as the difference between the fair value of the initial (2018 Unit Option Plan) and amended program (2021 RSU Plan) at the modification date and will be recognized over the modified vesting period.

On November 25, 2021 and December 20, 2021, the Board of Directors approved the second grant of awards of 77,228 RSUs and the third grant of awards of 161,915 RSUs, respectively.

| Awards series | Number of RSUs | Date grant approved by the Board of Directors | Exercise price (per unit) USD | Fair value at grant date |
|--|----------------|---|-------------------------------|--------------------------|
| Series 1 | 251,921 | July 27, 2021 | — | 885,968 |
| including: | | | | |
| new participants | 121,135 | | — | 426,013 |
| participants of 2018 Unit Option Plan (modification of awards) | 130,786 | | — | 459,954 |
| Series 2 | 77,228 | November 25, 2021 | — | 285,028 |
| Series 3 | 161,915 | December 20, 2021 | — | 598,210 |

The fair value of the awards of Series 1 - Series 3 was estimated at the grant date using the Black Scholes Merton ("BSM") pricing model, taking into account the terms and conditions on which the awards were granted.

The weighted average assumptions used in the BSM pricing model for the Series 1 – Series 3 award installments were as follows (each installment over the 2-year or 4-year vesting periods is treated as a separate tranche):

| | Series 1 | Series 2 | Series 3 |
|--|---------------|---------------|---------------|
| Expected volatility | 40 % | 43 % | 43 % |
| Expected dividend yield | 2.31 % | 2.31 % | 2.31 % |
| Risk-free interest rate | 0.08 - 0.59 % | 0.16 – 1.03 % | 0.06 – 1.06 % |
| Expected life at grant date (years) | 0.87 – 3.88 | 0.53 – 3.53 | 0.26 – 3.51 |
| Fair value (per RSU), in Russian Roubles | 3,374 - 3,617 | 3,541 – 3,795 | 3,501 – 3,774 |
| Total fair value | 885,968 | 285,028 | 598,210 |

Expected volatility was calculated based on actual experience of similar entities that have traded equity instruments. The risk-free interest rate applied is based on U.S. Treasury yield curve in effect at the grant date. The forfeiture rate used for 2021 expenses calculation is 7% – 37.5%. It is based on historical data and current expectations and is not necessarily indicative of forfeiture patterns that may occur.

The movement of the awards of Series 1 – 3 were as follows:

| | For the year ended December 31, | |
|--|---------------------------------|----------|
| | 2021 | 2020 |
| Outstanding at beginning of the period (RSUs) | — | — |
| Granted during the period (RSUs) | 491,064 | — |
| Forfeited during the period (RSUs) | (22,443) | — |
| Outstanding at end of the period (RSUs) | 468,621 | — |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

Total employee expenses (excluding social taxes) arising from the 2021 RSU Plan were 177,972 for the year ended December 31, 2021, and are included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in the consolidated statement of income and comprehensive income (for the year ended December 31, 2020 and 2019 – nil).

The social taxes accrued were 38,722 for the year ended December 31, 2021 (for the year ended December 31, 2020 and 2019 – nil), and are included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in the consolidated statement of income and comprehensive income. The related liability of 38,722 is presented within 'Provisions' in the consolidated statement of financial position due to uncertain amount of tax that will be determined based on future share price (as at December 31, 2020 - nil).

(b) Cash-settled awards

In August 2017 the Group established a cash-settled management incentive program that provides the right to receive cash payments if an IPO or strategic sale (hereinafter – “the event”) occurs. The amount of payment is conditional on share price at the date of the event. The Group has liability to make cash payments, therefore the program is classified by the Group as cash-settled in the consolidated financial statements.

The awards vest in instalments over the vesting period, being 50% at the event (Award 1) and 50% after 12 months from the date of the event (Award 2).

The Award 1 vested on May 8, 2019 as a result of completion of the IPO and was settled in May 2019 in the amount of 19,568.

The Award 2 vested on May 8, 2020 after 12 months from the date of the IPO and was settled in May 2020 of 31,381.

In July 2020 the Group established a new cash-settled management incentive program that provides the right to receive cash payments in the event of successful secondary public offering. The Group has a liability to make cash payments, and, therefore the program is classified by the Group as cash-settled in the consolidated financial statements.

The awards vest in instalments over the vesting period, being 50% at the event (Award 1) and 50% after 12 months from the date of the event (Award 2). The amount of payment is conditional on share price at the vesting date.

The Award 1 vested on July 20, 2020 as a result of completion of the SPO and was settled in September 2020 of 14,029.

The Award 2 vested on July 20, 2021 after 12 months from the date of SPO and was settled in July 2021 of 28,080.

In March 2021 the Group established a further cash-settled management incentive program that provides the right to receive cash payments in the event of successful secondary public offering. The Group has a liability to make cash payments, and, therefore the program is classified by the Group as cash-settled in the consolidated financial statements.

The awards vest in instalments over the vesting period, being 50% at the event (Award 1) and 50% after 12 months from the date of the event (Award 2). The amount of payment is conditional on share price at the vesting date.

The Award 1 vested on June 7, 2021 as a result of completion of the SPO and was settled in July 2021 in of 15,577.

As at December 31, 2021 the fair value of the Award 2 is 23,543 and included in Trade and other payables in the consolidated statement of financial position.

Total employee expenses (excluding social taxes) arising from the cash-settled management incentive program were 46,920 for the year ended December 31, 2021, 31,887 for the year ended December 31, 2020 and 29,462 for the year ended December 31, 2019, and are included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in the consolidated statement of income and comprehensive income. The related liability of 13,379 (as at December 31, 2020 – 10,337) is presented within 'Current trade and other payables – Payables to employees' (Note 22).

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

The social taxes accrued were 7,374 for the year ended December 31, 2021, which are payable due to change in the parent company tax residency status (see Note 1(a)), and are included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in the consolidated statement of income and comprehensive income (for the year ended December 31, 2020 – 5,071 and for the year ended December 31, 2019 – 3,603). The related liability of 2,020 (as at December 31, 2020 – 1,561) is presented within 'Provisions' in the consolidated statement of financial position due to uncertain amount of tax that will be determined based on future share price.

21. Loans and borrowings

Loans and borrowings of the Group are presented in the table below.

| | December 31, 2021 | December 31, 2020 |
|--|----------------------|----------------------|
| Long-term loans and borrowings: | | |
| Bank loan | 3,362,762 | 3,831,270 |
| Non-convertible bonds | 3,973,079 | 3,960,056 |
| Other loan - principal | 2,972 | — |
| Other loan - interest | 63 | — |
| Total | 7,338,876 | 7,791,326 |
| Current loans and borrowings: | | |
| Bank loan – current portion | 585,316 | 471,027 |
| Bank loan - interest | 99,981 | — |
| Non-convertible bonds – interest | 12,723 | 12,584 |
| Other loan – principal | 743 | 1,478 |
| Other loan – interest | 15 | 11 |
| Total | 698,778 | 485,100 |

(a) Bank loan

The bank loan of RUB 5 billion was obtained by the Group in May 2016 from a major state-owned bank PJSC 'VTB Bank' to finance the acquisition of 100% ownership interest in HeadHunter from Mail.Ru Group Limited (LSE: MAIL). On October 5, 2017 the Group entered into a supplemental agreement which increased the amount of the bank loan facility from RUB 5 billion to RUB 7 billion and distributed RUB 2 billion to shareholders.

In August 2020 the Group has signed an amended loan agreement with the PJSC 'VTB Bank', which extended the loan maturity from October 2022 to June 2025 and relaxed performance covenants related to revenue and cash receipts until the middle of 2021.

Change in the loan terms was assessed as modification not resulting in derecognition of the loan, related gain of 5,617 is included in 'Finance income' in the consolidated statement of income and comprehensive income for the year ended December 31, 2020.

The major terms of the loan are as follows:

- Interest rate: *Central Bank of Russia Key Rate + 2%*;
- Ultimate maturity: *June 2025*;
- Principal financial covenants: *the ratio of net debt to EBITDA (as defined in the loan agreement), the ratio of EBITDA to interest expense (as defined in the loan agreement), the minimum amount of revenue, and the minimum amount of cash sales.*

As at December 31, 2021 the Group was compliant with all financial and other covenants per the loan agreement.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

The loan is collateralized with shares of Headhunter LLC (Russia) and Headhunter FSU Limited, the above-mentioned entities being key holding and operating entities of the Group.

The loan agreement includes various legal restrictions including change of control provisions, issuance of capital, restructuring, restrictions/consent on limits of shareholder distributions, and sale and purchase of assets.

The carrying amounts of the bank loan approximated its fair value at each reporting date.

(b) Non-convertible bonds

In connection with the acquisition of 100% interest of Zarplata in December 2020, the Group issued interest-bearing non-convertible bonds on Moscow Exchange (MOEX) with nominal value of RUB 4 billion.

The Group incurred transaction costs of RUB 40 million representing bank commissions and other 3rd parties services in connection with the issue.

The major terms of the bonds are as follows:

- Interest rate: *6.45%*
- Coupon period: *91 days*
- Call option: *callable by the Group at end of each coupon period*
- Ultimate maturity: *December 2023*

The fair value of the bonds is 3,812,723 at the reporting date.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

(c) Reconciliation of movements of liabilities to cash flows 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 statement of cash flows as cash flows from financing activities.

| | Liabilities | | | | Equity | Total |
|---|---|-----------------------------|---|---|------------------------------|--------------------|
| | Bank and other loans and borrowings (Notes 21 (a), 21(b)) | Lease liabilities (Note 23) | Dividends payables to shareholders (Note 19(d)) | Payables to/Receivables from non-controlling interests (Note 19(d)) | Treasury shares (Note 19(f)) | |
| Balance at January 1, 2021 | 8,276,426 | 241,997 | — | — | — | 8,518,423 |
| Changes from financing cash flows | | | | | | |
| Acquisition of treasury shares | — | — | — | — | (1,096,357) | (1,096,357) |
| Bank and other loans received | 7,765 | — | — | — | — | 7,765 |
| Bank loan repaid | (400,672) | — | — | — | — | (400,672) |
| Bank loans and other borrowings origination fees paid | (43,615) | — | — | — | — | (43,615) |
| Dividends paid | — | — | (2,073,893) | (106,978) | — | (2,180,871) |
| Repayment of lease liabilities | — | (90,166) | — | — | — | (90,166) |
| Cash paid for non-controlling interest | — | — | — | (155,177) | — | (155,177) |
| Total changes from financing cash flows | (436,522) | (90,166) | (2,073,893) | (262,155) | (1,096,357) | (3,959,093) |
| Other changes not relating to financing cash flows | | | | | | |
| Interest accrued | 613,439 | 20,464 | — | — | — | 633,903 |
| Interest paid | (485,512) | (20,464) | — | — | — | (505,976) |
| New leases, including modifications | — | 45,260 | — | — | — | 45,260 |
| Distributions to shareholders and non-controlling interest | — | — | 2,047,690 | 109,932 | — | 2,157,622 |
| Changes in payables related to transaction costs on bonds issue | 39,012 | — | — | — | — | 39,012 |
| Acquisition of loan with the subsidiary acquired | 30,765 | — | — | — | — | 30,765 |
| Acquisition of non-controlling interest | — | — | — | 155,177 | — | 155,177 |
| Foreign exchange gain | 7 | — | 26,203 | — | — | 26,210 |
| Foreign currency translation differences | 39 | (46) | — | (2,954) | — | (2,961) |
| Total other changes | 197,750 | 45,214 | 2,073,893 | 262,155 | — | 2,579,012 |
| Balance at December 31, 2021 | 8,037,654 | 197,045 | — | — | (1,096,357) | 7,138,342 |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

| | Bank and other loans and borrowings (Notes 21(a), 21(b)) | Lease liabilities (Note 23) | Dividends payables to shareholders (Note 19(d)) | Payables to/ Receivables from non- controlling interests (Note 19(d)) | Total |
|--|--|-----------------------------------|--|---|--------------------|
| Balance at January 1, 2020 | 5,129,055 | 290,618 | — | — | 5,419,673 |
| Changes from financing cash flows | | | | | |
| Bank and other loans received | 4,616,478 | — | — | — | 4,616,478 |
| Non-convertible bonds issued | 4,000,000 | — | — | — | 4,000,000 |
| Bank loan repaid | (5,397,895) | — | — | — | (5,397,895) |
| Dividends paid | — | — | (1,885,441) | (102,731) | (1,988,172) |
| Bank loan origination fees | (56,668) | — | — | — | (56,668) |
| Repayment of lease liabilities | — | (59,737) | — | — | (59,737) |
| Contribution from non-controlling interest received | — | — | — | 44 | 44 |
| Total changes from financing cash flows | 3,161,915 | (59,737) | (1,885,441) | (102,687) | 1,114,050 |
| Other changes not relating to financing cashflows | | | | | |
| Interest accrued | 364,313 | 26,334 | — | — | 390,647 |
| Interest paid | (339,845) | (26,334) | — | — | (366,179) |
| New leases, including modifications | — | 10,754 | — | — | 10,754 |
| Distributions to shareholders and non-controlling interest | — | — | 1,800,520 | 103,126 | 1,903,646 |
| Transaction costs related to bond issue | (39,012) | — | — | — | (39,012) |
| Contribution from non-controlling interest | — | — | — | (44) | (44) |
| Foreign exchange gain | — | — | 84,921 | — | 84,921 |
| Foreign currency translation differences | — | 362 | — | (395) | (33) |
| Total other changes | (14,544) | 11,116 | 1,885,441 | 102,687 | 1,984,700 |
| Balance at December 31, 2020 | 8,276,426 | 241,997 | — | — | 8,518,423 |
| | | | | | |
| | Bank and other loans and borrowings (Notes 21 (a), 21(b)) | Lease liabilities (Note 23) | Dividends payables to shareholders (Note 19(d)) | Dividends payables to non- controlling interests (Note 19(d)) | Total |
| Balance at January 1, 2019 | 6,437,616 | 343,455 | — | 5,916 | 6,786,987 |
| Changes from financing cash flows | | | | | |
| Bank loan repaid | (1,055,000) | — | — | — | (1,055,000) |
| Other loan repaid | (270,000) | — | — | — | (270,000) |
| Acquisition of non-controlling interest | — | — | — | (2,107) | (2,107) |
| Dividends paid | — | — | (1,133,501) | (131,456) | (1,264,957) |
| Repayment of lease liabilities | — | (61,376) | — | — | (61,376) |
| Total changes from financing cash flows | (1,325,000) | (61,376) | (1,133,501) | (133,563) | (2,653,440) |
| Other changes | | | | | |
| Interest accrued | 565,918 | 32,941 | — | — | 598,859 |
| Interest paid | (549,479) | (32,941) | — | — | (582,420) |
| New leases, including modifications | — | 9,147 | — | — | 9,147 |
| Distributions to shareholders and non-controlling interest | — | — | 1,160,345 | 126,460 | 1,286,805 |
| Foreign exchange loss | — | — | (26,844) | — | (26,844) |
| Foreign currency translation differences | — | (608) | — | 1,187 | 579 |
| Total other changes | 16,439 | 8,539 | 1,133,501 | 127,647 | 1,286,126 |
| Balance at December 31, 2019 | 5,129,055 | 290,618 | — | — | 5,419,673 |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

22. Trade and other payables

| | December 31, 2021 | December 31, 2020 |
|---|----------------------|----------------------|
| Non-current trade and other payables | | |
| Deferred consideration (Note 8) | 110,236 | 170,620 |
| Payables to employees | — | 7,987 |
| Total | 110,236 | 178,607 |
| Current trade and other payables | | |
| Taxes payable | 963,055 | 497,204 |
| Trade payables | 373,996 | 243,426 |
| Payables to employees | 359,418 | 265,176 |
| Deferred consideration (Note 8) | 67,267 | 234,086 |
| Other payables | 52,377 | 33,197 |
| Total | 1,816,113 | 1,273,089 |

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 26.

23. Leases

The Group leases several office premises. See accounting policy in Notes 4 and 5.

(i) Right-of-use assets

| | 2021 | 2020 |
|-------------------------------------|----------------|----------------|
| Balance at January 1 | 215,120 | 279,249 |
| Additions to right-of-use assets | 31,642 | — |
| Modification of right-of-use assets | 13,618 | 10,754 |
| Depreciation charge for the year | (81,349) | (75,182) |
| Translation difference | (31) | 299 |
| Balance at December 31 | 179,000 | 215,120 |

(ii) Lease liabilities

| | 2021 | 2020 |
|--|----------------|----------------|
| Balance at January 1 | 241,997 | 290,618 |
| New leases | 31,642 | — |
| Modification of leases | 13,618 | 10,754 |
| Interest on lease liabilities | 20,466 | 26,334 |
| Payment of interest on lease liabilities | (20,466) | (26,334) |
| Payment of lease liabilities | (90,166) | (59,737) |
| Translation difference | (46) | 362 |
| Balance at December 31 | 197,045 | 241,997 |
| <i>including:</i> | | |
| Current portion | 100,864 | 77,752 |
| Non-current portion | 96,181 | 164,245 |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

(iii) Amounts recognized in the consolidated statement of income and comprehensive income

| | 2021 | 2020 | 2019 |
|--|----------------|----------------|----------------|
| Leases under IFRS 16 | | | |
| Interest on lease liabilities | 20,466 | 26,334 | 32,941 |
| Depreciation charge on right-of-use assets | 81,349 | 75,182 | 74,365 |
| Expenses relating to short-term leases | 48,410 | 16,995 | 16,394 |
| Total | 150,225 | 118,511 | 123,700 |

(iv) Amounts recognized in the consolidated statement of cash flows

| | 2021 | 2020 | 2019 |
|--------------------------------------|----------------|----------------|----------------|
| Total cash outflow for leases | 159,042 | 103,065 | 110,710 |

24. Other liabilities

| | December 31, 2021 | December 31, 2020 |
|---|----------------------|----------------------|
| Non-current other liabilities | | |
| Advance from depositary | 135,741 | 142,531 |
| Total | 135,741 | 142,531 |
| Current other liabilities | | |
| Advance from depositary – current portion | 54,770 | 38,759 |
| Put liability to non-controlling participants in subsidiary | 85,146 | — |
| Total | 139,916 | 38,759 |

In connection with IPO, the Group has signed the Deposit Agreement for the five years from May 8, 2019 till May 8, 2024, in accordance with which the Group has received the advance of 169,780 from the depositary as a consideration for the serving as a sole depositary of the Group's ADSs during the contract period. In connection with the subsequent public offering in July 2020, the Group has received further contribution from the depositary of 58,918 for the five years from July 20, 2020 till July 20, 2025. In connection with the subsequent public offering in June 2021, the Group has received further contribution from the depositary of 52,489 for the five years from June 7, 2021 till June 7, 2026.

The income is recognized on a straight-line basis over the period of the contract (taking into account the significant financing component) and was 58,226 for the year ended December 31, 2021, 41,617 for the year ended December 31, 2020 and 22,095 for the year ended December 31, 2019. The income is presented in "Other income" in the consolidated statement of income and comprehensive income.

The advance is presented in "Other non-current liabilities" and "Other current liabilities" in the consolidated statement of financial position, and a change in the other liabilities relating to the Deposit Agreement of 5,738 (for the year ended December 31, 2020 – 17,300 and for the year ended December 31, 2019 - 147,685) is included in "Change in other liabilities" in the consolidated statement of cash flows.

25. Provisions

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

| | Uncertain tax positions related to LTIPs and equity awards to Board of directors (Note 20, 29(b)) | Uncertain tax positions (other than income tax) | Other | Total |
|-------------------------------------|---|---|---------------|----------------|
| Balance at 1 January 2021 | 172,158 | 494,315 | — | 666,473 |
| Provisions made during the year | 230,743 | 132,154 | 28,044 | 390,941 |
| Provisions reversed during the year | — | (175,037) | — | (175,037) |
| Provisions used during the year | (6,915) | — | — | (6,915) |
| Balance at 31 December 2021 | 395,986 | 451,432 | 28,044 | 875,462 |
| Non-current | 117,345 | — | — | 117,345 |
| Current | 278,641 | 451,432 | 28,044 | 758,117 |

| | Uncertain tax positions related to LTIPs and equity awards to Board of directors (Note 20, 29(b)) | Uncertain tax positions (other than income tax) | Total |
|--|---|---|----------------|
| Balance at 1 January 2020 | 45,896 | — | 45,896 |
| Provisions made during the year | 133,374 | 5,669 | 139,043 |
| Assumed in business combinations (Note 8(b)) | — | 488,646 | 488,646 |
| Provisions used during the year | (7,112) | — | (7,112) |
| Balance at 31 December 2020 | 172,158 | 494,315 | 666,473 |
| Non-current | 87,822 | — | 87,822 |
| Current | 84,336 | 494,315 | 578,651 |

26. Financial instruments and risk management

The Group's principal financial instruments are cash and cash equivalents. Other financial assets and liabilities include borrowings, trade receivables and trade and other payables (except for taxes payable). Substantially all of the financial assets are neither past due nor impaired.

(a) Capital management policy

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may make dividend payments to shareholders, return capital to shareholders or issue new shares.

According to the bank loan agreement (see Note 21(a)), the Group is required to maintain positive net assets in its subsidiaries on unconsolidated level.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

(b) Credit risk

Credit risk is the risk that a counterparty of the Group fails to meet its obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | Carrying amount as at December 31, | |
|---------------------------|---------------------------------------|------------------|
| | 2021 | 2020 |
| Trade receivables | 141,125 | 61,028 |
| Cash and cash equivalents | 6,523,228 | 3,367,610 |
| Short-term investments | 300,000 | — |
| Loans issued | — | 19,719 |
| Total | 6,964,353 | 3,448,357 |

Trade receivables represent amounts owed by customers to the Group for the services provided. The Group's customers come from various industries and none of the customers account for more than 10% of the revenues of the Group.

Cash and cash equivalents of the Group are primarily kept with Russian banks PJSC 'VTB Bank' (credit ratings: Moody's – Baa3, S&P – A3) and JSC 'ALFA-BANK' (credit ratings: Moody's – Ba1, S&P – A3).

Short-term investments of the Group is kept with Russian bank JSC 'Gazprombank' (credit ratings: Moody's – Baa3, S&P – A3).

The Group limits its exposure to credit risk by holding cash and cash equivalents, short-term investments in the banks with high credit-ratings assigned by international credit-rating agencies.

As a result of the global events described in Note 31, S&P and Moody's have withdrawn their credit ratings of Russian banks.

(c) Currency risk

The Group's exposure to the risk of changes in foreign exchange rates related primarily to the net assets of the Group's subsidiaries denominated in a currency that is different from their functional currency. The functional currencies of Group's companies are primarily the Russian Rouble (RUB), Belarus Rouble (BYN), and Kazakh Tenge (KZT). The net assets denominated in foreign currency mainly relate to USD-denominated cash balances.

The Group's exposure to foreign currency risk was as follows:

| | December 31, 2021 | | |
|-----------------------------|-------------------|-----------------|-----------------|
| | USD-denominated | EUR-denominated | RUB-denominated |
| Cash and cash equivalents | 185,071 | 12,647 | 5,694 |
| Trade and other payables | (220,511) | (6,255) | (962) |
| Trade and other receivables | 4,663 | 623 | — |
| Net exposure | (30,777) | 7,015 | 4,732 |

| | December 31, 2020 | | |
|-----------------------------|-------------------|-----------------|-----------------|
| | USD-denominated | EUR-denominated | RUB-denominated |
| Cash and cash equivalents | 173,016 | 930 | 14,391 |
| Trade and other payables | (32,371) | (8,063) | — |
| Trade and other receivables | 6,481 | 794 | — |
| Net exposure | 147,126 | (6,339) | 14,391 |

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

Sensitivity analysis

The Group estimates that an appreciation of USD relative to the RUB by 10% would result in 3,078 loss before tax and decrease of equity as at December 31, 2021 (as of December 31, 2020 – gain of 14,713).

As a result of the subsequent events described in Note 31, significant depreciation of the Russian Rouble has resulted in upward revaluation of USD denominated payables, as well as cash and cash equivalents. The net effect on profit or loss (before the effect of income taxes) in case of a 50% weakening of the Russian Rouble against USD will be 15,389 (based on currency exposure as at 31 December 2021).

The Group estimates that an appreciation or depreciation of other currencies would not result in material loss before tax and decrease of equity as at December 31, 2021 and December 31, 2020.

The Group limits its exposure to currency risk by denominating substantial monetary assets and liabilities in currencies that match the cash flows generated by the underlying operations of the Group. In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level.

(d) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing their future cash flows or fair value (see Note 21). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

The Group is exposed to interest risk primarily due to possible change in future cash-flows on its loan from PJSC "VTB Bank", which bears interest rate equal to Central Bank of Russia Key Rate + 2% as described in Note 21 (a).

As a result of the subsequent events described in Note 31, the increase in the key rate to 20% will result in interest expense being increased by 460,893 on an annualized basis, assuming balances remain consistent with those outstanding as of December 31, 2021.

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liabilities of the Group exposed to liquidity risk are mainly consisting of bank loans payable, lease payables and trade and other payables repayable in the period less than one year (see Notes 21, 22 and 23).

The Group manages liquidity risk by constantly reviewing forecasted cash flows to ensure that the Group has sufficient liquidity to maintain necessary capital expenditures and service the Group's debt without incurring temporary cash shortfalls.

As at December 31, 2021 the Group's current liabilities exceeded current assets by 1,101,789. The Group's current liabilities were mainly represented by contract liabilities of 4,560,634. Due to the nature of the Group's business, a substantial portion of customers pay upfront for subscriptions, thus contract liabilities arise. The Group expects that contract liabilities will continue to be significant and thus negative working capital will be maintained in the future periods. Management considers such structure of the working capital acceptable to the Group's business model.

Notes to the Consolidated Financial Statements

(in thousands of Russian Rubles, unless otherwise stated)

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 and exclude the impact of netting agreements.

At December 31, 2021

| | Carrying amount | Contractual cash flows | | | |
|---|------------------|------------------------|------------------|------------------|------------------|
| | | Total | Less than 1 year | 1-2 yrs | 2-5 yrs |
| Non-derivative financial liabilities | | | | | |
| Bank loan | 4,048,059 | 5,240,966 | 1,091,707 | 823,594 | 3,325,665 |
| Non-convertible bonds | 3,985,802 | 4,514,560 | 257,280 | 4,257,280 | — |
| Other loan | 3,793 | 3,871 | 784 | 3,087 | — |
| Lease liabilities | 197,045 | 222,389 | 116,469 | 96,756 | 9,164 |
| Trade and other payables | 963,294 | 970,901 | 853,057 | 67,267 | 50,577 |
| Total | 9,197,993 | 10,952,687 | 2,319,297 | 5,247,984 | 3,385,406 |

At December 31, 2020

| | Carrying amount | Contractual cash flows | | | |
|---|------------------|------------------------|------------------|------------------|------------------|
| | | Total | Less than 1 year | 1-2 yrs | 2-5 yrs |
| Non-derivative financial liabilities | | | | | |
| Bank loan | 4,302,297 | 5,315,182 | 752,223 | 717,226 | 3,845,733 |
| Non-convertible bonds | 3,972,640 | 4,771,840 | 257,280 | 257,280 | 4,257,280 |
| Other loan | 1,488 | 1,540 | 1,540 | — | — |
| Lease liabilities | 241,997 | 274,447 | 94,775 | 93,050 | 86,622 |
| Trade and other payables | 954,492 | 962,358 | 775,885 | 67,762 | 118,711 |
| Total | 9,472,914 | 11,325,367 | 1,881,703 | 1,135,318 | 8,308,346 |

27. Consolidated subsidiaries

| | Country of incorporation | December 31, 2021 | December 31, 2020 | December 31, 2019 |
|---------------------------------|--------------------------|-------------------|-------------------|-------------------|
| Headhunter LLC | Russia | 100 % | 100 % | 100 % |
| Zarplata.ru LLC (see Note 8(b)) | Russia | 100 % | 100 % | — |
| Skillaz LLC (see Note 8(a)) | Russia | 74.99 % | — | — |
| Zemenik LLC | Russia | 100 % | 100 % | 100 % |
| Headhunter FSU Limited | Cyprus | 100 % | 100 % | 100 % |
| Headhunter KZ LLC | Kazakhstan | 66 % | 66 % | 66 % |
| 100 Rabot TUT LLC ¹ | Belarus | 50 % | 50 % | 50 % |
| Vsya rabota LLC ¹ | Belarus | 50 % | 50 % | — |

¹ The Group includes the operations of 100 Rabot TUT LLC and Vsya rabota LLC in its consolidated financial statements because it has the power to direct the operations of the subsidiaries at its own discretion and for its own benefit through the representation of the majority of the Board members by the directors of the Company.

On July 9, 2020 a new subsidiary “Vsya rabota LLC” in Belarus was established in which the Group owns 50% of the participants rights. The new entity was established for the purposes of restructuring the existing business. Shareholders of the new subsidiary and top-management team are the same as those of “100 Rabot TUT LLC”.

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28. Contingencies

(a) Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its business interruption or third party liability in respect of damage relating to Group operations, however, it has coverage against claims related to misconduct of its directors and officers. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Taxation contingencies

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.

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. 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.

In addition, changes aimed at regulating tax consequences of transactions with foreign companies have been introduced, such as concept of beneficial ownership of income, taxation of controlled foreign companies, tax residency rules, etc. These changes 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.

All these circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately 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 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.

Also, in accordance with latest court practice and recent changes to the Russian tax legislation on unjustified tax benefits there is a risk that tax authorities may successfully challenge the legal form of certain transactions of the Group and apply tax treatment based on the perceived economic substance.

Management estimated tax contingencies of approximately RUB 629 million as at December 31, 2021 connected with development of the above mentioned practices and interpretations (as at December 31, 2020 – RUB 780 million).

29. Related parties

During the year ended December 31, 2021 and 2020, HIGHWORLD INVESTMENTS LTD, an investment vehicle associated with Elbrus Capital, and ELQ Investors VIII Limited, an investment vehicle associated with The Goldman Sachs Group, Inc., have significant influence on the Group.

(a) Transactions with Key management

On July 30, 2021, the Group's board of directors approved several changes in the Group's internal structure relating to the reorganization of product development division. As a result of this reorganization, the management role of the Chief Strategy Officer has been extended, he was promoted to the Deputy Chief Executive Officer and became responsible for the entire product development division, while retaining his prior responsibilities over corporate development, monetization and corporate strategy.

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As a result, since July 30, 2021, the Key management comprises the Chief Executive Officer, Chief Financial Officer, Deputy Chief Executive Officer, Chief Marketing Officer and Chief Commercial Officer, who make all key decisions regarding running the business. Before July 30, 2021, the Key management comprises the Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer, Chief Marketing Officer, Chief Commercial Officer, Chief Product Officer and Chief Business Development Officer.

Key management received the following remuneration during reporting periods, which is included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in profit or loss:

| | For the years ended December 31, | | |
|---------------------------------------|-------------------------------------|----------------|----------------|
| | 2021 | 2020 | 2019 |
| Salary and bonus | 111,702 | 102,164 | 116,784 |
| LTIPs, including related social taxes | 275,640 | 224,527 | 167,004 |
| Pension contributions | 12,603 | 11,469 | 12,825 |
| Other social contributions | 6,147 | 5,599 | 6,404 |
| Total remuneration | 406,092 | 343,759 | 303,017 |

(b) Transactions with Board of Directors

Starting May 8, 2019, the Board of Directors comprises of nine members, including the three independent directors, who oversee the operations of the Group and supervise the policies of key management and the affairs of the Group.

The Board of Directors received the following remuneration during reporting periods, which is included in 'Operating costs and expenses (exclusive of depreciation and amortization)' in profit or loss:

| | For the years ended December 31 | | |
|---------------------------------------|------------------------------------|---------------|---------------|
| | 2021 | 2020 | 2019 |
| Cash compensation | 30,460 | 30,099 | 17,281 |
| Equity awards, including social taxes | 24,654 | 23,597 | 15,025 |
| Pension contributions | 4,628 | 6,238 | 2,930 |
| Other social contributions | 717 | 400 | 195 |
| Total remuneration | 60,459 | 60,334 | 35,431 |

The social tax liability related to equity awards of 7,453 (as at December 31, 2020 – 4,068) is presented within 'Provisions' in the consolidated statement of financial position due to uncertain amount of tax that will be determined based on future share price.

(c) Transactions with other related parties

The Group's other related party transactions mostly relate to the provision of services to subsidiaries of our shareholders.

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The Group's transactions with other related parties are disclosed below.

| | Loans granted to related parties | | Loans received from related parties | | Services provided to and received from related parties | | | |
|--|----------------------------------|-----------------|-------------------------------------|------------------|--|---------------------------------|--|---------------------------------|
| | Amounts owed by related parties | Interest income | Amounts owed to related parties | Interest expense | Services provided to related parties | Amounts owed by related parties | Services received from related parties | Amounts owed to related parties |
| For the year ended and as of December 31, 2021 | | | | | | | | |
| Subsidiaries of shareholders exercising significant influence over the Group | — | — | — | — | 6,508 | — | — | 1,729 |
| Non-controlling shareholders | — | — | 3,793 | 572 | — | — | — | — |
| Equity-accounted investee | — | 782 | — | — | 2,525 | — | 609 | — |
| | <u>—</u> | <u>782</u> | <u>3,793</u> | <u>572</u> | <u>9,033</u> | <u>—</u> | <u>609</u> | <u>1,729</u> |
| For the year ended and as of December 31, 2020 | | | | | | | | |
| Subsidiaries of shareholders exercising significant influence over the Group | — | — | — | — | 4,621 | — | 720 | 688 |
| Non-controlling shareholders | — | — | 1,478 | 11 | — | — | — | — |
| Equity-accounted investee | 19,719 | 947 | — | — | 2,281 | 1,140 | 26 | — |
| | <u>19,719</u> | <u>947</u> | <u>1,478</u> | <u>11</u> | <u>6,902</u> | <u>1,140</u> | <u>746</u> | <u>688</u> |
| For the year ended and as of December 31, 2019 | | | | | | | | |
| Shareholders of the Group | — | — | — | — | — | — | 9,309 * | — |
| Subsidiaries of shareholders exercising significant influence over the Group | — | — | — | — | 7,448 | — | — | 270 |
| | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>7,448</u> | <u>—</u> | <u>9,309</u> | <u>270</u> |

* Represents reimbursement of road show expenses incurred by Goldman Sachs & Co. LLC in the course of the Group's IPO.

All related party transactions were made in accordance with contractual terms and conditions agreed between the parties.

30. New standards and interpretations not yet adopted

A number of new and amended standards are effective for annual periods beginning after January 1, 2021 and earlier application is permitted; however, the Group has not earlier adopted the new or amended standards in preparing these consolidated financial statements. These new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts;

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- *Classification of liabilities as current or non-current (Amendments to IAS 1);*
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);*
- *Definition of Accounting Estimate (Amendments to IAS 8);*
- *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction Amendments to IAS 12 Income Taxes.*

31. Subsequent events

(i) Dividend

On January 13, 2022 the Board of Directors approved interim dividend of \$0.84 per share, which totalled to \$ 42,260,211 or 3,149,557. The dividends were paid to shareholders in February 2022.

(ii) Impact of the Latest Geopolitical Developments on the Group

In recent weeks, following the commencement of military operations in Ukraine by the Russian Federation, additional severe sanctions were imposed by the United States of America, the European Union and some other countries on the Russian government, as well as major financial institutions and certain other entities and individuals in Russia. In addition, restrictions were introduced on supply of various goods and services to Russian entities. In response to the sanctions described above, the Russian government introduced certain currency control measures while the Russian Central Bank increased the key rate to 20%. On April 11, 2022 the Russian Central Bank decreased the key rate to 17%.

On February 28, 2022, Nasdaq has suspended trading of the Group's ADSs. At the end of March, the trading of the Group's ADSs in MOEX has been resumed.

As far as the Company is aware, neither the Company nor any of its subsidiaries is directly subject to any sanctions announced to date by the United States, the United Kingdom, the European Union or other countries.

As the market situation is constantly evolving, it is difficult to accurately predict the full impact of the sanctions that were introduced or any measures taken by the Russian government in response to such sanctions, including the nationalization of foreign held assets. Despite very strong online recruitment industry fundamentals, the Group cannot guarantee that these sanctions or responsive measures will not adversely affect the Russian economy or its business activities and financial position.

Management considers various budget scenarios and cash-flow forecasts for the foreseeable future, which is at least 12 months from the date when these consolidated financial statements were authorized for issue, including stress-test scenario, which is based on severe but plausible assumptions. In accordance with all scenarios as considered by management, the Group has adequate resources to continue its operations without significant disruptions for at least 12 months from the date when these consolidated financial statements were authorized for issue. The Group has a strong balance sheet, with a significant cash balance and a low Net Debt / Segment EBITDA ratio. The Group's subscription-based business model is highly cash generative, and the Group recently paid an interim dividend for the year December 31, 2021. The Group's debt is due in more than 12 months, including a RUB 4 billion bond payable at the end of 2023, and the Group's subsidiary's loan with VTB Bank maturing in 2025. All of these factors allow the Group to maintain the strong cash position and preserve financial flexibility even in the case of a protracted economic downturn. However, recently the United States, the United Kingdom, the European Union authorities announced that certain Russian banks may be disconnected from SWIFT. Management believe that this will not impact the Group's day-to-day operations adversely.

In addition, the Group is subject to risks relating to technology as a result of the current environment. If the Western businesses on which the Group relies for aspects of business technology infrastructure and support, including information security and firewall protection, are unable to continue to provide uninterrupted services, the Group's operations may be adversely impacted. The Group's business activities may also be disrupted if the Group's app is no longer available for download from iOS and Android app stores.

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The impact of subsequent events on the Group's financial position and operations is also considered in Notes 1(b), 15, 16 and 26.

(iii) Share buyback

As disclosed in Note 19 (f), the Group terminated the share buyback program on March 3, 2022.

HeadHunter Group PLC**2021 Restricted Stock Units Plan**

(hereinafter referred to as the Plan)

1. Certain Definitions

The capitalized terms set forth below shall have the meaning prescribed hereunder for purposes of the Plan:

| | |
|------------------------|--|
| ADSs | means American Depositary Shares representing Ordinary Shares. |
| The Company | means HeadHunter Group PLC, a public company limited by shares established under the laws of the Republic of Cyprus, with registered number 332806 whose registered address is at: 42 Dositheou Street, Strovolos, 2028, Nicosia, Cyprus. |
| Control | <p>in relation to a corporation, partnership or other entity, means:</p> <p>(i) the ability to appoint or remove directors having a majority of the voting rights exercisable at meetings or in respect of resolutions of the board of such corporation, partnership or other entity; or</p> <p>(ii) the possession, directly or indirectly, of the power to direct or cause the direction of the policies of such corporation, partnership or other entity, whether through the ownership or possession (other than through customary pledge arrangements) of voting securities, the right to nominate the majority of the senior executive management, by contract or otherwise.</p> |
| Expiration Date | means August 1, 2025. |
| Group | means the Company and all its Subsidiaries from time to time. |
| Ordinary Share | means an ordinary share in the capital of the Company with nominal value €0.002 per share. |
| Person | means any individual, partnership, company, legal person, unincorporated organization, trust (including the trustees in their aforesaid capacity) or other entity. |
| Shares | means the Ordinary Shares or the ADSs. |
| Subsidiary | in relation to an undertaking (the holding undertaking), means any other undertaking which the holding undertaking Controls and any undertaking which is a Subsidiary of another undertaking is also a Subsidiary of any undertaking of which that other is a Subsidiary. |

2. Objectives

The Company has adopted the Plan in respect of its Shares to achieve the following goals:

- 2.1 Align interests of the stockholders and the management of the Company by providing to the key employees of the Group an opportunity to participate in a long-term growth of the Company's value; and

2.2 Reward and retain key employees of the Group.

3. Terms and conditions of the Plan

3.1 Available Shares. Subject to the provisions of this Section 3 and to adjustment under Section 4 (Adjustment), grants of Restricted Stock Units (the **RSU**) may be made under the Plan for up to a maximum number of Shares equal to six percent (6%) of the fully diluted aggregate number of Ordinary Shares issued and outstanding (by number) from time to time (the **Pool**). Each RSU carries the right to receive, at no cost to the recipient, one (1) Share (either an Ordinary Share or an ADS in the discretion of the Administrator (as defined below)) upon satisfaction of the applicable vesting conditions. In the event that any outstanding RSU shall be forfeited for any reason, they shall again become available for granting under the Plan.

Subject to Section 3.3, awards in the form of RSU shall reduce the available Pool by one (1) Share for each RSU granted.

3.2 Eligibility. The Chief Executive Officer of the Company in coordination with the Chief Strategy Officer, Chief HR Officer, Chief Technology Officer and Chief Product Officer and any other executive officers of the Company, as the case may be, shall set up an internal committee (the **Internal Committee**), which will identify potential recipients of RSU hereunder from among top performing and critical employees and officers of the Group who, in the opinion of the Internal Committee, are in a position to make a significant contribution to the success of the Group (the **Potential Grantees**). In identifying Potential Grantees, the criteria applied by the Internal Committee shall include the following criteria, in each case in the determination of the Internal Committee:

- compliance with internal policies and behavior standards and adherence to corporate values and strategy of the Group;
- the preceding twelve (12) months of high efficiency of work performance and achievement of key performance indicators applicable to the evaluation of the relevant Potential Grantee's work performance;
- involvement in strategic projects; and
- position scarcity and cost of replacement/onboarding.

In advance of a meeting of the Company's Board of Directors (the **Board**), the Internal Committee can submit to the Compensation Committee (the **Compensation Committee**) of the Board the list of Potential Grantees (if any) and the number of RSU it determines should be granted to each Potential Grantee, and the Compensation Committee shall recommend to the Board such Potential Grantees and allocation of RSU, if any, that the Committee determines should be granted hereunder at such Board meeting. The Board at such meeting shall approve grants of RSU hereunder, if any, in its discretion based upon such recommendation (any recipients of RSU, for so long as they hold an RSU, the **Participants**).

No employee or other Person shall have any claim to be granted any award pursuant to the Plan, and none of the Company and the Administrator are obligated to treat eligible employees or other Persons uniformly.

3.3 Administration. The Board and, to the extent the Board does not exercise such authority, the Compensation Committee, shall act as administrators of the Plan (each, an **Administrator**), and each shall have the authority to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it deems advisable, and to decide all matters that must be determined in connection

with the Plan (provided that to the extent any action, decision or interpretation of the Compensation Committee in its capacity as Administrator contradicts or conflicts with any action, decision or interpretation of the Board, then such action, decision or interpretation of the Board shall prevail; provided, further, that the Compensation Committee shall not take any action or adopt any decision or interpretation in its capacity as Administrator that contradicts or conflicts with those previously taken or adopted by the Board; and provided, further, that the Board may at any time override any action, decision or interpretation of the Compensation Committee in its capacity as Administrator). The Administrator may construe and interpret the terms of the Plan and any RSU granted under the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any RSU in the manner and to the extent it shall deem expedient to carry the Plan into effect. The Administrator may approve the amendment or alteration of any RSU in accordance with the terms of the Plan, provided that no such amendment or alteration shall adversely affect or abrogate an RSU held by a Participant without the Participant's consent unless, in the case of an adverse amendment or alteration that similarly affects all then outstanding unvested RSU, the Participants holding at least seventy-five percent (75%) of such unvested RSU shall consent in writing to such amendment or alteration. All decisions by the Administrator in respect of the Plan and all interpretations by the Administrator of the Plan, any awards granted pursuant to the Plan or any Award Agreement (as defined below) shall be made in its sole discretion, and shall be final and binding on all Persons having or claiming any interest in the Plan or in any RSU provided that the decision of the Administrator shall not contradict Clause 13 of the Plan.

- 3.4 Forfeitures. To the extent any RSU granted under the Plan terminates or is canceled for any reason without any Shares being delivered pursuant to the RSU, the number of Shares underlying such terminated or cancelled RSU shall again be available for the purpose of awards under the Plan.
- 3.5 Terms and Conditions. The Administrator shall determine the terms of all RSU, subject to the limitations provided herein, and the Company shall furnish to each Participant an agreement (the *Award Agreement*) setting forth the terms applicable to the Participant's RSU. By accepting an Award Agreement, the Participant agrees to the terms of the RSU and of the Plan. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of the Award Agreement, the terms and conditions of the Plan shall prevail. Such terms and conditions may include an obligation of the Participant to agree to lock-up arrangements with respect to Shares acquired pursuant to the RSU. Terms and conditions of RSU may differ amongst different Participants and different grants of RSU.
- 3.6 Tax Obligations. Participants shall be solely responsible for any taxes and currency control obligations arising by reason of RSU held by them, and the Company as a condition to settlement of RSU may require a Participant to take all steps required to satisfy any tax withholding or other payment obligation. Where the Company is acting as a tax agent for a Participant under applicable law, the Company will (i) pay on such Participant's behalf any taxes, social contributions or other payments to the relevant authorities that are required by law to be paid with in respect of the RSU, or (ii) withhold any monies from any compensation paid to such Participant on account of tax (including an amount equal to any tax or social security contributions payable by any of the Group members) for income or employment tax purposes and pay such amount to any applicable tax authority. Each Participant shall from time to time upon the written request of the Company provide to the Company in a timely manner such information as it reasonably requests in order to evidence the Participant's tax and currency control residency and the compliance by the Participant with applicable laws (including taxation and currency laws) regarding the Plan.
- 3.7 Vesting. Unless otherwise provided in an Award Agreement and subject to the other provisions of the Plan (including Section 10 (Death or incapacity of the RSU holder)), RSU shall vest as to twenty-five percent (25%) of the Shares subject thereto on the first anniversary of the date of grant and as to an additional one sixteenth (1/16th) of the Shares subject thereto on each succeeding three (3) month anniversary over the following three (3) years, in each case subject to continued employment with the

Group. RSU which have not become vested as of the date of termination of the Participant's employment or service shall be forfeited and canceled upon such termination. Notwithstanding the preceding sentence, the Administrator may by written resolution provide that any unvested RSU, as well as any vested but not settled RSU, held by a Participant, shall be forfeited and canceled at any time upon the Participant's (A) the commission of any criminal or other act punishable by law which involves moral turpitude or which involves misappropriation or embezzlement of any property (including confidential or proprietary information) or fraud against any member of the Group or any of its customers or suppliers, or causing material damage to any member of the Group or any of its customers or suppliers by reason of negligence, breach of duty, dishonesty or other misconduct, (B) being adjudicated bankrupt under applicable law, (C) violation of any of the provisions of the Plan in any material respect, including with respect to disposal of the RSU, (D) conduct which could reasonably be expected to cause the Group or its shareholders substantial public disgrace or disrepute or economic harm, (E) material failure to perform duties consistent with such person's job functions assigned by the Group, (F) any act or knowing omission aiding or abetting a competitor, supplier or customer of the Group, that is adverse to the business of the Group or (G) breach of fiduciary duty, gross negligence or willful misconduct with respect to the Group, in each case as determined in the Administrator's discretion, and in each case regardless of whether such person's employment was terminated, and if terminated, regardless of whether any such event was formally the basis for such termination. If a Participant is on or subsequently goes on maternity leave, paternity leave or long-term leave (more than ninety (90) consecutive days), any pending or future vesting period, to the maximum extent permitted by applicable laws, shall be extended by a period equal to the duration of that maternity leave, paternity leave or long-term leave.

- 3.8 Delivery of Shares. Subject to Section 3.5 (Tax Obligations), as the RSU vest, the Company shall deliver to the Participant as soon as reasonably practicable, but not later than two (2) months thereafter, Shares free of all restrictions hereunder in respect of the total number of the RSU vested at respective vesting date and which have not previously been forfeited or settled.
- 3.9 No Rights as Shareholder. Participants shall have no dividend, voting, or any other rights as a stockholder of the Company with respect to any RSU. The grant of RSU pursuant to the Plan shall not be deemed the grant of a property interest in any assets of the Company. The rights of the recipient of RSU to benefits under the Plan shall be solely those of a general, unsecured creditor of the Company. The grant of RSU shall not be construed as giving a Participant the right to be retained as a service provider to the Group. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate any employee's (whether a Participant or any other Person) employment or services at any time, nor confer upon any employee any right to continue in the employ or service of the Company or any of its Subsidiaries. The RSU is a right of the Participant to receive Shares and any issuance of Shares that may vest under the RSU does not form part of the remuneration that is due to a Participant pursuant to the terms of their office or employment with the Company or any of its Subsidiaries.
- 3.10 Expiration Date. No additional RSU shall be awarded after the Expiration Date but RSU then outstanding shall continue in effect in accordance with their terms.
- 3.11 No Cash in Lieu of Awards Participants granted an award under the Plan will not have the option of receiving cash or other property in lieu of such award.

4. Adjustment

In the event of any stock split or combination of shares (including a reverse stock split), reorganization, recapitalization, merger, exchange of stock, redemption, repurchase, consolidation, other change in the capital structure of the Company, sale of assets or other similar event which requires adjustment in the good faith determination of the Administrator in order to avoid the enlargement or dilution of rights

hereunder, the Administrator shall make adjustments to the maximum number Shares that may be delivered under the Plan and also make such changes in the number and kind of shares of stock, securities or other property (including cash) covered by outstanding RSU, and the terms thereof, as the Administrator determines to be appropriate. References in the Plan to Shares shall be construed to include any stock or securities resulting from an adjustment pursuant to this Section 4.

5. No assignment

Except for any transfer of RSU pursuant to Section 10 resulting from the laws of descent and distribution, no RSU granted under the Plan may be sold, pledged, assigned, charged, hypothecated, transferred, dealt with (including creating a trust over), otherwise encumbered or disposed of in any manner (other than pursuant to the laws of descent and distribution), nor may a Participant enter into any derivative agreement or other similar hedging arrangement relating to any RSU without prior written consent of the Company, provided that the settlement of the RSU shall not be considered to be any type of disposal. The terms of an RSU award shall be final, binding and conclusive upon any transferee permitted under this Section 5.

6. Governing law

The Plan shall be governed by, and be construed in accordance with, the Laws of England and Wales.

7. Confidentiality and Personal Data Protection

7.1 Participants shall be required, as a condition to the receipt and retention of any RSU hereunder, to keep strictly confidential the terms of such Participant's participation in the Plan and shall agree not to discuss the terms of such participation with any other employee or consultant of the Company or any other third party; provided that nothing herein shall prevent the disclosure of these terms to the Participant's legal or tax advisors or as may be required to be disclosed in any prospectus prepared in connection with any offering of securities or as required by law.

7.2 Each Potential Grantee and each Participant acknowledges and agrees that the Company and the Group may use their personal data provided to the Group in their employment capacity for the purposes of administering this Plan and carrying out the transactions contemplated hereunder, including the transfer of such personal data or information to other jurisdictions, including the United States, and including the disclosure of the Participant's names and shareholding in the Company's filings required of it under applicable securities laws.

8. Share capital

Nothing herein shall restrict the ability of the Company to increase its issued share capital (with the consequent dilution of the Participant's percentage shareholding in the Company or the Participant's potential shareholding in the Company as the case may be) or issue preference shares or other shares ranking in priority to the Shares that may be issued pursuant to each RSU.

9. Rights and obligations associated with the Shares

Any Shares acquired pursuant to the RSU shall be subject to any and all the rights associated with the Shares in accordance with the provisions set out in the Articles.

10. Death or incapacity of the RSU holder

If a Participant dies or is determined to be incapacitated by a court of competent jurisdiction while employed by or providing services to the Company or any Subsidiary, the RSU shall immediately vest and shall be issued to the Participant's personal representatives (including his/her heirs by will and

operation of law) or in the case of incapacity to his/her authorized and lawful representatives as to such number of Shares subject thereto as would have become vested had the Participant continued in service for one (1) additional year, and any RSU which have not become vested as of the date of death or such determination of incapacity shall be forfeited and canceled upon such death or determination.

11. Shareholder notices

Prior to the settlement of any RSU, the Company shall not be obliged pursuant to the provisions of the Plan to provide the Participant with copies of any notices, circulars or other documents sent to shareholders of the Company in respect of Shares subject to the RSU.

12. Amendment; Term

Notwithstanding any other provision of the Plan, the Administrator, in its sole and absolute discretion, may at any time or times amend or alter the Plan and may at any time terminate or discontinue the Plan as to any future grants of RSU subject to the provisions of Section 3.2 (Administration) and Section 4 (Adjustment). The Plan shall become effective as of July 1, 2021, and shall expire on the Expiration Date (unless terminated earlier by the Board); provided that outstanding RSU granted prior to such expiration (if any) shall remain outstanding in accordance with their terms following such expiration.

13. Legal requirements

The Company may require, as a condition to the delivery of Shares pursuant to the Plan, that all legal matters in connection with the issuance and delivery of such Shares have been addressed and resolved. The Company may require, as a condition to settlement of the RSU, such representations or agreements as counsel for the Company may recommend. The Company may require that certificates evidencing Shares issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Shares, and the Company may hold the certificates pending lapse of the applicable restrictions.

14. Miscellaneous

- 14.1 Headings. The titles and headings of the sections in the Plan are for convenience of reference only and shall not be considered in interpreting the Plan.
- 14.2 Interpretation. Unless the context of the Plan otherwise requires, words using the singular or plural number also include the plural or singular number, respectively; derivative forms of defined terms will have correlative meanings; the terms “hereof,” “herein” and “hereunder” and derivative or similar words refer to the entire Plan; the term “Section” refers to the specified Section of the Plan; the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”; and the word “or” shall be disjunctive but not exclusive.
- 14.3 Relationship to other benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare, or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.
- 14.4 Successors. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.
- 14.5 Severability. If any provision of the Plan is held to be invalid or unenforceable, the other provisions of the Plan shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in the Plan.

- 14.6 No fractional shares. No fractional Shares shall be issued or delivered pursuant to the Plan. The Administrator shall determine whether cash or other property shall be issued or paid in lieu of such fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.



EXECUTION VERSION

24 August 2020

HEADHUNTER LIMITED LIABILITY COMPANY

as the Borrower

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Arranger

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Original Lender

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Facility Administrator

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Pledge Manager

SYNDICATED FACILITY AGREEMENT

Herbert Smith Freehills CIS LLP

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THIS SYNDICATED FACILITY AGREEMENT (the "**Agreement**") has been entered into on 24 August 2020 between:

- (1) **HEADHUNTER LIMITED LIABILITY COMPANY**, incorporated under the laws of the Russian Federation and registered in the Russian Federation Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1067761906805, whose business address is 9 Godikova Street, Building 10, Moscow, 129085, Russian Federation (the "**Borrower**");
- (2) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the arranger of the Facility (the "**Arranger**");
- (3) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the original lender (the "**Original Lender**");
- (4) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the facility administrator (the "**Facility Administrator**"); and
- (5) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the pledge manager (the "**Pledge Manager**").

THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS

1.1 Terms

In this Agreement:

"Auditors" means:

- (a) in relation to the financial statements of the Group and its members prepared in accordance with IFRS: KPMG Joint-Stock Company, or Deloitte CIS Holdings Limited, or PriceWaterhouseCoopers Consulting LLC, or Ernst & Young Global Limited; and
- (b) in relation to the financial statements of the Group's members prepared in accordance with the Applicable Reporting Standards other than IFRS: any company listed in paragraph (a) above, as well as Moore Stevens LLC, Finexpertiza LLC, BDO CJSC, FBK LLC and 2K - Delovye Konsultatsii CJSC, or any other auditing firm approved by the Majority Lenders.

"Affiliate" means, with respect to any person, a Subsidiary or Associate of such person or a Holding Company of such person or any other Subsidiary or Associate of such Holding Company.

"Basel II" means the recommendations contained in the document adopted by the Basel Committee on Banking Supervision in June 2004 "International Convergence of Capital Measurement and Capital Standards: a Revised Framework."

"Basel III" means:

- (a) the recommendations contained in the documents published by the Basel Committee on Banking Supervision in December 2010: "Basel III: A global regulatory framework for more resilient banks and banking systems," "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" and "Guidance for National Authorities Operating the Countercyclical Capital Buffer," with subsequent changes and additions;
- (b) the recommendations for global systemically important banks, contained in a document published by the Basel Committee on Banking Supervision in November 2011 "Global Systemically Important Banks: Assessment Methodology and the Additional Loss Absorbency Requirement – Rules text" with subsequent changes and additions; and

- (c) any other documents, explanations or standards published by the Basel Committee on Banking Supervision in connection with Basel III.

"Majority Lenders" means:

- (a) in the period up to the first Utilisation Date: the Lenders whose Available Commitments total 75% (seventy-five percent) or more of the Total Commitments;
- (b) if there is no Facility Outstanding and the Total Commitments were reduced to zero: the Lenders whose Available Commitments totalled 75% (seventy-five percent) or more of the Total Commitments immediately prior to the date of that reduction; or
- (c) in any other period of time: the Lenders whose participation in the Facility Outstanding together with their Unused Available Commitment, as well as the Amount Payable, totals 75% (seventy-five percent) or more of the total Facility Outstanding amount together with the Total Unused Commitments and the Amount Payable by all Lenders.

"VTB" means VTB Bank (Public Joint-Stock Company), a public joint-stock company incorporated under the laws of the Russian Federation and registered in the Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1027739609391.

"Secondary Placement" means a placement on the Nasdaq Stock Exchange in one or more transactions during the period up to 31 December 2021 (or later date for which the Borrower has obtained the Facility Administrator's approval in writing) by means of a public offering to an unlimited circle of persons:

- (a) of additionally issued Headhunter Group shares (initial placement), with the total value of the placement not exceeding USD 100,000,000; or
- (b) of existing Headhunter Group shares belonging to Highworld and ELQ Investors VIII (secondary placement),
- (c) or any combination thereof, in each case provided that such initial or secondary placement (or a combination of both) does not result in a Change of Control.

"Revenue" means, in relation to an Obligor, the revenue of that Obligor, determined in accordance with the financial statements prepared in accordance with the Applicable Reporting Standards provided in accordance with Clause 17.1 (*Financial Statements*).

"Guarantor" means each of the following persons:

- (a) Headhunter Group;
- (b) Zemenik;
- (c) Headhunter FSU;
- (d) each Additional Guarantor; and
- (e) any person providing an Independent Guarantee that the Facility Administrator and the Borrower have agreed in writing to deem a Guarantor for purposes of this Agreement.

"Placement Indemnity" means one or more unlimited indemnities provided by Headhunter Group in favor of the banks arranging the Secondary Placement, the depository bank engaged in connection with the Secondary Placement, and/or the Depository Trust Company, for the purpose of the Secondary Placement, to cover potential losses and costs associated with errors and incomplete disclosure of information provided in the Secondary Placement prospectus, and with Headhunter Group's exercising its rights and performing its obligations within the framework of the Secondary Placement.

"Treaty State" means a state that has a valid Double Taxation Treaty with the Russian Federation.

"Civil Code" means the Civil Code of the Russian Federation.

"Group" means, for the purposes of this Agreement:

- (a) Headhunter Group; and
- (b) Headhunter Group Subsidiaries and Associates whose financial statements are consolidated with Headhunter Group financial statements in accordance with IFRS in the relevant period of time using the direct consolidation method.

"Utilisation Date" means each date on which the Facility Administrator transfers the Facility or part thereof specified in a Utilisation Request into the account of the Borrower.

"Final Repayment Date" means 30 June 2025.

"Interest Payment Date" means 31 March, 30 June, 30 September and 31 December of each year, and if the relevant day is not a Business Day, then the next Business Day thereafter.

"Cash" has the meaning given to this term in IFRS.

"Pledge" means each of the following pledges:

- (a) the Borrower Participatory Interest Pledge;
- (b) each Headhunter FSU Shares Pledge;
- (c) each Additional Pledge; and
- (d) any other pledge entered into by the Borrower or a third party to secure the Borrower's obligations hereunder.

"Borrower Participatory Interest Pledge" means the pledge of 100% participatory interest in the Borrower's charter capital between Headhunter FSU as the pledgor and the Pledge Manager as the pledge manager (pledgor) and any other additional or substitute pledge of a participatory interest in the Borrower's charter capital that is entered into to secure the Borrower's obligations hereunder.

"Headhunter FSU Shares Pledge" means each of the following:

- (a) Pledge of Headhunter FSU (Headhunter Group) Shares;
- (b) Pledge of Headhunter FSU (Zemenik) Shares; and
- (c) any other additional or substitute pledge of Headhunter FSU shares.

"Pledge of Headhunter FSU (Zemenik) Shares" means the pledge of Headhunter FSU shares between Zemenik as the pledgor and the Pledge Manager as the pledge manager (pledgor) entered into to secure the Borrower's obligations hereunder.

"Pledge of Headhunter FSU (Headhunter Group) Shares" means the pledge of Headhunter FSU shares between Headhunter Group as the pledgor and the Pledge Manager as the pledge manager (pledgor) entered into to secure the Borrower's obligations hereunder.

"Loan Agreements Between the Borrowers" means:

- (a) the loan agreement entered into on or around the date hereof between the Borrower as the lender and Zemenik as the borrower in the amount of the outstanding principal balance owed by Zemenik under the Existing Facility Agreement; and
- (b) the loan agreement entered into on or around the date hereof between the Borrower as the lender and Headhunter Group as the borrower in the amount of the outstanding principal balance owed by Headhunter Group under the Existing Facility Agreement.

"Double Taxation Treaty" means a double taxation treaty between a foreign state and the Russian Federation, which stipulates full or partial profits tax exemption in the Russian Federation on the income paid to foreign companies under this Agreement.

"Lender Rights Assignment Agreement" means an agreement drawn up in the form given in Schedule 4 (*Form of Lender Rights Assignment Agreement*) or in any other form whereby the Existing Lender (as defined in Clause 23 (*Changes to the Parties*)) assigns its rights and

(or) transfers obligations under this Agreement to a New Lender (as defined in Clause 23 (*Changes to the Parties*)).

"Security Documents" means:

- (a) each Pledge;
- (b) each Independent Guarantee; and
- (c) any other document entered into or issued by the Borrower or by a third party at the Borrower's request with the consent of the Facility Administrator or the Pledge Manager to secure performance of the Borrower's obligations hereunder.

"Group Equity Instruments" means shares or participatory interests in the charter capital of any member of the Group, as well as options or other instruments securing the right of their owner to acquire or receive shares or a participatory interests in the charter capital of any member of the Group, including options granted to employees of Group companies under Remuneration Plans Based on Group Equity Instruments, and compensation in the form of shares paid to members of the board of directors of Headhunter Group.

"Obligor" means the Borrower and each Guarantor.

"Additional Guarantee" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Additional Guarantor" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Additional Pledge" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Subsidiary" means, with respect to any legal person, any legal person, if the first (principal) legal person:

- (a) holds the majority of voting rights in that legal person; or
- (b) has equity participation and has the right to appoint or remove a majority of the members of the executive body of the legal person; or
- (c) has the right to have a dominant influence on the legal person by virtue of the provisions contained in the foundation documents of the legal person or management agreement; or
- (d) is a member (shareholder) of that legal person and independently or in agreement with other members controls the majority of votes in the legal person; or
- (e) controls that legal person,

including any legal person the shares or participatory interests in the charter capital of which are subject to an Encumbrance, and the title to such encumbered shares or participatory interest is registered by virtue of such Encumbrance in favour of a secured party or nominal holder acting in favour of such party.

"Associate" means, with respect to any legal person, any legal person if the first legal (principal) legal person owns 20 (twenty) or more percent (but not more than 50 (fifty) percent) of the charter capital in such legal person.

"Bankruptcy Law" means the Federal Law of the Russian Federation No. 127-FZ dated 26 October 2002 "On Insolvency (Bankruptcy)".

"Credit Histories Law" means the Federal Law of the Russian Federation No. 218-FZ dated 30 December 2004 "On Credit Histories".

"Regulated Procurement Law" means the Federal Law of the Russian Federation No. 223-FZ dated 18 July 2011 "On the Procurement of Goods, Works and Services by Certain Types of Legal Entities."

"Syndicated Loan Law" means the Federal Law of the Russian Federation No. 486-FZ dated 31 December 2017 "On Syndicated Credits (Loans) and Amendments to Certain Legislative Acts of the Russian Federation".

"Pledgor" means each of the following persons:

- (a) Headhunter Group;

- (b) Zemenik;
- (c) Headhunter FSU; and
- (d) each pledgor under each Additional Pledge.

"Utilisation Request" means the request of a Borrower to utilise the Facility, drawn up in the form given in Schedule 3 (*Form of Utilisation Request*).

"Zemenik" means Zemenik Limited Liability Company, incorporated under the laws of the Russian Federation and registered in the Russian Federation Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1167746153860, whose business address is 14 Krzhizhanovskogo Street, Building 3, Suite 304, Moscow, 117218, Russian Federation.

"Intellectual Property" means the Obligors' Trademarks, domain names (including the Obligors' Websites) registered to the Group's members, database and other intellectual property, the rights to which are owned by the Group's members, and which are listed in Schedule 8 (*Intellectual Property*), and also similar material intellectual property owned by the Additional Guarantors (if such Additional Guarantors were not Obligors as of the date of this Agreement).

"Key Rate" means:

- (a) for each Interest Period: the key rate set by the Central Bank of the Russian Federation and valid for each day of the Interest Period; and
- (b) for any other period: the key rate set by the Central Bank of the Russian Federation and valid for each day of such period,

set on a daily basis based on the data on the website of the Central Bank of the Russian Federation at: www.cbr.ru or on another official website of the Central Bank of the Russian Federation should the website change. Moreover, if the key rate is abolished and/or is no longer used by the Central Bank of the Russian Federation to set pricing conditions for financing credit institutions of the Russian Federation, the Key Rate will be deemed to be the corresponding rate set by the Central Bank of the Russian Federation for pricing refinancing operations through repo transactions, and (or) secured by non-market assets.

"Early Repayment Fee" has the meaning given in Clause 8.4.1.

"Consolidated EBIT" means the Group's consolidated profit before tax for the Relevant Period adjusted for termination of operations that occurred during the Relevant Period:

- (a) before any amounts related to financial expenses are deducted (with respect to financial costs related to lease payments: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (b) after deducting rental expenses to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16;
- (c) excluding any amounts relating to interest due to any member of the Group;
- (d) after deducting profits or adding losses of any member of the Group related to non-controlling interests;
- (e) excluding positive or negative unrealised exchange rate differences;
- (f) excluding profits or losses arising from the revaluation of any asset or a decrease in the book value of any asset when it is alienated by any member of the Group;
- (g) excluding expected returns on pension plan assets; and
- (h) excluding non-monetary profits and losses from the Remuneration Plans based on Group Equity Instruments.

"Consolidated EBITDA" means Consolidated EBIT for the Relevant Period adjusted by adding the following amounts, provided that these amounts were not taken into account when calculating the EBIT:

- (a) any amounts relating to depreciation and impairment of fixed assets (with respect to depreciation related to lease liabilities: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (b) any amounts related to goodwill impairment; and
- (c) any amounts relating to depreciation and impairment of other intangible assets.

"Confidential Information" means any information (including personal data) in any form (including oral information, and any documents and information recorded or stored as electronic files or on any other media) about any Obligor, Pledgor or member of the Group, Finance Documents or Facility, which becomes known to a Finance Party, or which is received by any person intending to become a Finance Party, from:

- (a) any member of the Group or consultant thereof; or
- (b) another Finance Party or consultant thereof, if the information was obtained by such Finance Party from any member of the Group or consultant thereof,

with the exception of information that:

- (i) is or becomes available to the general public other than due to a Finance Party's violation of the conditions of Clause 29 (*Confidentiality*); or
- (ii) was known to a Finance Party prior to the date that such information was disclosed to it or its consultant, or was legally obtained by a Finance Party or its consultant after such date from a source that, as far as a Finance Party is aware, is not connected with the Group, and which in any case, as far as a Finance Party is aware, was not received due to a breach of confidentiality obligations.

"Facility" means the funds within the Total Commitments that are lent to the Borrower by Lenders under this Agreement in the form of Tranches.

"Available Commitment" means, with respect to any Tranche as of any date, the amount of funds that:

- (a) in relation to the Original Lender, each Original Lender shall lend to the Borrower under such Tranche on the relevant date in accordance with the terms of this Agreement and as indicated against the name of the relevant Original Lender in the table in Part A (*Original Lenders and Available Commitments*) of Schedule 1 (*Parties, Available Commitments, and Security*); and
- (b) in relation to any other Lender, the relevant Lender shall provide as a loan to the Borrower on the relevant date as the result of transfer to it of the commitment to grant the Facility under such Tranche,

the amount of which may be modified in accordance with the terms of this Agreement.

"Margin" means:

- (a) 2.0% per annum for Tranche 1; and
- (b) 2.5% per annum for Tranche 2.

"IFRS" means the international accounting standards referred to in Regulation No. 1606/2002 adopted by the European Parliament and the European Union Council on 19 July 2002, to the extent applicable to the relevant financial statements.

"Tax" means any tax, levy, duty, or other charge or withholding of a similar nature (including any fines or penalties payable in connection with any failure to pay or any delay in paying any of the same) established by applicable law.

"Tax Relief" means a Tax exemption (application of a reduced tax rate or tax refund) granted outside the Russian Federation in respect of any Tax related to payments under the Finance Documents.

"Tax Deduction" means the withholding from any payment under a Finance Document of an amount of any tax or charge, including, in particular, value added tax and income (profit)

tax deducted at source, as well as any similar taxes that may replace or supplement existing taxes in accordance with applicable law, in the amount and within the timeframes stipulated by law.

"Tax Payment" means an increase in the amount of payment made by an Obligor to a Finance Party in accordance with the provisions of Clause 12.1 (*Tax gross-up*), or payment made by an Obligor to a Finance Party in accordance with the provisions of Clause 12.2 (*Tax indemnity*).

"Independent Guarantee" means each of the following documents:

- (a) each independent guarantee issued by the Guarantor in favour of the Lenders;
- (b) each Additional Independent Guarantee; and
- (c) any other independent guarantee issued by any person and with the consent of the Facility Administrator or the Pledge Manager to secure performance of the Borrower's obligations hereunder.

"Default" means:

- (a) an Event of Default; or
- (b) an event or circumstance referred to in Clause 21 (*Events of Default*), which, in accordance with the terms of this Agreement, will become an Event of Default upon:
 - (i) the expiration of any deadline established by this Agreement to rectify a violation;
 - (ii) the sending of any notice; or
 - (iii) the taking of the relevant decision in respect of the Finance Documents.

"Unused Available Commitment" means the Available Commitment of each individual Lender less:

- (a) the amount of funds already provided to the relevant Borrower by this Lender, and
- (b) Amount Payable by this Lender.

"Facility Outstanding" means, at any time, the funds loaned to the Borrower in accordance with this Agreement and which have not been repaid to the Lenders.

"Encumbrance" means a mortgage, pledge, lien, possessory pledge, assignment, the right to direct debit or a similar debit right or other encumbrance created to secure a person's obligations, or any agreement entered into in order to secure performance of obligations.

"Original Financial Statements" means:

- (a) with respect to the Borrower and Zemenik, the annual accounting statements for 2019, prepared in accordance with RAS;
- (b) with respect to Headhunter Group: the annual financial statements for 2019 prepared in accordance with IFRS, with an attached auditor's report; and
- (c) with respect to Headhunter FSU: management accounts prepared in accordance with the Group's management accounting policies as at 31 December 2019.

"Utilisation Period" means:

- (a) with respect to Tranche 1: the period starting on the date of this Agreement and ending on the date falling 10 (ten) days after the date of this Agreement (both said dates being inclusive); and
- (b) with respect to Tranche 2: the period starting on the date of this Agreement and ending on the date falling 270 (two hundred seventy) days after the date of this Agreement (both said dates being inclusive);

"Remuneration Plan Based on Group Equity Instruments" means an agreement contemplating that employees (or former employees) of the Group, members of the board of

directors of Headhunter Group and/or the owners of shares and/or participatory interests of any member of the Group receive:

- (a) remuneration in the form of Group Equity Instruments;
- (b) remuneration in the form of funds or provision of other assets, provided that the amount of this remuneration is determined on the basis of and/or is contingent on the value of the Group Equity Instruments; or
- (c) remuneration in the form of provision of Headhunter Group shares to members of the board of directors of Headhunter Group.

"Sanctioned Person" has the meaning given to this term in Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*).

"Leverage" has the meaning given to this term in Clause 18.3 (*Leverage*).

"Interest Cover" has the meaning given to this term in Clause 18.4 (*Interest cover*).

"EBITDA" means the EBITDA of any member of the Group, determined on the last reporting date:

- (a) at the end of the financial year or second financial quarter of the financial year, in accordance with the Group's financial statements for the relevant financial year or second financial quarter of the financial year (respectively), prepared in accordance with IFRS, provided to the Facility Administrator in accordance with Clause 17.1.1(A) or (B); or
- (b) at the end of the first or third financial quarter, based on the relevant financial accounts of the Group provided to the Facility Administrator in accordance with Clause 17.1.1(C).

"Acceptable Lender" means a Lender, which is:

- (a) a Russian legal person, or
- (b) resident of a Treaty State, provided that the status of such a Lender, at the request of an Obligor, is confirmed by a Russian translation of a copy of a document issued by the competent tax authority of the Treaty State, indicating that the qualifying Lender is a tax resident of the Treaty State.

"Applicable Reporting Standards" means the financial reporting standards applicable to any Obligor.

"Proportional Share" means:

- (a) for the purposes of determining the size of the Lender's participation in the Facility in accordance with any Utilisation Request: the ratio between the Unused Available Commitment of such Lender and the Total Unused Commitments.
- (b) for any other purposes:
 - (i) in the absence of a Facility Outstanding: the ratio between the Available Commitment of a single Lender and the Total Commitments, or
 - (ii) if there is a Facility Outstanding: the ratio between the Facility Outstanding issued to the Borrower by a single Lender, together with the Amount Payable by this Lender, and the Facility Outstanding issued to the Borrower by all Lenders, together with the Amount Payable by all Lenders.

"Interest Period" means, in relation to the Facility Outstanding, each period during which interest is calculated, determined in accordance with the provisions of Clause 10 (*Interest Periods*), and, in relation to any overdue amount, each period determined in accordance with the provisions of Clause 9.4 (*Default Interest*).

"Business Day" means any day on which banks are open to conduct ordinary banking operations in Moscow.

"Permitted Financial Indebtedness" means any Financial Indebtedness:

- (a) arising in accordance with the terms of the Finance Documents or permitted by the Finance Documents;
- (b) of a member of the Group that exists on the date of this Agreement, as specified in Schedule 7 (*Existing Financial Indebtedness*);
- (c) of any Obligor to another Obligor; and
- (d) of any Obligor to persons that are not Obligors unless the total amount of such Financial Indebtedness together with the grand total principal amount owed under loans provided by any Obligor to persons that are not Obligors exceeds 10% (ten percent) of the Group Assets at any point in time.

"Permitted Payments" means:

- (a) any payments made by a member of the Group to any Obligor, provided that such payments do not create obligations for the Obligor to such a member of the Group (in particular, to repay received funds or to transfer assets);
- (b) any payments made by any Obligor to another Obligor;
- (c) payment of distributable profit by Headhunter Group to its shareholders (including by Permitted Redemption) subject to the requirements of Clause 19.12 (*Dividend payment and redemption of shares or participatory interests*);
- (d) payment to another member of the Group or shareholders of Headhunter Group of funds received by any member of the Group from the sale of shares/participatory interests in another member of the Group that is not an Obligor, provided that after such payment the Leverage will not increase; and
- (e) mandatory payments in accordance with applicable law to shareholders that are not members of the Group or members of legal entities that are members of the Group in the event that such shareholder or member exits this legal person,

provided that any payment specified in this definition will not result in the person making such payments having negative net assets.

"Permitted Loans" means loans:

- (a) granted by any Obligor to another Obligor;
- (b) granted by any member of the Group that is not an Obligor, to another member of the Group that is not an Obligor; and
- (c) granted by any Obligor to persons that are not Obligors, unless the total principal amount owed under such loans together with the total Financial Indebtedness of the Obligors to persons that are not Obligors exceeds 10% (ten percent) of the Group Assets at any point in time.

"Permitted Redemption" means the redemption by a member of the Group of its own shares or participatory interests in the charter capital of that member of the Group, provided that:

- (a) if such shares or participatory interests are the subject of a Pledge, such shares or participatory interests will continue to be the subject of such Pledge, regardless of the relevant redemption;
- (b) this member of the Group complies with all applicable legal requirements for such redemption, including requirements regarding the size of the charter capital of this member of the Group; and
- (c) the redeemed shares or participatory interests will be cancelled within the timeframe established by applicable law.

"Permitted Issue" means:

- (a) the issue of shares or increase in charter capital whereby a Group member acquires such issued shares or increases its participatory interest in the charter capital of its Subsidiary, provided the existing shares or participatory interests in

- the charter capital of such Subsidiary have not been pledged to the Lenders under a Pledge; and
- (b) the issue of Headhunter Group shares as part of the implementation of employee option programs, provided:
 - (i) the total face value of such shares amounts to no more than 8% (eight percent) of the total Headhunter Group's charter (share) capital over the entire term of the Facility, and
 - (ii) such issue does not result in a Change of Control; and
 - (c) the issue of Headhunter Group shares as part of the Secondary Placement with the total value of the placement not exceeding USD 100,000,000.

"Test Date" means the end date of the Relevant Period.

"Relevant Period" means any period of twelve (12) months ending on the last day of the Group's financial quarter or financial half-year or on the last day of the Group's financial year.

"RAS" means accounting rules in accordance with Russian law.

"Obligors' Websites" means the websites owned by the Obligors and listed in Schedule 8 (*Intellectual Property*).

"Event of Default" means any event or circumstance specified in Clause 21 (*Events of Default*).

"Change of Control" has the meaning given to this term in Clause 8.2.2.

"Total Commitments" means the aggregate of the Available Commitments of all Lenders, which amounts to RUB 8,615,000,000 (eight billion six hundred and fifteen million) as of the date of this Agreement.

"Total Unused Commitments" means the aggregate of the Unused Available Commitments of all Lenders.

"Consent" has the meaning given to this term in Clause 24 (*Lenders' decision making*).

"Party" means a party to this Agreement.

"Finance Party" means each Lender, Arranger, Facility Administrator and Pledge Manager.

"Amount Payable" means the amounts of funds payable by any given Lender or Lenders on the Utilisation Date indicated in a Utilisation Request submitted by the Borrower.

"Material Adverse Effect" means (except when a different meaning of this term is contained in other clauses of this Agreement) in the opinion of the Majority Lenders a material adverse effect on:

- (a) the Obligors' and Pledgors' ability to perform their obligations under any Financial Document;
- (b) the validity or ranking of the security that is provided or should be provided under any Financial Document or its enforceability; or
- (c) the validity of the Finance Documents or the possibility of exercising the rights of the Finance Parties contemplated by each relevant Finance Document.

"Material Group Member" means any Obligor, as well as any Group member, whose EBITDA, Assets and Revenues determined as of the last reporting date, based on the consolidated financial statements of the Group for the financial year or the consolidated financial statements of the Group for the first financial half-year of the financial year, prepared in accordance with IFRS and provided to the Facility Administrator in accordance with Clause 17.1.1(A) or (B), exceed 2.5% (two point five per cent) of the corresponding consolidated indicators of the Group based on the same financial statements.

"Existing Commercial Contracts" means the following agreements between the Borrower as lessee and Caliber PJSC (PSRN 1027739877813, TIN 7717042053) as lessor for the lease of the Borrower's office in Moscow:

- (a) lease agreement No. 5536 dated 10 December 2018; and
- (b) lease agreement No. 5536 dated 10 December 2018.

"Existing Facility Agreement" means the syndicated facility agreement dated 16 May 2016 as amended by:

- (a) amendment agreement No. 1 dated 14 December 2016;
- (b) amendment agreement No. 2 dated 28 June 2017;
- (c) amendment agreement No. 3 dated 5 October 2017;
- (d) amendment agreement No. 4 dated 29 December 2017;
- (e) amendment agreement No. 5 dated 22 April 2019; and
- (f) amendment agreement No. 6 dated 11 March 2020,

between (1) Zemenik as borrower 1, (2) Headhunter Group as borrower 2, (3) VTB as the arranger, (4) VTB as the lender, and (5) VTB as the facility administrator.

"Existing Pledges" means the pledges entered into to secure performance of the obligations of Zemenik and Headhunter Group under the Existing Facility Agreement.

"Facility Administrator's Account" means the Facility Administrator's account used for making transfers under the Finance Documents, the details of which the Facility Administrator sends to the Parties.

"Disruption Event" means:

- (a) a significant failure in those payment or communication systems or financial markets, the operation of which is required in order to make payments (or other operations to be executed) under transactions contemplated by the Finance Documents, which occurred for reasons beyond the control of any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or settlement operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties under the Finance Documents,

and which was not caused by the Party whose operations were disrupted, and occurred for reasons beyond the control of such Party.

"Obligors' Trademarks" means the trademarks registered by Obligors and specified in Schedule 8 (*Intellectual Property*).

"Tranche" means Tranche 1 and Tranche 2.

"Tranche 1" means part of the Facility granted to the Borrower under the terms of this Agreement in the amount of RUB 4,615,000,000 (four billion six hundred and fifteen million).

"Tranche 2" means part of the Facility granted to the Borrower under the terms of this Agreement in the amount of RUB 4,000,000,000 (four billion).

"Financial Indebtedness" means any indebtedness formed as a result of:

- (a) receiving funds in the form of a loan or credit;
- (b) obtaining a trade credit, commercial loan for a term of over thirty (30) days or issuing an uncovered letter of credit if such debt falls within the category of "financial indebtedness" under IFRS;
- (c) issuing bonds, promissory notes and any other debt instruments;
- (d) entering into a finance lease contract (to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);

- (e) executing transactions with derivatives in order to protect against, or benefit from, fluctuations in any rates, interest rates or prices, with the amount of the transaction with such derivatives to be calculated based on the market indicators at any time;
- (f) executing repo transactions or any other transaction that constitutes borrowing under IFRS;
- (g) assuming liability for damages or expenses incurred by entities that are not members of the Group;
- (h) entering into Remuneration Plans based on Group Equity Instruments; or
- (i) executing transactions whereby obligations are assumed:
 - (i) under a surety or guarantee with respect to the performance of any obligations by persons that are not members of the Group, with the exception of any Placement Indemnity; or
 - (ii) in respect of the reimbursement of a payment under a surety or guarantee to the guarantor or surety; or
 - (iii) in respect of a liability relating to receivables on recourse terms of any buyer of accounts receivables sold or discounted,

or other indebtedness having an economic nature of a borrowing under IFRS, in each case without double counting.

"Finance Document" means:

- (a) this Agreement;
- (b) each Security Document;
- (c) each Lender Rights Assignment Agreement;
- (d) each Utilisation Request; and
- (e) any other document that (i) the Facility Administrator or the Pledge Manager and (ii) the Borrower have agreed in writing to be considered a Finance Document.

"Holding Company" as applied to a legal person, means any other legal person for which the first legal person is a Subsidiary.

"Cash Equivalents" has the meaning given to this term in IFRS.

"ELQ Investors VIII" means ELQ Investors VIII Ltd, a limited liability company incorporated under the laws of England and Wales, registration number 9182214, registered at: Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

"Headhunter FSU" means Headhunter FSU Limited, a limited liability company incorporated under the laws of the Republic of Cyprus, registration number HE 178226, registered at: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus.

"Headhunter Group" means Headhunter Group PLC, a public limited liability company incorporated under the laws of the Republic of Cyprus, registration number HE 332806, that is registered at 42 Dositheou, Strovolos 2028, Nicosia, Cyprus).

"Highworld" means Highworld Investments Limited, a limited liability company incorporated under the laws of the British Virgin Islands, registration number 1802016, registered at: Trident Chambers, P.O. Box 146, Road Town, Tortola, BVI.

1.2 Interpretation

1.2.1 In this Agreement, unless the context otherwise requires:

- (A) references to the **"Facility Administrator"**, the **"Pledge Manager"**, the **"Arranger"**, any **"Finance Party"**, any **"Lender"**, any **"Obligor"**, any **"Pledgor"** or any **"Party"** include their successors as required by law or this Agreement;

- (B) a document "**in an agreed form**" means a document agreed in writing by the Facility Administrator and the Borrower;
 - (C) "**assets**" include existing or future property, income and rights of any nature;
 - (D) reference to "**Finance Document**" or other agreement, document or financial instrument includes such Finance Document or other agreement, document or financial instrument with all amendments and additions made thereto at any time;
 - (E) "**person**" includes any natural person, legal person, state body, government or state;
 - (F) "**law**" means any law, ruling, decree, order, decision, regulation, rule, official directive, requirement or recommendation of any legislative or executive state, municipal, interstate or international body, ministry, department, service, agency or committee of either a self-regulatory organisation or any judicial body;
 - (G) reference to a provision of law is a reference to such provision with all amendments and additions made thereto at any time;
 - (H) it is understood that the words "**include**" and "**including**" are accompanied by the words "**inter alia**";
 - (I) Clause or Schedule means a reference to a clause of this Agreement or a schedule to it; and
 - (J) any reference to the time of day implies Moscow time, unless otherwise specified in the Agreement.
- 1.2.2 Unless the context otherwise requires, a reference to "**month**" means a period beginning on one of the days of a calendar month and ending on the same date of the next calendar month, with the following exceptions:
- (A) if the relevant date is not a Business Day, such period shall end on the next Business Day (if any) of that month or (if none) on the preceding Business Day; and
 - (B) if there is no corresponding date in such month, then this period shall end on the last Business Day of this month.
- 1.2.3 For the purposes of this Agreement, "**control**" means:
- (A) the right (existing by virtue of direct or indirect participation in the charter capital of a legal person, on the basis of a written agreement by virtue of law or otherwise), which allows:
 - (1) to vote or control the voting of at least 50 percent of the maximum number of votes entitled to vote at the general meeting of the legal person; or
 - (2) to appoint or remove from office a person who performs the functions of the sole executive body of a legal person or all or the majority of the members of any collegial management bodies of a legal person; or
 - (3) to give binding instructions regarding the activities or financial policies of a legal person; and (or)
 - (B) to directly or indirectly own at least 50 percent of ordinary shares or participatory interests in the charter capital of a legal person;
- and "**controlled**" and "**to control**" have a corresponding meaning.
- 1.2.4 Unless otherwise provided for in this Agreement, interest and amounts of remuneration payable by an Obligor under any Finance Document shall be calculated in accordance with the provisions of the relevant Finance Document and

calculated based on the actual days elapsed and a year of 365/366 (three hundred and sixty-five/three hundred and sixty-six) days.

1.2.5 The headings used in this Agreement shall have no effect on how the Agreement is interpreted.

1.3 **Currency symbols**

In this Agreement:

1.3.1 "**₽**", "**RUB**", "**rouble**", and "**Russian rouble**" mean the official monetary unit (currency) of the Russian Federation;

1.3.2 "**U.S. dollar**", "**USD**" or "**\$**" means the legal tender of the United States of America; and

1.3.3 "**Euro**", "**EUR**" or "**€**" means the monetary unit (currency) of the member countries of the currency union that operates within the framework of the European Union.

2. **SUBJECT MATTER OF THE AGREEMENT**

2.1 **Loan Relations**

2.1.1 Subject to the Borrower's compliance with the provisions of this Agreement, each Lender shall grant the Facility to the Borrower in the amount of its Available Commitment and to properly perform the obligations contemplated by this Agreement during its term, while the Borrower shall properly perform the obligations contemplated by this Agreement during its term, including the obligation to repay to each Lender the Facility Outstanding received from it, the interest on it, and to pay the other amounts contemplated by this Agreement and other Finance Documents to the Finance Parties.

2.1.2 A Lender's obligation to grant the Facility to the Borrower under the relevant Tranche arises after the Borrower has fully complied with the requirements contemplated by Clause 4 (*Conditions Precedent*).

2.2 **Finance Parties**

2.2.1 Each Lender has an independent right to demand that the Borrower repays the Facility Outstanding, interest and other payments contemplated by the terms of this Agreement. Except as provided for in this Agreement, each Finance Party has the right to independently enforce its rights under the Finance Documents. At the same time, the Finance Parties shall exercise their rights subject to the provisions of Clause 24 (*Finance Parties*).

2.2.2 No Finance Party shall be liable for the obligations of another Finance Party under the Finance Documents. In the event that any Lender refuses to grant the Facility on the basis contemplated by Clause 6 (*Termination of Lender's obligations*), and also if a Lender violates its obligation to grant the Facility within its Available Commitment, the Facility amount shall be reduced by this Lender's Available Commitment.

2.3 **Facility Administrator**

2.3.1 This Agreement defines the conditions and procedure for appointing a Facility Administrator and its carrying out of legal and other actions on behalf and in the interests of all Lenders and other Finance Parties. The authority of the person performing the functions of the Facility Administrator is determined in accordance with the provisions of Clause 24.2 (*Appointment of the Facility Administrator*). However, the provisions of this Agreement governing the relations of the Facility Administrator and the Lenders will apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Facility Administrator" shall be deemed to refer to the single Lender.

- 2.3.2 The Lenders (with the exception of a Lender acting as the Facility Administrator) and the Facility Administrator hereby confirm that the Facility Administrator shall act without a power of attorney being issued to it and irrespective of the issuing of such power of attorney.
- 2.3.3 If the number of Lenders falls to one, then until there is more than one Lender, all the provisions in this Agreement and other Finance Documents that govern the relations of the Facility Administrator and the Borrower shall be deemed as provisions governing the relations of the sole Lender and the Borrower.
- 2.4 **Relations with regard to pledge management**
- 2.4.1 This Agreement defines the conditions and procedure for appointing the Pledge Manager and its carrying out of legal and other actions on behalf and in the interests of all Lenders. The authority of the person performing the functions of the Pledge Manager is determined in accordance with the provisions of Clause 22.2 (*Status of the Lenders and appointment of a Pledge Manager*). However, the provisions of this Agreement governing the relations of the Pledge Manager and the Lenders will apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Pledge Manager" shall be deemed to refer to the single Lender.
- 2.4.2 If the number of Lenders falls to one, then until there is more than one Lender, all the provisions in this Agreement and other Finance Documents that govern the relations of the Pledge Manager and the Borrower shall be deemed as provisions governing the relations of the sole Lender and the Borrower
- 2.5 **Application of certain provisions in the Finance Documents concerning the syndicated nature of the Facility**
- The provisions of this Agreement and other Finance Documents concerning the syndicated nature of the Facility specified herein, in particular the provisions of Clause 22 (*Facility security*), Clause 24 (*Finance Parties*), Clause 25.3 (*Distribution of funds by the Facility Administrator*), and Clause 25.5 (*Payments not through the Facility Administrator*), shall apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Facility Administrator", "Pledge Manager", "Finance Party", and "Majority Lenders" shall be deemed as references to the single Lender, and this Agreement and other Finance Documents shall be interpreted and applied based on the fact that the Lender according to the Finance Documents is the sole Lender.
- 2.6 **Legal nature of the Agreement**
- This Agreement is a mixed agreement containing elements of a syndicated facility agreement, pledge management agreement, a lenders' agreement on the procedure for exercising their rights, and an agency agreement. Accordingly, this Agreement governs, among other things, the relations between:
- 2.6.1 the Lenders;
- 2.6.2 the Lenders and the Borrower;
- 2.6.3 the Facility Administrator and the Lenders;
- 2.6.4 the Pledge Manager and the Lenders; and
- 2.6.5 the Facility Administrator, the Pledge Manager, and the Borrower.
3. **PURPOSE**
- 3.1 The Borrower shall use Tranche 1 solely to issue loans in favor of Zemenik and Headhunter Group under Loan Agreements Between the Borrowers for the purpose of further immediate

paydown of the amounts owed by Zemenik and Headhunter Group under the Existing Facility Agreement.

3.2 The Borrower shall use Tranche 2 solely for:

- 3.2.1 general corporate purposes;
- 3.2.2 funding transactions to acquire the shares and participatory interests of third parties and to make contributions to the charter capital of third parties; and
- 3.2.3 paying out dividends, acquiring shares of Headhunter Group or distributing funds to Headhunter Group shareholders in another form.

3.3 Funds received by the Borrower hereunder may not be used for:

- 3.3.1 paying fees and costs under this Agreement; or
- 3.3.2 other purposes not listed by this Agreement as permitted.

4. **CONDITIONS PRECEDENT**

4.1 **Initial Conditions Precedent**

4.1.1 To utilise Tranche 1, the Borrower shall:

- (A) deliver to the Facility Administrator the documents and information listed in Part A of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
- (B) deliver to the Facility Administrator the documents and information listed in Part B of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
- (C) send a duly completed Utilisation Request to the Facility Administrator for Tranche 1.

4.1.2 To utilise Tranche 2, the Borrower shall:

- (A) deliver to the Facility Administrator the documents and information listed in Part A of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
- (B) deliver to the Facility Administrator the documents and information listed in Part C of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator, that conform to the purpose of the Facility as stated in the Utilisation Request;
- (C) send a duly completed Utilisation Request to the Facility Administrator for Tranche 2.

4.1.3 The Utilisation Request may be sent by the Borrower after the Borrower and the Lenders have received a notification from the Facility Administrator that the Borrower has duly fulfilled the applicable conditions listed in Schedule 2 (*Conditions Precedent*).

4.2 **Submission of Utilisation Requests**

4.2.1 The Borrower may send to the Facility Administrator:

- (A) in respect of Tranche 1: only one duly executed Utilisation Request for the full amount of Tranche 1; and
- (B) in respect of Tranche 2 one or more duly executed Utilisation Requests, but the amount of the Facility specified by the Borrower in the relevant Utilisation Request may not exceed the amount of the Aggregate Unused Available Commitment, and may not be less than RUB 500,000,000 (five hundred million) (other than a Utilisation Request for the entire balance of the Aggregate Unused Available Commitment for Tranche 2).

- 4.2.2 Unless otherwise agreed with the Facility Administrator, the Borrower must submit each Utilisation Request to the Facility Administrator no later than at 12:00 noon, 2 (two) Business Days before the proposed Utilisation Date.
- 4.2.3 Each Utilisation Request must be signed by an authorised person of the Borrower. Each Utilisation Request must include the requested amount of the Facility and the Utilisation Date, which is a Business Day within the relevant Utilisation Period.
- 4.2.4 The Borrower may not withdraw a Utilisation Request that it has sent to the Facility Administrator after it has been received.
5. **GRANTING OF FACILITY**
- 5.1.1 After receiving any Utilisation Request, the Facility Administrator shall immediately send to each Lender a copy of the Utilisation Request and inform each Lender of the amount corresponding to its Proportional Share in the requested Facility.
- 5.1.2 In the absence of the circumstances specified in Clause 6 (*Termination of Lender's obligations*), each Lender shall transfer to the Facility Administrator the amount corresponding to its Proportional Share in the Facility requested by the Borrower no later than 12:00 noon of the Utilisation Date specified in the relevant Utilisation Request.
- 5.1.3 Not later than on 15:00 on the relevant Utilisation Date, the Facility Administrator shall transfer to the Borrower the amount of the Facility specified in the Utilisation Request, into the account specified in that Utilisation Request, but not more than the Facility amount received from the Lenders.
6. **TERMINATION OF LENDER'S OBLIGATIONS**
- 6.1 Each Lender's obligation to grant a Facility to the Borrower shall terminate in whole or in part, depending on the following circumstances:
- 6.1.1 if a Facility is granted in the amount of the Available Commitment of the relevant Lender;
- 6.1.2 upon expiry of the relevant Utilisation Period; and
- 6.1.3 in other instances established by law.
- 6.2 Each Lender has the right to refuse to perform its obligations to grant a loan to the Borrower:
- 6.2.1 if there are circumstances that clearly indicate that the Facility will not be repaid by the Borrower within the period specified in the Agreement; or
- 6.2.2 if there is an Event of Default as per Clause 21.18 (*Acceleration*) and the corresponding notification is sent by the Facility Administrator to the Borrower; or
- 6.2.3 if there are circumstances specified in Clause 8.1 (*Illegality*) and Clause 8.2 (Change of Control).
- 6.3 In the event that any Lender refuses to grant the Facility on the basis of this Clause 6, the Parties agree that such Lender does not bear any liability to the Borrower or to any Finance Party for refusing to grant the Facility.
7. **REPAYMENT OF FACILITY**
- 7.1.1 The Borrower shall repay the Facility Outstanding by transferring quarterly payments into the Facility Administrator's Account on the Interest Payment Dates according to the repayment schedule given in Schedule 6 (*Repayment schedule*).
- 7.1.2 On the Final Repayment Date the Borrower shall repay the Facility Outstanding in full.
- 7.1.3 The Borrower may not submit a Utilisation Request for an amount of Facility Outstanding that the Borrower has repaid.

8. **EARLY REPAYMENT AND CANCELLATION OF FACILITY**

8.1 **Illegality**

If, in accordance with any applicable law, the granting of the Facility to the Borrower and/or participation in it becomes illegal for any Lender, then:

- 8.1.1 such Lender must notify the Facility Administrator and the Borrower as soon as it becomes aware of this;
- 8.1.2 any unfulfilled obligation of such Lender with respect to the Facility shall terminate on the date of the notification specified therein; and (or)
- 8.1.3 the Borrower shall repay the amount corresponding to the Proportional Share of such Lender in the Facility on the last day of the Interest Period in which a Lender became aware of the illegality of the participation in the Facility, or (if earlier) on the date specified by a Lender in the notification specified in Clause 8.1.1, which cannot be earlier than the date established by law.

8.2 **Change of Control**

8.2.1 If there is a Change of Control:

- (A) the Borrower shall notify the Facility Administrator immediately after it becomes aware of this; and
- (B) if this is requested by the Majority Lenders, the Facility Administrator shall send a notification to the Borrower and demand immediate repayment of the entire amount of the Facility Outstanding with all accrued interest and other amounts payable by the Borrower, while the Borrower shall repay the amount of the Facility Outstanding in full in accordance with the demand specified in the Facility Administrator's notification.

8.2.2 For the purposes of Clause 8.2.1, "**Change of Control**" means (with the exception of changes permitted in accordance with the Finance Documents, including as a result of a Permitted Payment):

- (A) that the Beneficiaries have lost the right, existing by virtue of their joint direct or indirect participation in the charter capital of any member of the Group, on the basis of a written agreement, by law or otherwise, to exercise the right to vote (or control the exercise of the right to vote) based on the quantity of voting shares in the share capital of Headhunter Group that is:
 - (1) over 50% (fifty percent) of the total number of Headhunter Group voting shares, except in the case referred to in subparagraph (2) below; and
 - (2) if the threshold referred to in subparagraph (1) above is not met as a result of Secondary Placement – over 35% (thirty five percent) of the total number of Headhunter Group voting shares; or
- (B) that the Beneficiaries have ceased to jointly own, directly or indirectly, voting shares in the share capital of Headhunter Group at a level of:
 - (1) over 50% (fifty percent) of the total number of Headhunter Group voting shares, except in the case referred to in subparagraph (2) below; and
 - (2) if the threshold referred to in subparagraph (1) above is not met as a result of Secondary Placement – over 35% (thirty five percent) of the total number of Headhunter Group voting shares; or
- (C) that the Beneficiaries have lost the right to appoint or remove from office (including by replacing them) the majority of the members of the Headhunter Group collegial management bodies; or

- (D) that Elbrus has lost the right it enjoyed by virtue of its direct or indirect participation in the charter capital of any Group member, under a written agreement, by virtue of the law or otherwise to exercise its voting right (or control the exercise of its voting right) based on the quantity of voting shares in the share capital of Headhunter Group at a level above 17.5% (seventeen point five percent) of the total number of Headhunter Group voting shares; or
- (E) that Elbrus has ceased to directly or indirectly own voting shares in the share capital of Headhunter Group at a level above 17.5% (seventeen point five percent) of the total number of the voting shares of Headhunter Group; or
- (F) that Elbrus has lost the right to appoint or remove from office (including by replacing them) the majority of those members of the Headhunter Group collegial management bodies that the Beneficiaries, acting jointly, have the right to appoint or remove.

For the purposes of Clause 8.2.2:

"Beneficiaries" means, jointly:

- (i) Elbrus; and
- (ii) Goldman Sachs Group, Inc. (registration number 2923466, registered address: 1209 Orange Street, Wilmington, Delaware 19801, United States of America).

"Elbrus" means, jointly:

- (i) Elbrus Capital Fund II, L.P. (registration number: 63023, registered address: 190 Elgin Avenue, KY1-9005 George Town, Grand Cayman, Cayman Islands); and
- (ii) Elbrus Capital Fund II B, L.P. (registration number: 68103, registered address: 190 Elgin Avenue, KY1-9005 George Town, Grand Cayman, Cayman Islands).

8.3 Voluntary Early Repayment of Facility Outstanding

- 8.3.1 The Borrower is entitled, subject to giving the Facility Administrator at least 10 (ten) Business Days' prior notice (unless a shorter period has been agreed with the Majority Lenders), to effect early repayment of the entire Facility Outstanding or any part thereof. The amount of the Facility Outstanding being repaid early must be at least RUB 50,000,000 (fifty million).
- 8.3.2 Partial early repayment of the Facility Outstanding shall reduce the obligation of the Borrower to repay the Facility Outstanding to each Lender rateably.
- 8.3.3 Any early payment by the Borrower pursuant to Clause 8.3.1 will be used to repay the Facility Outstanding, the payment of which is due in chronological order. Furthermore, the amount of such early payment shall be used to repay all Tranches in proportion to the amount of the next payment under each such Tranche.
- 8.3.4 Within 30 (thirty) days after the Facility Administrator has submitted a demand to a Borrower in accordance with Clause 13.1 (*Additional Costs*), the Borrower has the right, subject to giving the Facility Administrator at least 5 (Five) Business Days' prior notice (unless a shorter period has been agreed with the Majority Lenders), to effect early repayment of the entire Facility Outstanding. In this case, no Early Repayment Fee shall be charged.

8.4 Fee for Early Repayment of Facility Outstanding

- 8.4.1 In the event of early repayment of the Facility Outstanding or part thereof, the Borrower shall pay the Facility Administrator for subsequent distribution between the Lenders in proportion to their Proportional Shares a fee for the early repayment

of the Facility Outstanding ("**Early Repayment Fee**"), the amount of which is determined in accordance with Clause 8.4.2.

8.4.2 The amount of the Early Repayment Fee shall be:

- (A) 2.0% (two percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date of this Agreement and ending on the date falling 18 months after the date of this Agreement (including such date);
- (B) 1.5% (one point five percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date falling 18 months after the date of this Agreement (not including such date), and ending on the date falling 24 months after the date of this Agreement (including such date);
- (C) 1.0% (one percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date falling 24 months after the date of this Agreement (not including such date), and ending on the date falling 36 months after the date of this Agreement (including such date).

8.4.3 In the event early repayment of the Facility Outstanding or part thereof is made after the expiry of 36 (thirty six) months since the date of this Agreement (not including such date), no Early Repayment Fee shall be charged.

8.5 Other provisions

8.5.1 The Borrower does not have the right to withdraw its notification regarding early repayment of the Facility Outstanding or part thereof. Such notification must specify the relevant repayment date and the amount of the Facility Outstanding repaid early.

8.5.2 If the Facility Administrator receives any notification under this Clause 8, it shall send a copy of this notification to the Party to which this notification is addressed on the same Business Day. The Facility Administrator must notify all Lenders of receipt of the relevant notification within no more than one Business Day from the date of receipt of this notification.

8.5.3 Whenever the Facility Outstanding is repaid early, the Borrower shall repay the Facility Outstanding along with all interest accrued on it as of the repayment date and other amounts owed by this Borrower.

8.5.4 The Borrower does not have the right to repay the Facility Outstanding or any part thereof early, or to refuse to receive the Facility or part thereof, on terms not expressly contemplated by this Agreement.

8.5.5 The Borrower is not entitled to submit a Utilisation Request with respect to the amount of the Facility, which this Borrower has refused to receive, and also with respect to the amount of the Facility Outstanding that the Borrower repaid early.

9. INTEREST

9.1 Interest calculation

The interest rate in respect of the Facility Outstanding for each Interest Period is an annual interest rate equal to the sum of:

9.1.1 the Margin; and

9.1.2 the Key Rate.

9.2 Margin revision

9.2.1 When any of the circumstances specified in this Clause 9.2.1 occur, the Margin with the Consent of the Majority Lenders shall increase by 0.5% (zero point five

percent) per annum, starting from the first day of the Interest Period following the relevant Test Date (regarding which the Facility Administrator shall inform the Borrower in writing) if:

(A) on any Test Date falling in 2020, the Leverage is more than **3.0:1**; or

(B) the Leverage is more than **2.5:1** on any following Test Date.

9.2.2 Clause 9.2.1 shall remain effective until the first day of the Interest Period following a Test Date on which the Leverage is less than **2.5:1**, provided the Facility Administrator has received confirmation that the Leverage is less than **2.5:1**.

9.3 Interest Payment

The Borrower shall pay the Facility Administrator for the account of the Lenders interest on the Facility Outstanding on each Interest Payment Date.

9.4 Default Interest

9.4.1 If the Borrower fails to fulfil an obligation to pay any amount that it owes under the Finance Document within the prescribed period, default interest shall accrue on the overdue amount from the day, following the due date up to the date of actual payment (both before and after judgement).

9.4.2 Said default interest shall accrue in the amount of 2/365 of the interest rate, determined in accordance with Clause 9.1 (*Interest calculation*) subject to the provisions of Clause 9.2 (*Margin revision*), of the amount of overdue debt under the Financial Document for each day of delay.

9.4.3 Default interest accrued under this Clause 9.4 must be paid by the Borrower immediately upon the request of the Facility Administrator.

9.4.4 The Parties agree that payment by the Borrower of the default interest contemplated by this Clause 9.4 does not in any way restrict the Lenders' rights to pursue any other legal remedies, including the right to seek indemnification from the Borrower for damages and expenses caused by the Borrower's delay to the extent not covered by the default interest.

9.4.5 For the avoidance of doubt, the Parties confirm that the default interest contemplated by this Clause 9.4 shall be paid by the Borrower in addition to and in excess of the interest contemplated by Clause 9.1 (*Interest calculation*) subject to the provisions of Clause 9.2 (*Margin revision*).

9.5 Notification of Key Rate

9.5.1 Subject to the provisions of Clause 9.5.4, the Key Rate in effect on each day of the Interest Period shall be used to calculate the accrued interest.

9.5.2 The Facility Administrator shall notify each Party on each Utilisation Date of the amount of the Key Rate in effect on the relevant Utilisation Date.

9.5.3 If the Key Rate changes after any given Utilisation Date, the new Key Rate shall become applicable for the purposes of determining the interest rate as per Clause 9.1 (*Interest calculation*) from the effective date of the modified Key Rate, of which the Facility Administrator shall notify the Parties no later than the Business Day following the effective date of the modified Key Rate.

9.5.4 Notwithstanding the provisions of Clause 9.5.3, if the effective date of the modified Key Rate falls on the last day of any Interest Period, the relevant modified Key Rate shall become applicable for the purposes of determining the interest rate as per Clause 9.1 (*Interest calculation*) from the first day of the next Interest Period.

10. INTEREST PERIODS

10.1.1 The first Interest Period relating to Tranche 1 shall begin on the day following the Utilisation Date of Tranche 1 and end on the Interest Payment Date following the

Utilisation Date of Tranche 1. Furthermore, if such Interest Payment Date comes earlier than 10 (ten) days after the Utilisation Date of Tranche 1, the first Interest Period relating to Tranche 1 shall end on the second Interest Payment Date which comes after the Utilisation Date of Tranche 1. Each subsequent Interest Period shall start on the day following the last day of the previous Interest Period, and end on the Interest Payment Date immediately following that day.

10.1.2 The first Interest Period relating to Tranche 2 shall begin on the day following the Utilisation Date of Tranche 2 and end on the Interest Payment Date following the Utilisation Date of Tranche 2. Furthermore, if such Interest Payment Date comes earlier than 10 (ten) days after the Utilisation Date of Tranche 2, the first Interest Period relating to Tranche 2 shall end on the second Interest Payment Date which comes after the Utilisation Date of Tranche 2.

10.1.3 Starting from the Interest Period immediately following the end of the first Interest Period relating to Tranche 2:

- (A) the Facility Outstanding relating to Tranche 1 and the Facility Outstanding relating to Tranche 2 shall be combined into a single Facility Outstanding (hereinafter referred to as "**Facility Outstanding on Tranches 1 and 2**") for the purposes of determining the Interest Period;
- (B) the Interest Periods relating to Facility Outstanding on Tranches 1 and 2 shall be determined in accordance with Clause 10.1.1; and
- (C) the last Interest Period relating to Facility Outstanding on Tranches 1 and 2 shall end on the Final Repayment Date.

11. FEES OF FINANCE PARTIES

11.1 Facility commitment Fee

11.1.1 The Borrower shall pay the Facility Administrator, for subsequent distribution among the Lenders in proportion to their Proportional Shares, a Facility commitment fee with respect to Tranche 2 at a rate of 0.30% (zero point three zero percent) of the Unused Available Commitment (excluding the Amount Payable).

11.1.2 Said Facility commitment fee shall be charged on the Unused Available Commitment under Tranche 2 for each day of the Tranche 2 Utilisation Period and shall be paid:

- (A) on each Interest Payment Date during such Utilisation Period; and
- (B) on the Interest Payment Date immediately following the last day of the Utilisation Period.

11.1.3 No Facility commitment fee shall be charged with respect to Tranche 1.

11.2 Facility Fee

The Borrower shall pay the Facility Administrator, for subsequent distribution among the Lenders in proportion to their Proportional Shares, a Facility fee in the amount of 0.5% (zero point five percent) of the Total Commitment no later than 10 Business Days after the date of this Agreement or after the first Utilisation Date, whichever occurs earlier.

12. TAXES

12.1 Tax gross-up

12.1.1 No later than 3 (three) Business Days after an Obligor or Lender becomes aware that an Obligor must make a Tax Deduction (or that changes have been made to the Tax Deduction rate or base), the Borrower or Lender (as the case may be) shall notify the Facility Administrator, and the Borrower shall also ensure that the relevant notification is sent by the other Obligors. If the Facility Administrator

receives such notification from the Lender, it must notify the relevant Obligor accordingly.

12.1.2 If, in accordance with the law, an Obligor must make a Tax Deduction in respect of any amount to be transferred to a Finance Party under the Finance Documents, the amount payable by an Obligor to a Finance Party shall be increased so that after the Tax Deduction the relevant Finance Party would receive the same amount that it would have received had such withholding in the form of the Tax Deduction not been required. However, an Obligor is not obliged to increase the amounts paid to the Finance Parties by the amount of the Tax Payment, if at the date of the relevant payment, any Finance Party ceased to be an Acceptable Lender for any reason not connected with a change in the law.

12.1.3 Within 30 (thirty) days after the Tax Deduction, the Borrower shall procure that it and other Obligors (as applicable) provide the Facility Administrator, for transfer to the relevant Finance Party, with evidence that is acceptable to that Finance Party confirming that the withheld amount of the Tax Deduction was transferred by an Obligor into the state budget in accordance with the requirements of applicable law.

12.2 Tax indemnity

12.2.1 Within 3 (three) Business Days after the Facility Administrator has submitted the relevant demand, an Obligor must pay to a Finance Party, which is not a Russian legal person, an amount equivalent to the Tax paid by a Finance Party, or the Tax that is payable in the opinion of that Finance Party, in connection with any Finance Document.

12.2.2 The provisions of paragraph 12.2.1 above shall not apply:

(A) in respect of Taxes paid by a Finance Party:

(1) as required by the law of the Russian Federation; or

(2) in accordance with the law of the jurisdiction in which the lending division of that Finance Party that is connected with the amounts received or receivable in such jurisdiction is located,

if such Tax is levied or accrued on the basis of the net income received or receivable by such Finance Party; or

(B) to the extent that costs related to the payment of Taxes shall be indemnified by increasing the payment amount in accordance with Clause 12.1 (*Tax gross-up*).

12.2.3 A Finance Party that is submitting or intends to submit a demand in accordance with Clause 12.2.1 shall immediately notify the Facility Administrator of the event that will become or has become the basis for submitting this demand, whereupon the Facility Administrator must notify the Borrower accordingly.

12.3 Tax Relief

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

12.3.1 a Tax Relief may be applied to an additional payment that includes such Tax Payment, to such Tax Payment or Tax Deduction which resulted in such Tax Payment being required; and

12.3.2 such Finance Party has received such Tax Relief,

such Finance Party shall transfer to such Obligor an amount that will leave such Finance Party (after making such payment) in the same after-Tax position that it would have been in had the Obligor not been required to make such Tax Payment.

12.4 Charges and duties

Within 3 (three) Business Days after receiving the relevant demand of the Finance Party, the Borrower shall procure that it, as well as other Obligors, indemnify this Finance Party for all

its expenses incurred due to the payment of state and stamp duties, registration charges and all other similar Taxes payable in connection with any Finance Document.

12.5 Value Added Tax (VAT) and other taxes

In the cases contemplated by the Russian law on taxes and charges, the fees due to the Finance Parties shall be increased by the relevant amounts of VAT calculated at the applicable tax rate.

13. ADDITIONAL COSTS

13.1 Additional Costs

13.1.1 Subject to Clause 13.3 (*Exemptions*), the Borrower shall, within 3 (three) Business Days of the expiration of 30 (thirty) days from when the relevant Facility Administrator submitted the relevant demand, pay the relevant Finance Party the Additional Costs incurred by such Finance Party for the period after the expiration of such thirty-day period due to any law being enacted, or law (or the practice of its interpretation or application) being amended after the date of this Agreement or due to a central bank or other competent authority imposing an obligation in the relevant jurisdiction for the Finance Parties to apply or comply with the standards established in Basel III.

13.1.2 In this Clause "**Additional Costs**" means:

- (A) additional costs or losses incurred by a Finance Party due to a reduction in any amounts received or receivable; or
- (B) any additional or increased costs or losses; or
- (C) expenses or losses related to the reduction of any amount payable by the Borrower in accordance with any Finance Document,

which any Finance Party incurs in connection with its being a Party to this Agreement.

13.1.3 For the avoidance of doubt, the Additional Costs under this Clause 13 shall be paid by the Borrower as a fee for the use of the Facility in addition to the interest and other amounts due from the Borrower.

13.2 Additional Cost Claims

A Finance Party that files a claim in accordance with this Clause 13 shall notify the Facility Administrator of the circumstances that formed the basis for such a claim and provide it with a reasonable calculation of the Additional Costs, whereupon the Facility Administrator shall notify the Borrower within 1 (one) Business Day and submit to it the calculation received from the Finance Party.

13.3 Exemptions

The provisions of this Clause 13 shall not apply if the Additional Costs:

- 13.3.1 shall be indemnified to a Finance Party in accordance with another Clause of the Agreement, or would be indemnified in the absence of exemptions from such Clause;
- 13.3.2 are caused by a Finance Party's willful non-compliance with the law; or
- 13.3.3 are caused by the application or compliance with the standards established in Basel II (as amended as of the date of this Agreement) or in the regulations of the Central Bank of the Russian Federation or in any other law by which the provisions of Basel II are implemented, except for the changes arising from Basel III.

14. OTHER INDEMNITIES

14.1 Currency indemnity

If any amount ("**Amount**") payable to a Finance Party by an Obligor in accordance with the Finance Documents or on the basis of a court, arbitrazh or arbitration court decision, has to be converted from the currency in which such amount is to be paid (the "**First Currency**") into another currency (the "**Second Currency**") or is to be calculated in the Second Currency, for the following purposes:

14.1.1 the filing of any claim against such Obligor; or

14.1.2 the enforcement of any judicial or arbitration award in any judicial, arbitrazh or arbitration proceedings,

the Borrower shall procure that it and other Obligors (as applicable), within 5 (five) Business Days from receipt of the relevant demand, indemnify each Finance Party to which such Amount is due, for the costs arising as a result of such conversion, including the difference between:

(A) the exchange rate used to convert said Amount from the First Currency into the Second Currency, and

(B) the exchange rate available to that person at the time it received the Amount.

14.2 Other indemnities

Within 10 (ten) Business Days from receipt of the relevant demand, the Borrower shall indemnify each Finance Party for the amount of all documented costs incurred by the respective Finance Party:

14.2.1 as a result of an Event of Default; or

14.2.2 (if such costs are incurred through no fault of a Finance Party or do not result from a Finance Party's negligence, with the exception of circumstances beyond the control of a Finance Party (not including the imposition of international sanctions)) as a result of:

(A) the inability to grant the Facility to the Borrower in accordance with a Utilisation Request due to any provisions of this Agreement; or

(B) the Borrower's inability to effect early repayment of the Facility Outstanding or part thereof, despite a notification of early repayment having been submitted to the Facility Administrator.

14.3 Indemnity to the Facility Administrator

The Borrower shall indemnify the Facility Administrator for all documented costs incurred by the Facility Administrator due to:

14.3.1 an investigation of any event that the Facility Administrator has reason to believe is a Default; or

14.3.2 actions being taken on the basis of any notification or order of any Finance Party in accordance with this Agreement, which the Facility Administrator has reason to believe are subject to execution.

Furthermore, such costs are subject to prior agreement with the Borrower, with the exception of Events of Default.

14.4 Indemnity to the Pledge Manager

14.4.1 The Borrower shall indemnify the Pledge Manager for all documented costs incurred by the Pledge Manager due to action it takes to:

(A) protect the Finance Parties' rights under the Pledges; and/or

(B) protect the property pledged to the Lenders under the respective Pledges, and to foreclose on it.

- 14.4.2 The Pledge Manager may, on a priority basis, recover its costs out of the value of the property pledged to the Lenders under the respective Pledges.

14.5 Transaction Costs

- 14.5.1 The Borrower shall, within 10 (ten) Business Days after receipt of the relevant demand, pay the Facility Administrator and the Arranger the amount of all documented costs that are previously agreed with the Borrower in writing or by email (including fees of legal consultants) that were incurred in connection with the preparation and execution of this Agreement and other Finance Documents.
- 14.5.2 The Borrower's duty to pay legal consultant fees will be considered fulfilled if, prior to the first Utilisation Date, a member of the Group pays the relevant fees (in the amount pre-agreed in writing or by email by the Facility Administrator, the Borrower and the legal consultant of the Facility Administrator) directly to the legal consultant of the Facility Administrator.
- 14.5.3 The Borrower shall bear in full all costs associated with the registration of the Security Agreements in accordance with the requirements of applicable law.

14.6 Amendment Costs

If, at the initiative of the Obligor or in accordance with the requirements of applicable law, changes need to be made to the Finance Documents or the consent of the Lenders for any action or omission needs to be obtained, the Borrower shall, within 10 (ten) Business Days after receiving the relevant demand, indemnify the Facility Administrator for all documented costs pre-agreed with the Borrower in writing or by email (including legal and other consultant fees) incurred by the Facility Administrator in agreeing and making the relevant changes to the Finance Documents and (or) obtaining the consent of the Lenders.

14.7 Enforcement Costs

Within 10 (ten) Business Days after receipt of the relevant demand of the Facility Administrator, the Borrower shall indemnify each Finance Party for all documented costs (including legal and other consultant fees) incurred by the relevant Finance Party in connection with the enforcement of any Finance Document or the protection of their rights under the Finance Documents.

15. MITIGATION BY THE FINANCE PARTIES

Each Finance Party shall, after consulting with the Borrower, take all reasonable steps to reduce potential negative consequences for the Borrower, which may result in a certain amount becoming payable or to its payment to the Borrower being annulled under Clauses 8.1 (*Illegality*), 12 (*Taxes*) and 14 (*Other Indemnities*).

16. REPRESENTATIONS

16.1 Representations

The representations set forth in this Clause 16 are given by the Borrower to each Finance Party with regard to itself and, if applicable, with respect to each Obligor and Pledgor. Each Finance Party relies on such representations of the Borrower, and their reliability is essential for the Finance Parties to enter into and perform this Agreement.

16.2 Status

- 16.2.1 Each Obligor and each Pledgor is a legal entity duly incorporated and operating lawfully in accordance with applicable law.
- 16.2.2 Each Obligor and each Pledgor has the power to own its assets and carries on its business in accordance with applicable law.

16.3 Legal capacity and authority

- 16.3.1 Each Obligor and each Pledgor has legal capacity and authority to enter into and perform the Finance Documents (to which it is party) and the transactions contemplated thereby, and has received all necessary approvals for entry into and performance of the Finance Documents in the manner prescribed by law and its constitutional and other internal documents, including approval of the transactions contemplated by the Finance Documents as a major transaction and an interested-party transaction.
- 16.3.2 The person acting on behalf of each Obligor and each Pledgor has the authority to enter into the Finance Documents to which the relevant Obligor is party.

16.4 Binding obligations

- 16.4.1 Subject to the requirements for registration of the Finance Documents as specified in Clause 16.9 (*Registration Requirements*), each Finance Document to which the Obligor or Pledgor is party constitutes its legal, valid, binding and enforceable obligation.
- 16.4.2 Each Finance Document to which any of the Obligors or Pledgors is party is drawn up in a form that ensures that it can be enforced in the Russian Federation and in the Republic of Cyprus.

16.5 Non-conflict

The entry into and performance by each Obligor and each Pledgor of the Finance Documents to which they are party, and the transactions contemplated thereby does not conflict with:

- 16.5.1 any applicable law;
- 16.5.2 its constitutional and other internal documents;
- 16.5.3 any decisions of its management bodies; and
- 16.5.4 any other documents or agreements that are binding on it.

16.6 Compliance with law

- 16.6.1 The business activities of each Obligor are carried out in accordance with applicable law in all aspects viewed as materially significant.
- 16.6.2 Each Obligor has promptly submitted tax returns.
- 16.6.3 With respect to each Obligor:
- (A) there is no decision and (or) demand of a tax authority to pay Tax, which has not been executed within the period specified by such decision and (or) demand and (or) the applicable law; or
 - (B) if the above decision and (or) demand of a tax authority is contested in court: there is no court decision that has come into legal force regarding the need to execute the above decision and (or) demand, which has not been executed within the period specified by such court decision and (or) the applicable law.

16.7 No Default

- 16.7.1 There neither is nor will be a Default as a result of the entry into or performance by each Obligor and each Pledgor of the Finance Documents or the transactions contemplated thereby.
- 16.7.2 There are no other events or circumstances constituting default under any document that is binding on any Obligor or Pledgor or which imposes restrictions on the disposal of their property and which have or are reasonably likely to have a Material Adverse Effect.

16.8 Authorisations

As of the date of this Agreement, each Obligor and each Pledgor have received all authorisations and consents required in connection with entry into, performance, ensuring the validity of, and possibility of enforcing, each Finance Document to which it is party and the transactions contemplated thereby and such authorisations and consents remain in full force and effect.

16.9 Registration Requirements

No notarial actions are required in connection with any Finance Document or registration of any Finance Document, including in any state bodies or institutions, except for:

- 16.9.1 notarisation of the Borrower Participatory Interest Pledge and making the relevant entry in the Unified State Register of Legal Entities of the Russian Federation;
- 16.9.2 registration of the Borrower Participatory Interest Pledge in accordance with the laws of the Republic of Cyprus in the Register of Companies and entering information about it in the internal register of pledges of Headhunter FSU; and
- 16.9.3 entering information about the Pledge of Headhunter FSU (Headhunter Group) Shares in the internal register of pledges of Headhunter Group.

16.10 Financial Statements

16.10.1 The most recent financial statements of the Group (and each member of the Group) provided to the Facility Administrator:

- (A) have been prepared in accordance with Applicable Reporting Standards; and
- (B) in all material respects reliably reflect its financial position (if applicable, on a consolidated basis) as of the date of their preparation,

except where such financial statements indicate otherwise.

16.10.2 From the date on which the financial statements indicated in Clause 16.10.1 were drawn up, there have not been any events that could have a Material Adverse Effect, and for the purposes of this paragraph, Material Adverse Effect is understood to mean in the opinion of the Majority Lenders a material adverse effect on:

- (A) the financial condition of the Group as a whole, in the event that the Group as a whole, as a result of the occurrence of such an event, incurs actual damage in an amount exceeding RUB 50,000,000 (or its equivalent in another currency);
- (B) the Obligors' and Pledgors' ability to perform their obligations under any Finance Document;
- (C) the validity or ranking of the security that is provided or should be provided under any Finance Document or its enforceability; or
- (D) the validity of the Finance Documents or the possibility of exercising the rights of the Finance Parties contemplated by each relevant Finance Document.

16.11 Court Proceedings

16.11.1 With the exception of the court, administrative, arbitrazh or arbitration proceedings disclosed by the Borrower to the Facility Administrator in accordance with Clause 17.4 (*Information: miscellaneous*), no court, arbitration or administrative proceedings have been instituted against the Obligors or are expected to be instituted against the Obligors as far as the Borrower is aware:

- (A) in which the claim or demand exceeds RUB 50,000,000 (or the equivalent of this amount in another currency);

- (B) within the framework of which decisions have been taken or are highly likely to be taken, as a result of which the actual damage to the Group will amount to over RUB 50,000,000 (or the equivalent of this amount in another currency); or
- (C) in the event not falling under subparagraphs (A) or (B) above, as a result of which an unfavourable decision has been taken or, to the best of the Borrower's knowledge, is highly likely to be taken, that could have a Material Adverse Effect.

16.11.2 With the exception of the actions disclosed by the Borrower to the Facility Administrator in accordance with Clause 17.4 (*Information: miscellaneous*), no investigative actions provided for by applicable law are being taken in respect of the Obligors as a result of which unfavourable decisions have been taken or are highly likely to be taken, that could have a Material Adverse Effect.

16.12 Information

16.12.1 All factual information, which is material in the opinion of the Facility Administrator, provided by any Obligor or Pledgor to the Finance Parties in connection with the Finance Documents to which it is party, is true and accurate as of the date of its provision or (as the case may be) as of the date (if any) which is indicated as the date of its provision.

16.12.2 None of the Obligors or Pledgors has withheld information which, if disclosed, would result in any other information indicated in Clause 16.12.1 becoming materially untrue or misleading in the opinion of the Facility Administrator.

16.12.3 As of the date of this Agreement and on the first Utilisation Date from the date of provision of the information defined in Clause 16.12.1, there were no circumstances that, if disclosed, would result in the provided information becoming untrue or misleading in the opinion of the Facility Administrator.

16.13 Ranking of Security

The security established by each Pledge is security which the Pledge Manager has the right to enforce, with the Consent of the Majority Lenders, as a matter of priority. Third parties do not have any rights (claims) or other rights with respect to the property and assets of the Pledgors, which are the subject of the Pledges.

16.14 Granted loans

None of the Obligors has granted loans to third parties that are not Obligors, with the exception of the Permitted Loans.

16.15 Charges and duties

As of the date of this Agreement, payment of any state duties or registration fees or taxes or charges in connection with the Finance Documents is not required, except for:

16.15.1 fees for notarial acts in respect of the Borrower Participatory Interest Pledge; and

16.15.2 charges and duties for registering the Pledges, including payment of stamp duty in respect of Finance Documents in Cyprus.

16.16 Regulated Procurements

As of the date of the Finance Documents, the provisions of the Regulated Procurement Law do not apply to the entry into and performance of the Finance Documents by the Borrower and Zemenik. However, the Borrower does not make this representation with respect to the application of the Regulated Procurement Law to any Finance Party.

16.17 Moratorium on bankruptcy

The Borrower:

- 16.17.1 is not engaged in (and as of 1 March 2020 was not engaged in) activities referred to in the list approved by Russian Federation Government Resolution No. 434 dated 3 April 2020 of Russian economic sectors that have been most affected by the spread of the novel coronavirus infection;
- 16.17.2 does not figure on the list of strategic enterprises and strategic joint-stock companies that was approved by Russian Federation Presidential Decree No. 1009 of 4 August 2004;
- 16.17.3 is not a systemically important company and does not figure on any of the lists of systemically important companies that was approved by the Government Commission on Enhancing the Stable Development of the Russian Economy; and
- 16.17.4 is not subject to a moratorium on the initiation of bankruptcy proceedings under the Bankruptcy Law.
- 16.18 Times when representations made**
- 16.18.1 The representations set forth in this Clause 16 are given by the Borrower on the date of this Agreement.
- 16.18.2 The Borrower shall ensure that all the representations set forth in this Clause 16 remain true, as if they were given by the Borrower in the same form:
- (A) on the date of each Utilisation Request;
 - (B) on each Utilisation Date; and
 - (C) on the first day of each Interest Period.
- 17. INFORMATION UNDERTAKINGS**
- 17.1 Financial Statements**
- 17.1.1 The Borrower shall provide the Facility Administrator with a sufficient number of certified copies of the following for all Lenders:
- (A) as soon as they are available, but in any case within 120 (one hundred and twenty) days from the end of each financial year: the audited consolidated financial statements of the Group for that financial year prepared in accordance with IFRS;
 - (B) as soon as they are available, but in any case within 90 (ninety) days from the end of the first financial half-year of each financial year: the Group's reviewed interim consolidated financial statements for the second quarter and the first financial half-year, prepared in accordance with IFRS;
 - (C) as soon as they are available, but in any case within 60 (sixty) days from the end of the first and third financial quarters of each financial year: the interim consolidated financial statements of the Group for such financial quarter of the relevant financial year prepared in accordance with IFRS;
 - (D) as soon as they are available, but in any case within 40 (forty) days from the end of each quarter of the relevant financial year: the financial statements (including the profit and loss statements, balance sheet and cash flow statement) of the Borrower and Zemenik for such quarter of the relevant financial year prepared in accordance with RAS; and
 - (E) as soon as they are available, but in any case within 180 (one hundred and eighty) days of the end of each financial year: the unconsolidated financial statements of Obligors registered outside the Russian Federation for such financial year, prepared according to applicable local accountancy standards.
- 17.1.2 The Borrower's duty to provide the financial statements referred to in Clauses 17.1.1(A)-(C) may also be performed by making those financial statements publicly available:

- (A) on the Group's Internet website at <https://investor.hh.ru/investors/sec-filings>; or
- (B) on the Internet website of the Nasdaq Stock Exchange at <https://www.nasdaq.com/market-activity/stocks/hhr/sec-filings>; or
- (C) on the online Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) of the U.S. Securities and Exchange Commission at <https://www.sec.gov/edgar/searchedgar/companysearch.html>,

provided that:

- (1) regarding the financial statements referred to in Clause 17.1.1(A), within the time referred to in Clause 17.1.1(A):
 - (a) the Borrower has provided the Facility Administrator with an Auditor's opinion on said financial statements; and
 - (b) The Facility Administrator has actually obtained access to said financial statements in full on the above Internet websites; and
- (2) regarding the financial statements referred to in Clauses 17.1.1(B) and (C) the Facility Administrator has actually obtained access to said financial statements in full on the above Internet websites within the time referred to in Clauses 17.1.1(B) and (C).

17.2 Compliance certificate

17.2.1 The Borrower shall provide the Facility Administrator with the certificate of compliance with the following financial indicators:

- (A) with each set of financial statements provided in accordance with Clauses 17.1.1(A)–(C): the financial indicators specified in Clause 18.3 (*Leverage*), 18.4 (*Interest cover*) and 18.5 (*Guarantors' Cover Ratio*);
- (B) with each set of financial statements provided in accordance with Clause 17.1.1(D): the financial indicators specified in Clause 18.6 (*Revenue in accordance with RAS*) и 18.7 (*Cash receipts*);
- (C) with each set of financial statements provided in accordance with Clause 17.1.1(D) for the second and fourth financial quarters: the financial indicators specified in Clause 18.8.1 (*Net assets*); and
- (D) with each set of annual financial statements provided in accordance with Clause 17.1.1(E): the financial indicators specified in Clause 18.8.2 (*Net assets*),

along with the calculation proving that the Borrower complies with the financial indicators based on such financial statements as of the date of preparation of such financial statements.

17.2.2 Compliance certificate on the basis of the statements prepared in accordance with IFRS must be in the form provided in Part A (*Form of Compliance Certificate on the basis of IFRS*) of Schedule 5 (*Forms of Compliance Certificates*), signed by the Borrower's authorised person and, if the certificate is provided with the set of statements provided in accordance with Clauses 17.1.1(A) and (B), shall be accompanied by the opinion of the Group Auditors in a form agreed by the Borrower, the Facility Administrator and the Group Auditors.

17.2.3 Compliance certificate on the basis of statements prepared in accordance with RAS must be in the form provided in Part B (*Form of Compliance Certificate on the basis of RAS*) of Schedule 5 (*Forms of Compliance Certificates*) and signed by an authorised person of the Borrower.

17.3 Requirements for Financial Statements

The Borrower shall procure that each set of financial statements provided in accordance with Clause 17.1 (*Financial Statements*), is prepared using the same accounting principles and reporting periods used to prepare the Group's last financial statements. If any Obligor notifies the Facility Administrator of changes in accounting principles or reporting periods, the Borrower shall procure that the Borrower's Auditors and the auditors of the relevant Obligor provide the Facility Administrator with the following:

- 17.3.1 a description of the changes to be made to the relevant financial statements to reflect the changes made to the accounting principles and reporting periods that were used in the preparation of the Original Financial Statements of the Group or such Obligor; and
- 17.3.2 information in a form and content that meets the requirements of the Facility Administrator and is sufficient to enable Lenders to verify that the Borrowers have met the requirements of Clause 18 (*Financial Covenants*) and to adequately assess the Obligor's financial condition based on current financial statements compared to this Obligor's Original Financial Statements.

17.4 Information: miscellaneous

The Borrower shall provide the Facility Administrator with the following:

- 17.4.1 at the same time as they are dispatched to their addressees, copies of all documents dispatched by it to all its lenders, or in connection with circumstances that constitute a Material Adverse Effect, to all its members;
- 17.4.2 details of any court, arbitrazh, arbitration or administrative proceedings, as a result of which decisions have been taken or are highly likely to be taken, resulting in actual damage to the Group of:
 - (A) over RUB 50,000,000 (or the equivalent of this amount in another currency), but less than 2.5% (two point five percent) of the Consolidated EBITDA: no later than 5 (five) Business Days following the end of the next calendar quarter;
 - (B) over 2.5% (two point five percent) of the Consolidated EBITDA: promptly upon becoming aware of it, but no later than 5 (five) Business Days from the date it becomes aware of it;
- 17.4.3 promptly upon becoming aware of it, but no later than 5 (five) Business Days from the date it becomes aware of this: details of any investigative actions related to the Group or any member of the Group (including with respect to the executive or other management bodies of the Group or any member of the Group or any member of such a management body);
- 17.4.4 (without limiting Clause 26.2.5) promptly upon becoming aware of it, but no later than twenty (20) Business Days from the date it becomes aware of this or from the date of state registration (if applicable), depending on which of these events occurred later: notification regarding a change of location or postal address of the Borrower or any other Obligor or Pledgor; and
- 17.4.5 immediately upon request, but no later than 5 (five) days from the date of the request: such additional information regarding the finance position and business activities of any member of the Group that the Facility Administrator may require in the interests of any Finance Party.

17.5 Auditors

The Borrower shall not change its Auditors without the consent of the Majority Lenders, with the exception of those Auditors in relation to the financial statements of the Group and its members prepared in accordance with IFRS, approved or authorised in accordance with this Agreement.

17.6 **Notification of Default**

- 17.6.1 The Borrower shall notify the Facility Administrator of any Default (and measures, if any, to remedy such Default) immediately after it becomes aware of this.
- 17.6.2 At the request of the Facility Administrator, the Borrower shall provide the Facility Administrator with a statement signed by the sole executive body or an authorised representative of the Borrower certifying that the Default was remedied, or, if the Default is continuing, detailing the measures being taken to remedy it.

17.7 **"Know your customer" checks**

17.7.1 If as a result of:

- (A) any changes in any applicable law after the date of this Agreement;
- (B) changes in the legal form of the Borrower or any Obligor or Pledgor, or changes in the composition of its shareholders or members (owning more than two percent of the voting shares or participatory interests respectively after the date of this Agreement); or
- (C) the assignment or transfer by any Lender of all or part of its rights and obligations under this Agreement to a party that was not a Lender before such assignment or transfer, or the replacement of any other Finance Party in accordance with this Agreement, or other change of the Parties to this Agreement,

the Facility Administrator, Lender or any other Finance Party (or in the case of paragraph 0 above, a possible new party), as required by the law applicable to them, shall have an obligation to comply with "know your customer" or similar identification procedures, in circumstances where the necessary information was not previously provided by the Borrower, the Borrower shall provide the Facility Administrator (acting on its own behalf, on behalf of the relevant Finance Party or on behalf of a potential new party) with the information and documents required for the Facility Administrator, relevant Finance Party or possible new party to comply with the applicable "know your customer" checks.

- 17.7.2 Each Finance Party shall provide the Facility Administrator with the information and documents required for the Facility Administrator to comply with the applicable "know your customer" checks.

17.8 **Designated purpose of funds**

The Borrower shall, no later than 10 (ten) Business Days after each Tranche 2 Utilisation Date, provide the Facility Administrator with copies of documents certified by the Borrower confirming that the Facility was used in accordance with Clause 3.2.

18. **FINANCIAL COVENANTS**

18.1 **Financial definitions**

In this Clause 18:

"Assets" means the assets of the Group, including:

- (a) long-term tangible assets;
- (b) intangible assets (excluding goodwill)
- (c) Cash; and
- (d) Cash Equivalents.

Furthermore, the Cash and Cash Equivalents of each Subsidiary owned by Zemenik, Headhunter FSU or the Borrower shall be recorded for the purposes of Clause 18.5 (*Guarantors' Cover Ratio*) if, as of the relevant Test Date, the following conditions have been met:

- (i) an authorised body of such Subsidiary has taken a corporate decision (acceptable to the Facility Administrator) on the transfer of such Cash in favour of Zemenik, Headhunter FSU or the Borrower;
- (ii) such transfer of funds must take place no later than ninety (90) days from the Test Date;
- (iii) the financial statements of such Subsidiary are consolidated with the financial statements of the Group in accordance with IFRS in the relevant period of time using the direct method of consolidation; and
- (iv) the applicable law does not prohibit the transfer of Cash by the relevant Subsidiary to the Holding Company as dividends or otherwise.

For the purposes of Clause 18.5 (*Guarantors' Cover Ratio*), if all of the above conditions are met, such Cash shall be recorded as belonging not to a Subsidiary of Zemenik, Headhunter FSU or the Borrower, but directly to Zemenik, Headhunter FSU or the Borrower in proportion to its participation in the charter capital of such Subsidiary.

"Cash Receipts" means the cash receipts received by the Group from Clients within the preceding 12 (months), determined on the basis of the financial statements provided in accordance with Clause 17.1.1(D).

"Clients" means private individuals and legal persons, as well as individual entrepreneurs who have paid or are due to pay for the key services of the Borrower (access to the CV database and publication of vacancies) in accordance with agreements with the Borrower, including those concluded following the acceptance of an offer on the Obligor's Websites.

"Consolidated Net Debt" means, for any Test Period, the aggregate amount of the Financial Indebtedness of the Group (excluding any debts of a member of the Group to other members of the Group) net of Cash and Cash Equivalents of the Group in accordance with the Group's consolidated financial statements prepared in accordance with IFRS, on the last day of such Test Period.

"Group Consolidated Net Profit" means the Group's consolidated net profit determined on the last reporting date, i.e. (depending on the date on which it is determined):

- (a) at the end of the financial year or financial half-year of the financial year, in accordance with the Group's financial statements for the relevant financial year or first financial half-year of the relevant financial year, prepared in accordance with IFRS, provided to the Facility Administrator in accordance with Clauses 17.1.1(A) or (B); or
- (b) at the end of the first or third financial quarter, based on the relevant financial statements of the Group provided to the Facility Administrator in accordance with Clause 17.1.1(C).

"Interest Amount" means the interest accrued on the entire Financial Indebtedness of the Group (with respect to interest under lease agreements: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16).

18.2 Interpretation

- 18.2.1 Unless otherwise specified herein, the accountancy terms used in this Clause 18 shall be interpreted according to the IFRS as amended on the relevant date.
- 18.2.2 For the purpose of this Clause 18, any amount not denominated in Roubles shall be recorded in the rouble equivalent calculated on the basis of the exchange rates used by the Borrower in its financial statements for the relevant reporting period, on the basis of which the financial indicators are calculated.
- 18.2.3 When making calculations in accordance with this Clause 18, no indicator can be taken into account more than once.

18.2.4 Unless otherwise contemplated by this Agreement, the indicators specified in this Clause 18 shall be checked in respect of each Test Period on the appropriate Test Date on the basis of any statements provided in accordance with Clause 17.1.1.

18.3 **Leverage**

The Borrower must ensure that on each Test Date, the ratio of Consolidated Net Debt to Consolidated EBITDA (the "**Leverage**") is not more than:

18.3.1 **3.5:1** as of each Test Date falling in 2020; and

18.3.2 **3.0:1** as of each subsequent Test Date.

18.4 **Interest cover**

The Borrower must ensure that on each Test Date, the ratio of Consolidated EBITDA to the Interest Amount (the "**Interest Cover**") is at least **2.5:1**.

18.5 **Guarantors' Cover Ratio**

If, as of any Test Date, the Obligors in total account for:

18.5.1 less than 80% (eighty percent) of the Consolidated EBITDA; or

18.5.2 less than 80 (eighty) percent of the Group Revenue; or

18.5.3 less than 70 (seventy) percent of the Group Assets,

the Borrower shall procure the conclusion (issue), on terms acceptable to the Facility Administrator, of:

(A) an additional independent guarantee, including an agreement to issue it ("**Additional Independent Guarantee**") by a legal entity acceptable to the Facility Administrator ("**Additional Guarantor**"), within 30 (thirty) days of the relevant Test Date; and

(B) a pledge of 100% of the shares or participatory interests in the charter capital of such Additional Guarantor that are owned by any Pledgor or Group member ("**Additional Pledge**") within sixty (60) days of the relevant Test Date.

18.6 **Revenue in accordance with RAS**

The Borrower shall ensure that, as of each Test Date, the aggregate Revenue of the Borrower (excluding the revenue of Subsidiaries acquired or sold during the last 12 months and without double counting) for the 4 (four) previous financial quarters, determined on the basis of the Borrower's financial statements in accordance with RAS, provided in accordance with Clause 17.1.1(D), amounts to at least:

18.6.1 **80%** (eighty percent) as of each Test Date falling at the end of the second, third, and fourth quarters of 2020 and the end of the first and second quarters of 2021; and

18.6.2 **95%** (ninety five percent) as of each subsequent Test Date,

of the Borrower's Revenue determined as of the same date of the previous year based on the Borrower's financial statements prepared in accordance with RAS, provided in accordance with Clause 17.1.1(D).

18.7 **Cash receipts**

The Borrower shall ensure that, as of each Test Date, starting from the Test Date for the financial quarter following the financial quarter in which the first Utilisation Date falls, any reduction in Cash Receipts for the 4 (four) preceding financial quarters is no more than:

18.7.1 **30%** (thirty percent) as of each Test Date falling at the end of the second, third, and fourth quarters of 2020 and the end of the first and second quarters of 2021; and

18.7.2 **5%** (five percent) as of each subsequent Test Date,
compared with the Cash Receipts determined as of the same date of the previous year.

18.8 Net assets

The Borrower shall ensure that:

18.8.1 as of the end of the second financial quarter of each financial year, and as of the end of each financial year, the net assets of each Obligor registered in the Russian Federation determined on the basis of the financial statements provided under Clause 17.1.1(D),

18.8.2 at the end of each financial year, the amount of the net assets of each other Obligor determined on the basis of the financial statements provided in accordance with Clause 17.1.1(E),

are positive.

19. GENERAL UNDERTAKINGS

19.1 Authorisations and corporate approvals

19.1.1 The Borrower shall, and shall procure that each Obligor shall, duly receive, ensure the validity of, and comply with the conditions of, any authorisations, consents and corporate approvals required under any applicable law to fulfil its obligations under the Finance Documents to which it is party, and to ensure that the Finance Documents can be used as evidence in arbitration proceedings, in the courts of the Russian Federation, including arbitrazh courts, and in the courts of Cyprus.

19.1.2 The Borrower shall, and shall procure that each Obligor shall, duly receive the necessary state and municipal permits, consents, licenses and patents, as well as membership in self-regulatory organisations, required by any applicable law for the conduct of business activities of the Obligor in the form in which it is conducted, as well as ensure their validity and comply with their conditions.

19.2 Negative Pledge

The Borrower shall, and shall procure that each Obligor shall, not create or allow the creation of any Encumbrances in relation to its assets without the prior written consent of the Facility Administrator, except for:

19.2.1 an Encumbrance in relation to assets (except those specified in Clause 19.2.4, but without double counting), whose aggregate book value does not exceed 10% (ten percent) of the Consolidated EBITDA at any time;

19.2.2 an Encumbrance arising under the Pledges;

19.2.3 an Encumbrance existing under Existing Pledges; and

19.2.4 an Encumbrance arising as required by law in the normal course of business.

19.3 Asset Disposal

19.3.1 The Borrower shall not sell, lease or otherwise dispose of any of its assets or property without the prior written consent of the Facility Administrator, and shall procure that any Obligor does not sell, lease, or otherwise dispose of any of its assets or property without the prior written consent of the Facility Administrator, except:

(A) the disposal of assets or property in the normal course of business;

(B) the disposal of assets or property of the Group's members totalling an amount, at book or market value (depending on which amount is greater), obtained as a result of one or several transactions made during each

successive 12 (twelve) months, not exceeding 10% (ten percent) of the Consolidated EBITDA;

(C) the disposal of shares or participatory interests in the charter capital of a member of the Group that is not an Obligor, provided that:

- (1) such disposal is carried out on market terms;
- (2) after such disposal the Debt Ratio will not exceed **2.0:1**;
- (3) the sale of the Group Member subject to Disposal will not entail a breach of the obligations under Clause 18 (*Financial Covenants*); and
- (4) no later than 5 (five) Business Days prior to the disposal of the Group Member subject to Disposal, the Borrower shall notify the Facility Administrator of the upcoming disposal, and provide the Facility Administrator with a certificate confirming that all the conditions specified in paragraphs (2) and (3) above have been met.

19.3.2 For the purposes of Clause 19.3.1:

"Funds of the Group" means the Cash and Cash Equivalents owned by the Group.

"Funds of the Group Member subject to Disposal" means the Cash and Cash Equivalents owned by the Group Member subject to Disposal.

"Group Member subject to Disposal" means a member of the Group who is not an Obligor, whose shares or participatory interests in the charter capital are subject to disposal.

"Debt Ratio" means the ratio of Net Debt Amount to EBITDA.

"Purchase Price" means the funds actually received by the member of the Group from the sale of the Group Member subject to Disposal.

"Distribution" means the amount of funds payable to Headhunter Group shareholders from the disposal of the Group Member subject to Disposal.

"Amount of Funds" means the amount obtained by calculating the difference between: (i) the Funds of the Group, and (ii) the amount of Funds of the Group Member subject to Disposal and the Distribution, and adding the Purchase Price to the difference.

"Net Debt Amount" means the difference between (i) the Financial Indebtedness of the Group (including the Financial Indebtedness of the Group to the Group Member subject to Disposal, recognised after the disposal of the Group Member subject to Disposal) and (ii) the Financial Indebtedness of the Group Member subject to Disposal (excluding the Financial Indebtedness of the Group Member subject to Disposal to other members of the Group) and the Amount of Funds.

"EBITDA" means the difference between Consolidated EBITDA and EBITDA of the Group Member subject to Disposal.

19.4 Acquisition of assets

The Borrower shall not acquire any assets without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors acquire any assets without the prior written consent of the Facility Administrator, except for the acquisition of assets, including shares and participatory interests in the share capital and charter capital of third parties (as well as other instruments that can be converted into shares or participatory interests in the share capital or charter capital of third parties):

19.4.1 in the ordinary course of business;

- 19.4.2 by a member of the Group for a total amount paid by such member of the Group, as a result of one or several asset acquisitions made during each successive 12 (twelve) months, not exceeding 15% (fifteen percent) of the Consolidated EBITDA;
- 19.4.3 acquired using Permitted Financial Indebtedness;
- 19.4.4 acquired using Tranche 2 funds provided to the Borrower for the purposes referred to in Clause 3.2.2; and
- 19.4.5 a maximum 40.01% (forty point zero one percent) additional participatory interest in the charter capital of Skilaz LLC (PSRN: 1177746032276) for a maximum purchase price of RUB 600,000,000 (six hundred million), provided such participatory interest is acquired by 31 December 2021.
- 19.5 Arm's length basis**
- 19.5.1 The Borrower may not enter into transactions with any persons except on arm's length terms, and the Borrower shall procure that none of the Obligors enter into transactions with other persons except on arm's length terms.
- 19.5.2 Clause 19.5.1 does not apply to transactions with other Obligors.
- 19.6 Lending**
- With the exception of the Permitted Loans, the Borrower shall not act as a lender in respect of any Financial Indebtedness without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors act as a lender in respect of any Financial Indebtedness without the prior written consent of the Facility Administrator.
- 19.7 Providing guarantees and sureties**
- 19.7.1 The Borrower shall not act as a guarantor or surety in respect of the obligations of any person without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors act as a guarantor or surety in respect of the obligations of any person without the prior written consent of the Facility Administrator.
- 19.7.2 The provisions of Clause 19.7.1 above shall not apply:
- (A) when such guarantee or surety secures the performance of the obligations of another member of the Group created within the framework of Permitted Financial Indebtedness; or
 - (B) to any Placement Indemnity on condition that Headhunter Group provides the Facility Administrator, within 15 (fifteen) Business Days after provision of the Placement Indemnity, with a certified extract from the document(s) containing the Placement Indemnity, and that if modifications are made to the Placement Indemnity, it provides the Facility Administrator, within 15 (fifteen) Business Days after such modifications have been made, with a certified extract from the document containing such modifications. Said extract shall contain all the terms of the Placement Indemnity, including any modifications and supplements.
- 19.8 Financial Indebtedness**
- The Borrower shall not enter into transactions that result in Financial Indebtedness for the Borrower or allow overdue Financial Indebtedness, and shall procure that none of the Obligors enter into transactions that result in Financial Indebtedness for such Obligor or allow overdue Financial Indebtedness, without the prior written consent of the Facility Administrator, with the exception of Permitted Financial Indebtedness. The existence of dividends declared, but which were not paid or subsequently canceled, is not a violation of this Clause 19.8.

19.9 Restructuring and reduction of charter capital

The Borrower shall not restructure or reduce its charter capital, share premium or other capital, and shall procure that none of the Obligors restructure or reduce its charter capital, or other share capital without the prior written consent of the Facility Administrator, except for Permitted Redemption.

19.10 Issuing new shares or increasing charter capital

The Borrower shall not increase its charter capital, and shall procure that none of the Obligors issue new shares or increase its charter capital, without the prior written consent of the Facility Administrator, except for a Permitted Issue.

19.11 Making changes to Constitutional Documents

The Borrower, without the prior written consent of the Facility Administrator, shall not make changes to its constitutional documents, and shall also procure that no Obligor, the shares or participatory interests in the charter capital of which are the subject of the Pledge, without the prior written consent of the Facility Administrator, shall make changes to its constitutional documents, which relate to:

19.11.1 legal form;

19.11.2 name;

19.11.3 share issue procedure;

19.11.4 the amount of charter (share) capital;

19.11.5 solely in relation to Obligors registered and operating in accordance with the legislation of the Republic of Cyprus: the procedure for appointing a new director or secretary;

19.11.6 the procedure for transferring (disposing) shares (participatory interests);

19.11.7 dividend payment procedure;

19.11.8 the scope of rights and obligations granted to members (shareholders);

19.11.9 the procedure for pledging participatory interests (shares) or otherwise encumbering participatory interests (shares); and

19.11.10 the procedure and conditions for the withdrawal and exclusion of a member from the company.

19.12 Dividend payment and redemption of shares or participatory interests

19.12.1 Without the prior written consent of the Facility Administrator, the Borrower shall not announce the payment of dividends or pay dividends, or redeem its participatory interests (unless required by applicable law), and shall procure that none of the Obligors announce the payment of dividends or pay dividends, or redeem its shares or participatory interests (unless required by applicable law), except for the following cases:

(A) payments of distributable profit by any Obligor or a Group member to the Obligor;

(B) payment of distributable profit (including in the form of Permitted Redemption) to shareholders of Headhunter Group in an amount not exceeding 100% (one hundred percent) of the Group Adjusted Consolidated Net Profit provided that the Facility Administrator confirms that the Adjusted Leverage including such payment does not exceed **3.0:1**; and

(C) payment by any member of the Group of distributable profit to minority shareholders, provided that similar payments are made to the shareholders (members), which are members of the Group, of such member of the Group in proportion to their participatory interest in the charter capital of such member of the Group.

When making the payments specified in subparagraph (B) above, the Borrower must provide the Facility Administrator, at least 5 (five) Business Days before payment, with a calculation of the Adjusted Leverage and confirmation that on the date of confirmation there is no Default, nor will there be a Default immediately after and as a result of such payment.

19.12.2 For the purpose of this Clause 19.12:

"Group Consolidated Net Profit" has the meaning given in Clause 18.1 (*Financial definitions*).

"Consolidated Net Debt" has the meaning given in Clause 18.1 (*Financial definitions*).

"Group Adjusted Consolidated Net Profit" means, as of the last Test Date, the Group Consolidated Net Profit for the Test Period ending on that Test Date, excluding:

- (A) the profits and losses resulting from the revaluation of any asset;
- (B) goodwill impairment;
- (C) depreciation and impairment of the following intangible assets:
 - (1) hh trademark;
 - (2) hh.ru CV database;
 - (3) Headhunter client relations; and
 - (4) hh.ru website software;
- (D) non-monetary profits and losses from the Remuneration Plans based on Group Equity Instruments;
- (E) profit tax recorded in the Group Consolidated Net Profit on the non-monetary profits and losses referred to in paragraphs (A) - (D) above; and
- (F) profits and losses from the formation of a deferred retained earnings tax reserve.

"Adjusted Leverage" means, as of the last Test Date, the ratio of Consolidated Net Debt (as of that Test Date) and Dividend Amount to Consolidated EBITDA, calculated based on the Group's consolidated financial statements for the financial year or for the first financial half-year of the financial year (provided to the Facility Administrator under Clause 17.1.1(A) or (B) as of the Test Date which came not more than 5 (five) months before the date of payment of the distributable profit to the shareholders of Headhunter Group.

"Dividend Amount" is defined as the amount of dividends:

- (i) paid to the shareholders of Headhunter Group during the financial half-year ending on the last Test Date; and
- (ii) to be paid to the shareholders of Headhunter Group during the financial half-year commencing on the day immediately following that Test Date.

19.13 Change of business

The Borrower shall not make significant changes to the main areas of its business activity, and shall procure that none of the Obligors make significant changes to the main areas of their business activity without the prior written consent of the Facility Administrator.

19.14 Existing Commercial Contracts

The Borrower shall procure the continuous validity of the Existing Commercial Contracts or the conclusion of new contracts on similar conditions, where commercially reasonable to do so, no later than one month before the expiration of the Existing Commercial Contracts.

19.15 **Taxation**

The Borrower shall duly pay taxes and levies into the relevant budgets and make mandatory payments into the extra-budgetary funds of the Russian Federation ("**Mandatory Payments**"), and shall procure that each of the Obligors duly pays the Mandatory Payments, except for:

19.15.1 Mandatory Payments contested by an Obligor in accordance with the law; and

19.15.2 Mandatory Payments and the costs of disputing them, in respect of which the relevant reserves were created, reflected in the latest financial statements provided to the Facility Administrator in accordance with Clause 17.1 (*Financial Statements*); and

19.15.3 where non-payment of such Mandatory Payments will not have Material Adverse Effect.

19.16 **Pari passu ranking**

The Borrower shall procure that its obligations under the Finance Documents have at least the same ranking as its other existing and future unsecured payment obligations, and that each Obligor procures that its obligations under the Finance Documents have at least the same ranking as other existing and future unsecured payment obligations of such Obligor, with the exception of those obligations that have priority as expressly stipulated by law.

19.17 **Access**

19.17.1 At the request of the Facility Administrator, when there is a Default, or a Default has not been remedied, or when the Facility Administrator has sufficient reason to believe that a Default is possible, the Borrower shall provide (and shall procure that each Obligor provides) the Facility Administrator and (or) its auditors or other professional consultants with ready access to their premises, assets and accounting and tax primary documents (on paper or electronic media), including issuing powers of attorney to relevant persons, as well as arranging a meeting with the management of the Group.

19.17.2 The Borrower shall procure that the Facility Administrator and (or) Lenders are provided with the relevant documents and (or) information and perform other actions required so that the authorised representatives (employees) of the Central Bank of the Russian Federation can inspect (check) the pledged asset under the Pledges at the place of its storage and (or) record and (or) location, and visit the Borrower and each other Pledgor on-site

19.18 **Appointment of New Directors**

19.18.1 The Borrower shall not carry out and shall not allow, without the Facility Administrator's prior written consent, any actions that may lead to the election and (or) appointment of new directors and/or secretaries of the Obligors, who are legal persons registered and operating under the laws of the Republic of Cyprus and whose shares are pledged under a Pledge, except when the following documents are provided to the Facility Administrator at the same time as the new directors and (or) secretaries of the said Obligors are appointed:

(A) in the case of new directors: originals of the following, that are duly signed by the specified directors:

- (1) undated letters of resignation; and
- (2) letters of authority and undertaking; and

(B) in the case of new secretaries, originals of the following, that are duly signed by the specified secretaries:

- (1) undated letter of resignation; and
- (2) letter of authority and undertaking; and

- (3) undated secretary's confirmation that is addressed to the Department of the Registrar of Companies of Cyprus.

19.18.2 Within 5 (five) Business Days from the date of receipt of a reasonable request of the Facility Administrator, the Borrower shall provide the Facility Administrator with additional information regarding the above-mentioned new directors and/or secretaries regarding their education and (or) relevant experience.

19.19 Further assurance

The Borrower shall, at the request of any Finance Party, at its own expense, carry out any actions and sign any documents, and shall procure that each Obligor, at their own expense, carry out any actions and sign any documents, required to ensure the validity and proper performance of the Finance Documents. In particular, each Borrower, at the request of the Facility Administrator, shall procure, at its own expense:

19.19.1 the issuance of new Independent Guarantees in favour of the Lenders (on terms identical to those of existing Independent Guarantees) and the making of modifications to them or the conclusion of agreements to issue them; and

19.19.2 supplementary agreements to Pledges

on terms acceptable to the Lenders, as well as the performance of all actions required to ensure the validity of such agreements in case of acquisition by any Lender (other than Lenders that are party to existing Security Documents) of the rights (claims) against the Borrower and (or) obligations to grant the Facility in accordance with the provisions of Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*).

19.20 Conditions subsequent

19.20.1 Within 60 (sixty) days of the date of this Agreement, the Borrower shall provide the Facility Administrator with the originals and duly certified copies (as applicable) of the documents listed in sections 2 and 3 of Part A of Schedule 2 (*Conditions Precedent*), along with notarized translations into Russian of said documents if they were written in a foreign language and/or provided with an apostille.

19.20.2 The Borrower shall ensure that:

- (A) no later than the Business Day following the day of signing the Borrower Participatory Interest Pledge and the Pledge of Headhunter FSU (Headhunter Group) Shares, Headhunter FSU and Headhunter Group provide the Facility Administrator with updated internal registers of pledges, recording information about the said pledges;
- (B) within 21 (twenty-one) days after the signing of the Borrower Participatory Interest Pledge, Headhunter FSU provides the Facility Administrator with evidence that information about the pledge was submitted to the Cyprus Registrar of Companies; and,
- (C) within 42 (forty-two) days after the signing of the Borrower Participatory Interest Pledge, Headhunter FSU provides the Facility Administrator with a certificate of registration of the pledge issued by the Cyprus Registrar of Companies

in each case where this is required under Articles 90 and 99 of the Cyprus Companies Law, Cap. 113.

19.20.3 Within 30 (thirty) days of signing a respective Finance Document, the Borrower shall provide the Facility Administrator with evidence:

- (A) that each Finance Document to which an Obligor registered under the laws of Cyprus is party has been submitted to the Cyprus Stamp Duty Commissioner in order for a decision to be made as to whether stamp duty must be paid on such documents; and

- (B) that stamp duty has been paid on such documents in the amount specified by the Cyprus Stamp Duty Commissioner, or that such documents are exempt from payment of stamp duty.
- 19.20.4 The Borrower shall ensure that on the date of termination of the relevant Existing Pledges, Headhunter Group and Zemenik provide, with respect to each Headhunter FSU Shares Pledge:
- (A) a blank signed transfer instrument, undated, drawn up in the form set forth in the Headhunter FSU Shares Pledge;
 - (B) all share certificates for original shares (as defined in the Headhunter FSU Shares Pledge);
 - (C) a signed irrevocable proxy and power of attorney in the name of the Pledge Manager in the form set forth in the Headhunter FSU Shares Pledge;
 - (D) a certified copy of a resolution in writing by the Headhunter FSU Board of Directors approving the pledge and transferring shares, drawn up substantially in the form set forth in each Headhunter FSU Shares Pledge;
 - (E) a notice of pledge drawn up substantially in the form set forth in the Headhunter FSU Shares Pledge, along with a certified copy of the Headhunter FSU Shares Pledge;
 - (F) a certificate drawn up substantially in the form set forth in the Headhunter FSU Shares Pledge, confirming that a memorandum of pledge was made in the register of members of Headhunter FSU, and a certified copy of the register of members of Headhunter FSU;
 - (G) a signed and dated waiver by Headhunter Group and Zemenik (as applicable) of their rights of pre-emption, drawn up in the form set forth in the relevant Headhunter FSU Shares Pledge;
 - (H) signed, undated resignation letters, duly signed by the directors and secretary of Headhunter FSU, in the form set forth in each Headhunter FSU Shares Pledge;
 - (I) signed letters of authority and undertaking, duly signed by the directors and secretary of Headhunter FSU, in the form set forth in each Headhunter FSU Shares Pledge;
 - (J) signed, undated confirmation by the secretary, issued by Headhunter FSU, confirming to the Cyprus Department of Registrar of Companies the changes in the officers and shareholders in the event of enforcement of the pledge under the Headhunter FSU Shares Pledge; and
 - (K) a copy of the updated internal register of charges of Headhunter Group containing information about the terms of the Pledge of Headhunter FSU (Headhunter Group) Shares in accordance with Article 99 of the Cyprus Law on Companies, Cap. 113.
- 19.20.5 Within 5 (five) Business Days of signing the Borrower Participatory Interest Pledge, the Borrower shall ensure state registration of the Encumbrance created under the Borrower Participatory Interest Pledge in the Russian Federation Unified State Register of Legal Entities and shall provide the Pledge Manager with evidence of such state registration.
- 19.20.6 Within 5 (five) Business Days of receiving a request from the Facility Administrator or Pledge Manager, the Borrower at its own expense shall undertake any action and sign any documents, and shall ensure that each Obligor and Pledgor at their own expense undertake any action and sign any documents, required to perfect and register the termination of Encumbrances created under the Existing Pledges.

19.21 **Independent Guarantees Indemnity**

The Borrower shall, without the prior written consent of the Facility Administrator, refrain from the following actions:

19.21.1 indemnifying any Guarantor for any amounts paid by such Guarantor under or in connection with the relevant Independent Guarantee;

19.21.2 making any changes to any Independent Guarantee agreement.

20. **BANK ACCOUNT OBLIGATIONS**

20.1 **Direct debit authority**

20.1.1 Pursuant to Civil Code Articles 847 and 854 and applicable regulations of the Russian Federation Central Bank, the Borrower hereby gives its irrevocable and unconditional consent to the direct debiting of funds from any of the bank accounts it may hold with the Original Lender, on terms of direct debit authorization, for purposes of performance of the Borrower's obligations under the Finance Documents. The appropriate consent shall constitute the Borrower's prior acceptance and is granted by the Borrower up to the monetary amounts that may be payable by the Borrower under the Finance Documents, allowing partial performance should there be insufficient funds on the Borrower's account.

20.1.2 The Facility Administrator may, without the Borrower's instruction, send a direct debit request based on collection orders, bank orders, payment requests or other documents for funds to be debited from the Borrower's bank accounts opened with the Original Lender in order to perform the Borrower's payment obligations toward the Finance Parties under any Finance Documents that have become due for payment but remain unpaid, while the Original Lender may perform the instructions of the Facility Administrator.

20.1.3 Should there be no funds or insufficient funds in the obligation currency on the Borrower's bank accounts held with the Original Lender, the Borrower hereby instructs the Original Lender to convert funds on the Borrower's bank accounts in a different currency and transfer the funds obtained by such conversion to the Facility Administrator for them to be applied to performance of the Borrower's obligations under the Finance Documents according to the provisions of this Agreement. The Parties agree that the relevant funds conversion will be made by the Original Lender using the Original Lender's internal exchange rate that is applicable as of the date of the relevant operation.

20.1.4 Without prejudice to the limitations prescribed by this Clause 20.1, the Borrower shall, within 10 (ten) Business Days of opening any bank account with the Original Lender, sign an addendum to the relevant bank account agreement granting its consent for the Facility Administrator, without the Borrower's instruction, to direct debit funds for purposes of performance of the Borrower's obligations under the Finance Documents based on collection orders, bank orders, payment requests or other documents, allowing partial performance should there be insufficient funds on the Borrower's account.

20.2 **Amounts debited**

All funds obtained by the Facility Administrator through the exercise of its right to debit funds under Clause 20.1 (*Direct debit authority*) shall be applied to performance of the Borrower's obligations toward the Finance Parties under the Finance Documents according to the provisions of this Agreement.

21. **EVENTS OF DEFAULT**

Each of the cases, events, or circumstances set out in this Clause 21 (save for Clause 21.18 (*Acceleration*)) is an Event of Default.

21.1 **Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to Finance Documents at the place at and in the currency in which it is expressed to be payable unless:

21.1.1 its failure to pay is caused by:

- (A) administrative or technical error; or
- (B) a Disruption Event; and provided that

21.1.2 payment is made within 3 (three) Business Days from the date of payment.

21.2 **Violation of financial covenants**

An Obligor does not comply with any covenant under:

- 21.2.1 Clause 18.3 (*Leverage*);
- 21.2.2 Clause 18.4 (*Interest cover*);
- 21.2.3 Clause 18.5 (*Guarantors' Cover Ratio*);
- 21.2.4 Clause 18.6 (*Revenue in accordance with RAS*);
- 21.2.5 Clause 18.7 (*Cash receipts*); or
- 21.2.6 Clause 18.8 (*Net assets*)

The Borrower shall ensure that:

21.2.7 as of the end of the second financial quarter of each financial year, and as of the end of each financial year, the net assets of each Obligor registered in the Russian Federation determined on the basis of the financial statements provided under Clause 17.1.1(D),

21.2.8).

21.3 **Other obligations**

21.3.1 An Obligor or Pledgor does not comply with any provisions of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and in Clause 21.2 (*Violation of financial covenants*)).

21.3.2 No Event of Default under Clause 21.3.1 will occur if such failure to comply can be remedied, and is remedied:

- (A) in respect of the obligations contemplated by Clauses 17.1.1(A)–(C) within 30 (thirty) days; or
- (B) in respect of any other provisions of the Finance Documents: within 10 (ten) Business Days,

of the earlier of:

- (1) the date the Facility Administrator sends notice to the Obligor regarding such failure to comply; or
- (2) the date the relevant Obligor becomes aware or should have become aware of the failure to comply.

21.4 **Misrepresentation**

Any representations made by any Obligor or Pledgor in or in connection with the Finance Documents turns out to be incorrect, untrue or misleading at the time it is made.

21.5 **Cross-default**

21.5.1 Any member of the Group does not repay any Financial Indebtedness within the prescribed period or during any grace period established in accordance with the terms of the relevant obligation.

- 21.5.2 Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or a claim is brought against Headhunter Group under a Placement Indemnity.
- 21.5.3 Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described). An Event of Default in accordance with this Clause 21.5.3 shall not be deemed to have occurred if such non-compliance can be remedied, and is remedied within 15 (fifteen) Business Days.
- 21.5.4 No Event of Default will occur under this Clause 21.5 if the total amount of Financial Indebtedness or obligations under the Financial Indebtedness subject to Clauses 21.5.1 – 21.5.3 is at any time less than RUB 150,000,000 (one hundred and fifty million)
- 21.5.5 An Event of Default shall not be deemed to have occurred pursuant to Clause 21.5.1 above if the relevant default was committed reasonably and in good faith by a Group member acting as a buyer, in the relevant part of the purchase price under a SPA for shares or participatory interests in the company's charter capital, provided that
- (A) the buyer is entitled under the terms of such SPA to reduce the purchase price or receive cash consideration from the seller upon the occurrence of the events specified in the SPA;
 - (B) the relevant SPA relates to an asset acquisition transaction financed with funds from Tranche 2; and
 - (C) the late payment under the relevant SPA lasts no more than 180 days from the last day of the Utilisation Period under Tranche 2.

21.6 Loss of property

Loss of property in respect of which an Encumbrance has been created under any Pledge.

21.7 Insolvency

The occurrence of any of the following cases or events in relation to any Material Group Member:

- 21.7.1 any Material Group Member meets the criteria for insolvency in accordance with the Bankruptcy Law;
- 21.7.2 any Material Group Member meets the criteria for insufficiency of assets in accordance with the Bankruptcy Law;
- 21.7.3 the financial condition of any Material Group Member gives grounds for bankruptcy prevention measures to be taken in accordance with the Bankruptcy Law;
- 21.7.4 any Material Group Member meets the criteria or gives grounds for bankruptcy prevention measures to be taken, similar to the criteria and measures specified in Clauses 21.7.1 and 21.7.2, contemplated by any law applicable to such Material Group Member;
- 21.7.5 any Material Group Member begins negotiations with one or more of its creditors to revise the timeframes for repayment of any of its debts due to actual or expected financial difficulties;
- 21.7.6 a moratorium is imposed on the settlement of creditors' claims in respect of any of its debts; or
- 21.7.7 any Material Group Member meets any other bankruptcy criteria established by the Bankruptcy Law or other law applicable to such Material Group Member.

21.8 **Insolvency proceedings**

The carrying out of one of the following actions in respect of any Material Group Member:

- 21.8.1 a bailout and other bankruptcy prevention measures;
- 21.8.2 the commencement of liquidation or bankruptcy proceedings or the appointment of a liquidation commission or similar body or official;
- 21.8.3 the filing in court by any Material Group Member of an application to declare such Material Group Member bankrupt;
- 21.8.4 the filing in court by any creditor of any Obligor of an application to declare such Material Group Member bankrupt or to liquidate it (or any other similar procedure), if the arbitrazh court or other competent court, within 30 (thirty) calendar days from the date of the determination to accept the application to declare the Material Group Member bankrupt, does not issue a determination on refusing to instigate supervision and dismissing the application, a determination on refusing to instigate supervision and terminating proceedings in the bankruptcy case, a determination on returning this application, a determination on terminating proceedings in the bankruptcy case, a decision on refusing to declare bankruptcy or other similar judicial act, which results in the termination of the bankruptcy proceedings or refusal to initiate such proceedings;
- 21.8.5 the institution of supervision (*nablyudeniye*), external management (*vneshneye upravleniye*), financial recovery (*finansovoe ozdorovleniye*), or bankruptcy management (*konkursnoye proizvodstvo*);
- 21.8.6 the appointment of a temporary administrator, administrator, receiver or any other person performing similar functions;
- 21.8.7 convening a meeting of creditors to consider a settlement agreement;
- 21.8.8 initiation of any other bankruptcy procedure established by the Bankruptcy Law;
- 21.8.9 enforcement of any Encumbrance established in respect of any assets of a Material Group Member, if the amount of assets in respect of which such Encumbrance is established exceeds RUB 100,000,000 (one hundred million);
- 21.8.10 carrying out any other similar procedures under the law on insolvency (bankruptcy) applicable to the relevant Material Group Member.

21.9 **Compulsory seizure or restrictions on disposal of property**

Freezing orders over, confiscation, other compulsory seizure of property, suspension or restriction of operations on the accounts of any member of the Group with a total value exceeding RUB 100,000,000 (one hundred million) or the equivalent of such amount at the rate of the Central Bank of the Russian Federation on the relevant date.

21.10 **Unlawfulness and invalidity**

- 21.10.1 It becomes unlawful for an Obligor or Pledgor to perform any of its obligations under the Finance Documents.
- 21.10.2 Any Finance Document ceases to be valid and legally binding.
- 21.10.3 Any Finance Document is deemed not concluded in accordance with the law applicable to such Finance Document.

21.11 **Repudiation and rescission of agreements**

An Obligor or Pledgor declares its intention to rescind a Finance Document or performs actions aimed at challenging or rescinding a Finance Document, or repudiates it (except for situations where this is permitted by the Finance Documents).

21.12 Cessation of business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) its core business activities.

21.13 Qualified audit opinion

Auditors of the Group issue a qualified opinion with respect to any audited financial statements.

21.14 Judicial and administrative proceedings

21.14.1 The commencement of any judicial, administrative, arbitrazh or arbitration proceedings aimed at challenging of:

- (A) the Finance Documents;
- (B) any rights of the Finance Parties based on the Finance Documents; or
- (C) transactions under the Finance Documents.

21.14.2 A court, arbitrazh court or arbitration court (including international arbitration) accepts for consideration any claim in respect of a member of the Group or its assets, for a total amount that, together with the amount of other claims brought against such member of the Group (or its assets) or against other members of the Group (or their assets) accepted for consideration by a court, arbitrazh court or arbitration court (including international arbitration), exceeds RUB 150,000,000 (one hundred and fifty million) or the equivalent of this amount in another currency at the exchange rate of the Central Bank of the Russian Federation on the date on which the claim was filed.

21.14.3 The coming into force of decisions of a court, arbitrazh court or arbitration court (including international arbitration) in respect of a member of the Group or its assets for the recovery of funds or other assets from such member of the Group for a total amount that, together with the amount of other decisions of a court, arbitrazh court or arbitration court (including international arbitration) that have come into force, which relate to such member of the Group (or its assets) or other members of the Group (or their assets) exceeds RUB 100,000,000 (one hundred million) or its equivalent in another currency at the exchange rate of the Central Bank of the Russian Federation.

21.15 Expropriation

Limiting the ability of any member of the Group to conduct its business activities as a result of:

21.15.1 deprivation or restriction of title, nationalisation, requisition, confiscation, expropriation or other forced alienation of property, the total book value of which exceeds, together with other property of such member of the Group and property of any other member of the Group that was nationalised, requisitioned, confiscated, expropriated or otherwise forcibly alienated, RUB 75,000,000 (seventy-five million); or

21.15.2 a ban or other intervention committed by a government body in respect of any member of the Group (including, *inter alia*, the dismissal of the sole executive body, the collegial executive body or any other management body of any member of the Group).

21.16 Intellectual Property

21.16.1 The full or partial termination, suspension, or revocation of rights to any Intellectual Property;

21.16.2 The imposing of any restrictions on the terms of use or additional requirements in relation to any Intellectual Property, except where agreements under a non-

exclusive or exclusive license in respect of Intellectual Property are entered into between members of the Group;

21.16.3 The expiration and refusal to extend the rights to any Intellectual Property largely under the same conditions; or

21.16.4 The creation of an Encumbrance in respect of any Intellectual Property,

in each case, with the exception of the disposal of any Intellectual Property owned by a Group member, in the event of disposal in favour of non-members of the Group, of all shares or participatory interests in the charter capital of such Group member (which owns the relevant Intellectual Property) owned by Group members, if such disposal is permitted by the terms of this Agreement.

21.17 Material Adverse Effect

The occurrence of Material Adverse Effect.

21.18 Acceleration

Upon the occurrence of any Event of Default and at any time after the occurrence of any Event of Default that is continuing:

21.18.1 the Facility Administrator shall send a notification to the Borrower after receiving the Consent of the Majority Lenders, in which it will:

- (A) state the Lenders' refusal to grant funds within the Total Commitments (including the Amount Payable by the Lenders, if any, at the relevant time), whereupon the Lenders' obligation to grant the Facility to the Borrower shall cease; and (or)
- (B) set out the Lenders' demand against the Borrower for immediate early repayment of the Facility Outstanding or any part thereof, including accrued interest, fees and any other amounts due to the Finance Parties under the Finance Documents; and (or)
- (C) notify the Borrower that the Lenders are aware of the Event of Default and reserve the right to demand that the Borrower immediately repay the Facility or any part thereof, including accrued interest, fees and any other amounts due to the Finance Parties under the Finance Documents; and (or)
- (D) notify the Borrower that the Lenders reserve the right to enforce the pledged property under the Pledges, or to file claims under the Independent Guarantees.

21.18.2 The Lenders shall enforce the pledge in accordance with the relevant Pledge. The property received by the Lenders from the enforcement of the pledge under the Pledges shall be transferred into the Lenders' shared ownership in the amount corresponding to their Proportional Shares.

21.18.3 The funds received by the Lenders from the enforcement of the property pledged under the Pledges and/or its subsequent sale in accordance with Clause 21.18.2, and which remained after indemnification for the enforcement costs of the Lenders, the Facility Administrator, and the Pledge Manager and payment of other mandatory payments, shall be transferred into the Account of the Facility Administrator, and then distributed by the Facility Administrator between the Lenders according to their Proportional Shares.

For the purposes of this Clause 21.18, an Event of Default shall be considered continuing from the time such event occurs until the Borrower receives notification from the Facility Administrator that the Majority Lenders have agreed not to exercise their rights under this Clause 21.18 due to the occurrence of such event or circumstance.

22. **FACILITY SECURITY**

22.1 **Pledges**

- 22.1.1 Each Lender hereby confirms that it is familiar with the content of each Pledge and approves its signature by the Pledge Manager.
- 22.1.2 The Parties confirm that this Agreement (in the appropriate part thereof) constitutes, *inter alia*, a pledge management agreement. The Parties agree that a Lender may act as the Pledge Manager.

22.2 **Status of the Lenders and appointment of a Pledge Manager**

- 22.2.1 The Parties hereby acknowledge and agree that all the Lenders, the Facility Administrator, and the Pledge Manager that is also a Lender, have shared claims toward the Borrower and, under Civil Code Article 335¹, constitute joint and several co-pledgees under the Pledges enjoying equal-seniority rights.
- 22.2.2 Pursuant to Civil Code Article 356, each Lender (except the Lender acting as the Pledge Manager) and the Facility Administrator hereby instruct the Pledge Manager to conclude, on behalf and in the interests of the Finance Parties, Pledges with the Pledgors (including modifications and addendums to such Pledges that have been approved by the Consent of all lenders), to sign all documents required for registration of the appropriate Pledges, encumbrances arising from the appropriate Pledges, and assignment of rights under the appropriate Pledges, and for the sending of notices to a notary public, notices of pledge creation, notices of pledge modification, and notices of deletion of information concerning a pledge (except those actions that, under applicable law or the Finance Documents, should be undertaken by the relevant Pledgor), and to exercise all the rights and perform all the duties of pledgee under such Pledges.
- 22.2.3 The Parties acknowledge and agree that the Pledge Manager, by concluding the appropriate Pledges on behalf of the Lenders, and by exercising the rights and performing the duties of pledgee under the Pledges, is exercising the pledgee's rights solely in the interests of all the Lenders constituting such at any point in time, until the Borrower has performed its obligations in full under the Finance Documents in the manner prescribed herein. The assignment of rights by an Existing Lender to a New Lender (in the context of Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*)) shall not affect the rights and obligations of the Pledge Manager and the Lenders prescribed herein.
- 22.2.4 The Lenders hereby undertake not to independently exercise their rights and perform their duties as pledgees, including not to make claims against the Borrower and not to foreclose on the Borrower's assets and property, except if this pledge management agreement is terminated under Civil Code Article 356(5). At the same time, the Lenders and the Borrower agree to perform, at the Pledge Manager's request, all necessary actions (including participation in court hearings as co-claimants) and sign and issue to the Pledge Manager all necessary documents, including powers of attorney, that in the Pledge Manager's reasonable opinion are required by law and/or a court for the Pledge Manager to exercise the rights and perform the duties prescribed by the Finance Documents.
- 22.2.5 The Pledge Manager's exercise of the rights and performance of the duties of pledgee under the respective Pledges shall not prevent the Pledge Manager from performing any banking operations with the Borrower, including maintaining bank accounts, providing loans, and inviting deposits. If the Pledge Manager is also a Lender hereunder, then it shall have the same rights and obligations under the Finance Documents as any other Lender, and may exercise those rights and perform those obligations as if it were not the Pledge Manager.

- 22.2.6 The Pledge Manager shall bear no liability for its acts or omissions toward the Lenders (other than the Lender acting as the Pledge Manager) if it acts or fails to act in accordance with the Consent of the Majority Lenders or all the Lenders.
- 22.2.7 The Pledge Manager shall bear liability toward the Parties (other than the Lender acting as the Pledge Manager) solely for direct, judicially proven losses caused by the Pledge Manager willfully or through gross negligence.
- 22.2.8 The Lenders (other than the Lender acting as Pledge Manager) and the Pledge Manager hereby confirm that the Pledge Manager shall perform its functions without being granted power of attorney and independently of the grant of such power of attorney.

22.3 Pledge Manager's rights and obligations

- 22.3.1 The Pledge Manager shall, on behalf and in the interests of the Lenders, conclude as pledgee the relevant Pledges, including any modifications and supplements thereto, prescribed herein or approved by the Consent of the Majority Lenders, with the Borrower and third parties, and shall exercise all the rights and perform all the duties of pledgee under such Pledges according to the terms hereof. In particular, the Pledge Manager shall take the steps required to effect registration of the relevant Pledges and encumbrances arising out of the relevant Pledges, and the sending of notices to a notary public, notices of pledge creation, notices of pledge modification, and notices of deletion of information concerning a pledge (except those actions that, under applicable law or the Finance Documents, should be undertaken by the Borrower or relevant Pledgor) within the time periods specified herein.
- 22.3.2 Immediately following the acquisition by any Lender other than the Original Lender of rights or obligations under the Finance Documents as described in Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*), the Pledge Manager shall take the steps required to effect registration of the pledge management agreement contained herein, and/or send notice to a notary public that that the pledge management agreement contained herein has been signed, and shall take other action required to register the Lenders as joint and several copledgees under the Pledges.
- 22.3.3 The Pledge Manager may at its discretion exercise any pledgee rights prescribed by the relevant Pledges other than the right to foreclose on the property pledged thereby, which may be exercised solely on the basis of Consent by the Majority Lenders that specifies the judicial or non-judicial foreclosure procedure and defines how the pledged property will be sold.
- 22.3.4 The Pledge Manager shall foreclose on pledged property in the manner prescribed by the relevant Pledge. Property obtained by the Pledge Manager in the Lenders' interest through foreclosure on the pledged property under the Pledges, plus any insurance indemnities paid out on property pledged under the Pledges, shall become owned in common by the Lenders according to the Proportional Share of each Lender.
- 22.3.5 The funds obtained by the Pledge Manager through foreclosure on property pledged under the Pledges, insurance indemnity payments with respect to the property pledged under the Pledges, and/or its subsequent sale as described in Clauses 22.3.3 and 22.3.4, and which are left over after reimbursement of the Pledge Manager's foreclosure costs and payment of other mandatory payments, shall be credited to the Pledge Manager's Bank Account and then distributed by the Pledge Manager among the Finance Parties in proportion to their pledge-secured claims, and among the Lenders according to the Proportional Share of each Lender.

22.4 Replacement of Pledge Manager

- 22.4.1 The Lenders may, and, if the Pledge Manager meets the bankruptcy criteria, or if a bankruptcy petition has been filed in court against the Pledge Manager, or if an application has been filed for liquidation of the Pledge Manager, or if the Pledge Manager's banking license has been revoked, the Lenders shall, with the Majority Lenders' Consent, terminate the Pledge Manager's authority as of the date stated in the Majority Lenders' Consent and select a candidate from among the Lenders to become the new Pledge Manager (the "**New Pledge Manager**"). Each Lender and the Borrower hereby consent to replacement of the Pledge Manager by a New Pledge Manager according to the provisions of this Clause 22.4.
- 22.4.2 The Pledge Manager may unilaterally renounce its authority as pledge manager provided it notifies each Lender and the Facility Administrator at least 30 (thirty) days prior to the proposed date of termination of the Pledge Manager's authority. By Consent of the Majority Lenders, the Lenders shall select a candidate to become the New Pledge Manager no later than the proposed date of termination of the Pledge Manager's authority.
- 22.4.3 The Lenders shall ensure that the New Pledge Manager takes up the pledge manager duties referred to in Clause 22.3 (*Pledge Manager's rights and obligations*) starting on the date the Pledge Manager's authority terminates. The Pledge Manager shall at its own expense sign and hand over the documents it possesses that the New Pledge Manager may reasonably require in order to act as Pledge Manager under the Pledges.
- 22.4.4 The Parties agree that the New Pledge Manager shall become a party to this Agreement as pledge manager starting on the date of its appointment by the Lenders with the Consent of the Majority Lenders, unless such Consent prescribes another date. If necessary, the Facility Administrator may require the Parties to conclude an amendment hereto and, where prescribed by applicable law, of an amendment to the Pledges. On the occurrence of the relevant date, all mention of "Pledge Manager" herein shall refer to the New Pledge Manager. For the avoidance of doubt, the appointment of a New Pledge Manager hereunder shall not constitute termination of the pledge management agreement in the context of Clause 22.2.4.
- 22.4.5 As of the date the New Pledge Manager is appointed, it shall open a new nominal account in favour of the Finance Parties as beneficiaries of such account, and shall notify the Borrower and the Finance Parties that the Pledge Manager Account has changed.
- 22.4.6 The Parties agree that the provisions herein concerning the Pledge Manager's rights and obligations may be modified by an addendum entered into by the Borrower, the Facility Administrator, the Pledge Manager, and the Lenders (other than the Lender acting as the Pledge Manager). Before such addendum is signed, its content shall be approved by the Majority Lenders' Consent, which may empower a single Lender to sign such addendum with the Pledge Manager on behalf and in the interests of all the Lenders (other than the Lender acting as the Pledge Manager). The Lenders shall provide the documents and powers of attorney required for a single Lender to sign such addendum on behalf of all the Lenders (other than the Lender acting as the Pledge Manager).

23. CHANGES TO THE PARTIES

23.1 Assignment by the Borrower

The Borrower does not have the rights to assign its rights or transfer obligations under the Finance Documents without the prior consent of all Lenders.

23.2 Assignment of Rights and Transfer of Obligations by the Lenders

23.2.1 A Lender ("**Existing Lender**") is entitled at any time to fully or partially assign its rights and (or) transfer the obligations under the Finance Documents to the following persons without the consent of the Borrower and other Lenders:

- (A) another Lender;
- (B) its Affiliate;
- (C) the Central Bank of the Russian Federation, and also in the subsequent assignment by the central bank or other similar body of its rights and (or) the transfer of obligations to any person;
- (D) a Russian bank or a Russian credit or financial organisation included in the list of banks contained in Schedule 9 (*List of Russian banks*); or
- (E) any reputable foreign credit or financial organisation,

in any case, with the exception of any person in respect of which the Borrower has submitted a confirmation acceptable to the Facility Administrator (with reference to the applicable legislative acts) confirming that such person is subject to sanctions restricting the Pledgors or their Affiliates from entering into or maintaining relations with such person ("**Sanctioned Person**").

23.2.2 Where there is no Default, an Existing Lender has the right at any time to fully or partially assign its rights and (or) to transfer the obligations under the Finance Documents to other persons not mentioned in Clause 23.2.1, provided that such person is not a Sanctioned Person, and subject to receipt of the prior written consent of the Borrower, while the Borrower cannot unreasonably and without grounds refuse to provide or delay provision of such consent.

23.2.3 For the purposes of this Clause 23.2, "**New Lender**" means a person to which an Existing Lender fully or partially assigns its rights and (or) transfers obligations under the Finance Documents referred to in subparagraphs (A) – (E) of Clause 23.2.1 or in Clause 23.2.2.

23.2.4 If:

- (A) any Default has occurred and is continuing for 10 Business Days; or
- (B) any Event of Default has occurred and is continuing,

the Borrower's consent to the assignment of rights and (or) the transfer of obligations of an Existing Lender is not required, except in cases where the prospective New Lender is a Sanctioned Person. For the purposes of Article 388 of the Civil Code, each Obligor hereby confirms that for the purposes of this Clause 23.2 the identity of the Lenders is not material to it.

23.2.5 In the event of the assignment by an Existing Lender of its rights and the transfer of its obligations to a New Lender in accordance with this Agreement, the Borrower hereby gives its prior consent to the simultaneous transfer to the New Lender of the relevant obligations of the Existing Lender (transfer of debt), if any.

23.3 Procedure for assignment of rights and transfer of obligations

23.3.1 The assignment of rights and (or) the transfer of debt shall be carried out by a Lender Rights Assignment Agreement between the Existing Lender, the New Lender and the Facility Administrator, and shall come into effect on the date of signature of the Lender Rights Assignment Agreement, unless otherwise expressly contemplated by the Lender Rights Assignment Agreement.

23.3.2 No later than 5 (five) Business Days before the date of the proposed signing of the Lender Rights Assignment Agreement, the Existing Lender must notify the Facility Administrator in writing of the proposed assignment of rights and/or transfer of the debt indicating the name of the New Lender. No later than the next Business Day

after receiving the above notification from the Existing Lender, the Facility Administrator shall send a copy of this notification to the Borrower.

- 23.3.3 If within 10 (ten) Business Days after receiving the notification specified in Clause 23.3.2 the Borrower has not provided the Facility Administrator with confirmation (containing a reference to the relevant legislative acts) confirming that this New Lender is a Sanctioned Person, on the date of signature of the Lender Rights Assignment Agreement:
- (A) the Existing Lender shall assign to the New Lender the rights of the Existing Lender in the amount in accordance with the Lender Rights Assignment Agreement;
 - (B) the New Lender shall assume the obligations of the Existing Lender transferred to it in the amount in accordance with the Lender Rights Assignment Agreement;
 - (C) the Existing Lender shall be released from its obligations to the extent that these obligations have been assumed by the New Lender; and
 - (D) the New Lender shall become the Lender under this Agreement and will be bound by the terms of this Agreement as the Lender.
- 23.3.4 From the date of signature of any Lender Rights Assignment Agreement, reference in this Agreement to the Lender includes any New Lender.
- 23.3.5 On the date of signature of a Lender Rights Assignment Agreement, the New Lender shall pay the Facility Administrator a fee of RUB 10,000 (ten thousand), as well as VAT, included as a separate line, and calculated based on the current tax rate under the law of the Russian Federation on taxes and levies, for the services of the Facility Administrator under this Agreement.
- 23.3.6 The Facility Administrator shall notify the Obligors in writing immediately after signature of a Lender Rights Assignment Agreement about the assignment of rights and (or) transfer of obligations under this Agreement, and shall send a copy of the signed Lender Rights Assignment Agreement to each Obligor.

23.4 **Interest payment on assignment**

- 23.4.1 Interest on the Facility Outstanding, default interest and fees in respect of the Proportional Share of the Existing Lender accrued prior to the date of signature of the Lender Rights Assignment Agreement (including the date of signature) and received from the Borrower ("**Accrued Amounts**"), as well as other payments specified in the Lender Rights Assignment Agreement, shall be paid by the Facility Administrator to the Existing Lender on the closest Interest Payment Date after the date of signature of the Lender Rights Assignment Agreement;
- 23.4.2 The rights assigned by the Existing Lender to the New Lender will not include the right to claim Accrued Amounts; and
- 23.4.3 The New Lender will receive the amount of interest accrued on the Facility Outstanding in respect of the Proportional Share of the New Lender for that part of the Interest Period that comes after signature of the Lender Rights Assignment Agreement (excluding the date of signature) and ends on the end date of the relevant Interest Period.

23.5 **Limitation of liability of Existing Lenders**

- 23.5.1 None of the Existing Lenders shall make any representations or assume any obligations to a New Lender for:
- (A) the financial position of an Obligor or Pledgor;
 - (B) the compliance or fulfilment by any Obligor of its obligations under the Finance Documents or any other documents; or

(C) the correctness of the information contained in any Finance Document.

23.5.2 Each New Lender confirms to the Existing Lender, other Finance Parties and each Obligor that it has studied all the Finance Documents, conducted (and will continue to conduct) its own independent study and assessment of each Obligor's financial condition, and did not rely on any information provided to it by the Existing Lender when taking its decision to sign the Lender Rights Assignment Agreement.

23.6 **Security over Lenders' rights**

Each Lender may, without the consent of the Obligor or another Finance Party, pledge or create another Encumbrance in favour of any person that is not a Sanctioned Person for all or part of its rights under any Finance Document in order to secure the obligations of such Lender, provided that such Lender continues to fulfil its obligations under the Agreement.

23.7 **Restriction on assignment of rights and transfer of obligations to a Sanctioned Person**

The assignment of any rights, the transfer of any obligations, the pledging or creation of any Encumbrance in favour of a Sanctioned Person is invalid.

24. **FINANCE PARTIES**

24.1 **Lenders' decision making**

24.1.1 The Lenders hereby agree that in the cases expressly contemplated by this Agreement or other Finance Documents, the Lenders may exercise their rights under this Agreement or perform any actions solely with the consent of the Majority Lenders or all Lenders ("**Consent**").

24.1.2 The Lenders shall take a decision on granting Consent by holding a vote, the procedure for which is established by this Clause 24.1. In this case, the provisions of Chapter 9¹ (*Decisions of Meetings*) of the Civil Code shall not apply.

24.1.3 In all cases, when the Lenders vote for the purpose of the Finance Documents the vote of each Lender is equal to its Proportional Share.

24.1.4 The Facility Administrator, either on its own initiative or at the request of any of the Lenders or the Borrower, shall inform all the Lenders (except the Lender that is the Facility Administrator) about the issue put to a vote ("**Issue put to a Vote**") by sending a notice containing a description of the Issue put to a Vote, and other information deemed necessary by the Facility Administrator ("**Notice of Voting**"). The Notice of Voting must indicate the deadline by which the Lenders have to send notices containing the voting results of each of the Lenders regarding the Issues put to a Vote ("**Lender Decision Notice**"). This deadline may not be less than 5 (five) Business Days, except when the circumstances of the Issues put to a Vote are such that the voting of Lenders needs to take place sooner.

24.1.5 The Lender Decision Notice must be signed by an authorised person of the relevant Lender and contain the Lender's unequivocal answer as to whether such Lender votes for or against the granting of Consent on each of the relevant Issues put to a Vote. The Facility Administrator is not obliged to verify the authority of the person who signed the Lender Decision Notice, and has the right to presume that such person was authorised unless the relevant Lender notified the Facility Administrator prior to the date on which the relevant Lender Decision Notice was sent that such person is not an authorised representative of the relevant Lender.

24.1.6 If any Lender (other than the Lender that is the Facility Administrator) did not send the relevant Lender Decision Notice within the deadline specified in the Notice of Voting, the Facility Administrator shall consider that such Lender voted against the granting of Consent on the relevant Issues put to a Vote.

24.1.7 After the deadline for sending the Lender Decision Notice established by the relevant Notice of Voting, the Facility Administrator shall determine the number of votes of the Lenders in favour of granting Consent on each of the relevant Issues

put to a Vote within 5 (five) Business Days, and shall send a notice to the Lenders and the Borrower containing the voting results on each of the Issues put to a Vote ("**Voting Results Notice**").

- 24.1.8 If, in accordance with the provisions of the Finance Documents, the Consent on an Issue put to a Vote requires the votes of the Majority Lenders (but not all Lenders), the Facility Administrator shall (regardless of the expiration of the deadline established in the relevant Notice of Voting) send a Voting Results Notice within 5 (five) Business Days after receipt of the Lender Decision Notices, from which it follows that the Majority Lenders voted in favour of granting such Consent or, that Lenders, the votes of which are sufficient to prevent the Majority Lenders from granting such Consent, voted against granting such Consent.
- 24.1.9 If the Lenders whose votes are sufficient to provide such Consent in accordance with the Finance Documents, voted in favour of granting the Consent, such Consent shall be deemed to have come into effect at the time when the Facility Administrator sends the Voting Results Notice, unless a later date is specified in the corresponding Voting Results Notice.
- 24.1.10 The Notices of Voting, Lender Decision Notices and Voting Results Notices shall be sent by email and/or by fax to the email addresses or fax numbers indicated in Clause 26.2 (*Addresses*).
- 24.1.11 Unless otherwise expressly stipulated by a Finance Document, any Consent granted in the manner contemplated by this Clause 24.1 shall be binding on all the Finance Parties.
- 24.1.12 For the avoidance of doubt, the Lenders hereby authorise the Facility Administrator, and the Facility Administrator agrees, to act with the prior consent of the Majority Lenders or all Lenders on the basis of the relevant Consent of the Majority Lenders or all Lenders in cases where such Consent is expressly stipulated by this Agreement.
- 24.1.13 The Facility Administrator has the right to refrain from acting on the basis of instructions of the Majority Lenders (or, where applicable, all Lenders) until it received indemnity against any costs, losses or liabilities (together with any accompanying VAT), which it may incur in complying with these instructions.
- 24.1.14 In the absence of instructions from the Majority Lenders (or, where applicable, all Lenders), the Facility Administrator has the right to take actions (or refrain from taking actions) that it views as being in the Lenders' interests.
- 24.1.15 The Facility Administrator shall only be liable to the Parties for direct losses proven in court, caused by the Facility Administrator intentionally or as a result of gross negligence.

24.2 **Appointment of the Facility Administrator**

- 24.2.1 The Parties agree that a Lender may perform the functions of a Facility Administrator. Each Finance Party (with the exception of the Lender that performs the functions of the Facility Administrator) hereby appoints the Facility Administrator as its agent and instructs it to perform the actions contemplated by the Finance Documents on behalf of and at the expense of that Finance Party.
- 24.2.2 For the avoidance of doubt, the Parties confirm that the Lender acting as the Facility Administrator has the same rights and obligations under the Finance Documents as any other Lender, and has the right to exercise these rights, including the right to vote when Consents are provided, and to fulfil the obligations as if it were not a Facility Administrator.
- 24.2.3 The performance by the Facility Administrator of its obligations under the Agreement does not prevent the Facility Administrator from executing any banking operations with any member of the Group, including maintaining bank accounts, granting loans and attracting deposits.

- 24.2.4 If the indemnification received from the Obligors does not cover the amount of expenses or losses incurred by the Facility Administrator as a result of acting as the Facility Administrator in accordance with the terms of the Finance Documents, the Facility Administrator has the right to file a claim against the Lenders (except for the Lender acting as the Facility Administrator) and each Lender (except for the Lender acting as the Facility Administrator) shall, within 10 (ten) Business Days from date on which the Facility Administrator's claim was filed, indemnify it in the amount corresponding to the Lender's Proportional Share, for any documented expenses or losses incurred by the Facility Administrator (except in the event of the Facility Administrator's gross negligence or wilful misconduct) as a result of acting as the Facility Administrator in accordance with the terms of the Finance Documents, to the extent not covered by the amount of indemnification received from any Obligor.
- 24.2.5 The Facility Administrator shall not be liable to the Lenders for its actions (or omissions), if it acts (or does not act) in accordance with the Consent of the Majority Lenders or all Lenders.
- 24.2.6 The Facility Administrator shall only be liable to the Lenders for losses caused by the Facility Administrator intentionally or as a result of gross negligence.
- 24.2.7 When the terms of the Agreement do not require the Consent of the Majority Lenders or all Lenders, the Facility Administrator shall act (or refrain from acting) at its own discretion in the best interests of the Lenders.

24.3 Duties of the Facility Administrator

- 24.3.1 Subject to Clause 24.3.2, each Finance Party (with the exception of the Facility Administrator) instructs the Facility Administrator, while the Facility Administrator agrees, to perform the following actions:
- (A) keep records of the Cash provided to the Borrower by each of the Lenders in accordance with this Agreement;
 - (B) receive any payments due to the Finance Parties from the Obligors under this Agreement into the Facility Administrator's Account, and transfer the amounts received from the Obligors to the relevant Finance Party in accordance with the terms of this Agreement;
 - (C) receive any Facility amounts from the Lenders into the Facility Administrator's Account, and transfer the Facility amounts received from the Lenders to the Borrower in accordance with the terms of this Agreement;
 - (D) notify the Borrower and Lenders about the interest rate for each Interest Period;
 - (E) sign, on behalf of all the Finance Parties, amendments to this Agreement, as well as any consents, confirmations, waivers and other documents contemplated by this Agreement, on the terms agreed in the Consent of the Majority Lenders or all Lenders, depending on the nature of the changes, consents, confirmations, waivers or other documents;
 - (F) inform the Lenders of the Borrower's fulfilment (or non-fulfilment) of the conditions precedent for submitting a Utilisation Request under this Agreement;
 - (G) provide the Parties and (or) other persons contemplated under this Agreement with documents and information received from the Borrower and third parties (including, *inter alia*, sending to the relevant Party an original or a copy of any document received by the Facility Administrator from any other Party to be forwarded to this Party), however the Facility Administrator is not obliged to examine or verify the correctness, accuracy or completeness of such documents and information;

- (H) notify the Finance Parties of the receipt of a communication from any Party containing a description of an event or circumstance and a statement to the effect that such an event or circumstance constitutes Default;
- (I) inform the Lenders that the Facility Administrator has received the Borrower's request for a waiver under this Agreement;
- (J) arrange the granting of Consents by the Majority Lenders or all Lenders at its own initiative or at the request of the Majority Lenders;
- (K) keep a register of all Parties (with the addresses, contact details of all Lenders at any time and the Proportional Share of each Lender) and provide a copy of this register for information purposes upon the request of any Party;
- (L) notify the Lenders if an Obligor has failed to pay any amount of the Facility Outstanding, interest, fees or other amounts payable to any Finance Party (other than the Facility Administrator) under the Finance Documents;
- (M) in the event of the Facility Administrator's resignation, transfer to the New Facility Administrator (defined in Clause 24.4.4) all documents received by the Facility Administrator from the Parties, or created by the Facility Administrator in the process of fulfilling its duties; and
- (N) perform all other actions (or refrain from actions) which are contemplated by this Agreement and other Finance Documents or are required for the Lenders to exercise their rights under this Agreement or other Finance Documents after having obtained the relevant Consent of the Majority Lenders or all Lenders, depending on the circumstances.

24.3.2 The Facility Administrator has the right not to exercise any rights and authority granted in accordance with Clause 24.3.1 if the Consent of the Majority Lenders or all Lenders is required to exercise such rights and authority in accordance with the terms of this Agreement, and the Facility Administrator had not received such Consent of the Majority Lenders or all Lenders in the manner prescribed by this Agreement.

24.4 **Resignation of the Facility Administrator**

- 24.4.1 The Facility Administrator has the right, after having notified the other Finance Parties and the Obligors not less than fifteen (15) days in advance, to refuse to discharge the duties of the Facility Administrator, subject to the provisions of paragraph 7 of Article 8 of the Syndicated Loan Law. In this case, the Majority Lenders (after consultation with the Borrower) are entitled to appoint the Facility Administrator's successor no later than the proposed date on which the Facility Administrator shall resign.
- 24.4.2 The resigning Facility Administrator shall, at its own expense, provide the Facility Administrator's successor with the documents available to the Facility Administrator, as well as provide the assistance that the Facility Administrator's successor may reasonably require in order to act as the Facility Administrator under the Finance Documents.
- 24.4.3 In the event that the Facility Administrator's banking license is revoked (1) the authority of the Facility Administrator shall automatically terminate from the date of the banking license's revocation, and (2) the Facility Administrator or any Lender that has received information about the revocation of the Facility Administrator's banking license, shall notify the other Parties ("**License Revocation Notice**") during the Business Day following the day when the Facility Administrator or relevant Lender received information about the revocation of the Facility Administrator's banking license.
- 24.4.4 In the event of the resignation of the Facility Administrator or the termination of its powers at the initiative of the Lenders, the Lenders, with the Consent of the Majority

Lenders, shall appoint a new Facility Administrator from among the Lenders (the "**New Facility Administrator**"), and each Finance Party and the Borrower hereby confirm their consent to such possible appointment. At the request of the Facility Administrator, the Borrower shall provide the written consent of each other Obligor to such possible appointment of the New Facility Administrator. In the Consent, the Lenders shall determine the date of termination of the authority of the Facility Administrator, and the procedure whereby the New Facility Administrator shall send a notice of the termination of the authority of the Facility Administrator to the other Parties ("**Notice of Termination of Authority**"). Moreover, in the event of the resignation of the Facility Administrator, its authority will automatically terminate 15 (fifteen) days after the Facility Administrator has sent the notice in accordance with Clause 24.4.1, unless an earlier date is stipulated by the Consent of the Lenders or the Facility Administrator does not agree to a later date of termination of its authority.

- 24.4.5 The Parties agree that the New Facility Administrator will become a party to this Agreement as the Facility Administrator after the adoption of the Consent of the Majority Lenders on the appointment of a New Facility Administrator, from the date of signature of an agreement on making the relevant changes to this Agreement, unless another date is specified in this agreement (the "**Date of Accession of the New Facility Administrator**"). Thereafter, any reference to the Facility Administrator in this Agreement will refer to the New Facility Administrator.
- 24.4.6 From the Date of Accession of the New Facility Administrator, the New Facility Administrator must ensure that a new account is opened and notify the Borrower and the Finance Parties that the Facility Administrator's Account has been substituted within 5 (five) Business Days from the Date of Accession of the New Facility Administrator.
- 24.4.7 From the date of termination of the authority of the Facility Administrator to the Date of Accession of the New Facility Administrator, the Parties hereby agree that the Lender with the largest Proportional Share or, in the absence of such, the Lender appointed by the Consent of the Majority Lenders, shall act as temporary Facility Administrator under the Agreement ("**Temporary Facility Administrator**").
- 24.4.8 The Parties agree that from the date of receipt by the Borrower of the Notice of Termination of Authority or of the License Revocation Notice to the Date of Accession of the New Facility Administrator, the Borrower shall procure that it and also the other Obligors make all payments provided for in this Agreement to the account of the Temporary Facility Administrator, whose details must be provided by the Temporary Facility Administrator to the Borrower on the first day on which it exercises the authority of facility administrator under this Agreement.
- 24.4.9 If the Facility Administrator, whose authority has been terminated for any reason, receives any payments from the Parties, it undertakes, subject to the requirements of the applicable law, to transfer such payments to the Temporary Facility Administrator on the same Business Day, so that the relevant amounts can then be transferred to the Party to which they are owed.

24.5 **Arranger**

The Arranger does not bear any obligations in relation to other Parties, unless this is expressly stipulated in the Finance Documents.

25. **PAYMENT MECHANISM**

25.1 **General Provisions**

The Borrower shall procure that it, as well as each other Obligor, make payments in accordance with the provisions of this Clause 25.

25.2 **Payments to the Facility Administrator**

Unless otherwise expressly stipulated in this Agreement, on each date on which an Obligor or Finance Party must make a payment to a Party under the terms of a Finance Document, such Obligor or Finance Party must transfer the relevant amount into the Facility Administrator's Account (unless the context of a Finance Document otherwise requires) with valuation on the date of the payment due date. All payments to be made by an Obligor under a Finance Document must be transferred into the Facility Administrator's Account no later than 17:00. Payments of an Obligor that are received into the Facility Administrator's Account later than the specified time shall be considered received on the following Business Day.

25.3 **Distribution of funds by the Facility Administrator**

25.3.1 The funds received by the Facility Administrator from an Obligor in fulfilment of its obligations to the Lenders under a Finance Document, as well as those received from the Facility Administrator as a result of enforcement under Security Agreements, shall be distributed among the Lenders according to each Lender's Proportional Share.

25.3.2 Each amount of funds transferred into the Facility Administrator's Account for another Party shall be transferred by the Facility Administrator no later than 11:00 of the next Business Day to the Party for which this amount of funds was intended, into an account whose details shall be provided to the Facility Administrator by the relevant Party at least 5 (five) Business Days before the payment date. The Facility Administrator shall transfer this amount to the relevant Party after it has determined that it has received the required amount in full.

25.4 **Partial payments**

If the Facility Administrator receives an amount that is not sufficient to fully repay all amounts payable by an Obligor under the terms of the Finance Documents at the relevant time, the Facility Administrator shall use that amount to repay that Obligor's obligations under the Finance Documents in the following order of priority, unless otherwise provided by law:

25.4.1 **firstly**, to indemnify the Finance Parties for the expenses incurred in connection with the enforcement of their claims against the Obligor;

25.4.2 **secondly**, for the payment of accrued interest on the Facility Outstanding;

25.4.3 **thirdly**, to repay the Facility Outstanding owed on the relevant date;

25.4.4 **fourthly**, for the payment of fees due to the Finance Parties;

25.4.5 **fifthly**, for the payment of accrued default interest; and

25.4.6 **sixthly**, for the payment of any other amounts due from the Obligor under the terms of the Finance Documents.

25.5 **Payments not through the Facility Administrator**

The Obligor's transfer of any funds towards payments due to a Finance Party under Finance Documents, without going through the Facility Administrator's Account, does not constitute proper fulfilment by the Obligor of its obligations under Finance Documents. If the Lender receives any payment owed to it under a Finance Document directly from the Obligor (and not from the Facility Administrator), such Lender shall transfer the amount received from the Obligor into the Facility Administrator's Account on the same Business Day for distribution among all Finance Parties according to their Proportional Share in the manner prescribed by Clause 25.4 (*Partial payments*). Thereafter, the Obligor will be deemed to have fulfilled its payment obligations under a Finance Document only to the extent of the amount received by all Finance Parties from the Facility Administrator in accordance with the provisions of this Clause 25.5.

25.6 **No set-off by Obligors**

The Borrower shall make (and shall procure that other Obligors make) any payments under the Finance Documents without offsetting any uniform counter-claims that the relevant Obligor may have against any Finance Party.

25.7 **Payment currency**

The Obligors shall make all payments under Finance Documents in Roubles, except for the indemnification of the Finance Parties for expenses incurred in connection with Finance Documents, which shall be paid by the Obligors in the same currency in which they were incurred, provided that this is not inconsistent with the currency legislation of the Russian Federation ("**Agreement Currency**"). The monetary obligations of the Obligors shall be deemed fulfilled only if the relevant amounts have been received by the Facility Administrator in the Agreement Currency. If any amounts under a Finance Document are received towards the Obligors' obligations in a currency other than the Agreement Currency, and the Facility Administrator converts the amount received into the Agreement Currency, the Borrower shall indemnify (and procure that other Obligors indemnify) the Facility Administrator for its expenses related to converting the amount received into the Agreement Currency (at the internal rate of the Facility Administrator), and also indemnify the difference between the amount due from the Obligors in the Agreement Currency, and the amount received by the Facility Administrator as a result of the conversion of the funds received from the Borrower into the Agreement Currency.

25.8 **Payment due date**

25.8.1 If payment under a Finance Document falls due on a non-Business Day, the next Business Day shall be considered the payment deadline.

25.8.2 If any Finance Document does not stipulate the due date of any payment, such payment must be made by the Obligor within 5 (five) Business Days after receipt of the demand of the relevant Finance Party from the Facility Administrator.

26. **NOTICES**

26.1 **Communications in writing**

Any communications sent by Parties to the Finance Documents must be made in writing and may be sent by courier, mail with notification of delivery, fax or other means whereby it can be reliably established that the communication is from a Party to the Finance Documents. For the purposes of this Agreement, a communication transmitted using electronic means of communication shall be considered a written communication.

26.2 **Addresses**

26.2.1 Save for the exceptions set out below, the contact details of each Party for all communications in connection with this Agreement are the details that such Party has provided to the Facility Administrator for this purpose.

26.2.2 Contact details of the Borrower:

Headhunter Limited Liability Company

Address: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation

Fax number: +7 495 974 64 27

Email: moiseev@hh.ru

FAO: Grigory Moiseev

26.2.3 Contact details of Facility Administrator:

VTB Bank (Public Joint-Stock Company)

Location: 29 Ul. Bolshaya Morskaya, Saint Petersburg, Russian Federation, 190000

Postal address: Building 1, 43 Ul. Vorontsovskaya, Moscow, 109147

Telex: 412362 BFTR RU

Phone: +7 495 739-77-39

Telefax: +7 495 775-54-54

Email: loanadmin@msk.vtb.ru, TM21@msk.vtb.ru

FAO: The Credit Administration

- 26.2.4 Each Lender shall provide its contact details to the Facility Administrator, which will in turn provide them to any other Party as and when requested.
- 26.2.5 Any Party has the right to change its contact details by giving the Facility Administrator at least 5 (five) Business Days' prior notice. The Facility Administrator will notify all other Parties of the amended contact details.
- 26.2.6 If a Party indicates a specific office or official as the recipient of a communication, the communication will not be deemed to have been delivered unless such department or official is indicated as the recipient.

26.3 Delivery of notices

- 26.3.1 Any communication or document sent by one Party to another Party in connection with the Finance Documents shall be deemed to have been received:
- (A) when sent by fax or in any other way whereby it can be reliably established that the communication is from a Party to the Finance Documents: upon receipt in a legible form; or
 - (B) when sent by courier: upon delivery to the appropriate address; or
 - (C) when sent by mail: upon delivery to the appropriate address or 5 (five) Business Days after being deposited in the post postage prepaid with notification of delivery, depending on which occurs earlier.
- 26.3.2 All notifications sent by the Obligor or to the Obligor shall be transmitted through the Facility Administrator.

26.4 Language

Any notification or communication sent by a Party in connection with any Finance Document must be in Russian. For the avoidance of doubt, the text in Russian may be accompanied by a translation into another language, however the text in Russian shall prevail.

26.5 Replies to requests from the Borrower

If the Borrower sends a request for consent in accordance with the terms of this Agreement to the Facility Administrator, such request is considered rejected if the Facility Administrator has not sent a positive reply to the Borrower within 10 (ten) Business Days from the date of receipt of the request.

27. SEVERABILITY

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, this shall not affect the legality, validity or enforceability of any other provisions of this Agreement.

28. AMENDMENT OF AGREEMENT

- 28.1.1 Any provision of this Agreement may be modified by a written agreement signed by the Borrower and the Facility Administrator, acting in accordance with the Consent of the Majority Lenders, except for the cases listed in Clause 28.1.2.

- 28.1.2 The provisions of the Agreement relating to:
- (A) the definition of "Majority Lenders" in Clause 1.1 (*Terms*);
 - (B) an extension to the date of payment of any amount under the Finance Documents;
 - (C) a reduction in the Margin or any other amount due from any Obligor;
 - (D) an increase the amount of any Available Commitment or the Total Commitments or an extension of the Utilisation Period or a change of the Final Repayment Date;
 - (E) any provision of the Agreement which expressly requires the consent of all the Lenders;
 - (F) the provisions of Clause 23 (*Changes to the Parties*) and this Clause 28 (*Amendment of Agreement*);
 - (G) the provisions of Clause 21 (*Events of Default*); or
 - (H) changes in the Agreement Currency, as defined in Clause 25.7 (*Payment currency*),
- as well as any provisions of the Security Documents, may not be modified without obtaining the Consent of all Lenders.
- 28.1.3 A material change of the circumstances described in Article 451 of the Civil Code cannot serve as grounds for amending or terminating this Agreement.

29. **CONFIDENTIALITY**

29.1 **Confidential information**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 29.2 (*Disclosure of Confidential Information*).

29.2 **Disclosure of Confidential Information**

Confidential Information that constitutes bank secrecy in accordance with the law is not subject to disclosure. The Finance Party has the right to disclose Confidential Information that does not constitutes bank secrecy:

- 29.2.1 to its Affiliates, professional consultants and auditors, if the person to whom such Confidential Information is being provided is informed in writing of its confidential nature, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of such information;
- 29.2.2 to any persons:
- (A) 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 Facility Administrator, and also, in each case, to the professional consultants of such persons, provided that such persons (with the exception of professional consultants who, by virtue of their professional duties, must maintain confidentiality with respect to such information) assume the obligation to maintain confidentiality with respect to the Confidential Information on the conditions contemplated by this Agreement;
 - (B) with which the Finance Party concludes a sub-participation agreement in relation to the Facility or another transaction, payments under which can be made with reference to any Finance Documents and/or Obligors and their professional consultants, provided that such persons (with the exception of professional consultants who, by virtue of their professional duties, must maintain confidentiality with respect to such information) assume the

obligation to maintain confidentiality with respect to the Confidential Information on the conditions contemplated by this Agreement;

- (C) specified in the request of a prosecutor's office, court, investigating body, an administrative, banking or currency supervision body (including the Central Bank of the Russian Federation), tax body or other state body acting within their remits as established by law;
- (D) which is a Party; or
- (E) with the consent of the Borrower, Obligor or Pledgor;

29.2.3 to any rating agency (including its professional consultants) in order to assign a rating to the Finance Documents and (or) Obligor; and

29.2.4 to any credit reference agency in accordance with the Credit Histories Law.

29.3 Notification of disclosure

29.3.1 Each Finance Party agrees to inform the Borrower about circumstances where Confidential Information is disclosed in accordance with Clause 29.2.2(C), unless such information is disclosed to a state authority as part of its normal supervisory or regulatory functions.

29.3.2 The Lenders hereby inform the Borrower that the details of the Borrower and this Agreement, specified in Article 4 of the Credit Histories Law, will be transmitted to the relevant credit reference agency in accordance with the Credit Histories Law.

29.4 Obligations of the Obligor

The Borrower shall procure that it, as well as each other Obligor, keep all provisions of the Finance Documents confidential, except for the disclosure of such information:

29.4.1 to the bank through which settlements under this Agreement are made;

29.4.2 to its shareholders/members;

29.4.3 to its Affiliates, professional consultants and auditors provided that the person to whom such Confidential Information is provided is informed in writing of its confidential nature. However there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of such information;

29.4.4 upon a request of a prosecutor's office, court, investigating body, an administrative, banking or currency supervision body, tax body or other state body acting within their remits as established by law;

29.4.5 in accordance with the mandatory provisions of the applicable law, including, in accordance with the requirements of the stock exchange or the regulatory authority, whose authority extends to such Obligor, or to which it is reasonably subject; or

29.4.6 with the consent of the Facility Administrator.

29.5 Continuing obligations

The provisions of this Clause 29 (*Confidentiality*) shall remain in force and continue to be legally binding for each Finance Party within twelve (12) months from the earlier of:

29.5.1 the date on which all amounts payable by the Obligor in accordance with this Agreement are paid in full; and

29.5.2 the date on which such Finance Party will otherwise cease to be a Finance Party.

30. **APPLICABLE LAW**

This Agreement, as well as the rights and obligations of the Parties arising under this Agreement, are governed by the laws of the Russian Federation and are subject to interpretation in accordance with them.

31. **DISPUTE RESOLUTION**

31.1.1 Any dispute in connection with this Agreement, including regarding the interpretation of its provisions, its existence, validity or termination, is to be resolved out of court by one Party sending the other Party the relevant demand (claim). If a Party does not receive a response to the submitted demand (claim) and the dispute is not resolved within 10 (ten) Business Days from the date of receipt of the relevant demand (claim) by the other Party, such dispute may be resolved in court in accordance with Clause 31.1.2.

31.1.2 Subject to the provisions of Clause 31.1.1, in the event of any dispute arising out of this Agreement, including regarding the interpretation of its provisions, existence, validity or termination, such dispute is to be considered in the Moscow Arbitrazh Court. Each Finance Party intending to file a claim against a Borrower in accordance with this Clause 31 shall notify the other Finance Parties of its intention (by sending the relevant information to the Facility Administrator).

32. **COUNTERPARTS**

This Agreement is executed by the Parties in 3 (three) original counterparts, having equal legal force in the form of a single document.

This Agreement is signed on the date specified at the beginning of this Agreement.

SCHEDULE 1**THE PARTIES, AVAILABLE COMMITMENTS AND SECURITY****PART A****ORIGINAL LENDERS AND AVAILABLE COMMITMENTS**

| Tranche | Available Commitment | Original Lender |
|-----------|----------------------|-----------------|
| Tranche 1 | RUB 4,615,000,000.00 | VTB Bank (PJSC) |
| Tranche 2 | RUB 4,000,000,000.00 | VTB Bank (PJSC) |

PART B**THE OBLIGORS**

| Term | Name | Registration number | Location |
|------------------|------------------------|---------------------|--|
| Borrower | Headhunter LLC | 1067761906805 | 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Headhunter Group | HEADHUNTER GROUP PLC | HE 332806 | Company: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus Moscow Branch: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Headhunter FSU | Headhunter FSU Limited | HE 178226 | Company: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus Moscow Branch: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Zemenik | Zemenik LLC | 1167746153860 | 14 Krzhizhanovskogo Street, Building 3, Suite 304, Moscow, 117218, Russian Federation |

PART C
SECURITY AGREEMENTS

| Type of Security | Date of Security Agreement | Pledgor / Guarantor | Pledge | Applicable Law |
|----------------------------------|--------------------------------------|---------------------|--------------------------------------|--------------------|
| Pledge of participatory interest | No later than first Utilisation Date | Headhunter FSU | 100% of Borrower's charter capital | Russian Federation |
| Pledge of shares | No later than first Utilisation Date | Zemenik | 100% minus 1 share in Headhunter FSU | Republic of Cyprus |
| Pledge of shares | No later than first Utilisation Date | Headhunter Group | 1 share in Headhunter FSU | Republic of Cyprus |
| Independent guarantee | No later than first Utilisation Date | Headhunter Group | — | Russian Federation |
| Independent guarantee | No later than first Utilisation Date | Zemenik | — | Russian Federation |
| Independent guarantee | No later than first Utilisation Date | Headhunter FSU | — | Russian Federation |

SCHEDULE 2
CONDITIONS PRECEDENT

PART A

CONDITIONS PRECEDENT FOR SUBMITTING FIRST UTILISATION REQUEST

1. FINANCE DOCUMENTS

Each of the following Finance Documents in a form acceptable to the Facility Administrator, properly executed by each party thereto or issued by the appropriate person:

- 1.1 this Agreement;
- 1.2 the Borrower Participatory Interest Pledge;
- 1.3 the Pledge of Headhunter FSU (Headhunter Group) Shares;
- 1.4 the Pledge of Headhunter FSU (Zemenik) Shares;
- 1.5 each Independent Guarantee.

2. DOCUMENTS CONCERNING OBLIGORS REGISTERED IN THE RUSSIAN FEDERATION

- 2.1 A notarised copy of:
 - 2.1.1 the Obligor's duly registered charter and valid amendments and supplements thereto, stamped by the authorised tax office (including the relevant record entry pages or registration certificates);
 - 2.1.2 the Obligor's certificate of state registration;
 - 2.1.3 the Obligor's tax registration certificate from the tax office for the company's location.
- 2.2 An up-to-date extract from the Unified State Register of Legal Entities regarding the Obligor, issued by the authorised tax office and containing information as of no earlier than 7 (seven) days prior to the date of this Agreement (including in the form of an electronic document with the protected electronic signature of the authorised tax office).
- 2.3 An information letter as of the date falling no earlier than 14 (fourteen) days prior to this Agreement, issued by the tax body that the Obligor is registered with, confirming that it has no outstanding obligations to the state budget or other extra-budgetary funds or, where such outstanding obligations exist, confirming that there is a repayment schedule for these obligations agreed with the relevant body.
- 2.4 Original or notarised copy of a decision of the Obligor's authorised management body approving the terms of the Finance Documents to which the relevant Obligor is party, and the transactions thereunder, as well as any transactions related to them, including (where applicable) on approving a transaction as a major transaction and (or) as an interested-party transaction (as these terms are defined by the laws of the Russian Federation).
- 2.5 Certified copies of the documents on appointing the sole executive body or other authorised persons with the right of signature, provided for by the charter, of the Obligor.
- 2.6 A notarised and, if applicable, apostilled copy of the power of attorney granting the Obligor's authorised persons the authority needed to sign the Finance Documents to which the respective Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with any Finance Documents to which the respective Obligor is party (if applicable).

- 2.7 The specimen signature card of each person authorised to sign on the Obligor's behalf the Finance Documents to which it is party, or, as the case may be, to sign or send any documents or notifications in connection with Finance Documents to which the respective Obligor is party (if applicable).
- 2.8 A document signed by an authorised representative of the Obligor, confirming, *inter alia*, that:
- 2.8.1 each document (either original or copy) provided by each of the Obligors or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
 - 2.8.2 all corporate approvals required in accordance with applicable law in respect of the Finance Documents to which the relevant Obligor is party and the transactions thereunder, including approvals of such transactions as major transactions or interested-party transactions, have been received by the relevant Obligor;
 - 2.8.3 the total value of transactions under the Finance Documents to which the relevant Obligor is party amounts to over fifty (50) percent of the book value of the assets of the relevant Obligor; and
 - 2.8.4 with regard to the Borrower, the Regulated Procurement Law does not apply to the conclusion by the Borrower of the Finance Documents to which it is party (however, such confirmation should not apply to the application of the Regulated Procurement Law to any Finance Party).
3. **DOCUMENTS IN RESPECT OF THE OBLIGORS REGISTERED IN CYPRUS**
- 3.1 Apostilled copy of the certificate of incorporation issued by the Department of the Registrar of Companies of Cyprus.
 - 3.2 Apostilled copy of the memorandum and articles of association (together with all changes and additions to them) in Greek (with the Department of the Registrar stamp on them) and in English.
 - 3.3 Apostilled original certificate of address of the registered office, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.4 Apostilled original certificate of directors and secretary issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.5 Apostilled original certificate of the shareholders of Headhunter FSU, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.6 Certified copy of the register of directors and secretaries dated no earlier than 1 (one) day before this Agreement.
 - 3.7 Certified copy of the register of members dated no earlier than 1 (one) day before this Agreement.
 - 3.8 Certified copy of the register of mortgages and other charges dated no earlier than 1 (one) day before this Agreement.
 - 3.9 An original incumbency certificate, the form and substance of which is acceptable to the Facility Administrator, along with all documents submitted in accordance with such incumbency certificate.
 - 3.10 A notarised and, if applicable, apostilled copy or apostilled original of the resolution of the board of directors and shareholders or any other authorised body, as contemplated by the constitutional documents of each Obligor:

- 3.10.1 on approving the terms of the Finance Documents to which the relevant Obligor is party, and the transactions thereunder, and resolving that the relevant Obligor shall sign the Finance Documents to which the relevant Obligor is party;
 - 3.10.2 on granting the relevant person or persons with the authority needed to sign the Finance Documents to which the relevant Obligor is party, on the latter's behalf; and
 - 3.10.3 on granting the relevant person or persons with the authority needed to sign on behalf of the relevant Obligor all documents and notifications, which must be signed by the relevant Obligor in accordance or in connection with the Finance Documents to which the relevant Obligor is party.
- 3.11 A notarised and, if applicable, apostilled copy of a power of attorney granting the authorised persons of the relevant Obligor with the authority needed to sign the Finance Documents to which the relevant Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with the Finance Documents to which the relevant Obligor is party (if applicable).
- 3.12 An original signature sample of each person granted the authority on the basis of the resolution referred to in Clause 3.10.2 above.
- 3.13 An original document, signed by an authorised representative of the relevant Obligor, confirming that each document (either original or copy) provided by the relevant Obligor or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
4. **LEGAL OPINIONS**
- A legal opinion prepared by Alexandros Economou LLC, the Facility Administrator's legal adviser on Cypriot law, in a form acceptable to the Facility Administrator and approved by the Facility Administrator before this Agreement is signed that is addressed to the Finance Parties who constitute such as of the date of such opinion.
5. **OTHER DOCUMENTS AND EVIDENCE**
- 5.1 A duly concluded amendment agreement to each bank account agreement entered into with the Original Lender, providing consent to the direct debiting of funds by the Facility Administrator on the basis of collection orders, bank orders, payment demands or other documents, for the purposes of the performance of the Borrower's obligations under the Finance Documents, with the possibility of partial performance where there are insufficient funds on the Borrower's account.
- 5.2 Confirmation of payment of the Facility fee specified in Clause 11.2 (*Facility Fee*).
- 5.3 Confirmation of payment of remuneration to legal advisors (Herbert Smith Freehills CIS LLP and Alexandros Economou LLC).
- 5.4 Any other permits or other documents, opinions or representations which the Obligors were told by the Facility Administrator were necessary or expedient for the conclusion and execution of any Finance Documents and transactions thereunder, or for ensuring the validity and enforceability of any Finance Documents.

PART B

CONDITIONS PRECEDENT FOR THE TRANCHE 1 UTILISATION REQUEST

1. **LOAN AGREEMENTS BETWEEN THE BORROWERS**

- 1.1 Borrower-certified copies of each Loan Agreement Between the Borrowers in a form approved by the Facility Administrator.
- 1.2 Original or copy, properly certified by the relevant company, of a resolution by the authorized governing body of the Borrower, Zemenik, and Headhunter Group approving the terms of the Loan Agreements Between the Borrowers to which the relevant company is party and the transactions they contemplate, as well as any associated transactions, including (as the case may be) approval of a transaction as a major transaction and/or a non-arms-length transaction (in the meaning given those terms by Russian Federation law).
- 1.3 A notarised and, if applicable, apostilled copy of the power of attorney granting authorised representatives of the Borrower, Zemenik, and Headhunter Group the authority required to sign the Loan Agreements Between the Borrowers to which the relevant company is party, or, as appropriate, the authority required to sign or send any documents or notices involving the Loan Agreements Between the Borrowers to which the relevant company is party (if applicable).
- 1.4 Borrower-certified copies of Zemenik's and the Borrower's corporate approvals and powers of attorney for the signing of such loan agreements.
- 1.5 Irrevocable instructions signed by the Borrower for the transfer of loan amounts under each Loan Agreement Between the Borrowers.
- 1.6 An irrevocable instruction signed by Zemenik for transfer of the loan amount under the relevant Loan Agreement Between the Borrowers for early loan repayment under the Existing Facility Agreement in which Zemenik is the borrower.
- 1.7 An irrevocable instruction signed by Headhunter Group for transfer of the loan amount under the relevant Loan Agreement Between the Borrowers for early loan repayment under the Existing Facility Agreement in which Headhunter Group is the borrower.

PART C

CONDITIONS PRECEDENT FOR THE TRANCHE 2 UTILISATION REQUEST

1. GENERAL CORPORATE PURPOSES

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.1 of the Agreement:

- 1.1 Borrower's certificate confirming a change in Cash Receipts and Revenue of the Group compared to the same period in the previous year, for the period from the last Test Date.
- 1.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2.

2. ACQUISITIONS

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.2 of the Agreement.

- 2.1 Information and documents on the balance sheet and liabilities of the asset being acquired, along with explicatory material concerning its market value, including:
 - 2.1.1 due diligence report for asset being acquired;
 - 2.1.2 the structure of the group and shareholders of the asset being acquired;
 - 2.1.3 research of the relevant market of the asset being acquired;
 - 2.1.4 calculation of synergies; and
 - 2.1.5 other relevant documents (financial models).
- 2.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2.

3. **DIVIDENDS PAYOUT**

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.3 of the Agreement.

- 3.1 A tax consultant's and/or legal consultant's opinion on the tax consequences and possibility of going forward with the planned distribution in a form and substance acceptable to the Facility Administrator.
- 3.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2.

SCHEDULE 3

FORM OF UTILISATION REQUEST

From: [name of Borrower]
To: [Name of Facility Administrator]
Date: [•]

Dear Sirs,

Syndicated Facility Agreement dated __ August 2020 (as amended) (the "Agreement")

1. We refer to the Agreement. The terms defined in the Agreement have the same meaning in this Utilisation Request, unless they are given a different meaning in this Utilisation Request.
2. We request that the Facility be granted on the following terms:

| | |
|------------------------------|--|
| Tranche: | [•] |
| Purpose: | [refer to Clause 3 (<i>Purpose</i>)] |
| Utilisation Date: | [•] |
| Facility Currency: | Roubles |
| Amount in Facility currency: | [•] |
3. We confirm that as of the date of this Utilisation Request every Initial Condition Precedent for Tranche [•] specified in Clause [4.1] of the Agreement has been satisfied and] all the representations listed in Clause 16 (*Representations*) of the Agreement remain true.
4. The funds under this Facility must be transferred to [specify account].
5. This Utilisation Request is irrevocable.

Yours Sincerely,

.....

[Authorised Representative]

[name of Borrower]

SCHEDULE 4

FORM OF LENDER RIGHTS ASSIGNMENT AGREEMENT

**AGREEMENT FOR
ASSIGNMENT OF RIGHTS (CLAIMS) [AND TRANSFER OF DEBT]**

_____ [•]

BETWEEN

[EXISTING LENDER]

[NEW LENDER]

AND

[FACILITY ADMINISTRATOR]

BETWEEN:

- (1) [•], [open/public]/[closed] joint-stock company/[limited liability company], incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number: [•], located at: [address], represented by [full name], acting on the basis of [power of attorney] [Charter] OR [company/legal person/limited liability company/[open/public]/[closed] joint-stock company], [incorporated]/[organised and existing] in accordance with the law of [jurisdiction], [located/registered/ whose head office is located] at [address], represented by [full name], acting on the basis of [power of attorney] [Charter], as the assignor (the "**Existing Lender**");
- (2) [•], [open/public]/[closed] joint-stock company/[limited liability company], incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number: [•], located at: [address], represented by [full name], acting on the basis of [power of attorney] [Charter] OR [company/legal person/limited liability company/[open/public]/[closed] joint-stock company], [incorporated]/[organised and existing] in accordance with the law of [jurisdiction], [located/registered/ whose head office is located] at [address], represented by [full name], acting on the basis of [power of attorney] [Charter], as the assignee (the "**New Lender**"); and
- (3) [•] [full name of the bank acting as Facility Administrator] as the facility administrator (the "**Facility Administrator**").

THE PARTIES AGREED AS FOLLOWS:

1. INTERPRETATION

The terms defined in the Facility Agreement have the same meaning in this Lender Rights Assignment Agreement, unless they are given a different meaning in this Lender Rights Assignment Agreement.

In this Lender Rights Assignment Agreement:

"Bank Account" means the bank account of the Existing Lender as specified in paragraph 4.1.2 of this Lender Rights Assignment Agreement.

"Transaction Date" means [the date of this Lender Rights Assignment Agreement]/[indicate the agreed calendar date on which the assignment of rights (claims) and the transfer of debt will occur].

"Debt" means the commitment of the Existing Lender to grant the Borrower a Facility within its Unused Available Commitment, amounting on the date of this Lender Rights Assignment Agreement to [•] [Roubles] [US Dollars] [Euro].

"Borrower" means [•]:

"Facility Agreement" means the syndicated facility agreement dated [•] 2020, concluded, *inter alia*, between the Existing Lender and the Borrower (as amended).

"Receivables" means the rights to claim repayment of the Facility Outstanding in the amount of [indicate amount of the facility provided to the Borrower by the Existing Lender as of the date of this assignment agreement], interest, and other payments due to the Existing Lender from the Borrower under the terms of the Facility Agreement, as well as the receivables under each Security Agreement and each Independent Guarantee].

"Parties" means the Existing Lender, the New Lender and the Facility Administrator, and **"Party"** means each of them.

"Notification" means the notification, drawn up in the form given in Schedule 1 to the Lender Rights Assignment Agreement, of assignment of the Receivables [and transfer of Debt] of the Existing Lender under the Facility Agreement on the terms of this Lender Rights Assignment Agreement, sent to the Borrower by the Existing Lender.

"Price of the Receivables" means the amount of [•] ([•]) [Roubles] [US Dollars] [Euro].

2. **SUBJECT MATTER OF LENDER RIGHTS ASSIGNMENT AGREEMENT**

2.1 [On the Transaction Date, the Existing Lender shall assign, and the New Lender accept, the Receivables in the manner and on the terms specified in Clause 23 (*Changes to the Parties*) of the Facility Agreement and this Lender Rights Assignment Agreement.] / [On the Transaction Date, the Existing Lender shall transfer, and the New Lender accept, the Debt in the manner and on the terms specified in Clause 23 (*Changes to the Parties*) of the Facility Agreement and this Lender Rights Assignment Agreement.]

2.2 The Receivables under the Facility Agreement shall be transferred to the New Lender free from any Encumbrances.

3. **PROCEDURE FOR PERFORMANCE OF PARTIES' OBLIGATIONS**

3.1 [On the Transaction Date, the New Lender shall pay to the Existing Lender the Price of the Receivables into the Bank Account.]

3.2 On the Transaction Date, the Existing Lender shall cease to be the Lender under the Facility Agreement [to the extent of the relevant Receivables], while the New Lender shall become the Lender under the Facility Agreement [to the extent of the relevant Receivables] and all provisions of the Facility Agreement and other Finance Documents shall apply to it.

3.3 The Existing Lender confirms that it does not have any information that the Borrower has any objections to such Existing Lender that the Borrower could raise to the New Lender in accordance with Article 386 of the Civil Code.

3.4 The New Lender confirms that it has studied all the terms of the Facility Agreement and other Finance Documents, conducted (and will continue to conduct) its own independent study and assessment of each Obligor's financial condition, and did not rely on any information provided to it by the Existing Lender when taking its decision to sign this Lender Rights Assignment Agreement.

3.5 The New Lender confirms the appointment of the Facility Administrator as Facility Administrator in accordance with Clause 24.2 (*Appointment of the Facility Administrator*) of the Facility Agreement.

3.6 On the Transaction Date the Existing Lender shall:

3.6.1 transfer to the New Lender documents certifying all receivables of the Existing Lender as a Lender under the Facility Agreement, including the original Facility Agreement and other Finance Documents to which the Existing Lender is party, all changes and additions to them, copies of the Utilisation Requests, as well as all documents confirming the amount of the Receivables [and Debt] on the Transaction Date;

3.6.2 provide the New Lender with information relevant to the exercise of the Receivables, including information about the Borrower's breach of the Facility Agreement; and

3.6.3 send the Notification to the Borrower.

3.7 The obligations of the New Lender to pay the Price of the Receivables shall be deemed fulfilled when the amount of the Price of the Receivables is received into the Bank Account of the Existing Lender.

3.8 The Parties shall perform all other actions necessary to fulfil their obligations under this Clause 3.

4. **PAYMENTS**

All payments under this Lender Rights Assignment Agreement must be made by bank transfer based on the following details:

4.1.1 New Lender (if applicable):

Payment recipient: [•]
location: [•]
Bank: [•]
SWIFT: [•]
IBAN: [•]
Account No: [•]

or into another account specified by the New Lender in writing;

4.1.2 Existing Lender:

Payment recipient: [•]
Bank: [•]
location: [•]
SWIFT code: [•]
Correspondent
account: [•]
Settlement account: [•]
BIC: [•]

or into another account specified by the Existing Lender in writing.

5. **NOTICES**

Any notices or other official communications sent under this Lender Rights Assignment Agreement shall be made in writing and may be delivered in person, sent by fax or by registered mail with delivery confirmation to the following addresses:

5.1.1 New Lender:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

5.1.2 Existing Lender:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

5.1.3 Facility Administrator:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

6. **APPLICABLE LAW**

This Lender Rights Assignment Agreement is governed by Russian law.

7. **DISPUTE RESOLUTION**

In the event of any dispute arising out of this Lender Rights Assignment Agreement, including regarding the interpretation of its provisions, existence, validity or termination, this dispute is to be considered in the Moscow Arbitrazh Court.

8. **COUNTERPARTS**

This Lender Rights Assignment Agreement is signed in 3 (three) counterparts, one counterpart for each Party to the Lender Rights Assignment Agreement.

SCHEDULE 1 TO LENDER RIGHTS ASSIGNMENT AGREEMENT

FORM OF NOTIFICATION OF BORROWER

From: [Existing Lender]
To: [Borrower]
[Address of Borrower]
Copy: [to New Lender]
[Address of New Lender]

NOTIFICATION OF ASSIGNMENT OF RECEIVABLES

[AND TRANSFER OF DEBT]

Hereby [•], registration number [•], location: [•] (the "**Existing Lender**") notifies [•], Primary State Registration Number [•], location: Russian Federation, [•] (the "**Borrower**") of the transfer of all rights (claims) [and transfer of debt] under a syndicated facility agreement between, *inter alia*, the Borrower and the Existing Lender dated [•] 2020 (the "**Facility Agreement**") from the Existing Lender to [•], location: [•] (the "**New Lender**") on the conditions specified in the agreement of assignment of rights (claims) [and transfer of debt] between the Existing Lender and the New Lender, contained in Schedule 1.

[Upon receipt of this notification, the Borrower must continue to fulfil its payment obligations to the New Lender under the Facility Agreement to the Facility Administrator in accordance with the provisions of the Facility Agreement.]

Schedule 1: Copy of agreement of assignment of rights (claims) [and transfer of debt] between the Existing Lender and the New Lender.

stamp here

SIGNATURES OF THE PARTIES

[EXISTING LENDER]

[•])
[•])
stamp here

[NEW LENDER]

[•])
[•])
stamp here

[FACILITY ADMINISTRATOR]

[•])
[•])
stamp here

SCHEDULE 5
FORMS OF COMPLIANCE CERTIFICATES

PART A

FORM OF COMPLIANCE CERTIFICATE ON THE BASIS OF IFRS

under Syndicated Facility Agreement dated [•] 2020

From: [name of the Borrower] [details of the Borrower]

To: [name of the Facility Administrator] [details of the Facility Administrator]

Auditor: [name of the Auditor] [details of the Auditor]

Date: [•]

1. On the basis of Syndicated Facility Agreement dated [•] 2020 (the "**Agreement**"), the Borrower informs the Facility Administrator that the financial covenants as of [Test Date] have been complied with in accordance with the conditions specified in Clause 18 (*Financial Covenants*) of the Agreement.
2. The terms defined in the Agreement have the same meaning in this compliance certificate, unless they are given a different meaning.
3. We confirm that the list of financial indicators listed in Schedule 1 of this compliance certificate corresponds to the list of financial indicators specified in Clause 18 (*Financial Covenants*) of the Agreement.
4. We confirm that the financial indicators given in Schedule 1 to this compliance certificate were calculated by us on the basis of financial statements prepared in accordance with IFRS as of the Test Date.
5. We confirm that as of the date of this compliance certificate, each financial covenant specified in [Clauses 18.3 (*Leverage*), 18.4 (*Interest cover*), and 18.5 (*Guarantors' Cover Ratio*)] has been complied with.
6. [We confirm that as of the date of this compliance certificate, the following covenants specified in [Clauses 18.3 (*Leverage*), 18.4 (*Interest cover*), and 18.5 (*Guarantors' Cover Ratio*)] of the Agreement have not been complied with: [list financial covenants which were breached].]
7. [We confirm that as of the date [•] there is no Event of Default/[the following Events of Default have occurred and we are taking the following measures to remedy them: [•]].]
8. The report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 1 to this compliance certificate.
9. The description of the parameters used in the report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 2 to this compliance certificate.

FINANCIAL INDICATORS OF THE BORROWERS AS OF THE TEST DATE

| No. | Name of financial indicator | Source of data | Calculation procedure | Indicator value | Test Date | Event of Default |
|-----|-----------------------------|----------------|-----------------------|-----------------|-----------|------------------|
| 1 | Leverage | [•] | [•] | [•] | [•] | [•] |
| 2 | Interest Cover | [•] | [•] | [•] | [•] | [•] |
| 3 | Guarantors' cover ratio | [•] | [•] | [•] | [•] | [•] |

PART B

FORM OF COMPLIANCE CERTIFICATE ON THE BASIS OF RAS STATEMENTS

under Syndicated Facility Agreement dated [•] 2020

From: [name of the Borrower] [details of the Borrower]

To: [name of the Facility Administrator] [details of the Facility Administrator]

Date: [•]

1. On the basis of Syndicated Facility Agreement dated [•] 2020 (the "**Agreement**"), the Borrower informs the Facility Administrator that the financial covenants as of [Test Date] have been complied with in accordance with the conditions specified in Clause 18 (*Financial Covenants*) of the Agreement.
2. The terms defined in the Agreement have the same meaning in this compliance certificate, unless they are given a different meaning.
3. We confirm that the list of financial indicators listed in Schedule 1 to this compliance certificate corresponds to the list of financial indicators specified in [Clauses 18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)].
4. We confirm that the financial indicators given in Schedule 1 to this compliance certificate were calculated by us on the basis of financial statements prepared in accordance with RAS and financial statement prepared in accordance with IFRS as of the Test Date.
5. We confirm that as of the date of this compliance certificate, each covenant specified in Clauses [18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)] of the Agreement has been complied with.
6. [We confirm that as of the date of this compliance certificate, the following covenants specified in Clauses [18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)] of the Agreement have not been complied with: [list financial covenants that were breached].]
7. [We confirm that as of the date [•] there is no Event of Default/[the following Events of Default have occurred and we are taking the following measures to remedy them: [•]].]
8. The report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 1 to this compliance certificate.
9. The description of the parameters used in the report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 2 to this compliance certificate.

FINANCIAL INDICATORS OF THE BORROWER AS OF THE TEST DATE

| No. | Name of financial indicator | Data Source | Calculation procedure | Indicator value | Test Date | Event of Default |
|-----|--|-------------|-----------------------|-----------------|-----------|------------------|
| 1 | Revenue in accordance with RAS | [•] | [•] | [•] | [•] | [•] |
| 2 | Cash receipts | [•] | [•] | [•] | [•] | [•] |
| 3 | [Net assets of Borrower] | [•] | [•] | [•] | [•] | [•] |
| 4 | [Net assets of [Obligor registered in Russia]] | [•] | [•] | [•] | [•] | [•] |

SCHEDULE 6

REPAYMENT SCHEDULE

| | Repayment date (counted from the date of this Agreement) | Repayment amount (percentage of the amount of Facility utilised under each Tranche as of the end of the relevant Utilisation Period) | |
|-----|--|---|-----------|
| | | Tranche 1 | Tranche 2 |
| 1. | First Interest Payment Date | 1/38 | 0 |
| 2. | Second Interest Payment Date | 1/38 | 0 |
| 3. | Third Interest Payment Date | 1/38 | 0 |
| 4. | Fourth Interest Payment Date | 1/38 | 0 |
| 5. | Fifth Interest Payment Date | 1/38 | 1/30 |
| 6. | Sixth Interest Payment Date | 1/38 | 1/30 |
| 7. | Seventh Interest Payment Date | 1/38 | 1/30 |
| 8. | Eight Interest Payment Date | 1/38 | 1/30 |
| 9. | Ninth Interest Payment Date | 1/38 | 1/30 |
| 10. | Tenth Interest Payment Date | 1/38 | 1/30 |
| 11. | Eleventh Interest Payment Date | 1/38 | 1/30 |
| 12. | Twelfth Interest Payment Date | 1/38 | 1/30 |
| 13. | Thirteenth Interest Payment Date | 1/38 | 1/30 |
| 14. | Fourteenth Interest Payment Date | 1/38 | 1/30 |
| 15. | Fifteenth Interest Payment Date | 1/38 | 1/30 |
| 16. | Sixteenth Interest Payment Date | 1/38 | 1/30 |

| | | | |
|-----|-----------------------------------|--|--|
| 17. | Seventeenth Interest Payment Date | 1/38 | 1/30 |
| 18. | Eighteenth Interest Payment Date | 1/38 | 1/30 |
| 19. | Nineteenth Interest Payment Date | 1/38 | 1/30 |
| 20. | Final Repayment Date | Entire amount of Facility Outstanding for Tranche 1 | Entire amount of Facility Outstanding for Tranche 2 |

SCHEDULE 7
EXISTING FINANCIAL INDEBTEDNESS

| No. | Agreement number and date | Lender | Borrower | Sum of loan | Currency |
|------------|----------------------------------|----------------|-------------------|--------------------|-----------------|
| 1. | Loan agreement dated 19/11/2012 | Headhunter FSU | "100RABOT AZ" LLC | 30,000 | USD |
| 2. | Loan agreement dated 20/05/2013 | Headhunter FSU | "100RABOT AZ" LLC | 10,000 | USD |
| 3. | Loan agreement dated 09/12/2013 | Headhunter FSU | "100RABOT AZ" LLC | 10,000 | USD |
| 4. | Loan agreement dated 10/11/2015 | Headhunter FSU | "100RABOT AZ" LLC | 15,000 | USD |
| 5. | Loan agreement dated 03/08/2017 | Zemenik | Headhunter Group | 233,000,000 | Roubles |
| 6. | Loan agreement dated 09/06/2017 | Zemenik | Headhunter Group | 227,519,520 | Roubles |
| 7. | Loan agreement dated 10/10/2017 | Zemenik | Headhunter Group | 2,000,000,000 | Roubles |

SCHEDULE 8
INTELLECTUAL PROPERTY

1. Obligors' Trademarks

| No. | Type of mark | Contents | Country of registration | NCL [Nice Classification] Classes | Priority date | Certificate No. | Certificate date | Term of registration |
|-----|--------------|-----------------------------|-------------------------|-----------------------------------|---------------|-----------------|------------------|----------------------|
| 1 | word mark | HEADHUNTER | Russian Federation | 09, 16, 35, 41, 42 | 06/04/2006 | 339197 | 12/12/2007 | 06/04/2026 |
| 2 | word mark | Headhunter | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/02/2008 | 401167 | 12/02/2010 | 22/02/2028 |
| 3 | Graphic mark | XX | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 410843 | 09/06/2010 | 22/06/2019 |
| 4 | graphic mark | HH | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 410844 | 09/06/2010 | 22/06/2019 |
| 5 | graphic mark | new HH logotype | Russian Federation | 09, 16, 35, 38, 41, 42 | 11/03/2009 | 431008 | 28/02/2011 | 11/03/2019 |
| 6 | graphic mark | hh | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 430120 | 14/02/2011 | 22/06/2019 |
| 7 | word mark | HRBRAND | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/04/2008 | 378423 | 05/05/2009 | 22/04/2028 |
| 8 | word mark | HR brand of the year | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/02/2008 | 423350 | 22/11/2010 | 22/02/2028 |
| 9 | word mark | HR brand | Russian Federation | 09, 16, 35, 38, 41, 42 | 08/04/2008 | 388438 | 02/09/2009 | 08/04/2028 |

| | | | | | | | | |
|----|-------------|---------------------------|--------------------|-------------------------------|------------|---------------|------------|------------|
| 10 | word mark | HRspace | Russian Federation | 35, 36 | 11/12/2015 | 602908 | 24/01/2017 | 11/12/2025 |
| 11 | combination | Salary data bank | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 622996 | 10/07/2017 | 18/02/2026 |
| 12 | combination | HR Experts League | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 615705 | 10/05/2017 | 18/02/2026 |
| 13 | combination | Talent Measurement | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 606635 | 22/02/2017 | 18/02/2026 |

2. Obligors' Websites

Borrower — <http://hh.ru>; <http://headhunter.ru>; <http://XX.pp>; <http://hrbrand.ru/>

3. Database

| No. | Proprietor | Type | Name | Country of registration | Application No. | Application date | Certificate No. | Certificate date |
|------|-----------------------|----------|----------------------------|-------------------------|-----------------|------------------|-----------------|------------------|
| 2015 | | | | | | | | |
| 1 | Headhunter LLC | Database | HeadHunter Database | Russia | 2015621116 | 31 August 2015 | 2015621803 | 21 December 2015 |

SCHEDULE 9
LIST OF RUSSIAN BANKS

1. Sberbank PJSC
2. VTB Bank (PJSC)
3. Gazprombank (Joint-Stock Company)
4. Bank FC Otkritie PJSC
5. BM-Bank JSC
6. UniCredit JSC
7. Credit Bank of Moscow PJSC
8. Promsvyazbank PJSC
9. Raiffeisenbank JSC
10. Rosbank PJSC
11. Saint Petersburg Bank PJSC
12. Sovcombank PJSC
13. AK Bars PJSC
14. CB Citibank JSC
15. Nordea Bank JSC

PARTIES' SIGNATURES

Borrower

HEADHUNTER LIMITED LIABILITY COMPANY

Signature: / Dmitry Markelov /

Full name: Markelov Dmitry Valentinovich

Position:

Arranger**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitali Buzoverya /
Full name: Vitali Nikolaevich Buzoverya
Position: Loans Department Manager — Senior Vice President

Facility Administrator**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitali Buzoverya /
Full name: Vitali Nikolaevich Buzoverya
Position: Loans Department Manager — Senior Vice President

Pledge Manager**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitali Buzoverya /
Full name: Vitali Nikolaevich Buzoverya
Position: Loans Department Manager — Senior Vice President

Original Lender**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitali Buzoverya /
Full name: Vitali Nikolaevich Buzoverya
Position: Loans Department Manager — Senior Vice President



December 10, 2020

"HEADHUNTER" LIMITED LIABILITY COMPANY

as the Borrower

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Arranger

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Original Lender

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Facility Administrator

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Pledge Manager

**AMENDMENT AGREEMENT NO. 1
TO THE SYNDICATED FACILITY AGREEMENT
DATED 24 AUGUST 2020**

Herbert Smith Freehills CIS LLP

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THIS AMENDMENT AGREEMENT NO. 1 TO THE SYNDICATED FACILITY AGREEMENT (the "**Agreement**") is entered into on December 10, 2020 between:

- (1) **"HEADHUNTER" LIMITED LIABILITY COMPANY**, incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number 1067761906805, located at: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation (the "**Borrower**");
- (2) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the arranger of the Facility (the "**Arranger**");
- (3) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the original lender (the "**Original Lender**");
- (4) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the facility administrator (the "**Facility Administrator**"); and
- (5) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the pledge manager (the "**Pledge Manager**").

RECITALS

- (A) The Borrower and VTB Bank (public joint-stock company) as the Arranger, Original Lender, Facility Administrator and Pledge Manager, concluded syndicated facility agreement dated 24 August 2020 (the "**Facility Agreement**").
- (B) The Parties hereby agree that, on the terms established by this Agreement, changes will be made to the Facility Agreement, subject to which it be set forth in the version attached to this Agreement ("**Restated Facility Agreement**").

THE PARTIES AGREED as follows:

1. DEFINITIONS

1.1. Terms

In this Agreement:

"Effective Date" means the date on which the Facility Administrator confirms to the Borrower that the condition specified in Paragraph 3.1.1 has been met.

"New Finance Documents" means the Finance Documents listed in paragraph 1 (*New Finance Documents*) of Schedule 1 (*Conditions Precedent*).

"Party" means a party to this Agreement

1.2. Incorporated Terms

Unless otherwise follows from the context, terms that are used in the Restated Facility Agreement with a capital letter and which are not defined in this Agreement have the same meaning as in the Restated Facility Agreement.

1.3. Interpretation

The provisions of clause 1.2 (*Interpretation*) of the Restated Facility Agreement shall apply to this Agreement as if they were set forth in this Agreement, furthermore references to Clauses and Schedules shall be considered references to the clauses and schedules of this Agreement, unless the context indicates otherwise.

1.4. Purpose

This Agreement is a Finance Document.

2. CHANGES TO THE FACILITY AGREEMENT

From the Effective Date, the Facility Agreement shall be modified by being set forth in the version contained in Schedule 2 (*Restated Facility Agreement*), and from the Effective Date the rights and obligations of the Parties in accordance with the Facility Agreement shall be regulated and interpreted in accordance with the terms of the Restated Facility Agreement.

3. RESTRICTIONS

- 3.1.1. The mandatory nature of the amendments, and additions contemplated by Clause 2 (*Changes to the Facility Agreement*) is subject (as contemplated by Article 327¹ of the Civil Code) to the Borrower's provision of the documents and information specified in Schedule 1 (*Conditions Precedent*) to the Facility Administrator, in the required form satisfactory to the Facility Administrator.
- 3.1.2. The changes and additions made to the Facility Agreement in accordance with this Agreement are limited to the changes and additions specified in Clause 2 (*Changes to the Facility Agreement*). No other provisions of the Facility Agreement (other than those specified in Clause 2 (*Changes to the Facility Agreement*)) shall be modified or supplemented by this Agreement.
- 3.1.3. Nothing in this Agreement affects the rights of the Finance Parties, or is considered a waiver of rights in relation to any Default.
- 3.1.4. This Agreement does not release the Borrower from any obligations under the Facility Agreement.

4. REPRESENTATIONS

- 4.1.1 The Borrower makes the representations set forth in Clause 16 (*Representations*) of the Restated Facility Agreement to each Finance Party.
- 4.1.2 The representations referred to in Paragraph 4.1.1 above are made by the Borrower on the date of this Agreement with reference to the circumstances existing as of the date of this Agreement.
- 4.1.3 References in the representations made in accordance with Paragraph 4.1.1 above, to the Facility Agreement and Finance Documents shall be deemed to include references to this Agreement.

5. CONDITIONS SUBSEQUENT

- 5.1.1 The Borrower shall provide the Facility Administrator with notarised translations into Russian of the documents listed in sections 2 and 3 of Schedule 1 (*Conditions Precedent*) if they are in a foreign language and (or) apostilled, no later than 60 (sixty) days from the date of signing this Agreement.
- 5.1.2 The Borrower shall provide the Facility Administrator with evidence of the following:
 - (A) submission to the Cyprus Stamp Duty Commissioner of each New Finance Document to which an Obligor registered under the laws of Cyprus is party in order for a decision to be taken on whether stamp duty is to be paid in respect of such documents – no later than 30 (thirty) days from the date of conclusion of the relevant New Finance Document; an
 - (B) payment of stamp duty in respect of such documents in the amount established by the Cyprus Stamp Duty Commissioner, or exemption of such documents from stamp duty payment - no later than 60 (sixty) days from the date of conclusion of the relevant New Finance Document.

6. **APPLICABLE LAW**

This Agreement, as well as the rights and obligations of the Parties arising under this Agreement, are governed by the laws of the Russian Federation and are subject to interpretation in accordance with it

7. **DISPUTE RESOLUTION**

7.1.1. Any dispute in connection with this Agreement, including regarding the interpretation of its provisions, its existence, validity or termination, is to be resolved out of court by one Party sending the other Party the relevant demand (claim). If a Party does not receive a response to the submitted demand (claim) and the dispute is not resolved within 10 (ten) Business Days from the date of receipt of the relevant demand (claim) by the other Party, such dispute may be resolved in court in accordance with Paragraph 7.1.1 below

7.1.2. Subject to the provisions of Paragraph 7.1.1 above, in the event of any dispute arising out of this Agreement, including regarding the interpretation of its provisions, existence, validity or termination, such dispute is to be considered in the Moscow Arbitrazh Court. Each Finance Party intending to file a claim against the Borrower in accordance with this Clause 7 must notify the other Finance Parties of its intention (by sending the relevant information to the Facility Administrator)

8. **COUNTERPARTS**

This Agreement is signed by the Parties in 3 (three) original counterparts, having equal legal force in the form of a single document.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE 1
CONDITIONS PRECEDENT**

1. NEW FINANCE DOCUMENTS

Each of the following Finance Documents in a form acceptable to the Facility Administrator, properly concluded by each of its parties or issued by the relevant person:

- 1.1 This Agreement;
- 1.2 deed of confirmation regarding Headhunter FSU (Headhunter Group) Pledge;
- 1.3 deed of confirmation regarding Headhunter FSU (Zemenik) Pledge;
- 1.4 Headhunter Group letter of consent regarding Independent Guarantee issued by Headhunter Group;
- 1.5 Headhunter FSU letter of consent regarding the Borrower Pledge and Independent Guarantee issued by Headhunter FSU; and
- 1.6 Zemenik letter of consent regarding the Independent Guarantee issued by Zemenik.

2. CORPORATE DOCUMENTS REGARDING OBLIGORS REGISTERED IN THE RUSSIAN FEDERATION

- 2.1 Notarised copy of the following:
 - 2.1.1. the Obligor's charter, registered in accordance with the established procedure, and the valid changes and additions thereto stamped by the authorised tax body (including the relevant entries or certificates of registration);
 - 2.1.2. certificate of state registration of the Obligor;
 - 2.1.3. certificates of Obligor's tax registration with a tax body at the location of the company.
- 2.2 Up-to-date extract from the Unified State Register of Legal Entities in relation to the Obligor, issued by the authorised tax body, containing information as of no earlier than 7 (seven) days before this Agreement (including in the form of an electronic document signed electronically by the authorised tax body).
- 2.3 An information letter as of the date falling no earlier than 14 (fourteen) days prior to this Agreement, issued by the tax body that the Obligor is registered with, confirming that it has no outstanding obligations to the state budget or other extra-budgetary funds or, where such outstanding obligations exist, confirming that there is a repayment schedule for these obligations agreed with the relevant body.
- 2.4 An original or notarised copy of the resolution of the Obligor's authorised management body on approving the terms of the New Finance Documents to which the relevant Obligor is party, and the transactions thereunder, as well as any transactions related to them, including (where applicable) on approving a transaction as a major transaction and (or) as an interested-party transaction (as these terms are defined by the laws of the Russian Federation);
- 2.5 Certified copies of the documents on appointing the sole executive body or other authorised persons with the right of signature, provided for by the charter of the Obligor.
- 2.6 A notarised and, if applicable, apostilled copy of the power of attorney granting the authorised persons of the Obligor the authority needed to sign the New Finance Documents to which the relevant Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with the New Finance Documents to which the relevant Obligor is party (if applicable).
- 2.7 Signature cards of each person authorised to sign on behalf of the Obligor the New Finance Documents to which the relevant Obligor is party, or to sign or send any documents or notifications in connection with any New Finance Documents.

- 2.8. A document signed by an authorised representative of the Obligor, confirming, *inter alia*:
- 2.8.1. that each document (either original or copy) provided by each of the Obligors or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
 - 2.8.2. that all corporate approvals required in accordance with applicable law in respect of the New Finance Documents to which the relevant Obligor is party, and the transactions thereunder, including approvals of such transactions as major transactions or interested-party transactions, have been received by the relevant Obligor; and
 - 2.8.3. the total value of transactions under the New Finance Documents to which the relevant Obligor is party as a percentage of the book value of the assets of the relevant Obligor for the purpose of assessing the size of such a transaction in accordance with applicable law.
3. **CORPORATE DOCUMENTS REGARDING OBLIGORS REGISTERED IN CYPRUS**
- 3.1. Apostilled copy of certificate of incorporation issued by the Department of the Registrar of Companies of Cyprus, or confirmation that the document previously submitted to the Facility Administrator is still valid and has not been changed.
 - 3.2. Apostilled copy of the articles of association and charter (together with all changes and additions to them) in Greek (with the Department of the Registrar of Companies of Cyprus stamp on them) and in English, or confirmation that the document previously submitted to the Facility Administrator is still valid and has not been changed.
 - 3.3. Apostilled original certificate of address of the registered office, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.4. Apostilled original certificate of directors and secretary issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.5. Apostilled original certificate of shareholders of Headhunter FSU, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.6. Certified copy of the register of directors and secretaries dated no earlier than 1 (one) day before this Agreement.
 - 3.7. Certified copy of the register of members dated no earlier than 1 (one) day before this Agreement.
 - 3.8. Certified copy of the register of mortgages and other charges dated no earlier than 1 (one) day before this Agreement.
 - 3.9. An original incumbency certificate, the form and substance of which is acceptable to the Facility Administrator, along with all documents submitted in accordance with such incumbency certificate.
 - 3.10. A notarised and, if applicable, apostilled copy or apostilled original of the resolution of the board of directors and shareholders or any other authorised body, as contemplated by the constitutional documents of each Obligor:
 - 3.10.1. on approving the terms of the Finance Documents to which the relevant Obligor is party, and the transactions thereunder, and resolving that the relevant Obligor shall sign the Finance Documents to which the relevant Obligor is party;

- 3.10.2. on granting the relevant person or persons with the authority needed to sign the Finance Documents to which the relevant Obligor is party, on the latter's behalf; and
 - 3.10.3. on granting the relevant person or persons with the authority needed to sign on behalf of the relevant Obligor all documents and notifications, which must be signed by the relevant Obligor in accordance or in connection with the Finance Documents to which the relevant Obligor is party.
- 3.11 A notarised and, if applicable, apostilled copy of the power of attorney granting the authorised persons of the relevant Obligor the authority needed to sign the Finance Documents to which the relevant Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with the Finance Documents to which the relevant Obligor is party (if applicable).
- 3.12 An original signature sample of each person granted the authority on the basis of the resolution referred to in paragraph 3.10.2 above.
- 3.13 An original document, signed by an authorised representative of the relevant Obligor, confirming that each document (either original or copy) provided by the relevant Obligor or on its behalf in accordance with this Schedule 1 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
4. **LEGAL OPINIONS**
- A legal opinion prepared by Alexandros Economou LLC, the Facility Administrator's legal adviser on Cypriot law, in a form acceptable to, and agreed by, the Facility Administrator, prior to the signature of this Agreement, that is addressed to the Finance Parties that were Finance Parties as of the date of said opinion.
5. **OTHER DOCUMENTS AND EVIDENCE**
- Evidence of payment of remuneration to the legal consultants (Herbert Smith Freehills CIS LLP and Alexandros Economou LLC).

SCHEDULE 2
RESTATED FACILITY AGREEMENT



24 August 2020

HEADHUNTER LIMITED LIABILITY COMPANY

as the Borrower

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Arranger

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Original Lender

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Facility Administrator

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Pledge Manager

SYNDICATED FACILITY AGREEMENT

as amended by amendment agreement No. 1 dated December 10, 2020

Herbert Smith Freehills CIS LLP

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THIS SYNDICATED FACILITY AGREEMENT (the "**Agreement**") has been entered into on 24 August 2020 between:

- (1) **HEADHUNTER LIMITED LIABILITY COMPANY**, incorporated under the laws of the Russian Federation and registered in the Russian Federation Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1067761906805, whose business address is 9 Godikova Street, Building 10, Moscow, 129085, Russian Federation (the "**Borrower**");
- (2) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the arranger of the Facility (the "**Arranger**");
- (3) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the original lender (the "**Original Lender**");
- (4) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the facility administrator (the "**Facility Administrator**"); and
- (5) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the pledge manager (the "**Pledge Manager**").

THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS

1.1 Terms

In this Agreement:

"Underwriter" means joint-stock company VTB Capital, which conducts brokerage (professional securities market participant brokerage license No. 045-11463-100000 dated 31 July 2008), and which provides the Borrower with transaction services involving the Permitted Bonds during the course of their placement on the exchange.

"Auditors" means:

- (a) in relation to the financial statements of the Group and its members prepared in accordance with IFRS: KPMG Joint-Stock Company, or Deloitte CIS Holdings Limited, or PriceWaterhouseCoopers Consulting LLC, or Ernst & Young Global Limited; and
- (b) in relation to the financial statements of the Group's members prepared in accordance with the Applicable Reporting Standards other than IFRS: any company listed in paragraph (a) above, as well as Moore Stevens LLC, Finexpertiza LLC, BDO CJSC, FBK LLC and 2K - Delovye Konsultatsii CJSC, or any other auditing firm approved by the Majority Lenders.

"Affiliate" means, with respect to any person, a Subsidiary or Associate of such person or a Holding Company of such person or any other Subsidiary or Associate of such Holding Company.

"Basel II" means the recommendations contained in the document adopted by the Basel Committee on Banking Supervision in June 2004 "International Convergence of Capital Measurement and Capital Standards: a Revised Framework."

"Basel III" means:

- (a) the recommendations contained in the documents published by the Basel Committee on Banking Supervision in December 2010: "Basel III: A global regulatory framework for more resilient banks and banking systems," "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" and "Guidance for National Authorities Operating the Countercyclical Capital Buffer," with subsequent changes and additions;

- (b) the recommendations for global systemically important banks, contained in a document published by the Basel Committee on Banking Supervision in November 2011 "Global Systemically Important Banks: Assessment Methodology and the Additional Loss Absorbency Requirement – Rules text" with subsequent changes and additions; and
- (c) any other documents, explanations or standards published by the Basel Committee on Banking Supervision in connection with Basel III.

"Majority Lenders" means:

- (a) in the period up to the first Utilisation Date: the Lenders whose Available Commitments total 75% (seventy-five percent) or more of the Total Commitments;
- (b) if there is no Facility Outstanding and the Total Commitments were reduced to zero: the Lenders whose Available Commitments totalled 75% (seventy-five percent) or more of the Total Commitments immediately prior to the date of that reduction; or
- (c) in any other period of time: the Lenders whose participation in the Facility Outstanding together with their Unused Available Commitment, as well as the Amount Payable, totals 75% (seventy-five percent) or more of the total Facility Outstanding amount together with the Total Unused Commitments and the Amount Payable by all Lenders.

"VTB" means VTB Bank (Public Joint-Stock Company), a public joint-stock company incorporated under the laws of the Russian Federation and registered in the Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1027739609391.

"Secondary Placement" means a placement on the Nasdaq Stock Exchange in one or more transactions during the period up to 31 December 2021 (or later date for which the Borrower has obtained the Facility Administrator's approval in writing) by means of a public offering to an unlimited circle of persons:

- (a) of additionally issued Headhunter Group shares (initial placement), with the total value of the placement not exceeding USD 100,000,000; or
- (b) of existing Headhunter Group shares belonging to Highworld and ELQ Investors VIII (secondary placement),
- (c) or any combination thereof, in each case provided that such initial or secondary placement (or a combination of both) does not result in a Change of Control.

"Revenue" means, in relation to an Obligor, the revenue of that Obligor, determined in accordance with the financial statements prepared in accordance with the Applicable Reporting Standards provided in accordance with Clause 17.1 (*Financial Statements*).

"Guarantor" means each of the following persons:

- (a) Headhunter Group;
- (b) Zemenik;
- (c) Headhunter FSU;
- (d) each Additional Guarantor; and
- (e) any person providing an Independent Guarantee that the Facility Administrator and the Borrower have agreed in writing to deem a Guarantor for purposes of this Agreement.

"Placement Indemnity" means one or more unlimited indemnities provided by Headhunter Group in favor of the banks arranging the Secondary Placement, the depository bank engaged in connection with the Secondary Placement, and/or the Depository Trust Company, for the purpose of the Secondary Placement, to cover potential losses and costs associated with errors and incomplete disclosure of information provided in the Secondary Placement prospectus, and with Headhunter Group's exercising its rights and performing its obligations within the framework of the Secondary Placement.

"Treaty State" means a state that has a valid Double Taxation Treaty with the Russian Federation.

"Civil Code" means the Civil Code of the Russian Federation.

"Group" means, for the purposes of this Agreement:

- (a) Headhunter Group; and
- (b) Headhunter Group Subsidiaries and Associates whose financial statements are consolidated with Headhunter Group financial statements in accordance with IFRS in the relevant period of time using the direct consolidation method.

"Utilisation Date" means each date on which the Facility Administrator transfers the Facility or part thereof specified in a Utilisation Request into the account of the Borrower.

"Final Repayment Date" means 30 June 2025.

"Interest Payment Date" means 31 March, 30 June, 30 September and 31 December of each year, and if the relevant day is not a Business Day, then the next Business Day thereafter.

"Cash" has the meaning given to this term in IFRS.

"Pledge" means each of the following pledges:

- (a) the Borrower Participatory Interest Pledge;
- (b) each Headhunter FSU Shares Pledge;
- (c) each Additional Pledge; and
- (d) any other pledge entered into by the Borrower or a third party to secure the Borrower's obligations hereunder.

"Borrower Participatory Interest Pledge" means the pledge of 100% participatory interest in the Borrower's charter capital between Headhunter FSU as the pledgor and the Pledge Manager as the pledge manager (pledgor) and any other additional or substitute pledge of a participatory interest in the Borrower's charter capital that is entered into to secure the Borrower's obligations hereunder.

"Headhunter FSU Shares Pledge" means each of the following:

- (a) Pledge of Headhunter FSU (Headhunter Group) Shares;
- (b) Pledge of Headhunter FSU (Zemenik) Shares; and
- (c) any other additional or substitute pledge of Headhunter FSU shares.

"Pledge of Headhunter FSU (Zemenik) Shares" means the pledge of Headhunter FSU shares between Zemenik as the pledgor and the Pledge Manager as the pledge manager (pledgor) entered into to secure the Borrower's obligations hereunder.

"Pledge of Headhunter FSU (Headhunter Group) Shares" means the pledge of Headhunter FSU shares between Headhunter Group as the pledgor and the Pledge Manager as the pledge manager (pledgor) entered into to secure the Borrower's obligations hereunder.

"Loan Agreements Between the Borrowers" means:

- (a) the loan agreement entered into on or around the date hereof between the Borrower as the lender and Zemenik as the borrower in the amount of the outstanding principal balance owed by Zemenik under the Existing Facility Agreement; and
- (b) the loan agreement entered into on or around the date hereof between the Borrower as the lender and Headhunter Group as the borrower in the amount of the outstanding principal balance owed by Headhunter Group under the Existing Facility Agreement.

"Double Taxation Treaty" means a double taxation treaty between a foreign state and the Russian Federation, which stipulates full or partial profits tax exemption in the Russian Federation on the income paid to foreign companies under this Agreement.

"Lender Rights Assignment Agreement" means an agreement drawn up in the form given in Schedule 4 (*Form of Lender Rights Assignment Agreement*) or in any other form whereby the Existing Lender (as defined in Clause 23 (*Changes to the Parties*)) assigns its rights and (or) transfers obligations under this Agreement to a New Lender (as defined in Clause 23 (*Changes to the Parties*)).

"Security Documents" means:

- (a) each Pledge;
- (b) each Independent Guarantee; and
- (c) any other document entered into or issued by the Borrower or by a third party at the Borrower's request with the consent of the Facility Administrator or the Pledge Manager to secure performance of the Borrower's obligations hereunder.

"Group Equity Instruments" means shares or participatory interests in the charter capital of any member of the Group, as well as options or other instruments securing the right of their owner to acquire or receive shares or a participatory interests in the charter capital of any member of the Group, including options granted to employees of Group companies under Remuneration Plans Based on Group Equity Instruments, and compensation in the form of shares paid to members of the board of directors of Headhunter Group.

"Obligor" means the Borrower and each Guarantor.

"Additional Guarantee" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Additional Guarantor" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Additional Pledge" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Subsidiary" means, with respect to any legal person, any legal person, if the first (principal) legal person:

- (a) holds the majority of voting rights in that legal person; or
- (b) has equity participation and has the right to appoint or remove a majority of the members of the executive body of the legal person; or
- (c) has the right to have a dominant influence on the legal person by virtue of the provisions contained in the foundation documents of the legal person or management agreement; or
- (d) is a member (shareholder) of that legal person and independently or in agreement with other members controls the majority of votes in the legal person; or
- (e) controls that legal person,

including any legal person the shares or participatory interests in the charter capital of which are subject to an Encumbrance, and the title to such encumbered shares or participatory interest is registered by virtue of such Encumbrance in favour of a secured party or nominal holder acting in favour of such party.

"Associate" means, with respect to any legal person, any legal person if the first legal (principal) legal person owns 20 (twenty) or more percent (but not more than 50 (fifty) percent) of the charter capital in such legal person.

"Bankruptcy Law" means the Federal Law of the Russian Federation No. 127-FZ dated 26 October 2002 "On Insolvency (Bankruptcy)".

"Credit Histories Law" means the Federal Law of the Russian Federation No. 218-FZ dated 30 December 2004 "On Credit Histories".

"Regulated Procurement Law" means the Federal Law of the Russian Federation No. 223-FZ dated 18 July 2011 "On the Procurement of Goods, Works and Services by Certain Types of Legal Entities."

"Syndicated Loan Law" means the Federal Law of the Russian Federation No. 486-FZ dated 31 December 2017 "On Syndicated Credits (Loans) and Amendments to Certain Legislative Acts of the Russian Federation".

"Pledgor" means each of the following persons:

- (a) Headhunter Group;
- (b) Zemenik;
- (c) Headhunter FSU; and
- (d) each pledgor under each Additional Pledge.

"Utilisation Request" means the request of a Borrower to utilise the Facility, drawn up in the form given in Schedule 3 (*Form of Utilisation Request*).

"Zemenik" means Zemenik Limited Liability Company, incorporated under the laws of the Russian Federation and registered in the Russian Federation Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1167746153860, whose business address is 14 Krzhizhanovskogo Street, Building 3, Suite 304, Moscow, 117218, Russian Federation.

"Intellectual Property" means the Obligors' Trademarks, domain names (including the Obligors' Websites) registered to the Group's members, database and other intellectual property, the rights to which are owned by the Group's members, and which are listed in Schedule 8 (*Intellectual Property*), and also similar material intellectual property owned by the Additional Guarantors (if such Additional Guarantors were not Obligors as of the date of this Agreement).

"Key Rate" means:

- (a) for each Interest Period: the key rate set by the Central Bank of the Russian Federation and valid for each day of the Interest Period; and
- (b) for any other period: the key rate set by the Central Bank of the Russian Federation and valid for each day of such period,

set on a daily basis based on the data on the website of the Central Bank of the Russian Federation at: www.cbr.ru or on another official website of the Central Bank of the Russian Federation should the website change. Moreover, if the key rate is abolished and/or is no longer used by the Central Bank of the Russian Federation to set pricing conditions for financing credit institutions of the Russian Federation, the Key Rate will be deemed to be the corresponding rate set by the Central Bank of the Russian Federation for pricing refinancing operations through repo transactions, and (or) secured by non-market assets.

"Early Repayment Fee" has the meaning given in Clause 8.4.1.

"Consolidated EBIT" means the Group's consolidated profit before tax for the Relevant Period adjusted for termination of operations that occurred during the Relevant Period:

- (a) before any amounts related to financial expenses are deducted (with respect to financial costs related to lease payments: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (b) after deducting rental expenses to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16;
- (c) excluding any amounts relating to interest due to any member of the Group;
- (d) after deducting profits or adding losses of any member of the Group related to non-controlling interests;
- (e) excluding positive or negative unrealised exchange rate differences;
- (f) excluding profits or losses arising from the revaluation of any asset or a decrease in the book value of any asset when it is alienated by any member of the Group;
- (g) excluding expected returns on pension plan assets; and

- (h) excluding non-monetary profits and losses from the Remuneration Plans based on Group Equity Instruments.

"Consolidated EBITDA" means Consolidated EBIT for the Relevant Period adjusted by adding the following amounts, provided that these amounts were not taken into account when calculating the EBIT:

- (a) any amounts relating to depreciation and impairment of fixed assets (with respect to depreciation related to lease liabilities: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (b) any amounts related to goodwill impairment; and
- (c) any amounts relating to depreciation and impairment of other intangible assets.

"Confidential Information" means any information (including personal data) in any form (including oral information, and any documents and information recorded or stored as electronic files or on any other media) about any Obligor, Pledgor or member of the Group, Finance Documents or Facility, which becomes known to a Finance Party, or which is received by any person intending to become a Finance Party, from:

- (a) any member of the Group or consultant thereof; or
- (b) another Finance Party or consultant thereof, if the information was obtained by such Finance Party from any member of the Group or consultant thereof,

with the exception of information that:

- (i) is or becomes available to the general public other than due to a Finance Party's violation of the conditions of Clause 29 (*Confidentiality*); or
- (ii) was known to a Finance Party prior to the date that such information was disclosed to it or its consultant, or was legally obtained by a Finance Party or its consultant after such date from a source that, as far as a Finance Party is aware, is not connected with the Group, and which in any case, as far as a Finance Party is aware, was not received due to a breach of confidentiality obligations.

"Facility" means the funds within the Total Commitments that are lent to the Borrower by Lenders under this Agreement in the form of Tranches.

"Available Commitment" means the Available Commitment of Tranche 1 or the Available Commitment of Tranche 2.

"Available Commitment of Tranche 1" means, as of any date, the amount of funds which:

- (a) in relation to the Original Lender, each Original Lender shall lend to the Borrower under such Tranche 1 on the relevant date in accordance with the terms of this Agreement and as indicated against the name of the relevant Original Lender and Tranche 1 in the table in Part A (*Original Lenders and Available Commitments*) of Schedule 1 (*Parties, Available Commitments, and Security*); and
- (b) in relation to any other Lender, the relevant Lender shall provide as a loan to the Borrower on the relevant date as the result of transfer to it of the commitment to grant the Facility under Tranche 1,

the amount of which may be modified in accordance with the terms of this Agreement.

"Available Commitment of Tranche 2" means, as of any date, the amount of funds which:

- (a) in relation to the Original Lender, each Original Lender shall lend to the Borrower under such Tranche 2 on the relevant date in accordance with the terms of this Agreement and which cannot exceed the following values:
 - (i) if, as of the date of submission of any Utilisation Request in respect of the Facility under Tranche 2, the Permitted Bonds were not placed or the Permitted Bonds were placed and the aggregate par value of the placed Permitted Bonds does not exceed RUB 1,000,000,000 (one billion) - the

amount indicated opposite the name of the respective Original Lender and Tranche 2 in the table in Part A (*Original Lenders and Available Commitments*) of Schedule 1 (*Parties, Available Commitments, and Security*);

- (ii) if, as of the date of submission of any Utilisation Request in respect of the Facility under Tranche 2, Permitted Bonds were placed with an aggregate par value exceeding RUB 1,000,000,000 (one billion) - the amount indicated opposite the name of the respective Original Lender and Tranche 2 in the table in Part A (*Original Lenders and Available Commitments*) of Schedule 1 (*Parties, Available Commitments, and Security*) reduced by the amount that the aggregate par value of the placed Permitted Bonds exceeds RUB 1,000,000,000 (one billion); and
- (b) in relation to any other Lender, the relevant Lender shall provide as a loan to the Borrower on the relevant date as the result of transfer to it of the commitment to grant the Facility under Tranche 2,

the amount of which may be modified in accordance with the terms of this Agreement.

"Margin" means:

- (a) 2.0% per annum for Tranche 1; and
- (b) 2.5% per annum for Tranche 2.

"IFRS" means the international accounting standards referred to in Regulation No. 1606/2002 adopted by the European Parliament and the European Union Council on 19 July 2002, to the extent applicable to the relevant financial statements.

"Tax" means any tax, levy, duty, or other charge or withholding of a similar nature (including any fines or penalties payable in connection with any failure to pay or any delay in paying any of the same) established by applicable law.

"Tax Relief" means a Tax exemption (application of a reduced tax rate or tax refund) granted outside the Russian Federation in respect of any Tax related to payments under the Finance Documents.

"Tax Deduction" means the withholding from any payment under a Finance Document of an amount of any tax or charge, including, in particular, value added tax and income (profit) tax deducted at source, as well as any similar taxes that may replace or supplement existing taxes in accordance with applicable law, in the amount and within the timeframes stipulated by law.

"Tax Payment" means an increase in the amount of payment made by an Obligor to a Finance Party in accordance with the provisions of Clause 12.1 (*Tax gross-up*), or payment made by an Obligor to a Finance Party in accordance with the provisions of Clause 12.2 (*Tax indemnity*).

"Independent Guarantee" means each of the following documents:

- (a) each independent guarantee issued by the Guarantor in favour of the Lenders;
- (b) each Additional Independent Guarantee; and
- (c) any other independent guarantee issued by any person and with the consent of the Facility Administrator or the Pledge Manager to secure performance of the Borrower's obligations hereunder.

"Default" means:

- (a) an Event of Default; or
- (b) an event or circumstance referred to in Clause 21 (*Events of Default*), which, in accordance with the terms of this Agreement, will become an Event of Default upon:

- (i) the expiration of any deadline established by this Agreement to rectify a violation;
- (ii) the sending of any notice; or
- (iii) the taking of the relevant decision in respect of the Finance Documents.

"Unused Available Commitment" means the Unused Available Commitment of Tranche 1 or the Unused Available Commitment of Tranche 2.

"Unused Available Commitment of Tranche 1" means, as of any date, the Available Commitment of Tranche 1 established in respect of each individual Lender less:

- (a) the amount of funds already provided to the Borrower by this Lender under Tranche 1 before the specified date and, if applicable, on the specified date in accordance with this Agreement, and
- (b) Amount Payable by this Lender under Tranche 1 on the basis of the Utilisation Request submitted before the indicated date and, if applicable, on the indicated date in accordance with this Agreement.

"Unused Available Commitment of Tranche 2" means, as of any date, the Available Commitment of Tranche 2 established in respect of each individual Lender less:

- (a) the amount of funds already provided to the Borrower by this Lender under Tranche 2 before the specified date and, if applicable, on the specified date in accordance with this Agreement, and
- (b) Amount Payable by this Lender under Tranche 2 on the basis of the Utilisation Request submitted before the indicated date and, if applicable, on the indicated date in accordance with this Agreement.

"Facility Outstanding" means, at any time, the funds loaned to the Borrower in accordance with this Agreement and which have not been repaid to the Lenders.

"Encumbrance" means a mortgage, pledge, lien, possessory pledge, assignment, the right to direct debit or a similar debit right or other encumbrance created to secure a person's obligations, or any agreement entered into in order to secure performance of obligations.

"Original Financial Statements" means:

- (a) with respect to the Borrower and Zemenik, the annual accounting statements for 2019, prepared in accordance with RAS;
- (b) with respect to Headhunter Group: the annual financial statements for 2019 prepared in accordance with IFRS, with an attached auditor's report; and
- (c) with respect to Headhunter FSU: management accounts prepared in accordance with the Group's management accounting policies as at 31 December 2019.

"Utilisation Period" means:

- (a) with respect to Tranche 1: the period starting on the date of this Agreement and ending on the date falling 10 (ten) days after the date of this Agreement (both said dates being inclusive); and
- (b) with respect to Tranche 2: the period starting on the date of this Agreement and ending on the date falling 270 (two hundred seventy) days after the date of this Agreement (both said dates being inclusive);

"Remuneration Plan Based on Group Equity Instruments" means an agreement contemplating that employees (or former employees) of the Group, members of the board of directors of Headhunter Group and/or the owners of shares and/or participatory interests of any member of the Group receive:

- (a) remuneration in the form of Group Equity Instruments;
- (b) remuneration in the form of funds or provision of other assets, provided that the amount of this remuneration is determined on the basis of and/or is contingent on the value of the Group Equity Instruments; or

- (c) remuneration in the form of provision of Headhunter Group shares to members of the board of directors of Headhunter Group.

"Sanctioned Person" has the meaning given to this term in Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*).

"Leverage" has the meaning given to this term in Clause 18.3 (*Leverage*).

"Interest Cover" has the meaning given to this term in Clause 18.4 (*Interest cover*).

"EBITDA" means the EBITDA of any member of the Group, determined on the last reporting date:

- (a) at the end of the financial year or second financial quarter of the financial year, in accordance with the Group's financial statements for the relevant financial year or second financial quarter of the financial year (respectively), prepared in accordance with IFRS, provided to the Facility Administrator in accordance with Clause 17.1.1(A) or (B); or
- (b) at the end of the first or third financial quarter, based on the relevant financial accounts of the Group provided to the Facility Administrator in accordance with Clause 17.1.1(C).

"Acceptable Lender" means a Lender, which is:

- (a) a Russian legal person, or
- (b) resident of a Treaty State, provided that the status of such a Lender, at the request of an Obligor, is confirmed by a Russian translation of a copy of a document issued by the competent tax authority of the Treaty State, indicating that the qualifying Lender is a tax resident of the Treaty State.

"Applicable Reporting Standards" means the financial reporting standards applicable to any Obligor.

"Proportional Share" means:

- (a) for the purposes of determining the size of the Lender's participation in the Facility in accordance with any Utilisation Request: the ratio between the Unused Available Commitment of such Lender and the Total Unused Commitments.
- (b) for any other purposes:
 - (i) in the absence of a Facility Outstanding: the ratio between the Available Commitment of a single Lender and the Total Commitments, or
 - (ii) if there is a Facility Outstanding: the ratio between the Facility Outstanding issued to the Borrower by a single Lender, together with the Amount Payable by this Lender, and the Facility Outstanding issued to the Borrower by all Lenders, together with the Amount Payable by all Lenders.

"Interest Period" means, in relation to the Facility Outstanding, each period during which interest is calculated, determined in accordance with the provisions of Clause 10 (*Interest Periods*), and, in relation to any overdue amount, each period determined in accordance with the provisions of Clause 9.4 (*Default Interest*).

"Business Day" means any day on which banks are open to conduct ordinary banking operations in Moscow.

"Permitted Financial Indebtedness" means any Financial Indebtedness:

- (a) arising in accordance with the terms of the Finance Documents or permitted by the Finance Documents;
- (b) of a member of the Group that exists on the date of this Agreement, as specified in Schedule 7 (*Existing Financial Indebtedness*);
- (c) of any Obligor to another Obligor; and

- (d) of any Obligor to persons that are not Obligors unless the total amount of such Financial Indebtedness together with the grand total principal amount owed under loans provided by any Obligor to persons that are not Obligors exceeds 10% (ten percent) of the Group Assets at any point in time.

"Permitted Payments" means:

- (a) any payments made by a member of the Group to any Obligor, provided that such payments do not create obligations for the Obligor to such a member of the Group (in particular, to repay received funds or to transfer assets);
- (b) any payments made by any Obligor to another Obligor;
- (c) payment of distributable profit by Headhunter Group to its shareholders (including by Permitted Redemption) subject to the requirements of Clause 19.12 (*Dividend payment and redemption of shares or participatory interests*);
- (d) payment to another member of the Group or shareholders of Headhunter Group of funds received by any member of the Group from the sale of shares/participatory interests in another member of the Group that is not an Obligor, provided that after such payment the Leverage will not increase; and
- (e) mandatory payments in accordance with applicable law to shareholders that are not members of the Group or members of legal entities that are members of the Group in the event that such shareholder or member exits this legal person,

provided that any payment specified in this definition will not result in the person making such payments having negative net assets.

"Permitted Loans" means loans:

- (a) granted by any Obligor to another Obligor;
- (b) granted by any member of the Group that is not an Obligor, to another member of the Group that is not an Obligor; and
- (c) granted by any Obligor to persons that are not Obligors, unless the total principal amount owed under such loans together with the total Financial Indebtedness of the Obligors to persons that are not Obligors exceeds 10% (ten percent) of the Group Assets at any point in time.

"Permitted Bonds" means exchange-traded interest-bearing non-convertible book-entry bonds with centralised registration of rights, to be traded on the Moscow Exchange (PJSC "Moscow Exchange"), placed by the Borrower by public offering under the Series 001-P Exchange-Traded Bonds Program, provided that:

- (a) the specified bonds will be placed at their par value;
- (b) the aggregate par value of all placed bonds will not exceed RUB 4,000,000,000 (four billion); and
- (c) the placement of the specified bonds will be completed no later than 30 June 2021.

"Permitted Redemption" means the redemption by a member of the Group of its own shares or participatory interests in the charter capital of that member of the Group, provided that:

- (a) if such shares or participatory interests are the subject of a Pledge, such shares or participatory interests will continue to be the subject of such Pledge, regardless of the relevant redemption;
- (b) this member of the Group complies with all applicable legal requirements for such redemption, including requirements regarding the size of the charter capital of this member of the Group; and
- (c) the redeemed shares or participatory interests will be cancelled within the timeframe established by applicable law.

"Permitted Issue" means:

- (a) the issue of shares or increase in charter capital whereby a Group member acquires such issued shares or increases its participatory interest in the charter capital of its Subsidiary, provided the existing shares or participatory interests in the charter capital of such Subsidiary have not been pledged to the Lenders under a Pledge; and
- (b) the issue of Headhunter Group shares as part of the implementation of employee option programs, provided:
 - (i) the total face value of such shares amounts to no more than 8% (eight percent) of the total Headhunter Group's charter (share) capital over the entire term of the Facility, and
 - (ii) such issue does not result in a Change of Control; and
- (c) the issue of Headhunter Group shares as part of the Secondary Placement with the total value of the placement not exceeding USD 100,000,000.

"Test Date" means the end date of the Relevant Period.

"Relevant Period" means any period of twelve (12) months ending on the last day of the Group's financial quarter or financial half-year or on the last day of the Group's financial year.

"RAS" means accounting rules in accordance with Russian law.

"Obligors' Websites" means the websites owned by the Obligors and listed in Schedule 8 (*Intellectual Property*).

"Event of Default" means any event or circumstance specified in Clause 21 (*Events of Default*).

"Change of Control" has the meaning given to this term in Clause 8.2.2.

"Total Commitments" means the aggregate of the Available Commitments of Tranche 1 and the Available Commitments of Tranche 2 of all Lenders.

"Total Unused Commitments" means the aggregate of the Unused Available Commitments of all Lenders.

"Consent" has the meaning given to this term in Clause 24 (*Lenders' decision making*).

"Amendment Agreement No. 1" means the amendment Agreement No. 1 to this Agreement dated _____ 2020.

"Party" means a party to this Agreement.

"Finance Party" means each Lender, Arranger, Facility Administrator and Pledge Manager.

"Amount Payable" means the amounts of funds payable by any given Lender or Lenders on the Utilisation Date indicated in a Utilisation Request submitted by the Borrower.

"Material Adverse Effect" means (except when a different meaning of this term is contained in other clauses of this Agreement) in the opinion of the Majority Lenders a material adverse effect on:

- (a) the Obligors' and Pledgors' ability to perform their obligations under any Financial Document;
- (b) the validity or ranking of the security that is provided or should be provided under any Financial Document or its enforceability; or
- (c) the validity of the Finance Documents or the possibility of exercising the rights of the Finance Parties contemplated by each relevant Finance Document.

"Material Group Member" means any Obligor, as well as any Group member, whose EBITDA, Assets and Revenues determined as of the last reporting date, based on the consolidated financial statements of the Group for the financial year or the consolidated financial statements of the Group for the first financial half-year of the financial year, prepared in accordance with IFRS and provided to the Facility Administrator in accordance with Clause

17.1.1(A) or (B), exceed 2.5% (two point five per cent) of the corresponding consolidated indicators of the Group based on the same financial statements.

"Existing Commercial Contracts" means the following agreements between the Borrower as lessee and Caliber PJSC (PSRN 1027739877813, TIN 7717042053) as lessor for the lease of the Borrower's office in Moscow:

- (a) lease agreement No. 5536 dated 10 December 2018; and
- (b) lease agreement No. 5536 dated 10 December 2018.

"Existing Facility Agreement" means the syndicated facility agreement dated 16 May 2016 as amended by:

- (a) amendment agreement No. 1 dated 14 December 2016;
- (b) amendment agreement No. 2 dated 28 June 2017;
- (c) amendment agreement No. 3 dated 5 October 2017;
- (d) amendment agreement No. 4 dated 29 December 2017;
- (e) amendment agreement No. 5 dated 22 April 2019; and
- (f) amendment agreement No. 6 dated 11 March 2020,

between (1) Zemenik as borrower 1, (2) Headhunter Group as borrower 2, (3) VTB as the arranger, (4) VTB as the lender, and (5) VTB as the facility administrator.

"Existing Pledges" means the pledges entered into to secure performance of the obligations of Zemenik and Headhunter Group under the Existing Facility Agreement.

"Facility Administrator's Account" means the Facility Administrator's account used for making transfers under the Finance Documents, the details of which the Facility Administrator sends to the Parties.

"Disruption Event" means:

- (a) a significant failure in those payment or communication systems or financial markets, the operation of which is required in order to make payments (or other operations to be executed) under transactions contemplated by the Finance Documents, which occurred for reasons beyond the control of any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or settlement operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties under the Finance Documents,

and which was not caused by the Party whose operations were disrupted, and occurred for reasons beyond the control of such Party.

"Obligors' Trademarks" means the trademarks registered by Obligors and specified in Schedule 8 (*Intellectual Property*).

"Tranche" means Tranche 1 and Tranche 2.

"Tranche 1" means part of the Facility granted to the Borrower under the terms of this Agreement in the amount of the Available Commitment of Tranche 1.

"Tranche 2" means part of the Facility granted to the Borrower under the terms of this Agreement in the amount of no more than the Available Commitment of Tranche 2.

"Financial Indebtedness" means any indebtedness formed as a result of:

- (a) receiving funds in the form of a loan or credit;

- (b) obtaining a trade credit, commercial loan for a term of over thirty (30) days or issuing an uncovered letter of credit if such debt falls within the category of "financial indebtedness" under IFRS;
- (c) issuing bonds, promissory notes and any other debt instruments;
- (d) entering into a finance lease contract (to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (e) executing transactions with derivatives in order to protect against, or benefit from, fluctuations in any rates, interest rates or prices, with the amount of the transaction with such derivatives to be calculated based on the market indicators at any time;
- (f) executing repo transactions or any other transaction that constitutes borrowing under IFRS;
- (g) assuming liability for damages or expenses incurred by entities that are not members of the Group;
- (h) entering into Remuneration Plans based on Group Equity Instruments; or
- (i) executing transactions whereby obligations are assumed:
 - (i) under a surety or guarantee with respect to the performance of any obligations by persons that are not members of the Group, with the exception of any Placement Indemnity; or
 - (ii) in respect of the reimbursement of a payment under a surety or guarantee to the guarantor or surety; or
 - (iii) in respect of a liability relating to receivables on recourse terms of any buyer of accounts receivables sold or discounted,

or other indebtedness having an economic nature of a borrowing under IFRS, in each case without double counting.

"Finance Document" means:

- (a) this Agreement;
- (b) each Security Document;
- (c) each Lender Rights Assignment Agreement;
- (d) each Utilisation Request; and
- (e) any other document that (i) the Facility Administrator or the Pledge Manager and (ii) the Borrower have agreed in writing to be considered a Finance Document.

"Holding Company" as applied to a legal person, means any other legal person for which the first legal person is a Subsidiary.

"Cash Equivalents" has the meaning given to this term in IFRS.

"ELQ Investors VIII" means ELQ Investors VIII Ltd, a limited liability company incorporated under the laws of England and Wales, registration number 9182214, registered at: Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

"Headhunter FSU" means Headhunter FSU Limited, a limited liability company incorporated under the laws of the Republic of Cyprus, registration number HE 178226, registered at: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus.

"Headhunter Group" means Headhunter Group PLC, a public limited liability company incorporated under the laws of the Republic of Cyprus, registration number HE 332806, that is registered at 42 Dositheou, Strovolos 2028, Nicosia, Cyprus).

"Highworld" means Highworld Investments Limited, a limited liability company incorporated under the laws of the British Virgin Islands, registration number 1802016, registered at: Trident Chambers, P.O. Box 146, Road Town, Tortola, BVI.

1.2 Interpretation

1.2.1 In this Agreement, unless the context otherwise requires:

- (A) references to the "**Facility Administrator**", the "**Pledge Manager**", the "**Arranger**", any "**Finance Party**", any "**Lender**", any "**Obligor**", any "**Pledgor**" or any "**Party**" include their successors as required by law or this Agreement;
- (B) a document "**in an agreed form**" means a document agreed in writing by the Facility Administrator and the Borrower;
- (C) "**assets**" include existing or future property, income and rights of any nature;
- (D) reference to "**Finance Document**" or other agreement, document or financial instrument includes such Finance Document or other agreement, document or financial instrument with all amendments and additions made thereto at any time;
- (E) "**person**" includes any natural person, legal person, state body, government or state;
- (F) "**law**" means any law, ruling, decree, order, decision, regulation, rule, official directive, requirement or recommendation of any legislative or executive state, municipal, interstate or international body, ministry, department, service, agency or committee of either a self-regulatory organisation or any judicial body;
- (G) reference to a provision of law is a reference to such provision with all amendments and additions made thereto at any time;
- (H) it is understood that the words "**include**" and "**including**" are accompanied by the words "**inter alia**";
- (I) Clause or Schedule means a reference to a clause of this Agreement or a schedule to it; and
- (J) any reference to the time of day implies Moscow time, unless otherwise specified in the Agreement.

1.2.2 Unless the context otherwise requires, a reference to "**month**" means a period beginning on one of the days of a calendar month and ending on the same date of the next calendar month, with the following exceptions:

- (A) if the relevant date is not a Business Day, such period shall end on the next Business Day (if any) of that month or (if none) on the preceding Business Day; and
- (B) if there is no corresponding date in such month, then this period shall end on the last Business Day of this month.

1.2.3 For the purposes of this Agreement, "**control**" means:

- (A) the right (existing by virtue of direct or indirect participation in the charter capital of a legal person, on the basis of a written agreement by virtue of law or otherwise), which allows:
 - (1) to vote or control the voting of at least 50 percent of the maximum number of votes entitled to vote at the general meeting of the legal person; or
 - (2) to appoint or remove from office a person who performs the functions of the sole executive body of a legal person or all or the majority of the members of any collegial management bodies of a legal person; or
 - (3) to give binding instructions regarding the activities or financial policies of a legal person; and (or)

- (B) to directly or indirectly own at least 50 percent of ordinary shares or participatory interests in the charter capital of a legal person;

and "**controlled**" and "**to control**" have a corresponding meaning.

1.2.4 Unless otherwise provided for in this Agreement, interest and amounts of remuneration payable by an Obligor under any Finance Document shall be calculated in accordance with the provisions of the relevant Finance Document and calculated based on the actual days elapsed and a year of 365/366 (three hundred and sixty-five/three hundred and sixty-six) days.

1.2.5 The headings used in this Agreement shall have no effect on how the Agreement is interpreted.

1.3 **Currency symbols**

In this Agreement:

1.3.1 "**₽**", "**RUB**", "**rouble**", and "**Russian rouble**" mean the official monetary unit (currency) of the Russian Federation;

1.3.2 "**U.S. dollar**", "**USD**" or "**\$**" means the legal tender of the United States of America; and

1.3.3 "**Euro**", "**EUR**" or "**€**" means the monetary unit (currency) of the member countries of the currency union that operates within the framework of the European Union.

2. **SUBJECT MATTER OF THE AGREEMENT**

2.1 **Loan Relations**

2.1.1 Subject to the Borrower's compliance with the provisions of this Agreement, each Lender shall grant the Facility to the Borrower in the amount of its Available Commitment and to properly perform the obligations contemplated by this Agreement during its term, while the Borrower shall properly perform the obligations contemplated by this Agreement during its term, including the obligation to repay to each Lender the Facility Outstanding received from it, the interest on it, and to pay the other amounts contemplated by this Agreement and other Finance Documents to the Finance Parties.

2.1.2 A Lender's obligation to grant the Facility to the Borrower under the relevant Tranche arises after the Borrower has fully complied with the requirements contemplated by Clause 4 (*Conditions Precedent*).

2.2 **Finance Parties**

2.2.1 Each Lender has an independent right to demand that the Borrower repays the Facility Outstanding, interest and other payments contemplated by the terms of this Agreement. Except as provided for in this Agreement, each Finance Party has the right to independently enforce its rights under the Finance Documents. At the same time, the Finance Parties shall exercise their rights subject to the provisions of Clause 24 (*Finance Parties*).

2.2.2 No Finance Party shall be liable for the obligations of another Finance Party under the Finance Documents. In the event that any Lender refuses to grant the Facility on the basis contemplated by Clause 6 (*Termination of Lender's obligations*), and also if a Lender violates its obligation to grant the Facility within its Available Commitment, the Facility amount shall be reduced by this Lender's Available Commitment.

2.3 **Facility Administrator**

2.3.1 This Agreement defines the conditions and procedure for appointing a Facility Administrator and its carrying out of legal and other actions on behalf and in the interests of all Lenders and other Finance Parties. The authority of the person

performing the functions of the Facility Administrator is determined in accordance with the provisions of Clause 24.2 (*Appointment of the Facility Administrator*). However, the provisions of this Agreement governing the relations of the Facility Administrator and the Lenders will apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Facility Administrator" shall be deemed to refer to the single Lender.

2.3.2 The Lenders (with the exception of a Lender acting as the Facility Administrator) and the Facility Administrator hereby confirm that the Facility Administrator shall act without a power of attorney being issued to it and irrespective of the issuing of such power of attorney.

2.3.3 If the number of Lenders falls to one, then until there is more than one Lender, all the provisions in this Agreement and other Finance Documents that govern the relations of the Facility Administrator and the Borrower shall be deemed as provisions governing the relations of the sole Lender and the Borrower.

2.4 Relations with regard to pledge management

2.4.1 This Agreement defines the conditions and procedure for appointing the Pledge Manager and its carrying out of legal and other actions on behalf and in the interests of all Lenders. The authority of the person performing the functions of the Pledge Manager is determined in accordance with the provisions of Clause 22.2 (*Status of the Lenders and appointment of a Pledge Manager*). However, the provisions of this Agreement governing the relations of the Pledge Manager and the Lenders will apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Pledge Manager" shall be deemed to refer to the single Lender.

2.4.2 If the number of Lenders falls to one, then until there is more than one Lender, all the provisions in this Agreement and other Finance Documents that govern the relations of the Pledge Manager and the Borrower shall be deemed as provisions governing the relations of the sole Lender and the Borrower

2.5 Application of certain provisions in the Finance Documents concerning the syndicated nature of the Facility

The provisions of this Agreement and other Finance Documents concerning the syndicated nature of the Facility specified herein, in particular the provisions of Clause 22 (*Facility security*), Clause 24 (*Finance Parties*), Clause 25.3 (*Distribution of funds by the Facility Administrator*), and Clause 25.5 (*Payments not through the Facility Administrator*), shall apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Facility Administrator", "Pledge Manager", "Finance Party", and "Majority Lenders" shall be deemed as references to the single Lender, and this Agreement and other Finance Documents shall be interpreted and applied based on the fact that the Lender according to the Finance Documents is the sole Lender.

2.6 Legal nature of the Agreement

This Agreement is a mixed agreement containing elements of a syndicated facility agreement, pledge management agreement, a lenders' agreement on the procedure for exercising their rights, and an agency agreement. Accordingly, this Agreement governs, among other things, the relations between:

2.6.1 the Lenders;

2.6.2 the Lenders and the Borrower;

2.6.3 the Facility Administrator and the Lenders;

2.6.4 the Pledge Manager and the Lenders; and

2.6.5 the Facility Administrator, the Pledge Manager, and the Borrower.

3. **PURPOSE**

- 3.1 The Borrower shall use Tranche 1 solely to issue loans in favor of Zemenik and Headhunter Group under Loan Agreements Between the Borrowers for the purpose of further immediate paydown of the amounts owed by Zemenik and Headhunter Group under the Existing Facility Agreement.
- 3.2 The Borrower shall use Tranche 2 solely for:
- 3.2.1 general corporate purposes;
 - 3.2.2 funding transactions to acquire the shares and participatory interests of third parties and to make contributions to the charter capital of third parties; and
 - 3.2.3 paying out dividends, acquiring shares of Headhunter Group or distributing funds to Headhunter Group shareholders in another form.
- 3.3 Funds received by the Borrower hereunder may not be used for:
- 3.3.1 paying fees and costs under this Agreement; or
 - 3.3.2 other purposes not listed by this Agreement as permitted.

4. **CONDITIONS PRECEDENT**

4.1 **Initial Conditions Precedent**

- 4.1.1 To utilise Tranche 1, the Borrower shall:
- (A) deliver to the Facility Administrator the documents and information listed in Part A of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
 - (B) deliver to the Facility Administrator the documents and information listed in Part B of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
 - (C) send a duly completed Utilisation Request to the Facility Administrator for Tranche 1.
- 4.1.2 To utilise Tranche 2, the Borrower shall:
- (A) deliver to the Facility Administrator the documents and information listed in Part A of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
 - (B) deliver to the Facility Administrator the documents and information listed in Part C of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator, that conform to the purpose of the Facility as stated in the Utilisation Request;
 - (C) provide the Facility Administrator with a certificate signed by an authorised representative of the Borrower containing information on the absence, or aggregate par value, of the placed Permitted Bonds for the purpose of determining the Available Commitment of Tranche 2; and;
 - (D) send a duly completed Utilisation Request to the Facility Administrator for Tranche 2.
- 4.1.3 The Utilisation Request may be sent by the Borrower after the Borrower and the Lenders have received a notification from the Facility Administrator that the Borrower has duly fulfilled the applicable conditions listed in Schedule 2 (*Conditions Precedent*).

4.2 Submission of Utilisation Requests

4.2.1 The Borrower may send to the Facility Administrator:

- (A) in respect of Tranche 1: only one duly executed Utilisation Request for the full amount of Tranche 1; and
- (B) in respect of Tranche 2 one or more duly executed Utilisation Requests, but the amount of the Facility specified by the Borrower in the relevant Utilisation Request may not exceed the amount of the Aggregate Unused Available Commitment of Tranche 2, and may not be less than RUB 500,000,000 (five hundred million) (other than a Utilisation Request for the entire balance of the Aggregate Unused Available Commitment for Tranche 2).

4.2.2 Unless otherwise agreed with the Facility Administrator, the Borrower must submit each Utilisation Request to the Facility Administrator no later than at 12:00 noon, 2 (two) Business Days before the proposed Utilisation Date.

4.2.3 Each Utilisation Request must be signed by an authorised person of the Borrower. Each Utilisation Request must include the requested amount of the Facility and the Utilisation Date, which is a Business Day within the relevant Utilisation Period.

4.2.4 The Borrower may not withdraw a Utilisation Request that it has sent to the Facility Administrator after it has been received.

5. GRANTING OF FACILITY

5.1.1 After receiving any Utilisation Request, the Facility Administrator shall immediately send to each Lender a copy of the Utilisation Request and inform each Lender of the amount corresponding to its Proportional Share in the requested Facility.

5.1.2 In the absence of the circumstances specified in Clause 6 (*Termination of Lender's obligations*), each Lender shall transfer to the Facility Administrator the amount corresponding to its Proportional Share in the Facility requested by the Borrower no later than 12:00 noon of the Utilisation Date specified in the relevant Utilisation Request.

5.1.3 Not later than on 15:00 on the relevant Utilisation Date, the Facility Administrator shall transfer to the Borrower the amount of the Facility specified in the Utilisation Request, into the account specified in that Utilisation Request, but not more than the Facility amount received from the Lenders.

6. TERMINATION OF LENDER'S OBLIGATIONS

6.1 Each Lender's obligation to grant a Facility to the Borrower shall terminate in whole or in part, depending on the following circumstances:

- 6.1.1 if a Facility is granted in the amount of the Available Commitment of the relevant Lender;
- 6.1.2 upon expiry of the relevant Utilisation Period; and
- 6.1.3 in other instances established by law.

6.2 Each Lender has the right to refuse to perform its obligations to grant a loan to the Borrower:

- 6.2.1 if there are circumstances that clearly indicate that the Facility will not be repaid by the Borrower within the period specified in the Agreement; or
- 6.2.2 if there is an Event of Default as per Clause 21.18 (*Acceleration*) and the corresponding notification is sent by the Facility Administrator to the Borrower; or
- 6.2.3 if there are circumstances specified in Clause 8.1 (*Illegality*) and Clause 8.2 (Change of Control).

- 6.3 In the event that any Lender refuses to grant the Facility on the basis of this Clause 6, the Parties agree that such Lender does not bear any liability to the Borrower or to any Finance Party for refusing to grant the Facility.

7. **REPAYMENT OF FACILITY**

- 7.1.1 The Borrower shall repay the Facility Outstanding by transferring quarterly payments into the Facility Administrator's Account on the Interest Payment Dates according to the repayment schedule given in Schedule 6 (*Repayment schedule*).
- 7.1.2 On the Final Repayment Date the Borrower shall repay the Facility Outstanding in full.
- 7.1.3 The Borrower may not submit a Utilisation Request for an amount of Facility Outstanding that the Borrower has repaid.

8. **EARLY REPAYMENT AND CANCELLATION OF FACILITY**

8.1 **Illegality**

If, in accordance with any applicable law, the granting of the Facility to the Borrower and/or participation in it becomes illegal for any Lender, then:

- 8.1.1 such Lender must notify the Facility Administrator and the Borrower as soon as it becomes aware of this;
- 8.1.2 any unfulfilled obligation of such Lender with respect to the Facility shall terminate on the date of the notification specified therein; and (or)
- 8.1.3 the Borrower shall repay the amount corresponding to the Proportional Share of such Lender in the Facility on the last day of the Interest Period in which a Lender became aware of the illegality of the participation in the Facility, or (if earlier) on the date specified by a Lender in the notification specified in Clause 8.1.1, which cannot be earlier than the date established by law.

8.2 **Change of Control**

- 8.2.1 If there is a Change of Control:

- (A) the Borrower shall notify the Facility Administrator immediately after it becomes aware of this; and
- (B) if this is requested by the Majority Lenders, the Facility Administrator shall send a notification to the Borrower and demand immediate repayment of the entire amount of the Facility Outstanding with all accrued interest and other amounts payable by the Borrower, while the Borrower shall repay the amount of the Facility Outstanding in full in accordance with the demand specified in the Facility Administrator's notification.

- 8.2.2 For the purposes of Clause 8.2.1, "**Change of Control**" means (with the exception of changes permitted in accordance with the Finance Documents, including as a result of a Permitted Payment):

- (A) that the Beneficiaries have lost the right, existing by virtue of their joint direct or indirect participation in the charter capital of any member of the Group, on the basis of a written agreement, by law or otherwise, to exercise the right to vote (or control the exercise of the right to vote) based on the quantity of voting shares in the share capital of Headhunter Group that is:
- (1) over 50% (fifty percent) of the total number of Headhunter Group voting shares, except in the case referred to in subparagraph (2) below; and
- (2) if the threshold referred to in subparagraph (1) above is not met as a result of Secondary Placement – over 35% (thirty five percent) of the total number of Headhunter Group voting shares; or

- (B) that the Beneficiaries have ceased to jointly own, directly or indirectly, voting shares in the share capital of Headhunter Group at a level of:
 - (1) over 50% (fifty percent) of the total number of Headhunter Group voting shares, except in the case referred to in subparagraph (2) below; and
 - (2) if the threshold referred to in subparagraph (1) above is not met as a result of Secondary Placement – over 35% (thirty five percent) of the total number of Headhunter Group voting shares; or
- (C) that the Beneficiaries have lost the right to appoint or remove from office (including by replacing them) the majority of the members of the Headhunter Group collegial management bodies; or
- (D) that Elbrus has lost the right it enjoyed by virtue of its direct or indirect participation in the charter capital of any Group member, under a written agreement, by virtue of the law or otherwise to exercise its voting right (or control the exercise of its voting right) based on the quantity of voting shares in the share capital of Headhunter Group at a level above 17.5% (seventeen point five percent) of the total number of Headhunter Group voting shares; or
- (E) that Elbrus has ceased to directly or indirectly own voting shares in the share capital of Headhunter Group at a level above 17.5% (seventeen point five percent) of the total number of the voting shares of Headhunter Group; or
- (F) that Elbrus has lost the right to appoint or remove from office (including by replacing them) the majority of those members of the Headhunter Group collegial management bodies that the Beneficiaries, acting jointly, have the right to appoint or remove.

For the purposes of Clause 8.2.2:

"Beneficiaries" means, jointly:

- (i) Elbrus; and
- (ii) Goldman Sachs Group, Inc. (registration number 2923466, registered address: 1209 Orange Street, Wilmington, Delaware 19801, United States of America).

"Elbrus" means, jointly:

- (i) Elbrus Capital Fund II, L.P. (registration number: 63023, registered address: 190 Elgin Avenue, KY1-9005 George Town, Grand Cayman, Cayman Islands); and
- (ii) Elbrus Capital Fund II B, L.P. (registration number: 68103, registered address: 190 Elgin Avenue, KY1-9005 George Town, Grand Cayman, Cayman Islands).

8.3 **Mandatory early repayment upon issue of Permitted Bonds**

8.3.1 If:

- (A) there is Facility Outstanding under Tranche 2 at the time of placement of the Permitted Bonds; and
- (B) the amount of the Facility Outstanding under Tranche 2 and the aggregate par value of all placed Permitted Bonds exceeds RUB 5,000,000,000 (five billion),

the Borrower shall, on the Business Day on which the funds that it received as a result of the placement of the Permitted Bonds were transferred by the Underwriter from his special brokerage account to the Borrower's settlement account or

otherwise received by the Borrower, to pay the necessary amount towards early repayment of the Facility Outstanding under Tranche 2 so that the amount specified in subparagraph (B) above does not exceed RUB 5,000,000,000 (five billion).

8.4 Voluntary Early Repayment of Facility Outstanding

- 8.4.1 The Borrower is entitled, subject to giving the Facility Administrator at least 10 (ten) Business Days' prior notice (unless a shorter period has been agreed with the Majority Lenders), to effect early repayment of the entire Facility Outstanding or any part thereof. The amount of the Facility Outstanding being repaid early must be at least RUB 50,000,000 (fifty million).
- 8.4.2 Partial early repayment of the Facility Outstanding shall reduce the obligation of the Borrower to repay the Facility Outstanding to each Lender rateably.
- 8.4.3 Any early payment by the Borrower pursuant to Clause 8.3.1 will be used to repay the Facility Outstanding, the payment of which is due in chronological order. Furthermore, the amount of such early payment shall be used to repay all Tranches in proportion to the amount of the next payment under each such Tranche.
- 8.4.4 Within 30 (thirty) days after the Facility Administrator has submitted a demand to a Borrower in accordance with Clause 13.1 (*Additional Costs*), the Borrower has the right, subject to giving the Facility Administrator at least 5 (Five) Business Days' prior notice (unless a shorter period has been agreed with the Majority Lenders), to effect early repayment of the entire Facility Outstanding. In this case, no Early Repayment Fee shall be charged.

8.5 Fee for Early Repayment of Facility Outstanding

- 8.5.1 In the event of early repayment of the Facility Outstanding or part thereof, the Borrower shall pay the Facility Administrator for subsequent distribution between the Lenders in proportion to their Proportional Shares a fee for the early repayment of the Facility Outstanding ("**Early Repayment Fee**"), the amount of which is determined in accordance with Clause 8.4.2.
- 8.5.2 The amount of the Early Repayment Fee shall be:
 - (A) 0.5% (zero point five percent) of the amount of early repayment of the Facility Outstanding under Tranche 2 in the event of early repayment using the funds received from the issue of the Permitted Bonds, in accordance with Clause 8.3 (*Mandatory early repayment upon issue of Permitted Bonds*) not later than 31 July 2021 (inclusive);
 - (B) excluding early repayment of the Facility Outstanding under Tranche 2 in accordance with subparagraph (A) above, 2.0% (two percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date of this Agreement and ending on the date falling 18 months after the date of this Agreement (including such date);
 - (C) 1.5% (one point five percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date falling 18 months after the date of this Agreement (not including such date), and ending on the date falling 24 months after the date of this Agreement (including such date); and
 - (D) 1.0% (one percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date falling 24 months after the date of this Agreement (not including such date), and ending on the date falling 36 months after the date of this Agreement (including such date).

8.5.3 In the event early repayment of the Facility Outstanding or part thereof is made after the expiry of 36 (thirty six) months since the date of this Agreement (not including such date), no Early Repayment Fee shall be charged.

8.6 Other provisions

8.6.1 The Borrower does not have the right to withdraw its notification regarding early repayment of the Facility Outstanding or part thereof. Such notification must specify the relevant repayment date and the amount of the Facility Outstanding repaid early.

8.6.2 If the Facility Administrator receives any notification under this Clause 8, it shall send a copy of this notification to the Party to which this notification is addressed on the same Business Day. The Facility Administrator must notify all Lenders of receipt of the relevant notification within no more than one Business Day from the date of receipt of this notification.

8.6.3 Whenever the Facility Outstanding is repaid early, the Borrower shall repay the Facility Outstanding along with all interest accrued on it as of the repayment date and other amounts owed by Borrower.

8.6.4 The Borrower does not have the right to repay the Facility Outstanding or any part thereof early, or to refuse to receive the Facility or part thereof, on terms not expressly contemplated by this Agreement.

8.6.5 The Borrower is not entitled to submit a Utilisation Request with respect to the amount of the Facility, which this Borrower has refused to receive, and also with respect to the amount of the Facility Outstanding that the Borrower repaid early.

9. INTEREST

9.1 Interest calculation

The interest rate in respect of the Facility Outstanding for each Interest Period is an annual interest rate equal to the sum of:

9.1.1 the Margin; and

9.1.2 the Key Rate.

9.2 Margin revision

9.2.1 When any of the circumstances specified in this Clause 9.2.1 occur, the Margin with the Consent of the Majority Lenders shall increase by 0.5% (zero point five percent) per annum, starting from the first day of the Interest Period following the relevant Test Date (regarding which the Facility Administrator shall inform the Borrower in writing) if:

(A) on any Test Date falling in 2020, the Leverage is more than **3.0:1**; or

(B) the Leverage is more than **2.5:1** on any following Test Date.

9.2.2 Clause 9.2.1 shall remain effective until the first day of the Interest Period following a Test Date on which the Leverage is less than **2.5:1**, provided the Facility Administrator has received confirmation that the Leverage is less than **2.5:1**.

9.3 Interest Payment

The Borrower shall pay the Facility Administrator for the account of the Lenders interest on the Facility Outstanding on each Interest Payment Date.

9.4 Default Interest

9.4.1 If the Borrower fails to fulfil an obligation to pay any amount that it owes under the Finance Document within the prescribed period, default interest shall accrue on the

overdue amount from the day, following the due date up to the date of actual payment (both before and after judgement).

- 9.4.2 Said default interest shall accrue in the amount of 2/365 of the interest rate, determined in accordance with Clause 9.1 (*Interest calculation*) subject to the provisions of Clause 9.2 (*Margin revision*), of the amount of overdue debt under the Financial Document for each day of delay.
- 9.4.3 Default interest accrued under this Clause 9.4 must be paid by the Borrower immediately upon the request of the Facility Administrator.
- 9.4.4 The Parties agree that payment by the Borrower of the default interest contemplated by this Clause 9.4 does not in any way restrict the Lenders' rights to pursue any other legal remedies, including the right to seek indemnification from the Borrower for damages and expenses caused by the Borrower's delay to the extent not covered by the default interest.
- 9.4.5 For the avoidance of doubt, the Parties confirm that the default interest contemplated by this Clause 9.4 shall be paid by the Borrower in addition to and in excess of the interest contemplated by Clause 9.1 (*Interest calculation*) subject to the provisions of Clause 9.2 (*Margin revision*).

9.5 Notification of Key Rate

- 9.5.1 Subject to the provisions of Clause 9.5.4, the Key Rate in effect on each day of the Interest Period shall be used to calculate the accrued interest.
- 9.5.2 The Facility Administrator shall notify each Party on each Utilisation Date of the amount of the Key Rate in effect on the relevant Utilisation Date.
- 9.5.3 If the Key Rate changes after any given Utilisation Date, the new Key Rate shall become applicable for the purposes of determining the interest rate as per Clause 9.1 (*Interest calculation*) from the effective date of the modified Key Rate, of which the Facility Administrator shall notify the Parties no later than the Business Day following the effective date of the modified Key Rate.
- 9.5.4 Notwithstanding the provisions of Clause 9.5.3, if the effective date of the modified Key Rate falls on the last day of any Interest Period, the relevant modified Key Rate shall become applicable for the purposes of determining the interest rate as per Clause 9.1 (*Interest calculation*) from the first day of the next Interest Period.

10. INTEREST PERIODS

- 10.1.1 The first Interest Period relating to Tranche 1 shall begin on the day following the Utilisation Date of Tranche 1 and end on the Interest Payment Date following the Utilisation Date of Tranche 1. Furthermore, if such Interest Payment Date comes earlier than 10 (ten) days after the Utilisation Date of Tranche 1, the first Interest Period relating to Tranche 1 shall end on the second Interest Payment Date which comes after the Utilisation Date of Tranche 1. Each subsequent Interest Period shall start on the day following the last day of the previous Interest Period, and end on the Interest Payment Date immediately following that day.
- 10.1.2 The first Interest Period relating to Tranche 2 shall begin on the day following the Utilisation Date of Tranche 2 and end on the Interest Payment Date following the Utilisation Date of Tranche 2. Furthermore, if such Interest Payment Date comes earlier than 10 (ten) days after the Utilisation Date of Tranche 2, the first Interest Period relating to Tranche 2 shall end on the second Interest Payment Date which comes after the Utilisation Date of Tranche 2.
- 10.1.3 Starting from the Interest Period immediately following the end of the first Interest Period relating to Tranche 2:
 - (A) the Facility Outstanding relating to Tranche 1 and the Facility Outstanding relating to Tranche 2 shall be combined into a single Facility Outstanding

(hereinafter referred to as "**Facility Outstanding on Tranches 1 and 2**") for the purposes of determining the Interest Period;

- (B) the Interest Periods relating to Facility Outstanding on Tranches 1 and 2 shall be determined in accordance with Clause 10.1.1; and
- (C) the last Interest Period relating to Facility Outstanding on Tranches 1 and 2 shall end on the Final Repayment Date.

11. FEES OF FINANCE PARTIES

11.1 Facility commitment Fee

11.1.1 The Borrower shall pay the Facility Administrator, for subsequent distribution among the Lenders in proportion to their Proportional Shares, a Facility commitment fee with respect to Tranche 2 at a rate of 0.30% (zero point three zero percent) of the Unused Available Commitment of Tranche 2 (excluding the Amount Payable).

11.1.2 Said Facility commitment fee shall be charged on the Unused Available Commitment of Tranche 2 for each day of the Tranche 2 Utilisation Period and shall be paid:

- (A) on each Interest Payment Date during such Utilisation Period; and
- (B) on the Interest Payment Date immediately following the last day of the Utilisation Period.

The amount of the Unused Available Commitment of Tranche 2 for the purpose of calculating the Facility commitment fee is subject to adjustment in accordance with the definition of the term "Available Commitment of Tranche 2" in Clause 1.1 (*Terms*) following the placement of the Permitted Bonds starting from the date following the date on which the Borrower notifies the Facility Administrator of the completed placement and the par value of the placed Permitted Bonds.

11.1.3 No Facility commitment fee shall be charged with respect to Tranche 1.

11.2 Facility Fee

The Borrower shall pay the Facility Administrator, for subsequent distribution among the Lenders in proportion to their Proportional Shares, a Facility fee in the amount of 0.5% (zero point five percent) of the Total Commitment no later than 10 Business Days after the date of this Agreement or after the first Utilisation Date, whichever occurs earlier.

12. TAXES

12.1 Tax gross-up

12.1.1 No later than 3 (three) Business Days after an Obligor or Lender becomes aware that an Obligor must make a Tax Deduction (or that changes have been made to the Tax Deduction rate or base), the Borrower or Lender (as the case may be) shall notify the Facility Administrator, and the Borrower shall also ensure that the relevant notification is sent by the other Obligors. If the Facility Administrator receives such notification from the Lender, it must notify the relevant Obligor accordingly.

12.1.2 If, in accordance with the law, an Obligor must make a Tax Deduction in respect of any amount to be transferred to a Finance Party under the Finance Documents, the amount payable by an Obligor to a Finance Party shall be increased so that after the Tax Deduction the relevant Finance Party would receive the same amount that it would have received had such withholding in the form of the Tax Deduction not been required. However, an Obligor is not obliged to increase the amounts paid to the Finance Parties by the amount of the Tax Payment, if at the date of the relevant payment, any Finance Party ceased to be an Acceptable Lender for any reason not connected with a change in the law.

- 12.1.3 Within 30 (thirty) days after the Tax Deduction, the Borrower shall procure that it and other Obligor (as applicable) provide the Facility Administrator, for transfer to the relevant Finance Party, with evidence that is acceptable to that Finance Party confirming that the withheld amount of the Tax Deduction was transferred by an Obligor into the state budget in accordance with the requirements of applicable law.

12.2 Tax indemnity

- 12.2.1 Within 3 (three) Business Days after the Facility Administrator has submitted the relevant demand, an Obligor must pay to a Finance Party, which is not a Russian legal person, an amount equivalent to the Tax paid by a Finance Party, or the Tax that is payable in the opinion of that Finance Party, in connection with any Finance Document.

- 12.2.2 The provisions of paragraph 12.2.1 above shall not apply:

- (A) in respect of Taxes paid by a Finance Party:

- (1) as required by the law of the Russian Federation; or

- (2) in accordance with the law of the jurisdiction in which the lending division of that Finance Party that is connected with the amounts received or receivable in such jurisdiction is located,

if such Tax is levied or accrued on the basis of the net income received or receivable by such Finance Party; or

- (B) to the extent that costs related to the payment of Taxes shall be indemnified by increasing the payment amount in accordance with Clause 12.1 (*Tax gross-up*).

- 12.2.3 A Finance Party that is submitting or intends to submit a demand in accordance with Clause 12.2.1 shall immediately notify the Facility Administrator of the event that will become or has become the basis for submitting this demand, whereupon the Facility Administrator must notify the Borrower accordingly.

12.3 Tax Relief

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- 12.3.1 a Tax Relief may be applied to an additional payment that includes such Tax Payment, to such Tax Payment or Tax Deduction which resulted in such Tax Payment being required; and

- 12.3.2 such Finance Party has received such Tax Relief,

such Finance Party shall transfer to such Obligor an amount that will leave such Finance Party (after making such payment) in the same after-Tax position that it would have been in had the Obligor not been required to make such Tax Payment.

12.4 Charges and duties

Within 3 (three) Business Days after receiving the relevant demand of the Finance Party, the Borrower shall procure that it, as well as other Obligors, indemnify this Finance Party for all its expenses incurred due to the payment of state and stamp duties, registration charges and all other similar Taxes payable in connection with any Finance Document.

12.5 Value Added Tax (VAT) and other taxes

In the cases contemplated by the Russian law on taxes and charges, the fees due to the Finance Parties shall be increased by the relevant amounts of VAT calculated at the applicable tax rate.

13. ADDITIONAL COSTS

13.1 Additional Costs

13.1.1 Subject to Clause 13.3 (*Exemptions*), the Borrower shall, within 3 (three) Business Days of the expiration of 30 (thirty) days from when the relevant Facility Administrator submitted the relevant demand, pay the relevant Finance Party the Additional Costs incurred by such Finance Party for the period after the expiration of such thirty-day period due to any law being enacted, or law (or the practice of its interpretation or application) being amended after the date of this Agreement or due to a central bank or other competent authority imposing an obligation in the relevant jurisdiction for the Finance Parties to apply or comply with the standards established in Basel III.

13.1.2 In this Clause "**Additional Costs**" means:

- (A) additional costs or losses incurred by a Finance Party due to a reduction in any amounts received or receivable; or
- (B) any additional or increased costs or losses; or
- (C) expenses or losses related to the reduction of any amount payable by the Borrower in accordance with any Finance Document,

which any Finance Party incurs in connection with its being a Party to this Agreement.

13.1.3 For the avoidance of doubt, the Additional Costs under this Clause 13 shall be paid by the Borrower as a fee for the use of the Facility in addition to the interest and other amounts due from the Borrower.

13.2 Additional Cost Claims

A Finance Party that files a claim in accordance with this Clause 13 shall notify the Facility Administrator of the circumstances that formed the basis for such a claim and provide it with a reasonable calculation of the Additional Costs, whereupon the Facility Administrator shall notify the Borrower within 1 (one) Business Day and submit to it the calculation received from the Finance Party.

13.3 Exemptions

The provisions of this Clause 13 shall not apply if the Additional Costs:

- 13.3.1 shall be indemnified to a Finance Party in accordance with another Clause of the Agreement, or would be indemnified in the absence of exemptions from such Clause;
- 13.3.2 are caused by a Finance Party's willful non-compliance with the law; or
- 13.3.3 are caused by the application or compliance with the standards established in Basel II (as amended as of the date of this Agreement) or in the regulations of the Central Bank of the Russian Federation or in any other law by which the provisions of Basel II are implemented, except for the changes arising from Basel III.

14. OTHER INDEMNITIES

14.1 Currency indemnity

If any amount ("**Amount**") payable to a Finance Party by an Obligor in accordance with the Finance Documents or on the basis of a court, arbitrazh or arbitration court decision, has to be converted from the currency in which such amount is to be paid (the "**First Currency**") into another currency (the "**Second Currency**") or is to be calculated in the Second Currency, for the following purposes:

- 14.1.1 the filing of any claim against such Obligor; or

14.1.2 the enforcement of any judicial or arbitration award in any judicial, arbitrazh or arbitration proceedings,

the Borrower shall procure that it and other Obligors (as applicable), within 5 (five) Business Days from receipt of the relevant demand, indemnify each Finance Party to which such Amount is due, for the costs arising as a result of such conversion, including the difference between:

- (A) the exchange rate used to convert said Amount from the First Currency into the Second Currency, and
- (B) the exchange rate available to that person at the time it received the Amount.

14.2 Other indemnities

Within 10 (ten) Business Days from receipt of the relevant demand, the Borrower shall indemnify each Finance Party for the amount of all documented costs incurred by the respective Finance Party:

14.2.1 as a result of an Event of Default; or

14.2.2 (if such costs are incurred through no fault of a Finance Party or do not result from a Finance Party's negligence, with the exception of circumstances beyond the control of a Finance Party (not including the imposition of international sanctions)) as a result of:

- (A) the inability to grant the Facility to the Borrower in accordance with a Utilisation Request due to any provisions of this Agreement; or
- (B) the Borrower's inability to effect early repayment of the Facility Outstanding or part thereof, despite a notification of early repayment having been submitted to the Facility Administrator.

14.3 Indemnity to the Facility Administrator

The Borrower shall indemnify the Facility Administrator for all documented costs incurred by the Facility Administrator due to:

14.3.1 an investigation of any event that the Facility Administrator has reason to believe is a Default; or

14.3.2 actions being taken on the basis of any notification or order of any Finance Party in accordance with this Agreement, which the Facility Administrator has reason to believe are subject to execution.

Furthermore, such costs are subject to prior agreement with the Borrower, with the exception of Events of Default.

14.4 Indemnity to the Pledge Manager

14.4.1 The Borrower shall indemnify the Pledge Manager for all documented costs incurred by the Pledge Manager due to action it takes to:

- (A) protect the Finance Parties' rights under the Pledges; and/or
- (B) protect the property pledged to the Lenders under the respective Pledges, and to foreclose on it.

14.4.2 The Pledge Manager may, on a priority basis, recover its costs out of the value of the property pledged to the Lenders under the respective Pledges.

14.5 Transaction Costs

14.5.1 The Borrower shall, within 10 (ten) Business Days after receipt of the relevant demand, pay the Facility Administrator and the Arranger the amount of all documented costs that are previously agreed with the Borrower in writing or by email (including fees of legal consultants) that were incurred in connection with the preparation and execution of this Agreement and other Finance Documents.

- 14.5.2 The Borrower's duty to pay legal consultant fees will be considered fulfilled if, prior to the first Utilisation Date, a member of the Group pays the relevant fees (in the amount pre-agreed in writing or by email by the Facility Administrator, the Borrower and the legal consultant of the Facility Administrator) directly to the legal consultant of the Facility Administrator.
- 14.5.3 The Borrower shall bear in full all costs associated with the registration of the Security Agreements in accordance with the requirements of applicable law.
- 14.6 **Amendment Costs**
- If, at the initiative of the Obligor or in accordance with the requirements of applicable law, changes need to be made to the Finance Documents or the consent of the Lenders for any action or omission needs to be obtained, the Borrower shall, within 10 (ten) Business Days after receiving the relevant demand, indemnify the Facility Administrator for all documented costs pre-agreed with the Borrower in writing or by email (including legal and other consultant fees) incurred by the Facility Administrator in agreeing and making the relevant changes to the Finance Documents and (or) obtaining the consent of the Lenders.
- 14.7 **Enforcement Costs**
- Within 10 (ten) Business Days after receipt of the relevant demand of the Facility Administrator, the Borrower shall indemnify each Finance Party for all documented costs (including legal and other consultant fees) incurred by the relevant Finance Party in connection with the enforcement of any Finance Document or the protection of their rights under the Finance Documents.
15. **MITIGATION BY THE FINANCE PARTIES**
- Each Finance Party shall, after consulting with the Borrower, take all reasonable steps to reduce potential negative consequences for the Borrower, which may result in a certain amount becoming payable or to its payment to the Borrower being annulled under Clauses 8.1 (*Illegality*), 12 (*Taxes*) and 14 (*Other Indemnities*).
16. **REPRESENTATIONS**
- 16.1 **Representations**
- The representations set forth in this Clause 16 are given by the Borrower to each Finance Party with regard to itself and, if applicable, with respect to each Obligor and Pledgor. Each Finance Party relies on such representations of the Borrower, and their reliability is essential for the Finance Parties to enter into and perform this Agreement.
- 16.2 **Status**
- 16.2.1 Each Obligor and each Pledgor is a legal entity duly incorporated and operating lawfully in accordance with applicable law.
- 16.2.2 Each Obligor and each Pledgor has the power to own its assets and carries on its business in accordance with applicable law.
- 16.3 **Legal capacity and authority**
- 16.3.1 Each Obligor and each Pledgor has legal capacity and authority to enter into and perform the Finance Documents (to which it is party) and the transactions contemplated thereby, and has received all necessary approvals for entry into and performance of the Finance Documents in the manner prescribed by law and its constitutional and other internal documents, including approval of the transactions contemplated by the Finance Documents as a major transaction and an interested-party transaction.
- 16.3.2 The person acting on behalf of each Obligor and each Pledgor has the authority to enter into the Finance Documents to which the relevant Obligor is party.

16.4 Binding obligations

16.4.1 Subject to the requirements for registration of the Finance Documents as specified in Clause 16.9 (*Registration Requirements*), each Finance Document to which the Obligor or Pledgor is party constitutes its legal, valid, binding and enforceable obligation.

16.4.2 Each Finance Document to which any of the Obligors or Pledgors is party is drawn up in a form that ensures that it can be enforced in the Russian Federation and in the Republic of Cyprus.

16.5 Non-conflict

The entry into and performance by each Obligor and each Pledgor of the Finance Documents to which they are party, and the transactions contemplated thereby does not conflict with:

16.5.1 any applicable law;

16.5.2 its constitutional and other internal documents;

16.5.3 any decisions of its management bodies; and

16.5.4 any other documents or agreements that are binding on it.

16.6 Compliance with law

16.6.1 The business activities of each Obligor are carried out in accordance with applicable law in all aspects viewed as materially significant.

16.6.2 Each Obligor has promptly submitted tax returns.

16.6.3 With respect to each Obligor:

(A) there is no decision and (or) demand of a tax authority to pay Tax, which has not been executed within the period specified by such decision and (or) demand and (or) the applicable law; or

(B) if the above decision and (or) demand of a tax authority is contested in court: there is no court decision that has come into legal force regarding the need to execute the above decision and (or) demand, which has not been executed within the period specified by such court decision and (or) the applicable law.

16.7 No Default

16.7.1 There neither is nor will be a Default as a result of the entry into or performance by each Obligor and each Pledgor of the Finance Documents or the transactions contemplated thereby.

16.7.2 There are no other events or circumstances constituting default under any document that is binding on any Obligor or Pledgor or which imposes restrictions on the disposal of their property and which have or are reasonably likely to have a Material Adverse Effect.

16.8 Authorisations

As of the date of this Agreement, each Obligor and each Pledgor have received all authorisations and consents required in connection with entry into, performance, ensuring the validity of, and possibility of enforcing, each Finance Document to which it is party and the transactions contemplated thereby and such authorisations and consents remain in full force and effect.

16.9 Registration Requirements

No notarial actions are required in connection with any Finance Document or registration of any Finance Document, including in any state bodies or institutions, except for:

- 16.9.1 notarisation of the Borrower Participatory Interest Pledge and making the relevant entry in the Unified State Register of Legal Entities of the Russian Federation;
- 16.9.2 registration of the Borrower Participatory Interest Pledge in accordance with the laws of the Republic of Cyprus in the Register of Companies and entering information about it in the internal register of pledges of Headhunter FSU; and
- 16.9.3 entering information about the Pledge of Headhunter FSU (Headhunter Group) Shares in the internal register of pledges of Headhunter Group.

16.10 Financial Statements

- 16.10.1 The most recent financial statements of the Group (and each member of the Group) provided to the Facility Administrator:
 - (A) have been prepared in accordance with Applicable Reporting Standards; and
 - (B) in all material respects reliably reflect its financial position (if applicable, on a consolidated basis) as of the date of their preparation,except where such financial statements indicate otherwise.
- 16.10.2 From the date on which the financial statements indicated in Clause 16.10.1 were drawn up, there have not been any events that could have a Material Adverse Effect, and for the purposes of this paragraph, Material Adverse Effect is understood to mean in the opinion of the Majority Lenders a material adverse effect on:
 - (A) the financial condition of the Group as a whole, in the event that the Group as a whole, as a result of the occurrence of such an event, incurs actual damage in an amount exceeding RUB 50,000,000 (or its equivalent in another currency);
 - (B) the Obligors' and Pledgors' ability to perform their obligations under any Finance Document;
 - (C) the validity or ranking of the security that is provided or should be provided under any Finance Document or its enforceability; or
 - (D) the validity of the Finance Documents or the possibility of exercising the rights of the Finance Parties contemplated by each relevant Finance Document.

16.11 Court Proceedings

- 16.11.1 With the exception of the court, administrative, arbitrazh or arbitration proceedings disclosed by the Borrower to the Facility Administrator in accordance with Clause 17.4 (*Information: miscellaneous*), no court, arbitration or administrative proceedings have been instituted against the Obligors or are expected to be instituted against the Obligors as far as the Borrower is aware:
 - (A) in which the claim or demand exceeds RUB 50,000,000 (or the equivalent of this amount in another currency);
 - (B) within the framework of which decisions have been taken or are highly likely to be taken, as a result of which the actual damage to the Group will amount to over RUB 50,000,000 (or the equivalent of this amount in another currency); or
 - (C) in the event not falling under subparagraphs (A) or (B) above, as a result of which an unfavourable decision has been taken or, to the best of the Borrower's knowledge, is highly likely to be taken, that could have a Material Adverse Effect.
- 16.11.2 With the exception of the actions disclosed by the Borrower to the Facility Administrator in accordance with Clause 17.4 (*Information: miscellaneous*), no

investigative actions provided for by applicable law are being taken in respect of the Obligors as a result of which unfavourable decisions have been taken or are highly likely to be taken, that could have a Material Adverse Effect.

16.12 Information

- 16.12.1 All factual information, which is material in the opinion of the Facility Administrator, provided by any Obligor or Pledgor to the Finance Parties in connection with the Finance Documents to which it is party, is true and accurate as of the date of its provision or (as the case may be) as of the date (if any) which is indicated as the date of its provision.
- 16.12.2 None of the Obligors or Pledgors has withheld information which, if disclosed, would result in any other information indicated in Clause 16.12.1 becoming materially untrue or misleading in the opinion of the Facility Administrator.
- 16.12.3 As of the date of this Agreement and on the first Utilisation Date from the date of provision of the information defined in Clause 16.12.1, there were no circumstances that, if disclosed, would result in the provided information becoming untrue or misleading in the opinion of the Facility Administrator.

16.13 Ranking of Security

The security established by each Pledge is security which the Pledge Manager has the right to enforce, with the Consent of the Majority Lenders, as a matter of priority. Third parties do not have any rights (claims) or other rights with respect to the property and assets of the Pledgors, which are the subject of the Pledges.

16.14 Granted loans

None of the Obligors has granted loans to third parties that are not Obligors, with the exception of the Permitted Loans.

16.15 Charges and duties

As of the date of this Agreement, payment of any state duties or registration fees or taxes or charges in connection with the Finance Documents is not required, except for:

- 16.15.1 fees for notarial acts in respect of the Borrower Participatory Interest Pledge; and
- 16.15.2 charges and duties for registering the Pledges, including payment of stamp duty in respect of Finance Documents in Cyprus.

16.16 Regulated Procurements

As of the date of the Finance Documents, the provisions of the Regulated Procurement Law do not apply to the entry into and performance of the Finance Documents by the Borrower and Zemenik. However, the Borrower does not make this representation with respect to the application of the Regulated Procurement Law to any Finance Party.

16.17 Moratorium on bankruptcy

The Borrower:

- 16.17.1 is not engaged in (and as of 1 March 2020 was not engaged in) activities referred to in the list approved by Russian Federation Government Resolution No. 434 dated 3 April 2020 of Russian economic sectors that have been most affected by the spread of the novel coronavirus infection;
- 16.17.2 does not figure on the list of strategic enterprises and strategic joint-stock companies that was approved by Russian Federation Presidential Decree No. 1009 of 4 August 2004;
- 16.17.3 is not a systemically important company and does not figure on any of the lists of systemically important companies that was approved by the Government Commission on Enhancing the Stable Development of the Russian Economy; and

16.17.4 is not subject to a moratorium on the initiation of bankruptcy proceedings under the Bankruptcy Law.

16.18 Times when representations made

16.18.1 The representations set forth in this Clause 16 are given by the Borrower on the date of this Agreement.

16.18.2 The Borrower shall ensure that all the representations set forth in this Clause 16 remain true, as if they were given by the Borrower in the same form:

- (A) on the date of each Utilisation Request;
- (B) on each Utilisation Date; and
- (C) on the first day of each Interest Period.

17. INFORMATION UNDERTAKINGS

17.1 Financial Statements

17.1.1 The Borrower shall provide the Facility Administrator with a sufficient number of certified copies of the following for all Lenders:

- (A) as soon as they are available, but in any case within 120 (one hundred and twenty) days from the end of each financial year: the audited consolidated financial statements of the Group for that financial year prepared in accordance with IFRS;
- (B) as soon as they are available, but in any case within 90 (ninety) days from the end of the first financial half-year of each financial year: the Group's reviewed interim consolidated financial statements for the second quarter and the first financial half-year, prepared in accordance with IFRS;
- (C) as soon as they are available, but in any case within 60 (sixty) days from the end of the first and third financial quarters of each financial year: the interim consolidated financial statements of the Group for such financial quarter of the relevant financial year prepared in accordance with IFRS;
- (D) as soon as they are available, but in any case within 40 (forty) days from the end of each quarter of the relevant financial year: the financial statements (including the profit and loss statements, balance sheet and cash flow statement) of the Borrower and Zemenik for such quarter of the relevant financial year prepared in accordance with RAS; and
- (E) as soon as they are available, but in any case within 180 (one hundred and eighty) days of the end of each financial year: the unconsolidated financial statements of Obligors registered outside the Russian Federation for such financial year, prepared according to applicable local accountancy standards.

17.1.2 The Borrower's duty to provide the financial statements referred to in Clauses 17.1.1(A)-(C) may also be performed by making those financial statements publicly available:

- (A) on the Group's Internet website at <https://investor.hh.ru/investors/sec-filings>; or
- (B) on the Internet website of the Nasdaq Stock Exchange at <https://www.nasdaq.com/market-activity/stocks/hhr/sec-filings>; or
- (C) on the online Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) of the U.S. Securities and Exchange Commission at <https://www.sec.gov/edgar/searchedgar/companysearch.html>,

provided that:

- (1) regarding the financial statements referred to in Clause 17.1.1(A), within the time referred to in Clause 17.1.1(A):
 - (a) the Borrower has provided the Facility Administrator with an Auditor's opinion on said financial statements; and
 - (b) The Facility Administrator has actually obtained access to said financial statements in full on the above Internet websites; and
- (2) regarding the financial statements referred to in Clauses 17.1.1(B) and (C) the Facility Administrator has actually obtained access to said financial statements in full on the above Internet websites within the time referred to in Clauses 17.1.1(B) and (C).

17.2 Compliance certificate

- 17.2.1 The Borrower shall provide the Facility Administrator with the certificate of compliance with the following financial indicators:
 - (A) with each set of financial statements provided in accordance with Clauses 17.1.1(A)–(C): the financial indicators specified in Clause 18.3 (*Leverage*), 18.4 (*Interest cover*) and 18.5 (*Guarantors' Cover Ratio*);
 - (B) with each set of financial statements provided in accordance with Clause 17.1.1(D): the financial indicators specified in Clause 18.6 (*Revenue in accordance with RAS*) и 18.7 (*Cash receipts*);
 - (C) with each set of financial statements provided in accordance with Clause 17.1.1(D) for the second and fourth financial quarters: the financial indicators specified in Clause 18.8.1 (*Net assets*); and
 - (D) with each set of annual financial statements provided in accordance with Clause 17.1.1(E): the financial indicators specified in Clause 18.8.2 (*Net assets*),

along with the calculation proving that the Borrower complies with the financial indicators based on such financial statements as of the date of preparation of such financial statements.
- 17.2.2 Compliance certificate on the basis of the statements prepared in accordance with IFRS must be in the form provided in Part A (*Form of Compliance Certificate on the basis of IFRS*) of Schedule 5 (*Forms of Compliance Certificates*), signed by the Borrower's authorised person and, if the certificate is provided with the set of statements provided in accordance with Clauses 17.1.1(A) and (B), shall be accompanied by the opinion of the Group Auditors in a form agreed by the Borrower, the Facility Administrator and the Group Auditors.
- 17.2.3 Compliance certificate on the basis of statements prepared in accordance with RAS must be in the form provided in Part B (*Form of Compliance Certificate on the basis of RAS*) of Schedule 5 (*Forms of Compliance Certificates*) and signed by an authorised person of the Borrower.

17.3 Requirements for Financial Statements

The Borrower shall procure that each set of financial statements provided in accordance with Clause 17.1 (*Financial Statements*), is prepared using the same accounting principles and reporting periods used to prepare the Group's last financial statements. If any Obligor notifies the Facility Administrator of changes in accounting principles or reporting periods, the Borrower shall procure that the Borrower's Auditors and the auditors of the relevant Obligor provide the Facility Administrator with the following:

- 17.3.1 a description of the changes to be made to the relevant financial statements to reflect the changes made to the accounting principles and reporting periods that were used in the preparation of the Original Financial Statements of the Group or such Obligor; and

- 17.3.2 information in a form and content that meets the requirements of the Facility Administrator and is sufficient to enable Lenders to verify that the Borrowers have met the requirements of Clause 18 (*Financial Covenants*) and to adequately assess the Obligor's financial condition based on current financial statements compared to this Obligor's Original Financial Statements.

17.4 Information: miscellaneous

The Borrower shall provide the Facility Administrator with the following:

- 17.4.1 at the same time as they are dispatched to their addressees, copies of all documents dispatched by it to all its lenders, or in connection with circumstances that constitute a Material Adverse Effect, to all its members;
- 17.4.2 details of any court, arbitrazh, arbitration or administrative proceedings, as a result of which decisions have been taken or are highly likely to be taken, resulting in actual damage to the Group of:
- (A) over RUB 50,000,000 (or the equivalent of this amount in another currency), but less than 2.5% (two point five percent) of the Consolidated EBITDA: no later than 5 (five) Business Days following the end of the next calendar quarter;
 - (B) over 2.5% (two point five percent) of the Consolidated EBITDA: promptly upon becoming aware of it, but no later than 5 (five) Business Days from the date it becomes aware of it;
- 17.4.3 promptly upon becoming aware of it, but no later than 5 (five) Business Days from the date it becomes aware of this: details of any investigative actions related to the Group or any member of the Group (including with respect to the executive or other management bodies of the Group or any member of the Group or any member of such a management body);
- 17.4.4 (without limiting Clause 26.2.5) promptly upon becoming aware of it, but no later than twenty (20) Business Days from the date it becomes aware of this or from the date of state registration (if applicable), depending on which of these events occurred later: notification regarding a change of location or postal address of the Borrower or any other Obligor or Pledgor; and
- 17.4.5 immediately upon request, but no later than 5 (five) days from the date of the request: such additional information regarding the finance position and business activities of any member of the Group that the Facility Administrator may require in the interests of any Finance Party.

17.5 Auditors

The Borrower shall not change its Auditors without the consent of the Majority Lenders, with the exception of those Auditors in relation to the financial statements of the Group and its members prepared in accordance with IFRS, approved or authorised in accordance with this Agreement.

17.6 Notification of Default

- 17.6.1 The Borrower shall notify the Facility Administrator of any Default (and measures, if any, to remedy such Default) immediately after it becomes aware of this.
- 17.6.2 At the request of the Facility Administrator, the Borrower shall provide the Facility Administrator with a statement signed by the sole executive body or an authorised representative of the Borrower certifying that the Default was remedied, or, if the Default is continuing, detailing the measures being taken to remedy it.

17.7 "Know your customer" checks

- 17.7.1 If as a result of:
- (A) any changes in any applicable law after the date of this Agreement;

- (B) changes in the legal form of the Borrower or any Obligor or Pledgor, or changes in the composition of its shareholders or members (owning more than two percent of the voting shares or participatory interests respectively after the date of this Agreement); or
- (C) the assignment or transfer by any Lender of all or part of its rights and obligations under this Agreement to a party that was not a Lender before such assignment or transfer, or the replacement of any other Finance Party in accordance with this Agreement, or other change of the Parties to this Agreement,

the Facility Administrator, Lender or any other Finance Party (or in the case of paragraph 0 above, a possible new party), as required by the law applicable to them, shall have an obligation to comply with "know your customer" or similar identification procedures, in circumstances where the necessary information was not previously provided by the Borrower, the Borrower shall provide the Facility Administrator (acting on its own behalf, on behalf of the relevant Finance Party or on behalf of a potential new party) with the information and documents required for the Facility Administrator, relevant Finance Party or possible new party to comply with the applicable "know your customer" checks.

17.7.2 Each Finance Party shall provide the Facility Administrator with the information and documents required for the Facility Administrator to comply with the applicable "know your customer" checks.

17.8 Designated purpose of funds

The Borrower shall, no later than 10 (ten) Business Days after each Tranche 2 Utilisation Date, provide the Facility Administrator with copies of documents certified by the Borrower confirming that the Facility was used in accordance with Clause 3.2.

18. FINANCIAL COVENANTS

18.1 Financial definitions

In this Clause 18:

"**Assets**" means the assets of the Group, including:

- (a) long-term tangible assets;
- (b) intangible assets (excluding goodwill)
- (c) Cash; and
- (d) Cash Equivalents.

Furthermore, the Cash and Cash Equivalents of each Subsidiary owned by Zemenik, Headhunter FSU or the Borrower shall be recorded for the purposes of Clause 18.5 (*Guarantors' Cover Ratio*) if, as of the relevant Test Date, the following conditions have been met:

- (i) an authorised body of such Subsidiary has taken a corporate decision (acceptable to the Facility Administrator) on the transfer of such Cash in favour of Zemenik, Headhunter FSU or the Borrower;
- (ii) such transfer of funds must take place no later than ninety (90) days from the Test Date;
- (iii) the financial statements of such Subsidiary are consolidated with the financial statements of the Group in accordance with IFRS in the relevant period of time using the direct method of consolidation; and
- (iv) the applicable law does not prohibit the transfer of Cash by the relevant Subsidiary to the Holding Company as dividends or otherwise.

For the purposes of Clause 18.5 (*Guarantors' Cover Ratio*), if all of the above conditions are met, such Cash shall be recorded as belonging not to a Subsidiary of Zemenik, Headhunter FSU or the Borrower, but directly to Zemenik, Headhunter FSU or the Borrower in proportion to its participation in the charter capital of such Subsidiary.

"Cash Receipts" means the cash receipts received by the Group from Clients within the preceding 12 (months), determined on the basis of the financial statements provided in accordance with Clause 17.1.1(D).

"Clients" means private individuals and legal persons, as well as individual entrepreneurs who have paid or are due to pay for the key services of the Borrower (access to the CV database and publication of vacancies) in accordance with agreements with the Borrower, including those concluded following the acceptance of an offer on the Obligors' Websites.

"Consolidated Net Debt" means, for any Test Period, the aggregate amount of the Financial Indebtedness of the Group (excluding any debts of a member of the Group to other members of the Group) net of Cash and Cash Equivalents of the Group in accordance with the Group's consolidated financial statements prepared in accordance with IFRS, on the last day of such Test Period.

"Group Consolidated Net Profit" means the Group's consolidated net profit determined on the last reporting date, i.e. (depending on the date on which it is determined):

- (a) at the end of the financial year or financial half-year of the financial year, in accordance with the Group's financial statements for the relevant financial year or first financial half-year of the relevant financial year, prepared in accordance with IFRS, provided to the Facility Administrator in accordance with Clauses 17.1.1(A) or (B); or
- (b) at the end of the first or third financial quarter, based on the relevant financial statements of the Group provided to the Facility Administrator in accordance with Clause 17.1.1(C).

"Interest Amount" means the interest accrued on the entire Financial Indebtedness of the Group (with respect to interest under lease agreements; to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16).

18.2 Interpretation

- 18.2.1 Unless otherwise specified herein, the accountancy terms used in this Clause 18 shall be interpreted according to the IFRS as amended on the relevant date.
- 18.2.2 For the purpose of this Clause 18, any amount not denominated in Roubles shall be recorded in the rouble equivalent calculated on the basis of the exchange rates used by the Borrower in its financial statements for the relevant reporting period, on the basis of which the financial indicators are calculated.
- 18.2.3 When making calculations in accordance with this Clause 18, no indicator can be taken into account more than once.
- 18.2.4 Unless otherwise contemplated by this Agreement, the indicators specified in this Clause 18 shall be checked in respect of each Test Period on the appropriate Test Date on the basis of any statements provided in accordance with Clause 17.1.1.

18.3 Leverage

The Borrower must ensure that on each Test Date, the ratio of Consolidated Net Debt to Consolidated EBITDA (the **"Leverage"**) is not more than:

- 18.3.1 **3.5:1** as of each Test Date falling in 2020; and
- 18.3.2 **3.0:1** as of each subsequent Test Date.

18.4 **Interest cover**

The Borrower must ensure that on each Test Date, the ratio of Consolidated EBITDA to the Interest Amount (the "Interest Cover") is at least **2.5:1**.

18.5 **Guarantors' Cover Ratio**

If, as of any Test Date, the Obligors in total account for:

18.5.1 less than 80% (eighty percent) of the Consolidated EBITDA; or

18.5.2 less than 80 (eighty) percent of the Group Revenue; or

18.5.3 less than 70 (seventy) percent of the Group Assets,

the Borrower shall procure the conclusion (issue), on terms acceptable to the Facility Administrator, of:

- (A) an additional independent guarantee, including an agreement to issue it ("**Additional Independent Guarantee**") by a legal entity acceptable to the Facility Administrator ("**Additional Guarantor**"), within 30 (thirty) days of the relevant Test Date; and
- (B) a pledge of 100% of the shares or participatory interests in the charter capital of such Additional Guarantor that are owned by any Pledgor or Group member ("**Additional Pledge**") within sixty (60) days of the relevant Test Date.

18.6 **Revenue in accordance with RAS**

The Borrower shall ensure that, as of each Test Date, the aggregate Revenue of the Borrower (excluding the revenue of Subsidiaries acquired or sold during the last 12 months and without double counting) for the 4 (four) previous financial quarters, determined on the basis of the Borrower's financial statements in accordance with RAS, provided in accordance with Clause 17.1.1(D), amounts to at least:

18.6.1 **80%** (eighty percent) as of each Test Date falling at the end of the second, third, and fourth quarters of 2020 and the end of the first and second quarters of 2021; and

18.6.2 **95%** (ninety five percent) as of each subsequent Test Date,

of the Borrower's Revenue determined as of the same date of the previous year based on the Borrower's financial statements prepared in accordance with RAS, provided in accordance with Clause 17.1.1(D).

18.7 **Cash receipts**

The Borrower shall ensure that, as of each Test Date, starting from the Test Date for the financial quarter following the financial quarter in which the first Utilisation Date falls, any reduction in Cash Receipts for the 4 (four) preceding financial quarters is no more than:

18.7.1 **30%** (thirty percent) as of each Test Date falling at the end of the second, third, and fourth quarters of 2020 and the end of the first and second quarters of 2021; and

18.7.2 **5%** (five percent) as of each subsequent Test Date,

compared with the Cash Receipts determined as of the same date of the previous year.

18.8 **Net assets**

The Borrower shall ensure that:

18.8.1 as of the end of the second financial quarter of each financial year, and as of the end of each financial year, the net assets of each Obligor registered in the Russian

Federation determined on the basis of the financial statements provided under Clause 17.1.1(D),

18.8.2 at the end of each financial year, the amount of the net assets of each other Obligor determined on the basis of the financial statements provided in accordance with Clause 17.1.1(E),

are positive.

19. GENERAL UNDERTAKINGS

19.1 Authorisations and corporate approvals

19.1.1 The Borrower shall, and shall procure that each Obligor shall, duly receive, ensure the validity of, and comply with the conditions of, any authorisations, consents and corporate approvals required under any applicable law to fulfil its obligations under the Finance Documents to which it is party, and to ensure that the Finance Documents can be used as evidence in arbitration proceedings, in the courts of the Russian Federation, including arbitrazh courts, and in the courts of Cyprus.

19.1.2 The Borrower shall, and shall procure that each Obligor shall, duly receive the necessary state and municipal permits, consents, licenses and patents, as well as membership in self-regulatory organisations, required by any applicable law for the conduct of business activities of the Obligor in the form in which it is conducted, as well as ensure their validity and comply with their conditions.

19.2 Negative Pledge

The Borrower shall, and shall procure that each Obligor shall, not create or allow the creation of any Encumbrances in relation to its assets without the prior written consent of the Facility Administrator, except for:

19.2.1 an Encumbrance in relation to assets (except those specified in Clause 19.2.4, but without double counting), whose aggregate book value does not exceed 10% (ten percent) of the Consolidated EBITDA at any time;

19.2.2 an Encumbrance arising under the Pledges;

19.2.3 an Encumbrance existing under Existing Pledges; and

19.2.4 an Encumbrance arising as required by law in the normal course of business.

19.3 Asset Disposal

19.3.1 The Borrower shall not sell, lease or otherwise dispose of any of its assets or property without the prior written consent of the Facility Administrator, and shall procure that any Obligor does not sell, lease, or otherwise dispose of any of its assets or property without the prior written consent of the Facility Administrator, except:

(A) the disposal of assets or property in the normal course of business;

(B) the disposal of assets or property of the Group's members totalling an amount, at book or market value (depending on which amount is greater), obtained as a result of one or several transactions made during each successive 12 (twelve) months, not exceeding 10% (ten percent) of the Consolidated EBITDA;

(C) the disposal of shares or participatory interests in the charter capital of a member of the Group that is not an Obligor, provided that:

(1) such disposal is carried out on market terms;

(2) after such disposal the Debt Ratio will not exceed **2.0:1**;

- (3) the sale of the Group Member subject to Disposal will not entail a breach of the obligations under Clause 18 (*Financial Covenants*); and
- (4) no later than 5 (five) Business Days prior to the disposal of the Group Member subject to Disposal, the Borrower shall notify the Facility Administrator of the upcoming disposal, and provide the Facility Administrator with a certificate confirming that all the conditions specified in paragraphs (2) and (3) above have been met.

19.3.2 For the purposes of Clause 19.3.1:

"Funds of the Group" means the Cash and Cash Equivalents owned by the Group.

"Funds of the Group Member subject to Disposal" means the Cash and Cash Equivalents owned by the Group Member subject to Disposal.

"Group Member subject to Disposal" means a member of the Group who is not an Obligor, whose shares or participatory interests in the charter capital are subject to disposal.

"Debt Ratio" means the ratio of Net Debt Amount to EBITDA.

"Purchase Price" means the funds actually received by the member of the Group from the sale of the Group Member subject to Disposal.

"Distribution" means the amount of funds payable to Headhunter Group shareholders from the disposal of the Group Member subject to Disposal.

"Amount of Funds" means the amount obtained by calculating the difference between: (i) the Funds of the Group, and (ii) the amount of Funds of the Group Member subject to Disposal and the Distribution, and adding the Purchase Price to the difference.

"Net Debt Amount" means the difference between (i) the Financial Indebtedness of the Group (including the Financial Indebtedness of the Group to the Group Member subject to Disposal, recognised after the disposal of the Group Member subject to Disposal) and (ii) the Financial Indebtedness of the Group Member subject to Disposal (excluding the Financial Indebtedness of the Group Member subject to Disposal to other members of the Group) and the Amount of Funds.

"EBITDA" means the difference between Consolidated EBITDA and EBITDA of the Group Member subject to Disposal.

19.4 Acquisition of assets

The Borrower shall not acquire any assets without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors acquire any assets without the prior written consent of the Facility Administrator, except for the acquisition of assets, including shares and participatory interests in the share capital and charter capital of third parties (as well as other instruments that can be converted into shares or participatory interests in the share capital or charter capital of third parties):

19.4.1 in the ordinary course of business;

19.4.2 by a member of the Group for a total amount paid by such member of the Group, as a result of one or several asset acquisitions made during each successive 12 (twelve) months, not exceeding 15% (fifteen percent) of the Consolidated EBITDA;

19.4.3 acquired using Permitted Financial Indebtedness;

19.4.4 acquired using Tranche 2 funds provided to the Borrower for the purposes referred to in Clause 3.2.2;

- 19.4.5 a maximum 40.01% (forty point zero one percent) additional participatory interest in the charter capital of Skilaz LLC (PSRN: 1177746032276) for a maximum purchase price of RUB 600,000,000 (six hundred million), provided such participatory interest is acquired by 31 December 2021; and
- 19.4.6 a 100% (one hundred percent) participatory interest in the charter capital of the Limited Liability Company "Zarplata.ru" (Primary State Registration Number: 1147746526817) with a par value of RUB 139,835 (one hundred and thirty-nine thousand eight hundred and thirty-five) from the company Hearst Shkulev Digital Regional Network B.V., Netherlands, provided that the purchase price does not exceed RUB 4,000,000,000 (four billion).

19.5 Arm's length basis

- 19.5.1 The Borrower may not enter into transactions with any persons except on arm's length terms, and the Borrower shall procure that none of the Obligors enter into transactions with other persons except on arm's length terms.
- 19.5.2 Clause 19.5.1 does not apply to transactions with other Obligors.

19.6 Lending

With the exception of the Permitted Loans, the Borrower shall not act as a lender in respect of any Financial Indebtedness without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors act as a lender in respect of any Financial Indebtedness without the prior written consent of the Facility Administrator.

19.7 Providing guarantees and sureties

- 19.7.1 The Borrower shall not act as a guarantor or surety in respect of the obligations of any person without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors act as a guarantor or surety in respect of the obligations of any person without the prior written consent of the Facility Administrator.
- 19.7.2 The provisions of Clause 19.7.1 above shall not apply:
 - (A) when such guarantee or surety secures the performance of the obligations of another member of the Group created within the framework of Permitted Financial Indebtedness; or
 - (B) to any Placement Indemnity on condition that Headhunter Group provides the Facility Administrator, within 15 (fifteen) Business Days after provision of the Placement Indemnity, with a certified extract from the document(s) containing the Placement Indemnity, and that if modifications are made to the Placement Indemnity, it provides the Facility Administrator, within 15 (fifteen) Business Days after such modifications have been made, with a certified extract from the document containing such modifications. Said extract shall contain all the terms of the Placement Indemnity, including any modifications and supplements.

19.8 Financial Indebtedness

The Borrower shall not enter into transactions that result in Financial Indebtedness for the Borrower or allow overdue Financial Indebtedness, and shall procure that none of the Obligors enter into transactions that result in Financial Indebtedness for such Obligor or allow overdue Financial Indebtedness, without the prior written consent of the Facility Administrator, with the exception of Permitted Financial Indebtedness and indebtedness under the Permitted Bonds. The existence of dividends declared, but which were not paid or subsequently canceled, is not a violation of this Clause 19.8.

19.9 Restructuring and reduction of charter capital

The Borrower shall not restructure or reduce its charter capital, share premium or other capital, and shall procure that none of the Obligors restructure or reduce its charter capital, or other share capital without the prior written consent of the Facility Administrator, except for Permitted Redemption.

19.10 Issuing new shares or increasing charter capital

The Borrower shall not increase its charter capital, and shall procure that none of the Obligors issue new shares or increase its charter capital, without the prior written consent of the Facility Administrator, except for a Permitted Issue.

19.11 Making changes to Constitutional Documents

The Borrower, without the prior written consent of the Facility Administrator, shall not make changes to its constitutional documents, and shall also procure that no Obligor, the shares or participatory interests in the charter capital of which are the subject of the Pledge, without the prior written consent of the Facility Administrator, shall make changes to its constitutional documents, which relate to:

19.11.1 legal form;

19.11.2 name;

19.11.3 share issue procedure;

19.11.4 the amount of charter (share) capital;

19.11.5 solely in relation to Obligors registered and operating in accordance with the legislation of the Republic of Cyprus: the procedure for appointing a new director or secretary;

19.11.6 the procedure for transferring (disposing) shares (participatory interests);

19.11.7 dividend payment procedure;

19.11.8 the scope of rights and obligations granted to members (shareholders);

19.11.9 the procedure for pledging participatory interests (shares) or otherwise encumbering participatory interests (shares); and

19.11.10 the procedure and conditions for the withdrawal and exclusion of a member from the company.

19.12 Dividend payment and redemption of shares or participatory interests

19.12.1 Without the prior written consent of the Facility Administrator, the Borrower shall not announce the payment of dividends or pay dividends, or redeem its participatory interests (unless required by applicable law), and shall procure that none of the Obligors announce the payment of dividends or pay dividends, or redeem its shares or participatory interests (unless required by applicable law), except for the following cases:

(A) payments of distributable profit by any Obligor or a Group member to the Obligor;

(B) payment of distributable profit (including in the form of Permitted Redemption) to shareholders of Headhunter Group in an amount not exceeding 100% (one hundred percent) of the Group Adjusted Consolidated Net Profit provided that the Facility Administrator confirms that the Adjusted Leverage including such payment does not exceed **3.0:1**; and

(C) payment by any member of the Group of distributable profit to minority shareholders, provided that similar payments are made to the shareholders (members), which are members of the Group, of such member of the Group in proportion to their participatory interest in the charter capital of such member of the Group.

When making the payments specified in subparagraph (B) above, the Borrower must provide the Facility Administrator, at least 5 (five) Business Days before payment, with a calculation of the Adjusted Leverage and confirmation that on the date of confirmation there is no Default, nor will there be a Default immediately after and as a result of such payment.

19.12.2 For the purpose of this Clause 19.12:

"Group Consolidated Net Profit" has the meaning given in Clause 18.1 (*Financial definitions*).

"Consolidated Net Debt" has the meaning given in Clause 18.1 (*Financial definitions*).

"Group Adjusted Consolidated Net Profit" means, as of the last Test Date, the Group Consolidated Net Profit for the Test Period ending on that Test Date, excluding:

- (A) the profits and losses resulting from the revaluation of any asset;
- (B) goodwill impairment;
- (C) depreciation and impairment of the following intangible assets:
 - (1) hh trademark;
 - (2) hh.ru CV database;
 - (3) Headhunter client relations; and
 - (4) hh.ru website software;
- (D) non-monetary profits and losses from the Remuneration Plans based on Group Equity Instruments;
- (E) profit tax recorded in the Group Consolidated Net Profit on the non-monetary profits and losses referred to in paragraphs (A) - (D) above; and
- (F) profits and losses from the formation of a deferred retained earnings tax reserve.

"Adjusted Leverage" means, as of the last Test Date, the ratio of Consolidated Net Debt (as of that Test Date) and Dividend Amount to Consolidated EBITDA, calculated based on the Group's consolidated financial statements for the financial year or for the first financial half-year of the financial year (provided to the Facility Administrator under Clause 17.1.1(A) or (B) as of the Test Date which came not more than 5 (five) months before the date of payment of the distributable profit to the shareholders of Headhunter Group.

"Dividend Amount" is defined as the amount of dividends:

- (i) paid to the shareholders of Headhunter Group during the financial half-year ending on the last Test Date; and
- (ii) to be paid to the shareholders of Headhunter Group during the financial half-year commencing on the day immediately following that Test Date.

19.13 **Change of business**

The Borrower shall not make significant changes to the main areas of its business activity, and shall procure that none of the Obligors make significant changes to the main areas of their business activity without the prior written consent of the Facility Administrator.

19.14 **Existing Commercial Contracts**

The Borrower shall procure the continuous validity of the Existing Commercial Contracts or the conclusion of new contracts on similar conditions, where commercially reasonable to do so, no later than one month before the expiration of the Existing Commercial Contracts.

19.15 **Taxation**

The Borrower shall duly pay taxes and levies into the relevant budgets and make mandatory payments into the extra-budgetary funds of the Russian Federation ("**Mandatory Payments**"), and shall procure that each of the Obligors duly pays the Mandatory Payments, except for:

19.15.1 Mandatory Payments contested by an Obligor in accordance with the law; and

19.15.2 Mandatory Payments and the costs of disputing them, in respect of which the relevant reserves were created, reflected in the latest financial statements provided to the Facility Administrator in accordance with Clause 17.1 (*Financial Statements*); and

19.15.3 where non-payment of such Mandatory Payments will not have Material Adverse Effect.

19.16 **Pari passu ranking**

The Borrower shall procure that its obligations under the Finance Documents have at least the same ranking as its other existing and future unsecured payment obligations, and that each Obligor procures that its obligations under the Finance Documents have at least the same ranking as other existing and future unsecured payment obligations of such Obligor, with the exception of those obligations that have priority as expressly stipulated by law.

19.17 **Access**

19.17.1 At the request of the Facility Administrator, when there is a Default, or a Default has not been remedied, or when the Facility Administrator has sufficient reason to believe that a Default is possible, the Borrower shall provide (and shall procure that each Obligor provides) the Facility Administrator and (or) its auditors or other professional consultants with ready access to their premises, assets and accounting and tax primary documents (on paper or electronic media), including issuing powers of attorney to relevant persons, as well as arranging a meeting with the management of the Group.

19.17.2 The Borrower shall procure that the Facility Administrator and (or) Lenders are provided with the relevant documents and (or) information and perform other actions required so that the authorised representatives (employees) of the Central Bank of the Russian Federation can inspect (check) the pledged asset under the Pledges at the place of its storage and (or) record and (or) location, and visit the Borrower and each other Pledgor on-site

19.18 **Appointment of New Directors**

19.18.1 The Borrower shall not carry out and shall not allow, without the Facility Administrator's prior written consent, any actions that may lead to the election and (or) appointment of new directors and/or secretaries of the Obligors, who are legal persons registered and operating under the laws of the Republic of Cyprus and whose shares are pledged under a Pledge, except when the following documents are provided to the Facility Administrator at the same time as the new directors and (or) secretaries of the said Obligors are appointed:

(A) in the case of new directors: originals of the following, that are duly signed by the specified directors:

- (1) undated letters of resignation; and
- (2) letters of authority and undertaking; and

(B) in the case of new secretaries, originals of the following, that are duly signed by the specified secretaries:

- (1) undated letter of resignation; and
- (2) letter of authority and undertaking; and

- (3) undated secretary's confirmation that is addressed to the Department of the Registrar of Companies of Cyprus.

19.18.2 Within 5 (five) Business Days from the date of receipt of a reasonable request of the Facility Administrator, the Borrower shall provide the Facility Administrator with additional information regarding the above-mentioned new directors and/or secretaries regarding their education and (or) relevant experience.

19.19 Further assurance

The Borrower shall, at the request of any Finance Party, at its own expense, carry out any actions and sign any documents, and shall procure that each Obligor, at their own expense, carry out any actions and sign any documents, required to ensure the validity and proper performance of the Finance Documents. In particular, each Borrower, at the request of the Facility Administrator, shall procure, at its own expense:

19.19.1 the issuance of new Independent Guarantees in favour of the Lenders (on terms identical to those of existing Independent Guarantees) and the making of modifications to them or the conclusion of agreements to issue them; and

19.19.2 supplementary agreements to Pledges

on terms acceptable to the Lenders, as well as the performance of all actions required to ensure the validity of such agreements in case of acquisition by any Lender (other than Lenders that are party to existing Security Documents) of the rights (claims) against the Borrower and (or) obligations to grant the Facility in accordance with the provisions of Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*).

19.20 Conditions subsequent

19.20.1 Within 60 (sixty) days of the date of this Agreement, the Borrower shall provide the Facility Administrator with the originals and duly certified copies (as applicable) of the documents listed in sections 2 and 3 of Part A of Schedule 2 (*Conditions Precedent*), along with notarized translations into Russian of said documents if they were written in a foreign language and/or provided with an apostille.

19.20.2 The Borrower shall ensure that:

- (A) no later than the Business Day following the day of signing the Borrower Participatory Interest Pledge and the Pledge of Headhunter FSU (Headhunter Group) Shares, Headhunter FSU and Headhunter Group provide the Facility Administrator with updated internal registers of pledges, recording information about the said pledges;
- (B) within 21 (twenty-one) days after the signing of the Borrower Participatory Interest Pledge, Headhunter FSU provides the Facility Administrator with evidence that information about the pledge was submitted to the Cyprus Registrar of Companies; and,
- (C) within 42 (forty-two) days after the signing of the Borrower Participatory Interest Pledge, Headhunter FSU provides the Facility Administrator with a certificate of registration of the pledge issued by the Cyprus Registrar of Companies

in each case where this is required under Articles 90 and 99 of the Cyprus Companies Law, Cap. 113.

19.20.3 Within 30 (thirty) days of signing a respective Finance Document, the Borrower shall provide the Facility Administrator with evidence:

- (A) that each Finance Document to which an Obligor registered under the laws of Cyprus is party has been submitted to the Cyprus Stamp Duty Commissioner in order for a decision to be made as to whether stamp duty must be paid on such documents; and

- (B) that stamp duty has been paid on such documents in the amount specified by the Cyprus Stamp Duty Commissioner, or that such documents are exempt from payment of stamp duty.
- 19.20.4 The Borrower shall ensure that on the date of termination of the relevant Existing Pledges, Headhunter Group and Zemenik provide, with respect to each Headhunter FSU Shares Pledge:
- (A) a blank signed transfer instrument, undated, drawn up in the form set forth in the Headhunter FSU Shares Pledge;
 - (B) all share certificates for original shares (as defined in the Headhunter FSU Shares Pledge);
 - (C) a signed irrevocable proxy and power of attorney in the name of the Pledge Manager in the form set forth in the Headhunter FSU Shares Pledge;
 - (D) a certified copy of a resolution in writing by the Headhunter FSU Board of Directors approving the pledge and transferring shares, drawn up substantially in the form set forth in each Headhunter FSU Shares Pledge;
 - (E) a notice of pledge drawn up substantially in the form set forth in the Headhunter FSU Shares Pledge, along with a certified copy of the Headhunter FSU Shares Pledge;
 - (F) a certificate drawn up substantially in the form set forth in the Headhunter FSU Shares Pledge, confirming that a memorandum of pledge was made in the register of members of Headhunter FSU, and a certified copy of the register of members of Headhunter FSU;
 - (G) a signed and dated waiver by Headhunter Group and Zemenik (as applicable) of their rights of pre-emption, drawn up in the form set forth in the relevant Headhunter FSU Shares Pledge;
 - (H) signed, undated resignation letters, duly signed by the directors and secretary of Headhunter FSU, in the form set forth in each Headhunter FSU Shares Pledge;
 - (I) signed letters of authority and undertaking, duly signed by the directors and secretary of Headhunter FSU, in the form set forth in each Headhunter FSU Shares Pledge;
 - (J) signed, undated confirmation by the secretary, issued by Headhunter FSU, confirming to the Cyprus Department of Registrar of Companies the changes in the officers and shareholders in the event of enforcement of the pledge under the Headhunter FSU Shares Pledge; and
 - (K) a copy of the updated internal register of charges of Headhunter Group containing information about the terms of the Pledge of Headhunter FSU (Headhunter Group) Shares in accordance with Article 99 of the Cyprus Law on Companies, Cap. 113.
- 19.20.5 Within 5 (five) Business Days of signing the Borrower Participatory Interest Pledge, the Borrower shall ensure state registration of the Encumbrance created under the Borrower Participatory Interest Pledge in the Russian Federation Unified State Register of Legal Entities and shall provide the Pledge Manager with evidence of such state registration.
- 19.20.6 Within 5 (five) Business Days of receiving a request from the Facility Administrator or Pledge Manager, the Borrower at its own expense shall undertake any action and sign any documents, and shall ensure that each Obligor and Pledgor at their own expense undertake any action and sign any documents, required to perfect and register the termination of Encumbrances created under the Existing Pledges.

19.21 **Independent Guarantees Indemnity**

The Borrower shall, without the prior written consent of the Facility Administrator, refrain from the following actions:

- 19.21.1 indemnifying any Guarantor for any amounts paid by such Guarantor under or in connection with the relevant Independent Guarantee;
- 19.21.2 making any changes to any Independent Guarantee agreement.

20. **BANK ACCOUNT OBLIGATIONS**

20.1 **Direct debit authority**

- 20.1.1 Pursuant to Civil Code Articles 847 and 854 and applicable regulations of the Russian Federation Central Bank, the Borrower hereby gives its irrevocable and unconditional consent to the direct debiting of funds from any of the bank accounts it may hold with the Original Lender, on terms of direct debit authorization, for purposes of performance of the Borrower's obligations under the Finance Documents. The appropriate consent shall constitute the Borrower's prior acceptance and is granted by the Borrower up to the monetary amounts that may be payable by the Borrower under the Finance Documents, allowing partial performance should there be insufficient funds on the Borrower's account.
- 20.1.2 The Facility Administrator may, without the Borrower's instruction, send a direct debit request based on collection orders, bank orders, payment requests or other documents for funds to be debited from the Borrower's bank accounts opened with the Original Lender in order to perform the Borrower's payment obligations toward the Finance Parties under any Finance Documents that have become due for payment but remain unpaid, while the Original Lender may perform the instructions of the Facility Administrator.
- 20.1.3 Should there be no funds or insufficient funds in the obligation currency on the Borrower's bank accounts held with the Original Lender, the Borrower hereby instructs the Original Lender to convert funds on the Borrower's bank accounts in a different currency and transfer the funds obtained by such conversion to the Facility Administrator for them to be applied to performance of the Borrower's obligations under the Finance Documents according to the provisions of this Agreement. The Parties agree that the relevant funds conversion will be made by the Original Lender using the Original Lender's internal exchange rate that is applicable as of the date of the relevant operation.
- 20.1.4 Without prejudice to the limitations prescribed by this Clause 20.1, the Borrower shall, within 10 (ten) Business Days of opening any bank account with the Original Lender, sign an addendum to the relevant bank account agreement granting its consent for the Facility Administrator, without the Borrower's instruction, to direct debit funds for purposes of performance of the Borrower's obligations under the Finance Documents based on collection orders, bank orders, payment requests or other documents, allowing partial performance should there be insufficient funds on the Borrower's account.

20.2 **Amounts debited**

All funds obtained by the Facility Administrator through the exercise of its right to debit funds under Clause 20.1 (*Direct debit authority*) shall be applied to performance of the Borrower's obligations toward the Finance Parties under the Finance Documents according to the provisions of this Agreement.

21. **EVENTS OF DEFAULT**

Each of the cases, events, or circumstances set out in this Clause 21 (save for Clause 21.18 (*Acceleration*)) is an Event of Default.

21.1 **Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to Finance Documents at the place at and in the currency in which it is expressed to be payable unless:

21.1.1 its failure to pay is caused by:

- (A) administrative or technical error; or
- (B) a Disruption Event; and provided that

21.1.2 payment is made within 3 (three) Business Days from the date of payment.

21.2 **Violation of financial covenants**

An Obligor does not comply with any covenant under:

- 21.2.1 Clause 18.3 (*Leverage*);
- 21.2.2 Clause 18.4 (*Interest cover*);
- 21.2.3 Clause 18.5 (*Guarantors' Cover Ratio*);
- 21.2.4 Clause 18.6 (*Revenue in accordance with RAS*);
- 21.2.5 Clause 18.7 (*Cash receipts*); or
- 21.2.6 Clause 18.8 (*Net assets*)

The Borrower shall ensure that:

21.2.7 as of the end of the second financial quarter of each financial year, and as of the end of each financial year, the net assets of each Obligor registered in the Russian Federation determined on the basis of the financial statements provided under Clause 17.1.1(D),

21.2.8).

21.3 **Other obligations**

21.3.1 An Obligor or Pledgor does not comply with any provisions of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and in Clause 21.2 (*Violation of financial covenants*)).

21.3.2 No Event of Default under Clause 21.3.1 will occur if such failure to comply can be remedied, and is remedied:

- (A) in respect of the obligations contemplated by Clauses 17.1.1(A)–(C) within 30 (thirty) days; or
- (B) in respect of any other provisions of the Finance Documents: within 10 (ten) Business Days,

of the earlier of:

- (1) the date the Facility Administrator sends notice to the Obligor regarding such failure to comply; or
- (2) the date the relevant Obligor becomes aware or should have become aware of the failure to comply.

21.4 **Misrepresentation**

Any representations made by any Obligor or Pledgor in or in connection with the Finance Documents turns out to be incorrect, untrue or misleading at the time it is made.

21.5 **Cross-default**

21.5.1 Any member of the Group does not repay any Financial Indebtedness within the prescribed period or during any grace period established in accordance with the terms of the relevant obligation.

- 21.5.2 Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or a claim is brought against Headhunter Group under a Placement Indemnity.
- 21.5.3 Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described). An Event of Default in accordance with this Clause 21.5.3 shall not be deemed to have occurred if such non-compliance can be remedied, and is remedied within 15 (fifteen) Business Days.
- 21.5.4 No Event of Default will occur under this Clause 21.5 if the total amount of Financial Indebtedness or obligations under the Financial Indebtedness subject to Clauses 21.5.1 – 21.5.3 is at any time less than RUB 150,000,000 (one hundred and fifty million)
- 21.5.5 An Event of Default shall not be deemed to have occurred pursuant to Clause 21.5.1 above if the relevant default was committed reasonably and in good faith by a Group member acting as a buyer, in the relevant part of the purchase price under a SPA for shares or participatory interests in the company's charter capital, provided that
- (A) the buyer is entitled under the terms of such SPA to reduce the purchase price or receive cash consideration from the seller upon the occurrence of the events specified in the SPA;
 - (B) the relevant SPA relates to an asset acquisition transaction financed with funds from Tranche 2; and
 - (C) the late payment under the relevant SPA lasts no more than 180 days from the last day of the Utilisation Period under Tranche 2.

21.6 Loss of property

Loss of property in respect of which an Encumbrance has been created under any Pledge.

21.7 Insolvency

The occurrence of any of the following cases or events in relation to any Material Group Member:

- 21.7.1 any Material Group Member meets the criteria for insolvency in accordance with the Bankruptcy Law;
- 21.7.2 any Material Group Member meets the criteria for insufficiency of assets in accordance with the Bankruptcy Law;
- 21.7.3 the financial condition of any Material Group Member gives grounds for bankruptcy prevention measures to be taken in accordance with the Bankruptcy Law;
- 21.7.4 any Material Group Member meets the criteria or gives grounds for bankruptcy prevention measures to be taken, similar to the criteria and measures specified in Clauses 21.7.1 and 21.7.2, contemplated by any law applicable to such Material Group Member;
- 21.7.5 any Material Group Member begins negotiations with one or more of its creditors to revise the timeframes for repayment of any of its debts due to actual or expected financial difficulties;
- 21.7.6 a moratorium is imposed on the settlement of creditors' claims in respect of any of its debts; or
- 21.7.7 any Material Group Member meets any other bankruptcy criteria established by the Bankruptcy Law or other law applicable to such Material Group Member.

21.8 **Insolvency proceedings**

The carrying out of one of the following actions in respect of any Material Group Member:

- 21.8.1 a bailout and other bankruptcy prevention measures;
- 21.8.2 the commencement of liquidation or bankruptcy proceedings or the appointment of a liquidation commission or similar body or official;
- 21.8.3 the filing in court by any Material Group Member of an application to declare such Material Group Member bankrupt;
- 21.8.4 the filing in court by any creditor of any Obligor of an application to declare such Material Group Member bankrupt or to liquidate it (or any other similar procedure), if the arbitrazh court or other competent court, within 30 (thirty) calendar days from the date of the determination to accept the application to declare the Material Group Member bankrupt, does not issue a determination on refusing to instigate supervision and dismissing the application, a determination on refusing to instigate supervision and terminating proceedings in the bankruptcy case, a determination on returning this application, a determination on terminating proceedings in the bankruptcy case, a decision on refusing to declare bankruptcy or other similar judicial act, which results in the termination of the bankruptcy proceedings or refusal to initiate such proceedings;
- 21.8.5 the institution of supervision (*nablyudeniye*), external management (*vneshneye upravleniye*), financial recovery (*finansovoe ozdorovleniye*), or bankruptcy management (*konkursnoye proizvodstvo*);
- 21.8.6 the appointment of a temporary administrator, administrator, receiver or any other person performing similar functions;
- 21.8.7 convening a meeting of creditors to consider a settlement agreement;
- 21.8.8 initiation of any other bankruptcy procedure established by the Bankruptcy Law;
- 21.8.9 enforcement of any Encumbrance established in respect of any assets of a Material Group Member, if the amount of assets in respect of which such Encumbrance is established exceeds RUB 100,000,000 (one hundred million);
- 21.8.10 carrying out any other similar procedures under the law on insolvency (bankruptcy) applicable to the relevant Material Group Member.

21.9 **Compulsory seizure or restrictions on disposal of property**

Freezing orders over, confiscation, other compulsory seizure of property, suspension or restriction of operations on the accounts of any member of the Group with a total value exceeding RUB 100,000,000 (one hundred million) or the equivalent of such amount at the rate of the Central Bank of the Russian Federation on the relevant date.

21.10 **Unlawfulness and invalidity**

- 21.10.1 It becomes unlawful for an Obligor or Pledgor to perform any of its obligations under the Finance Documents.
- 21.10.2 Any Finance Document ceases to be valid and legally binding.
- 21.10.3 Any Finance Document is deemed not concluded in accordance with the law applicable to such Finance Document.

21.11 **Repudiation and rescission of agreements**

An Obligor or Pledgor declares its intention to rescind a Finance Document or performs actions aimed at challenging or rescinding a Finance Document, or repudiates it (except for situations where this is permitted by the Finance Documents).

21.12 Cessation of business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) its core business activities.

21.13 Qualified audit opinion

Auditors of the Group issue a qualified opinion with respect to any audited financial statements.

21.14 Judicial and administrative proceedings

21.14.1 The commencement of any judicial, administrative, arbitrazh or arbitration proceedings aimed at challenging of:

- (A) the Finance Documents;
- (B) any rights of the Finance Parties based on the Finance Documents; or
- (C) transactions under the Finance Documents.

21.14.2 A court, arbitrazh court or arbitration court (including international arbitration) accepts for consideration any claim in respect of a member of the Group or its assets, for a total amount that, together with the amount of other claims brought against such member of the Group (or its assets) or against other members of the Group (or their assets) accepted for consideration by a court, arbitrazh court or arbitration court (including international arbitration), exceeds RUB 150,000,000 (one hundred and fifty million) or the equivalent of this amount in another currency at the exchange rate of the Central Bank of the Russian Federation on the date on which the claim was filed.

21.14.3 The coming into force of decisions of a court, arbitrazh court or arbitration court (including international arbitration) in respect of a member of the Group or its assets for the recovery of funds or other assets from such member of the Group for a total amount that, together with the amount of other decisions of a court, arbitrazh court or arbitration court (including international arbitration) that have come into force, which relate to such member of the Group (or its assets) or other members of the Group (or their assets) exceeds RUB 100,000,000 (one hundred million) or its equivalent in another currency at the exchange rate of the Central Bank of the Russian Federation.

21.15 Expropriation

Limiting the ability of any member of the Group to conduct its business activities as a result of:

21.15.1 deprivation or restriction of title, nationalisation, requisition, confiscation, expropriation or other forced alienation of property, the total book value of which exceeds, together with other property of such member of the Group and property of any other member of the Group that was nationalised, requisitioned, confiscated, expropriated or otherwise forcibly alienated, RUB 75,000,000 (seventy-five million); or

21.15.2 a ban or other intervention committed by a government body in respect of any member of the Group (including, *inter alia*, the dismissal of the sole executive body, the collegial executive body or any other management body of any member of the Group).

21.16 Intellectual Property

21.16.1 The full or partial termination, suspension, or revocation of rights to any Intellectual Property;

21.16.2 The imposing of any restrictions on the terms of use or additional requirements in relation to any Intellectual Property, except where agreements under a non-

exclusive or exclusive license in respect of Intellectual Property are entered into between members of the Group;

21.16.3 The expiration and refusal to extend the rights to any Intellectual Property largely under the same conditions; or

21.16.4 The creation of an Encumbrance in respect of any Intellectual Property,

in each case, with the exception of the disposal of any Intellectual Property owned by a Group member, in the event of disposal in favour of non-members of the Group, of all shares or participatory interests in the charter capital of such Group member (which owns the relevant Intellectual Property) owned by Group members, if such disposal is permitted by the terms of this Agreement.

21.17 **Material Adverse Effect**

The occurrence of Material Adverse Effect.

21.18 **Acceleration**

Upon the occurrence of any Event of Default and at any time after the occurrence of any Event of Default that is continuing:

21.18.1 the Facility Administrator shall send a notification to the Borrower after receiving the Consent of the Majority Lenders, in which it will:

- (A) state the Lenders' refusal to grant funds within the Total Commitments (including the Amount Payable by the Lenders, if any, at the relevant time), whereupon the Lenders' obligation to grant the Facility to the Borrower shall cease; and (or)
- (B) set out the Lenders' demand against the Borrower for immediate early repayment of the Facility Outstanding or any part thereof, including accrued interest, fees and any other amounts due to the Finance Parties under the Finance Documents; and (or)
- (C) notify the Borrower that the Lenders are aware of the Event of Default and reserve the right to demand that the Borrower immediately repay the Facility or any part thereof, including accrued interest, fees and any other amounts due to the Finance Parties under the Finance Documents; and (or)
- (D) notify the Borrower that the Lenders reserve the right to enforce the pledged property under the Pledges, or to file claims under the Independent Guarantees.

21.18.2 The Lenders shall enforce the pledge in accordance with the relevant Pledge. The property received by the Lenders from the enforcement of the pledge under the Pledges shall be transferred into the Lenders' shared ownership in the amount corresponding to their Proportional Shares.

21.18.3 The funds received by the Lenders from the enforcement of the property pledged under the Pledges and/or its subsequent sale in accordance with Clause 21.18.2, and which remained after indemnification for the enforcement costs of the Lenders, the Facility Administrator, and the Pledge Manager and payment of other mandatory payments, shall be transferred into the Account of the Facility Administrator, and then distributed by the Facility Administrator between the Lenders according to their Proportional Shares.

For the purposes of this Clause 21.18, an Event of Default shall be considered continuing from the time such event occurs until the Borrower receives notification from the Facility Administrator that the Majority Lenders have agreed not to exercise their rights under this Clause 21.18 due to the occurrence of such event or circumstance.

22. **FACILITY SECURITY**

22.1 **Pledges**

- 22.1.1 Each Lender hereby confirms that it is familiar with the content of each Pledge and approves its signature by the Pledge Manager.
- 22.1.2 The Parties confirm that this Agreement (in the appropriate part thereof) constitutes, *inter alia*, a pledge management agreement. The Parties agree that a Lender may act as the Pledge Manager.

22.2 **Status of the Lenders and appointment of a Pledge Manager**

- 22.2.1 The Parties hereby acknowledge and agree that all the Lenders, the Facility Administrator, and the Pledge Manager that is also a Lender, have shared claims toward the Borrower and, under Civil Code Article 335¹, constitute joint and several co-pledgees under the Pledges enjoying equal-seniority rights.
- 22.2.2 Pursuant to Civil Code Article 356, each Lender (except the Lender acting as the Pledge Manager) and the Facility Administrator hereby instruct the Pledge Manager to conclude, on behalf and in the interests of the Finance Parties, Pledges with the Pledgors (including modifications and addendums to such Pledges that have been approved by the Consent of all lenders), to sign all documents required for registration of the appropriate Pledges, encumbrances arising from the appropriate Pledges, and assignment of rights under the appropriate Pledges, and for the sending of notices to a notary public, notices of pledge creation, notices of pledge modification, and notices of deletion of information concerning a pledge (except those actions that, under applicable law or the Finance Documents, should be undertaken by the relevant Pledgor), and to exercise all the rights and perform all the duties of pledgee under such Pledges.
- 22.2.3 The Parties acknowledge and agree that the Pledge Manager, by concluding the appropriate Pledges on behalf of the Lenders, and by exercising the rights and performing the duties of pledgee under the Pledges, is exercising the pledgee's rights solely in the interests of all the Lenders constituting such at any point in time, until the Borrower has performed its obligations in full under the Finance Documents in the manner prescribed herein. The assignment of rights by an Existing Lender to a New Lender (in the context of Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*)) shall not affect the rights and obligations of the Pledge Manager and the Lenders prescribed herein.
- 22.2.4 The Lenders hereby undertake not to independently exercise their rights and perform their duties as pledgees, including not to make claims against the Borrower and not to foreclose on the Borrower's assets and property, except if this pledge management agreement is terminated under Civil Code Article 356(5). At the same time, the Lenders and the Borrower agree to perform, at the Pledge Manager's request, all necessary actions (including participation in court hearings as co-claimants) and sign and issue to the Pledge Manager all necessary documents, including powers of attorney, that in the Pledge Manager's reasonable opinion are required by law and/or a court for the Pledge Manager to exercise the rights and perform the duties prescribed by the Finance Documents.
- 22.2.5 The Pledge Manager's exercise of the rights and performance of the duties of pledgee under the respective Pledges shall not prevent the Pledge Manager from performing any banking operations with the Borrower, including maintaining bank accounts, providing loans, and inviting deposits. If the Pledge Manager is also a Lender hereunder, then it shall have the same rights and obligations under the Finance Documents as any other Lender, and may exercise those rights and perform those obligations as if it were not the Pledge Manager.

- 22.2.6 The Pledge Manager shall bear no liability for its acts or omissions toward the Lenders (other than the Lender acting as the Pledge Manager) if it acts or fails to act in accordance with the Consent of the Majority Lenders or all the Lenders.
- 22.2.7 The Pledge Manager shall bear liability toward the Parties (other than the Lender acting as the Pledge Manager) solely for direct, judicially proven losses caused by the Pledge Manager willfully or through gross negligence.
- 22.2.8 The Lenders (other than the Lender acting as Pledge Manager) and the Pledge Manager hereby confirm that the Pledge Manager shall perform its functions without being granted power of attorney and independently of the grant of such power of attorney.

22.3 Pledge Manager's rights and obligations

- 22.3.1 The Pledge Manager shall, on behalf and in the interests of the Lenders, conclude as pledgee the relevant Pledges, including any modifications and supplements thereto, prescribed herein or approved by the Consent of the Majority Lenders, with the Borrower and third parties, and shall exercise all the rights and perform all the duties of pledgee under such Pledges according to the terms hereof. In particular, the Pledge Manager shall take the steps required to effect registration of the relevant Pledges and encumbrances arising out of the relevant Pledges, and the sending of notices to a notary public, notices of pledge creation, notices of pledge modification, and notices of deletion of information concerning a pledge (except those actions that, under applicable law or the Finance Documents, should be undertaken by the Borrower or relevant Pledgor) within the time periods specified herein.
- 22.3.2 Immediately following the acquisition by any Lender other than the Original Lender of rights or obligations under the Finance Documents as described in Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*), the Pledge Manager shall take the steps required to effect registration of the pledge management agreement contained herein, and/or send notice to a notary public that that the pledge management agreement contained herein has been signed, and shall take other action required to register the Lenders as joint and several copledgees under the Pledges.
- 22.3.3 The Pledge Manager may at its discretion exercise any pledgee rights prescribed by the relevant Pledges other than the right to foreclose on the property pledged thereby, which may be exercised solely on the basis of Consent by the Majority Lenders that specifies the judicial or non-judicial foreclosure procedure and defines how the pledged property will be sold.
- 22.3.4 The Pledge Manager shall foreclose on pledged property in the manner prescribed by the relevant Pledge. Property obtained by the Pledge Manager in the Lenders' interest through foreclosure on the pledged property under the Pledges, plus any insurance indemnities paid out on property pledged under the Pledges, shall become owned in common by the Lenders according to the Proportional Share of each Lender.
- 22.3.5 The funds obtained by the Pledge Manager through foreclosure on property pledged under the Pledges, insurance indemnity payments with respect to the property pledged under the Pledges, and/or its subsequent sale as described in Clauses 22.3.3 and 22.3.4, and which are left over after reimbursement of the Pledge Manager's foreclosure costs and payment of other mandatory payments, shall be credited to the Pledge Manager's Bank Account and then distributed by the Pledge Manager among the Finance Parties in proportion to their pledge-secured claims, and among the Lenders according to the Proportional Share of each Lender.

22.4 Replacement of Pledge Manager

- 22.4.1 The Lenders may, and, if the Pledge Manager meets the bankruptcy criteria, or if a bankruptcy petition has been filed in court against the Pledge Manager, or if an application has been filed for liquidation of the Pledge Manager, or if the Pledge Manager's banking license has been revoked, the Lenders shall, with the Majority Lenders' Consent, terminate the Pledge Manager's authority as of the date stated in the Majority Lenders' Consent and select a candidate from among the Lenders to become the new Pledge Manager (the "**New Pledge Manager**"). Each Lender and the Borrower hereby consent to replacement of the Pledge Manager by a New Pledge Manager according to the provisions of this Clause 22.4.
- 22.4.2 The Pledge Manager may unilaterally renounce its authority as pledge manager provided it notifies each Lender and the Facility Administrator at least 30 (thirty) days prior to the proposed date of termination of the Pledge Manager's authority. By Consent of the Majority Lenders, the Lenders shall select a candidate to become the New Pledge Manager no later than the proposed date of termination of the Pledge Manager's authority.
- 22.4.3 The Lenders shall ensure that the New Pledge Manager takes up the pledge manager duties referred to in Clause 22.3 (*Pledge Manager's rights and obligations*) starting on the date the Pledge Manager's authority terminates. The Pledge Manager shall at its own expense sign and hand over the documents it possesses that the New Pledge Manager may reasonably require in order to act as Pledge Manager under the Pledges.
- 22.4.4 The Parties agree that the New Pledge Manager shall become a party to this Agreement as pledge manager starting on the date of its appointment by the Lenders with the Consent of the Majority Lenders, unless such Consent prescribes another date. If necessary, the Facility Administrator may require the Parties to conclude an amendment hereto and, where prescribed by applicable law, of an amendment to the Pledges. On the occurrence of the relevant date, all mention of "Pledge Manager" herein shall refer to the New Pledge Manager. For the avoidance of doubt, the appointment of a New Pledge Manager hereunder shall not constitute termination of the pledge management agreement in the context of Clause 22.2.4.
- 22.4.5 As of the date the New Pledge Manager is appointed, it shall open a new nominal account in favour of the Finance Parties as beneficiaries of such account, and shall notify the Borrower and the Finance Parties that the Pledge Manager Account has changed.
- 22.4.6 The Parties agree that the provisions herein concerning the Pledge Manager's rights and obligations may be modified by an addendum entered into by the Borrower, the Facility Administrator, the Pledge Manager, and the Lenders (other than the Lender acting as the Pledge Manager). Before such addendum is signed, its content shall be approved by the Majority Lenders' Consent, which may empower a single Lender to sign such addendum with the Pledge Manager on behalf and in the interests of all the Lenders (other than the Lender acting as the Pledge Manager). The Lenders shall provide the documents and powers of attorney required for a single Lender to sign such addendum on behalf of all the Lenders (other than the Lender acting as the Pledge Manager).

23. CHANGES TO THE PARTIES

23.1 Assignment by the Borrower

The Borrower does not have the rights to assign its rights or transfer obligations under the Finance Documents without the prior consent of all Lenders.

23.2 Assignment of Rights and Transfer of Obligations by the Lenders

23.2.1 A Lender ("**Existing Lender**") is entitled at any time to fully or partially assign its rights and (or) transfer the obligations under the Finance Documents to the following persons without the consent of the Borrower and other Lenders:

- (A) another Lender;
- (B) its Affiliate;
- (C) the Central Bank of the Russian Federation, and also in the subsequent assignment by the central bank or other similar body of its rights and (or) the transfer of obligations to any person;
- (D) a Russian bank or a Russian credit or financial organisation included in the list of banks contained in Schedule 9 (*List of Russian banks*); or
- (E) any reputable foreign credit or financial organisation,

in any case, with the exception of any person in respect of which the Borrower has submitted a confirmation acceptable to the Facility Administrator (with reference to the applicable legislative acts) confirming that such person is subject to sanctions restricting the Pledgors or their Affiliates from entering into or maintaining relations with such person ("**Sanctioned Person**").

23.2.2 Where there is no Default, an Existing Lender has the right at any time to fully or partially assign its rights and (or) to transfer the obligations under the Finance Documents to other persons not mentioned in Clause 23.2.1, provided that such person is not a Sanctioned Person, and subject to receipt of the prior written consent of the Borrower, while the Borrower cannot unreasonably and without grounds refuse to provide or delay provision of such consent.

23.2.3 For the purposes of this Clause 23.2, "**New Lender**" means a person to which an Existing Lender fully or partially assigns its rights and (or) transfers obligations under the Finance Documents referred to in subparagraphs (A) – (E) of Clause 23.2.1 or in Clause 23.2.2.

23.2.4 If:

- (A) any Default has occurred and is continuing for 10 Business Days; or
- (B) any Event of Default has occurred and is continuing,

the Borrower's consent to the assignment of rights and (or) the transfer of obligations of an Existing Lender is not required, except in cases where the prospective New Lender is a Sanctioned Person. For the purposes of Article 388 of the Civil Code, each Obligor hereby confirms that for the purposes of this Clause 23.2 the identity of the Lenders is not material to it.

23.2.5 In the event of the assignment by an Existing Lender of its rights and the transfer of its obligations to a New Lender in accordance with this Agreement, the Borrower hereby gives its prior consent to the simultaneous transfer to the New Lender of the relevant obligations of the Existing Lender (transfer of debt), if any.

23.3 Procedure for assignment of rights and transfer of obligations

23.3.1 The assignment of rights and (or) the transfer of debt shall be carried out by a Lender Rights Assignment Agreement between the Existing Lender, the New Lender and the Facility Administrator, and shall come into effect on the date of signature of the Lender Rights Assignment Agreement, unless otherwise expressly contemplated by the Lender Rights Assignment Agreement.

23.3.2 No later than 5 (five) Business Days before the date of the proposed signing of the Lender Rights Assignment Agreement, the Existing Lender must notify the Facility Administrator in writing of the proposed assignment of rights and/or transfer of the debt indicating the name of the New Lender. No later than the next Business Day

after receiving the above notification from the Existing Lender, the Facility Administrator shall send a copy of this notification to the Borrower.

- 23.3.3 If within 10 (ten) Business Days after receiving the notification specified in Clause 23.3.2 the Borrower has not provided the Facility Administrator with confirmation (containing a reference to the relevant legislative acts) confirming that this New Lender is a Sanctioned Person, on the date of signature of the Lender Rights Assignment Agreement:
- (A) the Existing Lender shall assign to the New Lender the rights of the Existing Lender in the amount in accordance with the Lender Rights Assignment Agreement;
 - (B) the New Lender shall assume the obligations of the Existing Lender transferred to it in the amount in accordance with the Lender Rights Assignment Agreement;
 - (C) the Existing Lender shall be released from its obligations to the extent that these obligations have been assumed by the New Lender; and
 - (D) the New Lender shall become the Lender under this Agreement and will be bound by the terms of this Agreement as the Lender.
- 23.3.4 From the date of signature of any Lender Rights Assignment Agreement, reference in this Agreement to the Lender includes any New Lender.
- 23.3.5 On the date of signature of a Lender Rights Assignment Agreement, the New Lender shall pay the Facility Administrator a fee of RUB 10,000 (ten thousand), as well as VAT, included as a separate line, and calculated based on the current tax rate under the law of the Russian Federation on taxes and levies, for the services of the Facility Administrator under this Agreement.
- 23.3.6 The Facility Administrator shall notify the Obligors in writing immediately after signature of a Lender Rights Assignment Agreement about the assignment of rights and (or) transfer of obligations under this Agreement, and shall send a copy of the signed Lender Rights Assignment Agreement to each Obligor.

23.4 **Interest payment on assignment**

- 23.4.1 Interest on the Facility Outstanding, default interest and fees in respect of the Proportional Share of the Existing Lender accrued prior to the date of signature of the Lender Rights Assignment Agreement (including the date of signature) and received from the Borrower ("**Accrued Amounts**"), as well as other payments specified in the Lender Rights Assignment Agreement, shall be paid by the Facility Administrator to the Existing Lender on the closest Interest Payment Date after the date of signature of the Lender Rights Assignment Agreement;
- 23.4.2 The rights assigned by the Existing Lender to the New Lender will not include the right to claim Accrued Amounts; and
- 23.4.3 The New Lender will receive the amount of interest accrued on the Facility Outstanding in respect of the Proportional Share of the New Lender for that part of the Interest Period that comes after signature of the Lender Rights Assignment Agreement (excluding the date of signature) and ends on the end date of the relevant Interest Period.

23.5 **Limitation of liability of Existing Lenders**

- 23.5.1 None of the Existing Lenders shall make any representations or assume any obligations to a New Lender for:
- (A) the financial position of an Obligor or Pledgor;
 - (B) the compliance or fulfilment by any Obligor of its obligations under the Finance Documents or any other documents; or

(C) the correctness of the information contained in any Finance Document.

23.5.2 Each New Lender confirms to the Existing Lender, other Finance Parties and each Obligor that it has studied all the Finance Documents, conducted (and will continue to conduct) its own independent study and assessment of each Obligor's financial condition, and did not rely on any information provided to it by the Existing Lender when taking its decision to sign the Lender Rights Assignment Agreement.

23.6 **Security over Lenders' rights**

Each Lender may, without the consent of the Obligor or another Finance Party, pledge or create another Encumbrance in favour of any person that is not a Sanctioned Person for all or part of its rights under any Finance Document in order to secure the obligations of such Lender, provided that such Lender continues to fulfil its obligations under the Agreement.

23.7 **Restriction on assignment of rights and transfer of obligations to a Sanctioned Person**

The assignment of any rights, the transfer of any obligations, the pledging or creation of any Encumbrance in favour of a Sanctioned Person is invalid.

24. **FINANCE PARTIES**

24.1 **Lenders' decision making**

24.1.1 The Lenders hereby agree that in the cases expressly contemplated by this Agreement or other Finance Documents, the Lenders may exercise their rights under this Agreement or perform any actions solely with the consent of the Majority Lenders or all Lenders ("**Consent**").

24.1.2 The Lenders shall take a decision on granting Consent by holding a vote, the procedure for which is established by this Clause 24.1. In this case, the provisions of Chapter 91 (*Decisions of Meetings*) of the Civil Code shall not apply.

24.1.3 In all cases, when the Lenders vote for the purpose of the Finance Documents the vote of each Lender is equal to its Proportional Share.

24.1.4 The Facility Administrator, either on its own initiative or at the request of any of the Lenders or the Borrower, shall inform all the Lenders (except the Lender that is the Facility Administrator) about the issue put to a vote ("**Issue put to a Vote**") by sending a notice containing a description of the Issue put to a Vote, and other information deemed necessary by the Facility Administrator ("**Notice of Voting**"). The Notice of Voting must indicate the deadline by which the Lenders have to send notices containing the voting results of each of the Lenders regarding the Issues put to a Vote ("**Lender Decision Notice**"). This deadline may not be less than 5 (five) Business Days, except when the circumstances of the Issues put to a Vote are such that the voting of Lenders needs to take place sooner.

24.1.5 The Lender Decision Notice must be signed by an authorised person of the relevant Lender and contain the Lender's unequivocal answer as to whether such Lender votes for or against the granting of Consent on each of the relevant Issues put to a Vote. The Facility Administrator is not obliged to verify the authority of the person who signed the Lender Decision Notice, and has the right to presume that such person was authorised unless the relevant Lender notified the Facility Administrator prior to the date on which the relevant Lender Decision Notice was sent that such person is not an authorised representative of the relevant Lender.

24.1.6 If any Lender (other than the Lender that is the Facility Administrator) did not send the relevant Lender Decision Notice within the deadline specified in the Notice of Voting, the Facility Administrator shall consider that such Lender voted against the granting of Consent on the relevant Issues put to a Vote.

24.1.7 After the deadline for sending the Lender Decision Notice established by the relevant Notice of Voting, the Facility Administrator shall determine the number of votes of the Lenders in favour of granting Consent on each of the relevant Issues

put to a Vote within 5 (five) Business Days, and shall send a notice to the Lenders and the Borrower containing the voting results on each of the Issues put to a Vote ("**Voting Results Notice**").

- 24.1.8 If, in accordance with the provisions of the Finance Documents, the Consent on an Issue put to a Vote requires the votes of the Majority Lenders (but not all Lenders), the Facility Administrator shall (regardless of the expiration of the deadline established in the relevant Notice of Voting) send a Voting Results Notice within 5 (five) Business Days after receipt of the Lender Decision Notices, from which it follows that the Majority Lenders voted in favour of granting such Consent or, that Lenders, the votes of which are sufficient to prevent the Majority Lenders from granting such Consent, voted against granting such Consent.
- 24.1.9 If the Lenders whose votes are sufficient to provide such Consent in accordance with the Finance Documents, voted in favour of granting the Consent, such Consent shall be deemed to have come into effect at the time when the Facility Administrator sends the Voting Results Notice, unless a later date is specified in the corresponding Voting Results Notice.
- 24.1.10 The Notices of Voting, Lender Decision Notices and Voting Results Notices shall be sent by email and/or by fax to the email addresses or fax numbers indicated in Clause 26.2 (*Addresses*).
- 24.1.11 Unless otherwise expressly stipulated by a Finance Document, any Consent granted in the manner contemplated by this Clause 24.1 shall be binding on all the Finance Parties.
- 24.1.12 For the avoidance of doubt, the Lenders hereby authorise the Facility Administrator, and the Facility Administrator agrees, to act with the prior consent of the Majority Lenders or all Lenders on the basis of the relevant Consent of the Majority Lenders or all Lenders in cases where such Consent is expressly stipulated by this Agreement.
- 24.1.13 The Facility Administrator has the right to refrain from acting on the basis of instructions of the Majority Lenders (or, where applicable, all Lenders) until it received indemnity against any costs, losses or liabilities (together with any accompanying VAT), which it may incur in complying with these instructions.
- 24.1.14 In the absence of instructions from the Majority Lenders (or, where applicable, all Lenders), the Facility Administrator has the right to take actions (or refrain from taking actions) that it views as being in the Lenders' interests.
- 24.1.15 The Facility Administrator shall only be liable to the Parties for direct losses proven in court, caused by the Facility Administrator intentionally or as a result of gross negligence.

24.2 **Appointment of the Facility Administrator**

- 24.2.1 The Parties agree that a Lender may perform the functions of a Facility Administrator. Each Finance Party (with the exception of the Lender that performs the functions of the Facility Administrator) hereby appoints the Facility Administrator as its agent and instructs it to perform the actions contemplated by the Finance Documents on behalf of and at the expense of that Finance Party.
- 24.2.2 For the avoidance of doubt, the Parties confirm that the Lender acting as the Facility Administrator has the same rights and obligations under the Finance Documents as any other Lender, and has the right to exercise these rights, including the right to vote when Consents are provided, and to fulfil the obligations as if it were not a Facility Administrator.
- 24.2.3 The performance by the Facility Administrator of its obligations under the Agreement does not prevent the Facility Administrator from executing any banking operations with any member of the Group, including maintaining bank accounts, granting loans and attracting deposits.

- 24.2.4 If the indemnification received from the Obligors does not cover the amount of expenses or losses incurred by the Facility Administrator as a result of acting as the Facility Administrator in accordance with the terms of the Finance Documents, the Facility Administrator has the right to file a claim against the Lenders (except for the Lender acting as the Facility Administrator) and each Lender (except for the Lender acting as the Facility Administrator) shall, within 10 (ten) Business Days from date on which the Facility Administrator's claim was filed, indemnify it in the amount corresponding to the Lender's Proportional Share, for any documented expenses or losses incurred by the Facility Administrator (except in the event of the Facility Administrator's gross negligence or wilful misconduct) as a result of acting as the Facility Administrator in accordance with the terms of the Finance Documents, to the extent not covered by the amount of indemnification received from any Obligor.
- 24.2.5 The Facility Administrator shall not be liable to the Lenders for its actions (or omissions), if it acts (or does not act) in accordance with the Consent of the Majority Lenders or all Lenders.
- 24.2.6 The Facility Administrator shall only be liable to the Lenders for losses caused by the Facility Administrator intentionally or as a result of gross negligence.
- 24.2.7 When the terms of the Agreement do not require the Consent of the Majority Lenders or all Lenders, the Facility Administrator shall act (or refrain from acting) at its own discretion in the best interests of the Lenders.

24.3 Duties of the Facility Administrator

- 24.3.1 Subject to Clause 24.3.2, each Finance Party (with the exception of the Facility Administrator) instructs the Facility Administrator, while the Facility Administrator agrees, to perform the following actions:
- (A) keep records of the Cash provided to the Borrower by each of the Lenders in accordance with this Agreement;
 - (B) receive any payments due to the Finance Parties from the Obligors under this Agreement into the Facility Administrator's Account, and transfer the amounts received from the Obligors to the relevant Finance Party in accordance with the terms of this Agreement;
 - (C) receive any Facility amounts from the Lenders into the Facility Administrator's Account, and transfer the Facility amounts received from the Lenders to the Borrower in accordance with the terms of this Agreement;
 - (D) notify the Borrower and Lenders about the interest rate for each Interest Period;
 - (E) sign, on behalf of all the Finance Parties, amendments to this Agreement, as well as any consents, confirmations, waivers and other documents contemplated by this Agreement, on the terms agreed in the Consent of the Majority Lenders or all Lenders, depending on the nature of the changes, consents, confirmations, waivers or other documents;
 - (F) inform the Lenders of the Borrower's fulfilment (or non-fulfilment) of the conditions precedent for submitting a Utilisation Request under this Agreement;
 - (G) provide the Parties and (or) other persons contemplated under this Agreement with documents and information received from the Borrower and third parties (including, *inter alia*, sending to the relevant Party an original or a copy of any document received by the Facility Administrator from any other Party to be forwarded to this Party), however the Facility Administrator is not obliged to examine or verify the correctness, accuracy or completeness of such documents and information;

- (H) notify the Finance Parties of the receipt of a communication from any Party containing a description of an event or circumstance and a statement to the effect that such an event or circumstance constitutes Default;
- (I) inform the Lenders that the Facility Administrator has received the Borrower's request for a waiver under this Agreement;
- (J) arrange the granting of Consents by the Majority Lenders or all Lenders at its own initiative or at the request of the Majority Lenders;
- (K) keep a register of all Parties (with the addresses, contact details of all Lenders at any time and the Proportional Share of each Lender) and provide a copy of this register for information purposes upon the request of any Party;
- (L) notify the Lenders if an Obligor has failed to pay any amount of the Facility Outstanding, interest, fees or other amounts payable to any Finance Party (other than the Facility Administrator) under the Finance Documents;
- (M) in the event of the Facility Administrator's resignation, transfer to the New Facility Administrator (defined in Clause 24.4.4) all documents received by the Facility Administrator from the Parties, or created by the Facility Administrator in the process of fulfilling its duties; and
- (N) perform all other actions (or refrain from actions) which are contemplated by this Agreement and other Finance Documents or are required for the Lenders to exercise their rights under this Agreement or other Finance Documents after having obtained the relevant Consent of the Majority Lenders or all Lenders, depending on the circumstances.

24.3.2 The Facility Administrator has the right not to exercise any rights and authority granted in accordance with Clause 24.3.1 if the Consent of the Majority Lenders or all Lenders is required to exercise such rights and authority in accordance with the terms of this Agreement, and the Facility Administrator had not received such Consent of the Majority Lenders or all Lenders in the manner prescribed by this Agreement.

24.4 **Resignation of the Facility Administrator**

- 24.4.1 The Facility Administrator has the right, after having notified the other Finance Parties and the Obligors not less than fifteen (15) days in advance, to refuse to discharge the duties of the Facility Administrator, subject to the provisions of paragraph 7 of Article 8 of the Syndicated Loan Law. In this case, the Majority Lenders (after consultation with the Borrower) are entitled to appoint the Facility Administrator's successor no later than the proposed date on which the Facility Administrator shall resign.
- 24.4.2 The resigning Facility Administrator shall, at its own expense, provide the Facility Administrator's successor with the documents available to the Facility Administrator, as well as provide the assistance that the Facility Administrator's successor may reasonably require in order to act as the Facility Administrator under the Finance Documents.
- 24.4.3 In the event that the Facility Administrator's banking license is revoked (1) the authority of the Facility Administrator shall automatically terminate from the date of the banking license's revocation, and (2) the Facility Administrator or any Lender that has received information about the revocation of the Facility Administrator's banking license, shall notify the other Parties ("**License Revocation Notice**") during the Business Day following the day when the Facility Administrator or relevant Lender received information about the revocation of the Facility Administrator's banking license.
- 24.4.4 In the event of the resignation of the Facility Administrator or the termination of its powers at the initiative of the Lenders, the Lenders, with the Consent of the Majority

Lenders, shall appoint a new Facility Administrator from among the Lenders (the "**New Facility Administrator**"), and each Finance Party and the Borrower hereby confirm their consent to such possible appointment. At the request of the Facility Administrator, the Borrower shall provide the written consent of each other Obligor to such possible appointment of the New Facility Administrator. In the Consent, the Lenders shall determine the date of termination of the authority of the Facility Administrator, and the procedure whereby the New Facility Administrator shall send a notice of the termination of the authority of the Facility Administrator to the other Parties ("**Notice of Termination of Authority**"). Moreover, in the event of the resignation of the Facility Administrator, its authority will automatically terminate 15 (fifteen) days after the Facility Administrator has sent the notice in accordance with Clause 24.4.1, unless an earlier date is stipulated by the Consent of the Lenders or the Facility Administrator does not agree to a later date of termination of its authority.

- 24.4.5 The Parties agree that the New Facility Administrator will become a party to this Agreement as the Facility Administrator after the adoption of the Consent of the Majority Lenders on the appointment of a New Facility Administrator, from the date of signature of an agreement on making the relevant changes to this Agreement, unless another date is specified in this agreement (the "**Date of Accession of the New Facility Administrator**"). Thereafter, any reference to the Facility Administrator in this Agreement will refer to the New Facility Administrator.
- 24.4.6 From the Date of Accession of the New Facility Administrator, the New Facility Administrator must ensure that a new account is opened and notify the Borrower and the Finance Parties that the Facility Administrator's Account has been substituted within 5 (five) Business Days from the Date of Accession of the New Facility Administrator.
- 24.4.7 From the date of termination of the authority of the Facility Administrator to the Date of Accession of the New Facility Administrator, the Parties hereby agree that the Lender with the largest Proportional Share or, in the absence of such, the Lender appointed by the Consent of the Majority Lenders, shall act as temporary Facility Administrator under the Agreement ("**Temporary Facility Administrator**").
- 24.4.8 The Parties agree that from the date of receipt by the Borrower of the Notice of Termination of Authority or of the License Revocation Notice to the Date of Accession of the New Facility Administrator, the Borrower shall procure that it and also the other Obligors make all payments provided for in this Agreement to the account of the Temporary Facility Administrator, whose details must be provided by the Temporary Facility Administrator to the Borrower on the first day on which it exercises the authority of facility administrator under this Agreement.
- 24.4.9 If the Facility Administrator, whose authority has been terminated for any reason, receives any payments from the Parties, it undertakes, subject to the requirements of the applicable law, to transfer such payments to the Temporary Facility Administrator on the same Business Day, so that the relevant amounts can then be transferred to the Party to which they are owed.

24.5 **Arranger**

The Arranger does not bear any obligations in relation to other Parties, unless this is expressly stipulated in the Finance Documents.

25. **PAYMENT MECHANISM**

25.1 **General Provisions**

The Borrower shall procure that it, as well as each other Obligor, make payments in accordance with the provisions of this Clause 25.

25.2 **Payments to the Facility Administrator**

Unless otherwise expressly stipulated in this Agreement, on each date on which an Obligor or Finance Party must make a payment to a Party under the terms of a Finance Document, such Obligor or Finance Party must transfer the relevant amount into the Facility Administrator's Account (unless the context of a Finance Document otherwise requires) with valuation on the date of the payment due date. All payments to be made by an Obligor under a Finance Document must be transferred into the Facility Administrator's Account no later than 17:00. Payments of an Obligor that are received into the Facility Administrator's Account later than the specified time shall be considered received on the following Business Day.

25.3 **Distribution of funds by the Facility Administrator**

- 25.3.1 The funds received by the Facility Administrator from an Obligor in fulfilment of its obligations to the Lenders under a Finance Document, as well as those received from the Facility Administrator as a result of enforcement under Security Agreements, shall be distributed among the Lenders according to each Lender's Proportional Share.
- 25.3.2 Each amount of funds transferred into the Facility Administrator's Account for another Party shall be transferred by the Facility Administrator no later than 11:00 of the next Business Day to the Party for which this amount of funds was intended, into an account whose details shall be provided to the Facility Administrator by the relevant Party at least 5 (five) Business Days before the payment date. The Facility Administrator shall transfer this amount to the relevant Party after it has determined that it has received the required amount in full.

25.4 **Partial payments**

If the Facility Administrator receives an amount that is not sufficient to fully repay all amounts payable by an Obligor under the terms of the Finance Documents at the relevant time, the Facility Administrator shall use that amount to repay that Obligor's obligations under the Finance Documents in the following order of priority, unless otherwise provided by law:

- 25.4.1 **firstly**, to indemnify the Finance Parties for the expenses incurred in connection with the enforcement of their claims against the Obligor;
- 25.4.2 **secondly**, for the payment of accrued interest on the Facility Outstanding;
- 25.4.3 **thirdly**, to repay the Facility Outstanding owed on the relevant date;
- 25.4.4 **fourthly**, for the payment of fees due to the Finance Parties;
- 25.4.5 **fifthly**, for the payment of accrued default interest; and
- 25.4.6 **sixthly**, for the payment of any other amounts due from the Obligor under the terms of the Finance Documents.

25.5 **Payments not through the Facility Administrator**

The Obligor's transfer of any funds towards payments due to a Finance Party under Finance Documents, without going through the Facility Administrator's Account, does not constitute proper fulfilment by the Obligor of its obligations under Finance Documents. If the Lender receives any payment owed to it under a Finance Document directly from the Obligor (and not from the Facility Administrator), such Lender shall transfer the amount received from the Obligor into the Facility Administrator's Account on the same Business Day for distribution among all Finance Parties according to their Proportional Share in the manner prescribed by Clause 25.4 (*Partial payments*). Thereafter, the Obligor will be deemed to have fulfilled its payment obligations under a Finance Document only to the extent of the amount received by all Finance Parties from the Facility Administrator in accordance with the provisions of this Clause 25.5.

25.6 **No set-off by Obligors**

The Borrower shall make (and shall procure that other Obligors make) any payments under the Finance Documents without offsetting any uniform counter-claims that the relevant Obligor may have against any Finance Party.

25.7 **Payment currency**

The Obligors shall make all payments under Finance Documents in Roubles, except for the indemnification of the Finance Parties for expenses incurred in connection with Finance Documents, which shall be paid by the Obligors in the same currency in which they were incurred, provided that this is not inconsistent with the currency legislation of the Russian Federation ("**Agreement Currency**"). The monetary obligations of the Obligors shall be deemed fulfilled only if the relevant amounts have been received by the Facility Administrator in the Agreement Currency. If any amounts under a Finance Document are received towards the Obligors' obligations in a currency other than the Agreement Currency, and the Facility Administrator converts the amount received into the Agreement Currency, the Borrower shall indemnify (and procure that other Obligors indemnify) the Facility Administrator for its expenses related to converting the amount received into the Agreement Currency (at the internal rate of the Facility Administrator), and also indemnify the difference between the amount due from the Obligors in the Agreement Currency, and the amount received by the Facility Administrator as a result of the conversion of the funds received from the Borrower into the Agreement Currency.

25.8 **Payment due date**

25.8.1 If payment under a Finance Document falls due on a non-Business Day, the next Business Day shall be considered the payment deadline.

25.8.2 If any Finance Document does not stipulate the due date of any payment, such payment must be made by the Obligor within 5 (five) Business Days after receipt of the demand of the relevant Finance Party from the Facility Administrator.

26. **NOTICES**

26.1 **Communications in writing**

Any communications sent by Parties to the Finance Documents must be made in writing and may be sent by courier, mail with notification of delivery, fax or other means whereby it can be reliably established that the communication is from a Party to the Finance Documents. For the purposes of this Agreement, a communication transmitted using electronic means of communication shall be considered a written communication.

26.2 **Addresses**

26.2.1 Save for the exceptions set out below, the contact details of each Party for all communications in connection with this Agreement are the details that such Party has provided to the Facility Administrator for this purpose.

26.2.2 Contact details of the Borrower:

Headhunter Limited Liability Company

Address: 9 Godovikova Street, Building 10, Moscow,
129085, Russian Federation

Fax number: +7 495 974 64 27

Email: moiseev@hh.ru

FAO: Grigory Moiseev

26.2.3 Contact details of Facility Administrator:

VTB Bank (Public Joint-Stock Company)

| | |
|-----------------|--|
| Location: | 11a Degtyarnyy Pereulok, Saint Petersburg, 191144, Russian Federation |
| Postal address: | Building 1, 43 Ul. Vorontsovskaya, Moscow, 109147 |
| Telex: | 412362 BFTR RU |
| Phone: | +7 495 739-77-39 |
| Telefax: | +7 495 775-54-54 |
| Email: | loanadmin@msk.vtb.ru, TM21@msk.vtb.ru |
| FAO: | The Credit Administration |

26.2.4 Each Lender shall provide its contact details to the Facility Administrator, which will in turn provide them to any other Party as and when requested.

26.2.5 Any Party has the right to change its contact details by giving the Facility Administrator at least 5 (five) Business Days' prior notice. The Facility Administrator will notify all other Parties of the amended contact details.

26.2.6 If a Party indicates a specific office or official as the recipient of a communication, the communication will not be deemed to have been delivered unless such department or official is indicated as the recipient.

26.3 Delivery of notices

26.3.1 Any communication or document sent by one Party to another Party in connection with the Finance Documents shall be deemed to have been received:

- (A) when sent by fax or in any other way whereby it can be reliably established that the communication is from a Party to the Finance Documents: upon receipt in a legible form; or
- (B) when sent by courier: upon delivery to the appropriate address; or
- (C) when sent by mail: upon delivery to the appropriate address or 5 (five) Business Days after being deposited in the post postage prepaid with notification of delivery, depending on which occurs earlier.

26.3.2 All notifications sent by the Obligor or to the Obligor shall be transmitted through the Facility Administrator.

26.4 Language

Any notification or communication sent by a Party in connection with any Finance Document must be in Russian. For the avoidance of doubt, the text in Russian may be accompanied by a translation into another language, however the text in Russian shall prevail.

26.5 Replies to requests from the Borrower

If the Borrower sends a request for consent in accordance with the terms of this Agreement to the Facility Administrator, such request is considered rejected if the Facility Administrator has not sent a positive reply to the Borrower within 10 (ten) Business Days from the date of receipt of the request.

27. SEVERABILITY

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, this shall not affect the legality, validity or enforceability of any other provisions of this Agreement.

28. AMENDMENT OF AGREEMENT

28.1.1 Any provision of this Agreement may be modified by a written agreement signed by the Borrower and the Facility Administrator, acting in accordance with the Consent of the Majority Lenders, except for the cases listed in Clause 28.1.2.

- 28.1.2 The provisions of the Agreement relating to:
- (A) the definition of "Majority Lenders" in Clause 1.1 (*Terms*);
 - (B) an extension to the date of payment of any amount under the Finance Documents;
 - (C) a reduction in the Margin or any other amount due from any Obligor;
 - (D) an increase the amount of any Available Commitment or the Total Commitments or an extension of the Utilisation Period or a change of the Final Repayment Date;
 - (E) any provision of the Agreement which expressly requires the consent of all the Lenders;
 - (F) the provisions of Clause 23 (*Changes to the Parties*) and this Clause 28 (*Amendment of Agreement*);
 - (G) the provisions of Clause 21 (*Events of Default*); or
 - (H) changes in the Agreement Currency, as defined in Clause 25.7 (*Payment currency*),
- as well as any provisions of the Security Documents, may not be modified without obtaining the Consent of all Lenders.
- 28.1.3 A material change of the circumstances described in Article 451 of the Civil Code cannot serve as grounds for amending or terminating this Agreement.

29. **CONFIDENTIALITY**

29.1 **Confidential information**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 29.2 (*Disclosure of Confidential Information*).

29.2 **Disclosure of Confidential Information**

Confidential Information that constitutes bank secrecy in accordance with the law is not subject to disclosure. The Finance Party has the right to disclose Confidential Information that does not constitute bank secrecy:

- 29.2.1 to its Affiliates, professional consultants and auditors, if the person to whom such Confidential Information is being provided is informed in writing of its confidential nature, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of such information;
- 29.2.2 to any persons:
- (A) 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 Facility Administrator, and also, in each case, to the professional consultants of such persons, provided that such persons (with the exception of professional consultants who, by virtue of their professional duties, must maintain confidentiality with respect to such information) assume the obligation to maintain confidentiality with respect to the Confidential Information on the conditions contemplated by this Agreement;
 - (B) with which the Finance Party concludes a sub-participation agreement in relation to the Facility or another transaction, payments under which can be made with reference to any Finance Documents and/or Obligors and their professional consultants, provided that such persons (with the exception of professional consultants who, by virtue of their professional duties, must maintain confidentiality with respect to such information) assume the

obligation to maintain confidentiality with respect to the Confidential Information on the conditions contemplated by this Agreement;

- (C) specified in the request of a prosecutor's office, court, investigating body, an administrative, banking or currency supervision body (including the Central Bank of the Russian Federation), tax body or other state body acting within their remits as established by law;
- (D) which is a Party; or
- (E) with the consent of the Borrower, Obligor or Pledgor;

29.2.3 to any rating agency (including its professional consultants) in order to assign a rating to the Finance Documents and (or) Obligors; and

29.2.4 to any credit reference agency in accordance with the Credit Histories Law.

29.3 Notification of disclosure

29.3.1 Each Finance Party agrees to inform the Borrower about circumstances where Confidential Information is disclosed in accordance with Clause 29.2.2(C), unless such information is disclosed to a state authority as part of its normal supervisory or regulatory functions.

29.3.2 The Lenders hereby inform the Borrower that the details of the Borrower and this Agreement, specified in Article 4 of the Credit Histories Law, will be transmitted to the relevant credit reference agency in accordance with the Credit Histories Law.

29.4 Obligations of the Obligors

The Borrower shall procure that it, as well as each other Obligor, keep all provisions of the Finance Documents confidential, except for the disclosure of such information:

29.4.1 to the bank through which settlements under this Agreement are made;

29.4.2 to its shareholders/members;

29.4.3 to its Affiliates, professional consultants and auditors provided that the person to whom such Confidential Information is provided is informed in writing of its confidential nature. However there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of such information;

29.4.4 upon a request of a prosecutor's office, court, investigating body, an administrative, banking or currency supervision body, tax body or other state body acting within their remits as established by law;

29.4.5 in accordance with the mandatory provisions of the applicable law, including, in accordance with the requirements of the stock exchange or the regulatory authority, whose authority extends to such Obligor, or to which it is reasonably subject; or

29.4.6 with the consent of the Facility Administrator.

29.5 Continuing obligations

The provisions of this Clause 29 (*Confidentiality*) shall remain in force and continue to be legally binding for each Finance Party within twelve (12) months from the earlier of:

29.5.1 the date on which all amounts payable by the Obligors in accordance with this Agreement are paid in full; and

29.5.2 the date on which such Finance Party will otherwise cease to be a Finance Party.

30. **APPLICABLE LAW**

This Agreement, as well as the rights and obligations of the Parties arising under this Agreement, are governed by the laws of the Russian Federation and are subject to interpretation in accordance with them.

31. **DISPUTE RESOLUTION**

31.1.1 Any dispute in connection with this Agreement, including regarding the interpretation of its provisions, its existence, validity or termination, is to be resolved out of court by one Party sending the other Party the relevant demand (claim). If a Party does not receive a response to the submitted demand (claim) and the dispute is not resolved within 10 (ten) Business Days from the date of receipt of the relevant demand (claim) by the other Party, such dispute may be resolved in court in accordance with Clause 31.1.2.

31.1.2 Subject to the provisions of Clause 31.1.1, in the event of any dispute arising out of this Agreement, including regarding the interpretation of its provisions, existence, validity or termination, such dispute is to be considered in the Moscow Arbitrazh Court. Each Finance Party intending to file a claim against a Borrower in accordance with this Clause 31 shall notify the other Finance Parties of its intention (by sending the relevant information to the Facility Administrator).

32. **COUNTERPARTS**

This Agreement is executed by the Parties in 3 (three) original counterparts, having equal legal force in the form of a single document.

This Agreement is signed on the date specified at the beginning of this Agreement.

SCHEDULE 1**THE PARTIES, AVAILABLE COMMITMENTS AND SECURITY****PART A****ORIGINAL LENDERS AND AVAILABLE COMMITMENTS**

| Tranche | Available Commitment | Original Lender |
|-----------|----------------------|-----------------|
| Tranche 1 | RUB 4,615,000,000.00 | VTB Bank (PJSC) |
| Tranche 2 | RUB 4,000,000,000.00 | VTB Bank (PJSC) |

PART B**THE OBLIGORS**

| Term | Name | Registration number | Location |
|------------------|------------------------|---------------------|---|
| Borrower | Headhunter LLC | 1067761906805 | 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Headhunter Group | HEADHUNTER GROUP PLC | HE 332806 | Company: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus Moscow Branch: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Headhunter FSU | Headhunter FSU Limited | HE 178226 | Company: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus Moscow Branch: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Zemenik | Zemenik LLC | 1167746153860 | 14 Krzhizhanovskogo Street, Building 3, Suite 304, Moscow, 117218, Russian Federation |

PART C
SECURITY AGREEMENTS

| Type of Security | Date of Security Agreement | Pledgor / Guarantor | Pledge | Applicable Law |
|----------------------------------|----------------------------|---------------------|--------------------------------------|--------------------|
| Pledge of participatory interest | 24/08/2020 | Headhunter FSU | 100% of Borrower's charter capital | Russian Federation |
| Pledge of shares | 24/08/2020 | Zemenik | 100% minus 1 share in Headhunter FSU | Republic of Cyprus |
| Pledge of shares | 24/08/2020 | Headhunter Group | 1 share in Headhunter FSU | Republic of Cyprus |
| Independent guarantee | 24/08/2020 | Headhunter Group | — | Russian Federation |
| Independent guarantee | 24/08/2020 | Zemenik | — | Russian Federation |
| Independent guarantee | 24/08/2020 | Headhunter FSU | — | Russian Federation |

CONDITIONS PRECEDENT

PART A

CONDITIONS PRECEDENT FOR SUBMITTING FIRST UTILISATION REQUEST

1. FINANCE DOCUMENTS

Each of the following Finance Documents in a form acceptable to the Facility Administrator, properly executed by each party thereto or issued by the appropriate person:

- 1.1 this Agreement;
- 1.2 the Borrower Participatory Interest Pledge;
- 1.3 the Pledge of Headhunter FSU (Headhunter Group) Shares;
- 1.4 the Pledge of Headhunter FSU (Zemenik) Shares;
- 1.5 each Independent Guarantee.

2. DOCUMENTS CONCERNING OBLIGORS REGISTERED IN THE RUSSIAN FEDERATION

2.1 A notarised copy of:

2.1.1 the Obligor's duly registered charter and valid amendments and supplements thereto, stamped by the authorised tax office (including the relevant record entry pages or registration certificates);

2.1.2 the Obligor's certificate of state registration;

2.1.3 the Obligor's tax registration certificate from the tax office for the company's location.

2.2 An up-to-date extract from the Unified State Register of Legal Entities regarding the Obligor, issued by the authorised tax office and containing information as of no earlier than 7 (seven) days prior to the date of this Agreement (including in the form of an electronic document with the protected electronic signature of the authorised tax office).

2.3 An information letter as of the date falling no earlier than 14 (fourteen) days prior to this Agreement, issued by the tax body that the Obligor is registered with, confirming that it has no outstanding obligations to the state budget or other extra-budgetary funds or, where such outstanding obligations exist, confirming that there is a repayment schedule for these obligations agreed with the relevant body.

2.4 Original or notarised copy of a decision of the Obligor's authorised management body approving the terms of the Finance Documents to which the relevant Obligor is party, and the transactions thereunder, as well as any transactions related to them, including (where applicable) on approving a transaction as a major transaction and (or) as an interested-party transaction (as these terms are defined by the laws of the Russian Federation).

2.5 Certified copies of the documents on appointing the sole executive body or other authorised persons with the right of signature, provided for by the charter, of the Obligor.

2.6 A notarised and, if applicable, apostilled copy of the power of attorney granting the Obligor's authorised persons the authority needed to sign the Finance Documents to which the respective Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with any Finance Documents to which the respective Obligor is party (if applicable).

- 2.7 The specimen signature card of each person authorised to sign on the Obligor's behalf the Finance Documents to which it is party, or, as the case may be, to sign or send any documents or notifications in connection with Finance Documents to which the respective Obligor is party (if applicable).
- 2.8 A document signed by an authorised representative of the Obligor, confirming, *inter alia*, that:
- 2.8.1 each document (either original or copy) provided by each of the Obligors or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
 - 2.8.2 all corporate approvals required in accordance with applicable law in respect of the Finance Documents to which the relevant Obligor is party and the transactions thereunder, including approvals of such transactions as major transactions or interested-party transactions, have been received by the relevant Obligor;
 - 2.8.3 the total value of transactions under the Finance Documents to which the relevant Obligor is party amounts to over fifty (50) percent of the book value of the assets of the relevant Obligor; and
 - 2.8.4 with regard to the Borrower, the Regulated Procurement Law does not apply to the conclusion by the Borrower of the Finance Documents to which it is party (however, such confirmation should not apply to the application of the Regulated Procurement Law to any Finance Party).
3. **DOCUMENTS IN RESPECT OF THE OBLIGORS REGISTERED IN CYPRUS**
- 3.1 Apostilled copy of the certificate of incorporation issued by the Department of the Registrar of Companies of Cyprus.
 - 3.2 Apostilled copy of the memorandum and articles of association (together with all changes and additions to them) in Greek (with the Department of the Registrar stamp on them) and in English.
 - 3.3 Apostilled original certificate of address of the registered office, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.4 Apostilled original certificate of directors and secretary issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.5 Apostilled original certificate of the shareholders of Headhunter FSU, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.6 Certified copy of the register of directors and secretaries dated no earlier than 1 (one) day before this Agreement.
 - 3.7 Certified copy of the register of members dated no earlier than 1 (one) day before this Agreement.
 - 3.8 Certified copy of the register of mortgages and other charges dated no earlier than 1 (one) day before this Agreement.
 - 3.9 An original incumbency certificate, the form and substance of which is acceptable to the Facility Administrator, along with all documents submitted in accordance with such incumbency certificate.
 - 3.10 A notarised and, if applicable, apostilled copy or apostilled original of the resolution of the board of directors and shareholders or any other authorised body, as contemplated by the constitutional documents of each Obligor:

- 3.10.1 on approving the terms of the Finance Documents to which the relevant Obligor is party, and the transactions thereunder, and resolving that the relevant Obligor shall sign the Finance Documents to which the relevant Obligor is party;
 - 3.10.2 on granting the relevant person or persons with the authority needed to sign the Finance Documents to which the relevant Obligor is party, on the latter's behalf; and
 - 3.10.3 on granting the relevant person or persons with the authority needed to sign on behalf of the relevant Obligor all documents and notifications, which must be signed by the relevant Obligor in accordance or in connection with the Finance Documents to which the relevant Obligor is party.
- 3.11 A notarised and, if applicable, apostilled copy of a power of attorney granting the authorised persons of the relevant Obligor with the authority needed to sign the Finance Documents to which the relevant Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with the Finance Documents to which the relevant Obligor is party (if applicable).
- 3.12 An original signature sample of each person granted the authority on the basis of the resolution referred to in Clause 3.10.2 above.
- 3.13 An original document, signed by an authorised representative of the relevant Obligor, confirming that each document (either original or copy) provided by the relevant Obligor or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
4. **LEGAL OPINIONS**
- A legal opinion prepared by Alexandros Economou LLC, the Facility Administrator's legal adviser on Cypriot law, in a form acceptable to the Facility Administrator and approved by the Facility Administrator before this Agreement is signed that is addressed to the Finance Parties who constitute such as of the date of such opinion.
5. **OTHER DOCUMENTS AND EVIDENCE**
- 5.1 A duly concluded amendment agreement to each bank account agreement entered into with the Original Lender, providing consent to the direct debiting of funds by the Facility Administrator on the basis of collection orders, bank orders, payment demands or other documents, for the purposes of the performance of the Borrower's obligations under the Finance Documents, with the possibility of partial performance where there are insufficient funds on the Borrower's account.
- 5.2 Confirmation of payment of the Facility fee specified in Clause 11.2 (*Facility Fee*).
- 5.3 Confirmation of payment of remuneration to legal advisors (Herbert Smith Freehills CIS LLP and Alexandros Economou LLC).
- 5.4 Any other permits or other documents, opinions or representations which the Obligors were told by the Facility Administrator were necessary or expedient for the conclusion and execution of any Finance Documents and transactions thereunder, or for ensuring the validity and enforceability of any Finance Documents.

PART B

CONDITIONS PRECEDENT FOR THE TRANCHE 1 UTILISATION REQUEST

1. **LOAN AGREEMENTS BETWEEN THE BORROWERS**

- 1.1 Borrower-certified copies of each Loan Agreement Between the Borrowers in a form approved by the Facility Administrator.
- 1.2 Original or copy, properly certified by the relevant company, of a resolution by the authorized governing body of the Borrower, Zemenik, and Headhunter Group approving the terms of the Loan Agreements Between the Borrowers to which the relevant company is party and the transactions they contemplate, as well as any associated transactions, including (as the case may be) approval of a transaction as a major transaction and/or a non-arms-length transaction (in the meaning given those terms by Russian Federation law).
- 1.3 A notarised and, if applicable, apostilled copy of the power of attorney granting authorised representatives of the Borrower, Zemenik, and Headhunter Group the authority required to sign the Loan Agreements Between the Borrowers to which the relevant company is party, or, as appropriate, the authority required to sign or send any documents or notices involving the Loan Agreements Between the Borrowers to which the relevant company is party (if applicable).
- 1.4 Borrower-certified copies of Zemenik's and the Borrower's corporate approvals and powers of attorney for the signing of such loan agreements.
- 1.5 Irrevocable instructions signed by the Borrower for the transfer of loan amounts under each Loan Agreement Between the Borrowers.
- 1.6 An irrevocable instruction signed by Zemenik for transfer of the loan amount under the relevant Loan Agreement Between the Borrowers for early loan repayment under the Existing Facility Agreement in which Zemenik is the borrower.
- 1.7 An irrevocable instruction signed by Headhunter Group for transfer of the loan amount under the relevant Loan Agreement Between the Borrowers for early loan repayment under the Existing Facility Agreement in which Headhunter Group is the borrower.

PART C

CONDITIONS PRECEDENT FOR THE TRANCHE 2 UTILISATION REQUEST

1. GENERAL CORPORATE PURPOSES

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.1 of the Agreement:

- 1.1 Borrower's certificate confirming a change in Cash Receipts and Revenue of the Group compared to the same period in the previous year, for the period from the last Test Date.
- 1.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2 and the par value of the placed Permitted Bonds, as well as the amounts of other Financial Indebtedness raised after the relevant reporting date.

2. ACQUISITIONS

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.2 of the Agreement.

- 2.1 Information and documents on the balance sheet and liabilities of the asset being acquired, along with explicatory material concerning its market value, including:
 - 2.1.1 due diligence report for asset being acquired;
 - 2.1.2 the structure of the group and shareholders of the asset being acquired;
 - 2.1.3 research of the relevant market of the asset being acquired;
 - 2.1.4 calculation of synergies; and
 - 2.1.5 other relevant documents (financial models).

- 2.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2 and the par value of the placed Permitted Bonds, as well as the amounts of other Financial Indebtedness raised after the relevant reporting date.

- 3. **DIVIDENDS PAYOUT**

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.3 of the Agreement.

- 3.1 A tax consultant's and/or legal consultant's opinion on the tax consequences and possibility of going forward with the planned distribution in a form and substance acceptable to the Facility Administrator.
- 3.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2 and the par value of the placed Permitted Bonds, as well as the amounts of other Financial Indebtedness raised after the relevant reporting date.

SCHEDULE 3

FORM OF UTILISATION REQUEST

From: [name of Borrower]
To: [Name of Facility Administrator]
Date: [•]

Dear Sirs,

Syndicated Facility Agreement dated __ August 2020 (as amended) (the "Agreement")

1. We refer to the Agreement. The terms defined in the Agreement have the same meaning in this Utilisation Request, unless they are given a different meaning in this Utilisation Request.
2. We request that the Facility be granted on the following terms:

| | |
|------------------------------|--|
| Tranche: | [•] |
| Purpose: | [refer to Clause 3 (<i>Purpose</i>)] |
| Utilisation Date: | [•] |
| Facility Currency: | Roubles |
| Amount in Facility currency: | [•] |
3. We confirm that as of the date of this Utilisation Request every Initial Condition Precedent for Tranche [•] specified in Clause [4.1] of the Agreement has been satisfied and] all the representations listed in Clause 16 (*Representations*) of the Agreement remain true.
4. The funds under this Facility must be transferred to [specify account].
5. This Utilisation Request is irrevocable.

Yours Sincerely,

.....

[Authorised Representative]

[name of Borrower]

SCHEDULE 4
FORM OF LENDER RIGHTS ASSIGNMENT AGREEMENT

AGREEMENT FOR
ASSIGNMENT OF RIGHTS (CLAIMS) [AND TRANSFER OF DEBT]

_____ [•]

BETWEEN

[EXISTING LENDER]

[NEW LENDER]

AND

[FACILITY ADMINISTRATOR]

BETWEEN:

- (1) [•], [open/public]/[closed] joint-stock company/[limited liability company], incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number: [•], located at: [address], represented by [full name], acting on the basis of [power of attorney] [Charter] OR [company/legal person/limited liability company/[open/public]/[closed] joint-stock company], [incorporated]/[organised and existing] in accordance with the law of [jurisdiction], [located/registered/ whose head office is located] at [address], represented by [full name], acting on the basis of [power of attorney] [Charter], as the assignor (the "**Existing Lender**");
- (2) [•], [open/public]/[closed] joint-stock company/[limited liability company], incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number: [•], located at: [address], represented by [full name], acting on the basis of [power of attorney] [Charter] OR [company/legal person/limited liability company/[open/public]/[closed] joint-stock company], [incorporated]/[organised and existing] in accordance with the law of [jurisdiction], [located/registered/ whose head office is located] at [address], represented by [full name], acting on the basis of [power of attorney] [Charter], as the assignee (the "**New Lender**"); and
- (3) [•] [full name of the bank acting as Facility Administrator] as the facility administrator (the "**Facility Administrator**").

THE PARTIES AGREED AS FOLLOWS:

1. INTERPRETATION

The terms defined in the Facility Agreement have the same meaning in this Lender Rights Assignment Agreement, unless they are given a different meaning in this Lender Rights Assignment Agreement.

In this Lender Rights Assignment Agreement:

"Bank Account" means the bank account of the Existing Lender as specified in paragraph 4.1.2 of this Lender Rights Assignment Agreement.

"Transaction Date" means [the date of this Lender Rights Assignment Agreement]/[indicate the agreed calendar date on which the assignment of rights (claims) and the transfer of debt will occur].

"Debt" means the commitment of the Existing Lender to grant the Borrower a Facility within its Unused Available Commitment, amounting on the date of this Lender Rights Assignment Agreement to [•] [Roubles] [US Dollars] [Euro].

"Borrower" means [•]:

"Facility Agreement" means the syndicated facility agreement dated [•] 2020, concluded, *inter alia*, between the Existing Lender and the Borrower (as amended).

"Receivables" means the rights to claim repayment of the Facility Outstanding in the amount of [indicate amount of the facility provided to the Borrower by the Existing Lender as of the date of this assignment agreement], interest, and other payments due to the Existing Lender from the Borrower under the terms of the Facility Agreement, as well as the receivables under each Security Agreement and each Independent Guarantee].

"Parties" means the Existing Lender, the New Lender and the Facility Administrator, and **"Party"** means each of them.

"Notification" means the notification, drawn up in the form given in Schedule 1 to the Lender Rights Assignment Agreement, of assignment of the Receivables [and transfer of Debt] of the Existing Lender under the Facility Agreement on the terms of this Lender Rights Assignment Agreement, sent to the Borrower by the Existing Lender.

"Price of the Receivables" means the amount of [•] ([•]) [Roubles] [US Dollars] [Euro].

2. **SUBJECT MATTER OF LENDER RIGHTS ASSIGNMENT AGREEMENT**

2.1 [On the Transaction Date, the Existing Lender shall assign, and the New Lender accept, the Receivables in the manner and on the terms specified in Clause 23 (*Changes to the Parties*) of the Facility Agreement and this Lender Rights Assignment Agreement.] / [On the Transaction Date, the Existing Lender shall transfer, and the New Lender accept, the Debt in the manner and on the terms specified in Clause 23 (*Changes to the Parties*) of the Facility Agreement and this Lender Rights Assignment Agreement.]

2.2 The Receivables under the Facility Agreement shall be transferred to the New Lender free from any Encumbrances.

3. **PROCEDURE FOR PERFORMANCE OF PARTIES' OBLIGATIONS**

3.1 [On the Transaction Date, the New Lender shall pay to the Existing Lender the Price of the Receivables into the Bank Account.]

3.2 On the Transaction Date, the Existing Lender shall cease to be the Lender under the Facility Agreement [to the extent of the relevant Receivables], while the New Lender shall become the Lender under the Facility Agreement [to the extent of the relevant Receivables] and all provisions of the Facility Agreement and other Finance Documents shall apply to it.

3.3 The Existing Lender confirms that it does not have any information that the Borrower has any objections to such Existing Lender that the Borrower could raise to the New Lender in accordance with Article 386 of the Civil Code.

3.4 The New Lender confirms that it has studied all the terms of the Facility Agreement and other Finance Documents, conducted (and will continue to conduct) its own independent study and assessment of each Obligor's financial condition, and did not rely on any information provided to it by the Existing Lender when taking its decision to sign this Lender Rights Assignment Agreement.

3.5 The New Lender confirms the appointment of the Facility Administrator as Facility Administrator in accordance with Clause 24.2 (*Appointment of the Facility Administrator*) of the Facility Agreement.

3.6 On the Transaction Date the Existing Lender shall:

3.6.1 transfer to the New Lender documents certifying all receivables of the Existing Lender as a Lender under the Facility Agreement, including the original Facility Agreement and other Finance Documents to which the Existing Lender is party, all changes and additions to them, copies of the Utilisation Requests, as well as all documents confirming the amount of the Receivables [and Debt] on the Transaction Date;

3.6.2 provide the New Lender with information relevant to the exercise of the Receivables, including information about the Borrower's breach of the Facility Agreement; and

3.6.3 send the Notification to the Borrower.

3.7 The obligations of the New Lender to pay the Price of the Receivables shall be deemed fulfilled when the amount of the Price of the Receivables is received into the Bank Account of the Existing Lender.

3.8 The Parties shall perform all other actions necessary to fulfil their obligations under this Clause 3.

4. **PAYMENTS**

All payments under this Lender Rights Assignment Agreement must be made by bank transfer based on the following details:

4.1.1 New Lender (if applicable):

Payment recipient: [•]
location: [•]
Bank: [•]
SWIFT: [•]
IBAN: [•]
Account No: [•]

or into another account specified by the New Lender in writing;

4.1.2 Existing Lender:

Payment recipient: [•]
Bank: [•]
location: [•]
SWIFT code: [•]
Correspondent
account: [•]
Settlement account: [•]
BIC: [•]

or into another account specified by the Existing Lender in writing.

5. **NOTICES**

Any notices or other official communications sent under this Lender Rights Assignment Agreement shall be made in writing and may be delivered in person, sent by fax or by registered mail with delivery confirmation to the following addresses:

5.1.1 New Lender:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

5.1.2 Existing Lender:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

5.1.3 Facility Administrator:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

6. **APPLICABLE LAW**

This Lender Rights Assignment Agreement is governed by Russian law.

7. **DISPUTE RESOLUTION**

In the event of any dispute arising out of this Lender Rights Assignment Agreement, including regarding the interpretation of its provisions, existence, validity or termination, this dispute is to be considered in the Moscow Arbitrazh Court.

8. **COUNTERPARTS**

This Lender Rights Assignment Agreement is signed in 3 (three) counterparts, one counterpart for each Party to the Lender Rights Assignment Agreement.

SCHEDULE 1 TO LENDER RIGHTS ASSIGNMENT AGREEMENT

FORM OF NOTIFICATION OF BORROWER

From: [Existing
Lender]
To: [Borrower]
[Address of Borrower]
Copy: [to New Lender]
[Address of New Lender]

NOTIFICATION OF ASSIGNMENT OF RECEIVABLES

[AND TRANSFER OF DEBT]

Hereby [•], registration number [•], location: [•] (the "**Existing Lender**") notifies [•], Primary State Registration Number [•], location: Russian Federation, [•] (the "**Borrower**") of the transfer of all rights (claims) [and transfer of debt] under a syndicated facility agreement between, *inter alia*, the Borrower and the Existing Lender dated [•] 2020 (the "**Facility Agreement**") from the Existing Lender to [•], location: [•] (the "**New Lender**") on the conditions specified in the agreement of assignment of rights (claims) [and transfer of debt] between the Existing Lender and the New Lender, contained in Schedule 1.

[Upon receipt of this notification, the Borrower must continue to fulfil its payment obligations to the New Lender under the Facility Agreement to the Facility Administrator in accordance with the provisions of the Facility Agreement.]

Schedule 1: Copy of agreement of assignment of rights (claims) [and transfer of debt] between the Existing Lender and the New Lender.

stamp here

SIGNATURES OF THE PARTIES

[EXISTING LENDER]

[•])
[•])
stamp here

[NEW LENDER]

[•])
[•])
stamp here

[FACILITY ADMINISTRATOR]

[•])
[•])
stamp here

SCHEDULE 5
FORMS OF COMPLIANCE CERTIFICATES

PART A

FORM OF COMPLIANCE CERTIFICATE ON THE BASIS OF IFRS
under Syndicated Facility Agreement dated [•] 2020

From: [name of the Borrower] [details of the Borrower]

To: [name of the Facility Administrator] [details of the Facility Administrator]

Auditor: [name of the Auditor] [details of the Auditor]

Date: [•]

1. On the basis of Syndicated Facility Agreement dated [•] 2020 (the "**Agreement**"), the Borrower informs the Facility Administrator that the financial covenants as of [Test Date] have been complied with in accordance with the conditions specified in Clause 18 (*Financial Covenants*) of the Agreement.
2. The terms defined in the Agreement have the same meaning in this compliance certificate, unless they are given a different meaning.
3. We confirm that the list of financial indicators listed in Schedule 1 of this compliance certificate corresponds to the list of financial indicators specified in Clause 18 (*Financial Covenants*) of the Agreement.
4. We confirm that the financial indicators given in Schedule 1 to this compliance certificate were calculated by us on the basis of financial statements prepared in accordance with IFRS as of the Test Date.
5. We confirm that as of the date of this compliance certificate, each financial covenant specified in [Clauses 18.3 (*Leverage*), 18.4 (*Interest cover*), and 18.5 (*Guarantors' Cover Ratio*)] has been complied with.
6. [We confirm that as of the date of this compliance certificate, the following covenants specified in [Clauses 18.3 (*Leverage*), 18.4 (*Interest cover*), and 18.5 (*Guarantors' Cover Ratio*)] of the Agreement have not been complied with: [list financial covenants which were breached].]
7. [We confirm that as of the date [•] there is no Event of Default/[the following Events of Default have occurred and we are taking the following measures to remedy them: [•]].]
8. The report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 1 to this compliance certificate.
9. The description of the parameters used in the report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 2 to this compliance certificate.

FINANCIAL INDICATORS OF THE BORROWERS AS OF THE TEST DATE

| No. | Name of financial indicator | Source of data | Calculation procedure | Indicator value | Test Date | Event of Default |
|-----|-----------------------------|----------------|-----------------------|-----------------|-----------|------------------|
| 1 | Leverage | [•] | [•] | [•] | [•] | [•] |
| 2 | Interest Cover | [•] | [•] | [•] | [•] | [•] |
| 3 | Guarantors' cover ratio | [•] | [•] | [•] | [•] | [•] |

PART B

FORM OF COMPLIANCE CERTIFICATE ON THE BASIS OF RAS STATEMENTS

under Syndicated Facility Agreement dated [•] 2020

From: [name of the Borrower] [details of the Borrower]

To: [name of the Facility Administrator] [details of the Facility Administrator]

Date: [•]

1. On the basis of Syndicated Facility Agreement dated [•] 2020 (the "**Agreement**"), the Borrower informs the Facility Administrator that the financial covenants as of [Test Date] have been complied with in accordance with the conditions specified in Clause 18 (*Financial Covenants*) of the Agreement.
2. The terms defined in the Agreement have the same meaning in this compliance certificate, unless they are given a different meaning.
3. We confirm that the list of financial indicators listed in Schedule 1 to this compliance certificate corresponds to the list of financial indicators specified in [Clauses 18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)].
4. We confirm that the financial indicators given in Schedule 1 to this compliance certificate were calculated by us on the basis of financial statements prepared in accordance with RAS and financial statement prepared in accordance with IFRS as of the Test Date.
5. We confirm that as of the date of this compliance certificate, each covenant specified in Clauses [18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)] of the Agreement has been complied with.
6. [We confirm that as of the date of this compliance certificate, the following covenants specified in Clauses [18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)] of the Agreement have not been complied with: [list financial covenants that were breached].]
7. [We confirm that as of the date [•] there is no Event of Default/[the following Events of Default have occurred and we are taking the following measures to remedy them: [•]].]
8. The report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 1 to this compliance certificate.
9. The description of the parameters used in the report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 2 to this compliance certificate.

FINANCIAL INDICATORS OF THE BORROWER AS OF THE TEST DATE

| No. | Name of financial indicator | Data Source | Calculation procedure | Indicator value | Test Date | Event of Default |
|-----|--|-------------|-----------------------|-----------------|-----------|------------------|
| 1 | Revenue in accordance with RAS | [•] | [•] | [•] | [•] | [•] |
| 2 | Cash receipts | [•] | [•] | [•] | [•] | [•] |
| 3 | [Net assets of Borrower] | [•] | [•] | [•] | [•] | [•] |
| 4 | [Net assets of [Obligor registered in Russia]] | [•] | [•] | [•] | [•] | [•] |

SCHEDULE 6
REPAYMENT SCHEDULE

| | Repayment date (counted from the date of this Agreement) | Repayment amount (percentage of the amount of Facility utilised under each Tranche as of the end of the relevant Utilisation Period) | |
|-----|---|--|------------------|
| | | Tranche 1 | Tranche 2 |
| 1. | First Interest Payment Date | 1/38 | 0 |
| 2. | Second Interest Payment Date | 1/38 | 0 |
| 3. | Third Interest Payment Date | 1/38 | 0 |
| 4. | Fourth Interest Payment Date | 1/38 | 0 |
| 5. | Fifth Interest Payment Date | 1/38 | 1/30 |
| 6. | Sixth Interest Payment Date | 1/38 | 1/30 |
| 7. | Seventh Interest Payment Date | 1/38 | 1/30 |
| 8. | Eight Interest Payment Date | 1/38 | 1/30 |
| 9. | Ninth Interest Payment Date | 1/38 | 1/30 |
| 10. | Tenth Interest Payment Date | 1/38 | 1/30 |
| 11. | Eleventh Interest Payment Date | 1/38 | 1/30 |
| 12. | Twelfth Interest Payment Date | 1/38 | 1/30 |
| 13. | Thirteenth Interest Payment Date | 1/38 | 1/30 |
| 14. | Fourteenth Interest Payment Date | 1/38 | 1/30 |
| 15. | Fifteenth Interest Payment Date | 1/38 | 1/30 |
| 16. | Sixteenth Interest Payment Date | 1/38 | 1/30 |

| | | | |
|-----|-----------------------------------|--|--|
| 17. | Seventeenth Interest Payment Date | 1/38 | 1/30 |
| 18. | Eighteenth Interest Payment Date | 1/38 | 1/30 |
| 19. | Nineteenth Interest Payment Date | 1/38 | 1/30 |
| 20. | Final Repayment Date | Entire amount of Facility Outstanding for Tranche 1 | Entire amount of Facility Outstanding for Tranche 2 |

SCHEDULE 7
EXISTING FINANCIAL INDEBTEDNESS

| No. | Agreement number and date | Lender | Borrower | Sum of loan | Currency |
|------------|----------------------------------|----------------|-------------------|--------------------|-----------------|
| 1. | Loan agreement dated 19/11/2012 | Headhunter FSU | "100RABOT AZ" LLC | 30,000 | USD |
| 2. | Loan agreement dated 20/05/2013 | Headhunter FSU | "100RABOT AZ" LLC | 10,000 | USD |
| 3. | Loan agreement dated 09/12/2013 | Headhunter FSU | "100RABOT AZ" LLC | 10,000 | USD |
| 4. | Loan agreement dated 10/11/2015 | Headhunter FSU | "100RABOT AZ" LLC | 15,000 | USD |
| 5. | Loan agreement dated 03/08/2017 | Zemenik | Headhunter Group | 233,000,000 | Roubles |
| 6. | Loan agreement dated 09/06/2017 | Zemenik | Headhunter Group | 227,519,520 | Roubles |
| 7. | Loan agreement dated 10/10/2017 | Zemenik | Headhunter Group | 2,000,000,000 | Roubles |

SCHEDULE 8
INTELLECTUAL PROPERTY

16. Obligors' Trademarks

| No. | Type of mark | Contents | Country of registration | NCL [Nice Classification] Classes | Priority date | Certificate No. | Certificate date | Term of registration |
|-----|--------------|-----------------------------|-------------------------|-----------------------------------|---------------|-----------------|------------------|----------------------|
| 1 | word mark | HEADHUNTER | Russian Federation | 09, 16, 35, 41, 42 | 06/04/2006 | 339197 | 12/12/2007 | 06/04/2026 |
| 2 | word mark | Headhunter | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/02/2008 | 401167 | 12/02/2010 | 22/02/2028 |
| 3 | Graphic mark | XX | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 410843 | 09/06/2010 | 22/06/2019 |
| 4 | graphic mark | HH | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 410844 | 09/06/2010 | 22/06/2019 |
| 5 | graphic mark | new HH logotype | Russian Federation | 09, 16, 35, 38, 41, 42 | 11/03/2009 | 431008 | 28/02/2011 | 11/03/2019 |
| 6 | graphic mark | hh | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 430120 | 14/02/2011 | 22/06/2019 |
| 7 | word mark | HRBRAND | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/04/2008 | 378423 | 05/05/2009 | 22/04/2028 |
| 8 | word mark | HR brand of the year | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/02/2008 | 423350 | 22/11/2010 | 22/02/2028 |
| 9 | word mark | HR brand | Russian Federation | 09, 16, 35, 38, 41, 42 | 08/04/2008 | 388438 | 02/09/2009 | 08/04/2028 |

| | | | | | | | | |
|----|-------------|---------------------------|--------------------|-------------------------------|------------|---------------|------------|------------|
| 10 | word mark | HRspace | Russian Federation | 35, 36 | 11/12/2015 | 602908 | 24/01/2017 | 11/12/2025 |
| 11 | combination | Salary data bank | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 622996 | 10/07/2017 | 18/02/2026 |
| 12 | combination | HR Experts League | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 615705 | 10/05/2017 | 18/02/2026 |
| 13 | combination | Talent Measurement | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 606635 | 22/02/2017 | 18/02/2026 |

17. Obligors' Websites

Borrower — <http://hh.ru>; <http://headhunter.ru>; <http://XX.pdp>; <http://hrbrand.ru/>

18. Database

| No. | Proprietor | Type | Name | Country of registration | Application No. | Application date | Certificate No. | Certificate date |
|------|-----------------------|----------|----------------------------|-------------------------|-----------------|------------------|-----------------|------------------|
| 2015 | | | | | | | | |
| 1 | Headhunter LLC | Database | HeadHunter Database | Russia | 2015621116 | 31 August 2015 | 2015621803 | 21 December 2015 |

SCHEDULE 9
LIST OF RUSSIAN BANKS

1. Sberbank PJSC
2. VTB Bank (PJSC)
3. Gazprombank (Joint-Stock Company)
4. Bank FC Otkritie PJSC
5. BM-Bank JSC
6. UniCredit JSC
7. Credit Bank of Moscow PJSC
8. Promsvyazbank PJSC
9. Raiffeisenbank JSC
10. Rosbank PJSC
11. Saint Petersburg Bank PJSC
12. Sovcombank PJSC
13. AK Bars PJSC
14. CB Citibank JSC
15. Nordea Bank JSC

SIGNATURES OF THE PARTIES

Borrower

"HEADHUNTER" LIMITED LIABILITY COMPANY

Signature: / Dmitry Markelov /

Full name: Markelov Dmitry Valentinovich

Position: Under the authority of a power of attorney

Arranger

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

Signature: / Vitali Buzoverya /

Full name: Vitali Nikolaevich Buzoverya

Position: Head of Department – Senior Vice-President

Facility Administrator

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

Signature: / Vitali Buzoverya /

Full name: Vitali Nikolaevich Buzoverya

Position: Head of Department – Senior Vice-President

Original Lender

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

Signature: / Vitali Buzoverya /

Full name: Vitali Nikolaevich Buzoverya

Position: Head of Department – Senior Vice-President

Pledge Manager

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

Signature: / Vitali Buzoverya /

Full name: Vitali Nikolaevich Buzoverya

Position: Head of Department – Senior Vice-President



26 November 2021

"HEADHUNTER" LIMITED LIABILITY COMPANY

as the Borrower

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Arranger

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Facility Administrator

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Pledge Manager

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Original Lender

**AMENDMENT AGREEMENT NO. 2
TO THE SYNDICATED FACILITY AGREEMENT
DATED 24 AUGUST 2020**

Herbert Smith Freehills CIS LLP

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- (1) **"HEADHUNTER" LIMITED LIABILITY COMPANY**, incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number 1067761906805, located at: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation (the "**Borrower**");
- (2) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the arranger of the Facility (the "**Arranger**");
- (3) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the original lender (the "**Original Lender**");
- (4) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the facility administrator (the "**Facility Administrator**"); and
- (5) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the pledge manager (the "**Pledge Manager**").

RECITALS

- (A) The Borrower and VTB Bank (public joint-stock company) as the arranger, facility administrator, pledge manager, and original lender, concluded syndicated facility agreement dated 24 August 2020 as amended by amendment agreement No. 1 dated 10 December 2020 (the "**Facility Agreement**").
- (B) The Borrower has asked the Facility Administrator to make changes to the Facility Agreement.
- (C) The Parties hereby agree that, on the terms established by this Agreement, changes will be made to the Facility Agreement, subject to which it be set forth in the version attached to this Agreement ("**Restated Facility Agreement**").

THE PARTIES AGREED as follows:

1. DEFINITIONS

1.1. Terms

In this Agreement:

"Effective Date" means the date on which the Facility Administrator confirms to the Borrower that the condition specified in Paragraph 3.1 has been met.

"New Finance Documents" means the Finance Documents listed in paragraph 1 (*New Finance Documents*) of Schedule 1 (*Conditions Precedent*).

"Party" means a party to this Agreement

1.2. Incorporated Terms

Unless otherwise follows from the context, terms that are used in the Restated Facility Agreement with a capital letter and which are not defined in this Agreement have the same meaning as in the Restated Facility Agreement.

1.3. Interpretation

The provisions of clause 1.2 (*Interpretation*) of the Restated Facility Agreement shall apply to this Agreement as if they were set forth in this Agreement, furthermore references to Clauses and Schedules shall be considered references to the clauses and schedules of this Agreement, unless the context indicates otherwise.

1.4. Purpose

This Agreement is a Finance Document.

2. CHANGES TO THE FACILITY AGREEMENT

From the Effective Date, the Facility Agreement shall be modified by being set forth in the version contained in Schedule 2 (*Restated Facility Agreement*), and from the Effective Date the rights and obligations of the Parties in accordance with the Facility Agreement shall be regulated and interpreted in accordance with the terms of the Restated Facility Agreement.

3. RESTRICTIONS

- 3.1. The mandatory nature of the amendments, and additions contemplated by Clause 2 (*Changes to the Facility Agreement*) is subject (as contemplated by Article 327¹ of the Civil Code) to the Borrower's provision of the documents and information specified in Schedule 1 (*Conditions Precedent*) to the Facility Administrator, in the required form satisfactory to the Facility Administrator.
- 3.2. The changes and additions made to the Facility Agreement in accordance with this Agreement are limited to the changes and additions specified in Clause 2 (*Changes to the Facility Agreement*). No other provisions of the Facility Agreement (other than those specified in Clause 2 (*Changes to the Facility Agreement*)) shall be modified or supplemented by this Agreement.
- 3.3. Nothing in this Agreement affects the rights of the Finance Parties, or is considered a waiver of rights in relation to any Default.
- 3.4. This Agreement does not release the Borrower from any obligations under the Facility Agreement.

4. REPRESENTATIONS

- 4.1 The Borrower makes the representations set forth in Clause 16 (*Representations*) of the Restated Facility Agreement to each Finance Party.
- 4.2 The representations referred to in Paragraph 4.1.1 above are made by the Borrower on the date of this Agreement with reference to the circumstances existing as of the date of this Agreement.
- 4.3 References in the representations made in accordance with Paragraph 4.1.1 above, to the Facility Agreement and Finance Documents shall be deemed to include references to this Agreement.

5. CONDITIONS SUBSEQUENT

- 5.1 The Borrower shall provide the Facility Administrator with notarised translations into Russian of the documents listed in sections 2 and 3 of Schedule 1 (*Conditions Precedent*) if they are in a foreign language and (or) apostilled, no later than 60 (sixty) days from the date of signing this Agreement.
- 5.2 The Borrower shall provide the Facility Administrator with evidence of the following:
 - (a) submission to the Cyprus Stamp Duty Commissioner of each New Finance Document to which an Obligor registered under the laws of Cyprus is party in order for a decision to be taken on whether stamp duty is to be paid in respect of such documents – no later than 30 (thirty) days from the date of conclusion of the relevant New Finance Document; an
 - (b) payment of stamp duty in respect of such documents in the amount established by the Cyprus Stamp Duty Commissioner, or exemption of such documents from stamp duty payment - no later than 60 (sixty) days from the date of conclusion of the relevant New Finance Document.

6. **APPLICABLE LAW**

This Agreement, as well as the rights and obligations of the Parties arising under this Agreement, are governed by the laws of the Russian Federation and are subject to interpretation in accordance with it

7. **DISPUTE RESOLUTION**

- 7.1. Any dispute in connection with this Agreement, including regarding the interpretation of its provisions, its existence, validity or termination, is to be resolved out of court by one Party sending the other Party the relevant demand (claim). If a Party does not receive a response to the submitted demand (claim) and the dispute is not resolved within 10 (ten) Business Days from the date of receipt of the relevant demand (claim) by the other Party, such dispute may be resolved in court in accordance with Paragraph 7.1.1 below
- 7.2. Subject to the provisions of Paragraph 7.1.1 above, in the event of any dispute arising out of this Agreement, including regarding the interpretation of its provisions, existence, validity or termination, such dispute is to be considered in the Moscow Arbitrazh Court. Each Finance Party intending to file a claim against the Borrower in accordance with this Clause 7 must notify the other Finance Parties of its intention (by sending the relevant information to the Facility Administrator)

8. **COUNTERPARTS**

This Agreement is signed by the Parties in 3 (three) original counterparts, having equal legal force in the form of a single document.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
CONDITIONS PRECEDENT

1. New Finance Documents

Each of the following Finance Documents in a form acceptable to the Facility Administrator, properly concluded by each of its parties or issued by the relevant person:

- 1.1 This Agreement.
- 1.2 Letter of consent regarding the Borrower's Participatory Interest Pledge and Independent Guarantee issued by Headhunter FSU in a form acceptable to the Facility Administrator.
- 1.3 Letter of consent regarding the Independent Guarantee issued by Zemenik in a form acceptable to the Facility Administrator.
- 1.4 Letter of consent regarding the Independent Guarantee issued by Headhunter Group in a form acceptable to the Facility Administrator.
- 1.5 Letter of confirmation, duly executed by Zemenik, regarding Zemenik's obligations under the Pledge of Headhunter FSU (Zemenik) Shares.
- 1.6 Letter of confirmation, duly executed by Headhunter Group, regarding Headhunter Group's obligations under the Pledge of Headhunter FSU (Headhunter Group) Shares.

2. Corporate documents regarding each obligor registered in the Russian Federation

- 2.1 Notarised copy of the following:
 - (a) the Obligor's charter, registered in accordance with the established procedure, and the valid changes and additions thereto stamped by the authorised tax body (including the relevant entries or certificates of registration);
 - (b) certificate of state registration of the Obligor;
 - (c) certificates of Obligor's tax registration with a tax body at the location of the company.
- 2.2 Up-to-date extract from the Unified State Register of Legal Entities in relation to the Obligor, issued by the authorised tax body, containing information as of no earlier than 7 (seven) days before this Agreement (including in the form of an electronic document signed electronically by the authorised tax body).
- 2.3 An information letter as of the date falling no earlier than 14 (fourteen) days prior to this Agreement, issued by the tax body that the Obligor is registered with, confirming that it has no outstanding obligations to the state budget or other extra-budgetary funds or, where such outstanding obligations exist, confirming that there is a repayment schedule for these obligations agreed with the relevant body.
- 2.4 An original or notarised copy of the resolution of the Obligor's authorised management body on approving the terms of the New Finance Documents to which the relevant Obligor is party, and the transactions thereunder, as well as any transactions related to them, including (where applicable) on approving a transaction as a major transaction and (or) as an interested-party transaction (as these terms are defined by the laws of the Russian Federation);
- 2.5 Certified copies of the documents on appointing the sole executive body or other authorised persons with the right of signature, provided for by the charter of the Obligor.
- 2.6 A notarised and, if applicable, apostilled copy of the power of attorney granting the authorised persons of the Obligor the authority needed to sign the New Finance Documents to which the relevant Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with the New Finance Documents to which the relevant Obligor is party (if applicable).

- 2.7 Signature cards of each person authorised to sign on behalf of the Obligor the New Finance Documents to which the relevant Obligor is party, or to sign or send any documents or notifications in connection with any New Finance Documents.
- 2.8. A document signed by an authorised representative of the Obligor, confirming, *inter alia*, that:
- (a) each document (either original or copy) provided by each of the Obligors or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document; and
 - (b) all corporate approvals required in accordance with applicable law in respect of the New Finance Documents to which the relevant Obligor is party, and the transactions thereunder, including approvals of such transactions as major transactions or interested-party transactions (if applicable), have been received by the relevant Obligor.
3. **Corporate documents regarding each obligor registered in Cyprus**
- 3.1 Apostilled copy of certificate of incorporation issued by the Department of the Registrar of Companies of Cyprus, or confirmation that the document previously submitted to the Facility Administrator is still valid and has not been changed.
- 3.2 Apostilled copy of the articles of association and charter (together with all changes and additions to them) in Greek (with the Department of the Registrar of Companies of Cyprus stamp on them) and in English, or confirmation that the document previously submitted to the Facility Administrator is still valid and has not been changed.
- 3.3 Apostilled original certificate of address of the registered office, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
- 3.4 Apostilled original certificate of directors and secretary issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
- 3.5 Apostilled original certificate of shareholders of Headhunter FSU, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
- 3.6 Certified copy of the register of directors and secretaries dated no earlier than 1 (one) day before this Agreement.
- 3.7 Certified copy of the register of members dated no earlier than 1 (one) day before this Agreement.
- 3.8 Certified copy of the register of mortgages and other charges dated no earlier than 1 (one) day before this Agreement.
- 3.9 An original incumbency certificate dated the same as this Agreement, the form and substance of which is acceptable to the Facility Administrator, along with all documents submitted in accordance with such incumbency certificate.
- 3.10. A notarised and, if applicable, apostilled copy or apostilled original of the resolution of the board of directors and shareholders or any other authorised body, as contemplated by the constitutional documents of each Obligor:
- (a) on approving the terms of the New Finance Documents to which the relevant Obligor is party, and the transactions thereunder, and resolving that the relevant Obligor shall sign the New Finance Documents to which the relevant Obligor is party;
 - (b) on granting the relevant person or persons with the authority needed to sign the New Finance Documents to which the relevant Obligor is party, on the latter's behalf; and

- (c) on granting the relevant person or persons with the authority needed to sign on behalf of the relevant Obligor all documents and notifications, which must be signed by the relevant Obligor in accordance or in connection with the Finance Documents to which the relevant Obligor is party.
- 3.11 A notarised and, if applicable, apostilled copy of the power of attorney granting the authorised persons of the relevant Obligor the authority needed to sign the New Finance Documents to which the relevant Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with the New Finance Documents to which the relevant Obligor is party (if applicable).
- 3.12 An original signature sample of each person granted the authority on the basis of the resolution referred to in paragraph 3.10(b).
- 3.13 An original document, signed by an authorised representative of the relevant Obligor, confirming that each document (either original or copy) provided by the relevant Obligor or on its behalf in accordance with this Schedule 1 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
- 4. **Other documents and evidence**
 - 4.1 Evidence of payment of remuneration to the legal consultants (Herbert Smith Freehills CIS LLP and Alexandros Economou LLC).
 - 4.2 Any other authorizations or other documents, opinions or representations that the Facility Administrator has informed each Obligor are essential or advisable, either in connection with the conclusion and performance of any New Finance Documents and the transactions they contemplate, or in order to ensure the legal force of any New Finance Documents and their enforceability.
- 5. **Legal opinions**

The following legal opinions:

 - (a) a legal opinion prepared by Herbert Smith Freehills CIS LLP, the Facility Administrator's legal adviser on Russian law; and
 - (b) a legal opinion prepared by Alexandros Economou, the Facility Administrator's legal adviser on Cypriot law,

each of which is prepared in a form acceptable to the Facility Administrator prior to the signature of this Agreement and is addressed to the Finance Parties that were Finance Parties as of the date of the relevant opinion

SCHEDULE 2
RESTATED FACILITY AGREEMENT



24 August 2020

HEADHUNTER LIMITED LIABILITY COMPANY

as the Borrower

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Arranger

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Original Lender

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Facility Administrator

VTB BANK (PUBLIC JOINT-STOCK COMPANY)

as the Pledge Manager

SYNDICATED FACILITY AGREEMENT

as amended by amendment agreement No. 1 dated 10 December 2020 and amendment agreement No. 2 dated 26 November 2021

Herbert Smith Freehills CIS LLP

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THIS SYNDICATED FACILITY AGREEMENT (the "**Agreement**") has been entered into on 24 August 2020 between:

- (1) **HEADHUNTER LIMITED LIABILITY COMPANY**, incorporated under the laws of the Russian Federation and registered in the Russian Federation Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1067761906805, whose business address is 9 Godikova Street, Building 10, Moscow, 129085, Russian Federation (the "**Borrower**");
- (2) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the arranger of the Facility (the "**Arranger**");
- (3) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the original lender (the "**Original Lender**");
- (4) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the facility administrator (the "**Facility Administrator**"); and
- (5) **VTB BANK (PUBLIC JOINT-STOCK COMPANY)** as the pledge manager (the "**Pledge Manager**").

THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS

1.1 Terms

In this Agreement:

"Assets" (capitalized) has the meaning given in Clause 18.1 (*Financial definitions*).

"Underwriter" means joint-stock company VTB Capital, which conducts brokerage (professional securities market participant brokerage license No. 045-11463-100000 dated 31 July 2008), and which provides the Borrower with transaction services involving the Permitted Bonds during the course of their placement on the exchange.

"Auditors" means:

- (a) in relation to the financial statements of the Group and its members prepared in accordance with IFRS: KPMG Joint-Stock Company, or Deloitte CIS Holdings Limited, or PriceWaterhouseCoopers Consulting LLC, or Ernst & Young Global Limited; and
- (b) in relation to the financial statements of the Group's members prepared in accordance with the Applicable Reporting Standards other than IFRS: any company listed in paragraph (a) above, as well as Moore Stevens LLC, Finexpertiza LLC, BDO CJSC, FBK LLC and 2K - Delovye Konsultatsii CJSC, or any other auditing firm approved by the Majority Lenders.

"Affiliate" means, with respect to any person, a Subsidiary or Associate of such person or a Holding Company of such person or any other Subsidiary or Associate of such Holding Company.

"Basel II" means the recommendations contained in the document adopted by the Basel Committee on Banking Supervision in June 2004 "International Convergence of Capital Measurement and Capital Standards: a Revised Framework."

"Basel III" means:

- (a) the recommendations contained in the documents published by the Basel Committee on Banking Supervision in December 2010: "Basel III: A global regulatory framework for more resilient banks and banking systems," "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" and "Guidance for National Authorities Operating the Countercyclical Capital Buffer," with subsequent changes and additions;

- (b) the recommendations for global systemically important banks, contained in a document published by the Basel Committee on Banking Supervision in November 2011 "Global Systemically Important Banks: Assessment Methodology and the Additional Loss Absorbency Requirement – Rules text" with subsequent changes and additions; and
- (c) any other documents, explanations or standards published by the Basel Committee on Banking Supervision in connection with Basel III.

"Majority Lenders" means:

- (a) in the period up to the first Utilisation Date: the Lenders whose Available Commitments total 75% (seventy-five percent) or more of the Total Commitments;
- (b) if there is no Facility Outstanding and the Total Commitments were reduced to zero: the Lenders whose Available Commitments totalled 75% (seventy-five percent) or more of the Total Commitments immediately prior to the date of that reduction; or
- (c) in any other period of time: the Lenders whose participation in the Facility Outstanding together with their Unused Available Commitment, as well as the Amount Payable, totals 75% (seventy-five percent) or more of the total Facility Outstanding amount together with the Total Unused Commitments and the Amount Payable by all Lenders.

"VTB" means VTB Bank (Public Joint-Stock Company), a public joint-stock company incorporated under the laws of the Russian Federation and registered in the Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1027739609391.

"Secondary Placement" means a placement on the Nasdaq Stock Exchange in one or more transactions by means of a public offering to an unlimited circle of persons:

- (a) of additional Headhunter Group shares of new issues; or
- (b) of existing Headhunter Group shares belonging to Highworld and ELQ Investors VIII (secondary placement),
- (c) or any combination thereof.

"Revenue" means, in relation to an Obligor, the revenue of that Obligor, determined in accordance with the financial statements prepared in accordance with the Applicable Reporting Standards provided in accordance with Clause 17.1 (*Financial Statements*).

"Guarantor" means each of the following persons:

- (a) Headhunter Group;
- (b) Zemenik;
- (c) Headhunter FSU;
- (d) each Additional Guarantor; and
- (e) any person providing an Independent Guarantee that the Facility Administrator and the Borrower have agreed in writing to deem a Guarantor for purposes of this Agreement.

"Placement Indemnity" means one or more unlimited indemnities provided by Headhunter Group in favor of the banks arranging the Secondary Placement, the depository bank engaged in connection with the Secondary Placement, and/or the Depository Trust Company, for the purpose of the Secondary Placement, to cover potential losses and costs associated with errors and incomplete disclosure of information provided in the Secondary Placement prospectus, and with Headhunter Group's exercising its rights and performing its obligations within the framework of the Secondary Placement.

"Treaty State" means a state that has a valid Double Taxation Treaty with the Russian Federation.

"Civil Code" means the Civil Code of the Russian Federation.

"Group" means, for the purposes of this Agreement:

- (a) Headhunter Group; and
- (b) Headhunter Group Subsidiaries and Associates whose financial statements are consolidated with Headhunter Group financial statements in accordance with IFRS in the relevant period of time using the direct consolidation method.

"Utilisation Date" means each date on which the Facility Administrator transfers the Facility or part thereof specified in a Utilisation Request into the account of the Borrower.

"Final Repayment Date" means 30 June 2025.

"Interest Payment Date" means 31 March, 30 June, 30 September and 31 December of each year, and if the relevant day is not a Business Day, then the next Business Day thereafter.

"Cash" has the meaning given to this term in IFRS.

"Pledge" means each of the following pledges:

- (a) the Borrower Participatory Interest Pledge;
- (b) each Headhunter FSU Shares Pledge;
- (c) each Additional Pledge; and
- (d) any other pledge entered into by the Borrower or a third party to secure the Borrower's obligations hereunder.

"Borrower Participatory Interest Pledge" means the pledge of 100% participatory interest in the Borrower's charter capital between Headhunter FSU as the pledgor and the Pledge Manager as the pledge manager (pledgor) and any other additional or substitute pledge of a participatory interest in the Borrower's charter capital that is entered into to secure the Borrower's obligations hereunder.

"Headhunter FSU Shares Pledge" means each of the following:

- (a) Pledge of Headhunter FSU (Headhunter Group) Shares;
- (b) Pledge of Headhunter FSU (Zemenik) Shares; and
- (c) any other additional or substitute pledge of Headhunter FSU shares.

"Pledge of Headhunter FSU (Zemenik) Shares" means the pledge of Headhunter FSU shares between Zemenik as the pledgor and the Pledge Manager as the pledge manager (pledgor) entered into to secure the Borrower's obligations hereunder.

"Pledge of Headhunter FSU (Headhunter Group) Shares" means the pledge of Headhunter FSU shares between Headhunter Group as the pledgor and the Pledge Manager as the pledge manager (pledgor) entered into to secure the Borrower's obligations hereunder.

"Loan Agreements Between the Borrowers" means:

- (a) the loan agreement entered into on or around the date hereof between the Borrower as the lender and Zemenik as the borrower in the amount of the outstanding principal balance owed by Zemenik under the Existing Facility Agreement; and
- (b) the loan agreement entered into on or around the date hereof between the Borrower as the lender and Headhunter Group as the borrower in the amount of the outstanding principal balance owed by Headhunter Group under the Existing Facility Agreement.

"Double Taxation Treaty" means a double taxation treaty between a foreign state and the Russian Federation, which stipulates full or partial profits tax exemption in the Russian Federation on the income paid to foreign companies under this Agreement.

"Lender Rights Assignment Agreement" means an agreement drawn up in the form given in Schedule 4 (*Form of Lender Rights Assignment Agreement*) or in any other form whereby

the Existing Lender (as defined in Clause 23 (*Changes to the Parties*)) assigns its rights and (or) transfers obligations under this Agreement to a New Lender (as defined in Clause 23 (*Changes to the Parties*)).

"Security Documents" means:

- (a) each Pledge;
- (b) each Independent Guarantee; and
- (c) any other document entered into or issued by the Borrower or by a third party at the Borrower's request with the consent of the Facility Administrator or the Pledge Manager to secure performance of the Borrower's obligations hereunder.

"Group Equity Instruments" means shares or participatory interests in the charter capital of any member of the Group, as well as options or other instruments securing the right of their owner to acquire or receive shares or a participatory interests in the charter capital of any member of the Group, including options granted to employees of Group companies under Remuneration Plans Based on Group Equity Instruments, and compensation in the form of shares paid to members of the board of directors of Headhunter Group.

"Obligor" means the Borrower and each Guarantor.

"Additional Guarantee" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Additional Guarantor" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Additional Pledge" has the meaning given in Clause 18.5 (*Guarantors' Cover Ratio*).

"Subsidiary" means, with respect to any legal person, any legal person, if the first (principal) legal person:

- (a) holds the majority of voting rights in that legal person; or
- (b) has equity participation and has the right to appoint or remove a majority of the members of the executive body of the legal person; or
- (c) has the right to have a dominant influence on the legal person by virtue of the provisions contained in the foundation documents of the legal person or management agreement; or
- (d) is a member (shareholder) of that legal person and independently or in agreement with other members controls the majority of votes in the legal person; or
- (e) controls that legal person,

including any legal person the shares or participatory interests in the charter capital of which are subject to an Encumbrance, and the title to such encumbered shares or participatory interest is registered by virtue of such Encumbrance in favour of a secured party or nominal holder acting in favour of such party.

"Associate" means, with respect to any legal person, any legal person if the first legal (principal) legal person owns 20 (twenty) or more percent (but not more than 50 (fifty) percent) of the charter capital in such legal person.

"Bankruptcy Law" means the Federal Law of the Russian Federation No. 127-FZ dated 26 October 2002 "On Insolvency (Bankruptcy)".

"Credit Histories Law" means the Federal Law of the Russian Federation No. 218-FZ dated 30 December 2004 "On Credit Histories".

"Regulated Procurement Law" means the Federal Law of the Russian Federation No. 223-FZ dated 18 July 2011 "On the Procurement of Goods, Works and Services by Certain Types of Legal Entities."

"Syndicated Loan Law" means the Federal Law of the Russian Federation No. 486-FZ dated 31 December 2017 "On Syndicated Credits (Loans) and Amendments to Certain Legislative Acts of the Russian Federation".

"Pledgor" means each of the following persons:

- (a) Headhunter Group;
- (b) Zemenik;
- (c) Headhunter FSU; and
- (d) each pledgor under each Additional Pledge.

"Utilisation Request" means the request of a Borrower to utilise the Facility, drawn up in the form given in Schedule 3 (*Form of Utilisation Request*).

"Zemenik" means Zemenik Limited Liability Company, incorporated under the laws of the Russian Federation and registered in the Russian Federation Unified State Register of Legal Entities under Primary State Registration Number (PSRN) 1167746153860, whose business address is 14 Krzhizhanovskogo Street, Building 3, Suite 53, Akademicheskii Urban Municipality, Moscow, 117218, Russian Federation.

"Intellectual Property" means the Obligors' Trademarks, domain names (including the Obligors' Websites) registered to the Group's members, database and other intellectual property, the rights to which are owned by the Group's members, and which are listed in Schedule 8 (*Intellectual Property*), and also similar material intellectual property owned by the Additional Guarantors (if such Additional Guarantors were not Obligors as of the date of this Agreement).

"Key Rate" means:

- (a) for each Interest Period: the key rate set by the Central Bank of the Russian Federation and valid for each day of the Interest Period; and
- (b) for any other period: the key rate set by the Central Bank of the Russian Federation and valid for each day of such period,

set on a daily basis based on the data on the website of the Central Bank of the Russian Federation at: www.cbr.ru or on another official website of the Central Bank of the Russian Federation should the website change. Moreover, if the key rate is abolished and/or is no longer used by the Central Bank of the Russian Federation to set pricing conditions for financing credit institutions of the Russian Federation, the Key Rate will be deemed to be the corresponding rate set by the Central Bank of the Russian Federation for pricing refinancing operations through repo transactions, and (or) secured by non-market assets.

"Early Repayment Fee" has the meaning given in Clause 8.4.1.

"Consolidated EBIT" means the Group's consolidated profit before tax for the Relevant Period adjusted for termination of operations that occurred during the Relevant Period:

- (a) before any amounts related to financial expenses are deducted (with respect to financial costs related to lease payments: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (b) after deducting rental expenses to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16;
- (c) excluding any amounts relating to interest due to any member of the Group;
- (d) after deducting profits or adding losses of any member of the Group related to non-controlling interests;
- (e) excluding positive or negative unrealised exchange rate differences;
- (f) excluding profits or losses arising from the revaluation of any asset or a decrease in the book value of any asset when it is alienated by any member of the Group;
- (g) excluding expected returns on pension plan assets; and
- (h) excluding non-monetary profits and losses from the Remuneration Plans based on Group Equity Instruments.

"Consolidated EBITDA" means Consolidated EBIT for the Relevant Period adjusted by adding the following amounts, provided that these amounts were not taken into account when calculating the EBIT:

- (a) any amounts relating to depreciation and impairment of fixed assets (with respect to depreciation related to lease liabilities: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (b) any amounts related to goodwill impairment; and
- (c) any amounts relating to depreciation and impairment of other intangible assets.

"Confidential Information" means any information (including personal data) in any form (including oral information, and any documents and information recorded or stored as electronic files or on any other media) about any Obligor, Pledgor or member of the Group, Finance Documents or Facility, which becomes known to a Finance Party, or which is received by any person intending to become a Finance Party, from:

- (a) any member of the Group or consultant thereof; or
- (b) another Finance Party or consultant thereof, if the information was obtained by such Finance Party from any member of the Group or consultant thereof,

with the exception of information that:

- (i) is or becomes available to the general public other than due to a Finance Party's violation of the conditions of Clause 29 (*Confidentiality*); or
- (ii) was known to a Finance Party prior to the date that such information was disclosed to it or its consultant, or was legally obtained by a Finance Party or its consultant after such date from a source that, as far as a Finance Party is aware, is not connected with the Group, and which in any case, as far as a Finance Party is aware, was not received due to a breach of confidentiality obligations.

"Facility" means the funds within the Total Commitments that are lent to the Borrower by Lenders under this Agreement in the form of Tranches.

"Available Commitment" means the Available Commitment of Tranche 1 or the Available Commitment of Tranche 2.

"Available Commitment of Tranche 1" means, as of any date, the amount of funds which:

- (a) in relation to the Original Lender, each Original Lender shall lend to the Borrower under such Tranche 1 on the relevant date in accordance with the terms of this Agreement and as indicated against the name of the relevant Original Lender and Tranche 1 in the table in Part A (*Original Lenders and Available Commitments*) of Schedule 1 (*Parties, Available Commitments, and Security*); and
- (b) in relation to any other Lender, the relevant Lender shall provide as a loan to the Borrower on the relevant date as the result of transfer to it of the commitment to grant the Facility under Tranche 1,

the amount of which may be modified in accordance with the terms of this Agreement.

"Available Commitment of Tranche 2" means, as of any date, the amount of funds which:

- (a) in relation to the Original Lender, each Original Lender shall lend to the Borrower under such Tranche 2 on the relevant date in accordance with the terms of this Agreement and which cannot exceed the following values:
 - (i) if, as of the date of submission of any Utilisation Request in respect of the Facility under Tranche 2, the Permitted Bonds were not placed or the Permitted Bonds were placed and the aggregate par value of the placed Permitted Bonds does not exceed RUB 1,000,000,000 (one billion) - the amount indicated opposite the name of the respective Original Lender and Tranche 2 in the table in Part A (*Original Lenders and Available Commitments*) of Schedule 1 (*Parties, Available Commitments, and Security*);
 - (ii) if, as of the date of submission of any Utilisation Request in respect of the Facility under Tranche 2, Permitted Bonds were placed with an aggregate

par value exceeding RUB 1,000,000,000 (one billion) - the amount indicated opposite the name of the respective Original Lender and Tranche 2 in the table in Part A (*Original Lenders and Available Commitments*) of Schedule 1 (*Parties, Available Commitments, and Security*) reduced by the amount that the aggregate par value of the placed Permitted Bonds exceeds RUB 1,000,000,000 (one billion); and

- (b) in relation to any other Lender, the relevant Lender shall provide as a loan to the Borrower on the relevant date as the result of transfer to it of the commitment to grant the Facility under Tranche 2,

the amount of which may be modified in accordance with the terms of this Agreement.

"Margin" means:

- (a) 2.0% per annum for Tranche 1; and
- (b) 2.5% per annum for Tranche 2.

"IFRS" means the international accounting standards referred to in Regulation No. 1606/2002 adopted by the European Parliament and the European Union Council on 19 July 2002, to the extent applicable to the relevant financial statements.

"Tax" means any tax, levy, duty, or other charge or withholding of a similar nature (including any fines or penalties payable in connection with any failure to pay or any delay in paying any of the same) established by applicable law.

"Tax Relief" means a Tax exemption (application of a reduced tax rate or tax refund) granted outside the Russian Federation in respect of any Tax related to payments under the Finance Documents.

"Tax Deduction" means the withholding from any payment under a Finance Document of an amount of any tax or charge, including, in particular, value added tax and income (profit) tax deducted at source, as well as any similar taxes that may replace or supplement existing taxes in accordance with applicable law, in the amount and within the timeframes stipulated by law.

"Tax Payment" means an increase in the amount of payment made by an Obligor to a Finance Party in accordance with the provisions of Clause 12.1 (*Tax gross-up*), or payment made by an Obligor to a Finance Party in accordance with the provisions of Clause 12.2 (*Tax indemnity*).

"Independent Guarantee" means each of the following documents:

- (a) each independent guarantee issued by the Guarantor in favour of the Lenders;
- (b) each Additional Independent Guarantee; and
- (c) any other independent guarantee issued by any person and with the consent of the Facility Administrator or the Pledge Manager to secure performance of the Borrower's obligations hereunder.

"Default" means:

- (a) an Event of Default; or
- (b) an event or circumstance referred to in Clause 21 (*Events of Default*), which, in accordance with the terms of this Agreement, will become an Event of Default upon:
 - (i) the expiration of any deadline established by this Agreement to rectify a violation;
 - (ii) the sending of any notice; or
 - (iii) the taking of the relevant decision in respect of the Finance Documents.

"Unused Available Commitment" means the Unused Available Commitment of Tranche 1 or the Unused Available Commitment of Tranche 2.

"Unused Available Commitment of Tranche 1" means, as of any date, the Available Commitment of Tranche 1 established in respect of each individual Lender less:

- (a) the amount of funds already provided to the Borrower by this Lender under Tranche 1 before the specified date and, if applicable, on the specified date in accordance with this Agreement, and
- (b) Amount Payable by this Lender under Tranche 1 on the basis of the Utilisation Request submitted before the indicated date and, if applicable, on the indicated date in accordance with this Agreement.

"Unused Available Commitment of Tranche 2" means, as of any date, the Available Commitment of Tranche 2 established in respect of each individual Lender less:

- (a) the amount of funds already provided to the Borrower by this Lender under Tranche 2 before the specified date and, if applicable, on the specified date in accordance with this Agreement, and
- (b) Amount Payable by this Lender under Tranche 2 on the basis of the Utilisation Request submitted before the indicated date and, if applicable, on the indicated date in accordance with this Agreement.

"Facility Outstanding" means, at any time, the funds loaned to the Borrower in accordance with this Agreement and which have not been repaid to the Lenders.

"Encumbrance" means a mortgage, pledge, lien, possessory pledge, assignment, the right to direct debit or a similar debit right or other encumbrance created to secure a person's obligations, or any agreement entered into in order to secure performance of obligations.

"Original Financial Statements" means:

- (a) with respect to the Borrower and Zemenik, the annual accounting statements for 2019, prepared in accordance with RAS;
- (b) with respect to Headhunter Group: the annual financial statements for 2019 prepared in accordance with IFRS, with an attached auditor's report; and
- (c) with respect to Headhunter FSU: management accounts prepared in accordance with the Group's management accounting policies as at 31 December 2019.

"Utilisation Period" means:

- (a) with respect to Tranche 1: the period starting on the date of this Agreement and ending on the date falling 10 (ten) days after the date of this Agreement (both said dates being inclusive); and
- (b) with respect to Tranche 2: the period starting on the date of this Agreement and ending on the date falling 270 (two hundred seventy) days after the date of this Agreement (both said dates being inclusive);

"Remuneration Plan Based on Group Equity Instruments" means an agreement contemplating that employees (or former employees) of the Group, members of the board of directors of Headhunter Group and/or the owners of shares and/or participatory interests of any member of the Group receive:

- (a) remuneration in the form of Group Equity Instruments;
- (b) remuneration in the form of funds or provision of other assets, provided that the amount of this remuneration is determined on the basis of and/or is contingent on the value of the Group Equity Instruments; or
- (c) remuneration in the form of provision of Headhunter Group shares to members of the board of directors of Headhunter Group.

"Sanctioned Person" has the meaning given to this term in Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*).

"Leverage" has the meaning given to this term in Clause 18.3 (*Leverage*).

"Interest Cover" has the meaning given to this term in Clause 18.4 (*Interest cover*).

"EBITDA" means the EBITDA of any member of the Group, determined on the last reporting date:

- (a) at the end of the financial year or second financial quarter of the financial year, in accordance with the Group's financial statements for the relevant financial year or second financial quarter of the financial year (respectively), prepared in accordance with IFRS, provided to the Facility Administrator in accordance with Clause 17.1.1(A) or (B); or
- (b) at the end of the first or third financial quarter, based on the relevant financial accounts of the Group provided to the Facility Administrator in accordance with Clause 17.1.1(C).

"Acceptable Lender" means a Lender, which is:

- (a) a Russian legal person, or
- (b) resident of a Treaty State, provided that the status of such a Lender, at the request of an Obligor, is confirmed by a Russian translation of a copy of a document issued by the competent tax authority of the Treaty State, indicating that the qualifying Lender is a tax resident of the Treaty State.

"Applicable Reporting Standards" means the financial reporting standards applicable to any Obligor.

"Proportional Share" means:

- (a) for the purposes of determining the size of the Lender's participation in the Facility in accordance with any Utilisation Request: the ratio between the Unused Available Commitment of such Lender and the Total Unused Commitments.
- (b) for any other purposes:
 - (i) in the absence of a Facility Outstanding: the ratio between the Available Commitment of a single Lender and the Total Commitments, or
 - (ii) if there is a Facility Outstanding: the ratio between the Facility Outstanding issued to the Borrower by a single Lender, together with the Amount Payable by this Lender, and the Facility Outstanding issued to the Borrower by all Lenders, together with the Amount Payable by all Lenders.

"Interest Period" means, in relation to the Facility Outstanding, each period during which interest is calculated, determined in accordance with the provisions of Clause 10 (*Interest Periods*), and, in relation to any overdue amount, each period determined in accordance with the provisions of Clause 9.4 (*Default Interest*).

"Business Day" means any day on which banks are open to conduct ordinary banking operations in Moscow.

"Permitted Financial Indebtedness" means any Financial Indebtedness:

- (a) arising in accordance with the terms of the Finance Documents or permitted by the Finance Documents;
- (b) of a member of the Group that exists as of the date of Amendment Agreement No. 2, as specified in Schedule 7 (*Existing Financial Indebtedness*);
- (c) of any Obligor to another Obligor; and
- (d) of any Obligor to persons that are not Obligors unless the total amount of such Financial Indebtedness together with the grand total principal amount owed under loans provided by any Obligor to persons that are not Obligors exceeds 10% (ten percent) of the Group Assets at any point in time.

"Permitted Reorganization" means the reorganization of any entity that is a Guarantor as of the date of Amendment Agreement No. 2 which is implemented by the acquisition of such entity by the Borrower.

"Permitted Payments" means:

- (a) any payments made by a member of the Group to any Obligor, provided that such payments do not create obligations for the Obligor to such a member of the Group (in particular, to repay received funds or to transfer assets);
- (b) any payments made by any Obligor to another Obligor;
- (c) payment of distributable profit by Headhunter Group to its shareholders (including by Permitted Redemption) subject to the requirements of Clause 19.12 (*Dividend payment and redemption of shares or participatory interests*);
- (d) payment to another member of the Group or shareholders of Headhunter Group of funds received by any member of the Group from the sale of shares/participatory interests in another member of the Group that is not an Obligor, provided that after such payment the Leverage will not increase; and
- (e) mandatory payments in accordance with applicable law to shareholders that are not members of the Group or members of legal entities that are members of the Group in the event that such shareholder or member exits this legal person,

provided that any payment specified in this definition will not result in the person making such payments having negative net assets.

"Permitted Loans" means loans:

- (a) granted by any Obligor to another Obligor;
- (b) granted by any member of the Group that is not an Obligor, to another member of the Group that is not an Obligor; and
- (c) granted by any Obligor to persons that are not Obligors, unless the total principal amount owed under such loans together with the total Financial Indebtedness of the Obligors to persons that are not Obligors exceeds 10% (ten percent) of the Group Assets at any point in time.

"Permitted Bonds" means exchange-traded interest-bearing non-convertible book-entry bonds with centralised registration of rights, to be traded on the Moscow Exchange (PJSC "Moscow Exchange"), placed by the Borrower by public offering under the Series 001-P Exchange-Traded Bonds Program, provided that:

- (a) the specified bonds will be placed at their par value;
- (b) the aggregate par value of all placed bonds will not exceed RUB 4,000,000,000 (four billion); and
- (c) the placement of the specified bonds will be completed no later than 30 June 2021.

"Permitted Redemption" means the redemption by a member of the Group of its own shares or participatory interests in the charter capital of that member of the Group, provided that:

- (a) if such shares or participatory interests are the subject of a Pledge, such shares or participatory interests will continue to be the subject of such Pledge, regardless of the relevant redemption;
- (b) this member of the Group complies with all applicable legal requirements for such redemption, including requirements regarding the size of the charter capital of this member of the Group; and
- (c) the redeemed shares or participatory interests will be cancelled within the timeframe established by applicable law or will be transferred to members of Remuneration Plans Based on Group Equity Instruments.

"Permitted Issue" means:

- (a) the issue of shares or increase in charter capital whereby a Group member acquires such issued shares or increases its participatory interest in the charter capital of its Subsidiary, provided the existing shares or participatory interests in the charter capital of such Subsidiary have not been pledged to the Lenders under a Pledge; and

- (b) the issue of Headhunter Group shares as part of the implementation of Remuneration Plans Based on Group Equity Instruments; and
- (c) the issue of Headhunter Group shares as part of the Secondary Placement.

"Test Date" means the end date of the Relevant Period.

"Relevant Period" means any period of twelve (12) months ending on the last day of the Group's financial quarter or financial half-year or on the last day of the Group's financial year.

"RAS" means accounting rules in accordance with Russian law.

"Obligors' Websites" means the websites owned by the Obligors and listed in Schedule 8 (*Intellectual Property*).

"Event of Default" means any event or circumstance specified in Clause 21 (*Events of Default*).

"Change of Control" has the meaning given to this term in Clause 8.2.2.

"Total Commitments" means the aggregate of the Available Commitments of Tranche 1 and the Available Commitments of Tranche 2 of all Lenders.

"Total Unused Commitments" means the aggregate of the Unused Available Commitments of all Lenders.

"Consent" has the meaning given to this term in Clause 24 (*Lenders' decision making*).

"Amendment Agreement No. 1" means the amendment agreement No. 1 to this Agreement dated 10 December 2020.

"Amendment Agreement No. 2" means the amendment agreement No. 2 to this Agreement dated ____ November 2021.

"Party" means a party to this Agreement.

"Finance Party" means each Lender, Arranger, Facility Administrator and Pledge Manager.

"Amount Payable" means the amounts of funds payable by any given Lender or Lenders on the Utilisation Date indicated in a Utilisation Request submitted by the Borrower.

"Material Adverse Effect" means (except when a different meaning of this term is contained in other clauses of this Agreement) in the opinion of the Majority Lenders a material adverse effect on:

- (a) the Obligors' and Pledgors' ability to perform their obligations under any Financial Document;
- (b) the validity or ranking of the security that is provided or should be provided under any Financial Document or its enforceability; or
- (c) the validity of the Finance Documents or the possibility of exercising the rights of the Finance Parties contemplated by each relevant Finance Document.

"Material Group Member" means any Obligor, as well as any Group member, whose EBITDA, Assets and Revenues determined as of the last reporting date, based on the consolidated financial statements of the Group for the financial year or the consolidated financial statements of the Group for the first financial half-year of the financial year, prepared in accordance with IFRS and provided to the Facility Administrator in accordance with Clause 17.1.1(A) or (B), exceed 2.5% (two point five per cent) of the corresponding consolidated indicators of the Group based on the same financial statements.

"Existing Commercial Contracts" means the following agreements between the Borrower as lessee and Caliber PJSC (PSRN 1027739877813, TIN 7717042053) as lessor for the lease of the Borrower's office in Moscow:

- (a) lease agreement No. 5536 dated 10 December 2018; and
- (b) lease agreement No. 5536 dated 10 December 2018.

"Existing Facility Agreement" means the syndicated facility agreement dated 16 May 2016 as amended by:

- (a) amendment agreement No. 1 dated 14 December 2016;
- (b) amendment agreement No. 2 dated 28 June 2017;
- (c) amendment agreement No. 3 dated 5 October 2017;
- (d) amendment agreement No. 4 dated 29 December 2017;
- (e) amendment agreement No. 5 dated 22 April 2019; and
- (f) amendment agreement No. 6 dated 11 March 2020,

between (1) Zemenik as borrower 1, (2) Headhunter Group as borrower 2, (3) VTB as the arranger, (4) VTB as the lender, and (5) VTB as the facility administrator.

"Existing Pledges" means the pledges entered into to secure performance of the obligations of Zemenik and Headhunter Group under the Existing Facility Agreement.

"Facility Administrator's Account" means the Facility Administrator's account used for making transfers under the Finance Documents, the details of which the Facility Administrator sends to the Parties.

"Disruption Event" means:

- (a) a significant failure in those payment or communication systems or financial markets, the operation of which is required in order to make payments (or other operations to be executed) under transactions contemplated by the Finance Documents, which occurred for reasons beyond the control of any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or settlement operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties under the Finance Documents,

and which was not caused by the Party whose operations were disrupted, and occurred for reasons beyond the control of such Party.

"Obligors' Trademarks" means the trademarks registered by Obligors and specified in Schedule 8 (*Intellectual Property*).

"Tranche" means Tranche 1 and Tranche 2.

"Tranche 1" means part of the Facility granted to the Borrower under the terms of this Agreement in the amount of the Available Commitment of Tranche 1.

"Tranche 2" means part of the Facility granted to the Borrower under the terms of this Agreement in the amount of no more than the Available Commitment of Tranche 2.

"Financial Indebtedness" means any indebtedness formed as a result of:

- (a) receiving funds in the form of a loan or credit;
- (b) obtaining a trade credit, commercial loan for a term of over thirty (30) days or issuing an uncovered letter of credit if such debt falls within the category of "financial indebtedness" under IFRS;
- (c) issuing bonds, promissory notes and any other debt instruments;
- (d) entering into a finance lease contract (to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16);
- (e) executing transactions with derivatives in order to protect against, or benefit from, fluctuations in any rates, interest rates or prices, with the amount of the transaction with such derivatives to be calculated based on the market indicators at any time;

- (f) executing repo transactions or any other transaction that constitutes borrowing under IFRS;
- (g) assuming liability for damages or expenses incurred by entities that are not members of the Group;
- (h) entering into Remuneration Plans based on Group Equity Instruments; or
- (i) executing transactions whereby obligations are assumed:
 - (i) under a surety or guarantee with respect to the performance of any obligations by persons that are not members of the Group, with the exception of any Placement Indemnity, or under any sureties or guarantees provided in accordance with Clause 19.7.2(C); or
 - (ii) in respect of the reimbursement of a payment under a surety or guarantee to the guarantor or surety; or
 - (iii) in respect of a liability relating to receivables on recourse terms of any buyer of accounts receivables sold or discounted,

or other indebtedness having an economic nature of a borrowing under IFRS, in each case without double counting.

"Finance Document" means:

- (a) this Agreement;
- (b) each Security Document;
- (c) each Lender Rights Assignment Agreement;
- (d) each Utilisation Request; and
- (e) any other document that (i) the Facility Administrator or the Pledge Manager and (ii) the Borrower have agreed in writing to be considered a Finance Document.

"Holding Company" as applied to a legal person, means any other legal person for which the first legal person is a Subsidiary.

"Cash Equivalents" has the meaning given to this term in IFRS.

"ELQ Investors VIII" means ELQ Investors VIII Ltd, a limited liability company incorporated under the laws of England and Wales, registration number 9182214, registered at: Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

"Headhunter FSU" means Headhunter FSU Limited, a limited liability company incorporated under the laws of the Republic of Cyprus, registration number HE 178226, registered at: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus.

"Headhunter Group" means Headhunter Group PLC, a public limited liability company incorporated under the laws of the Republic of Cyprus, registration number HE 332806, that is registered at 42 Dositheou, Strovolos 2028, Nicosia, Cyprus).

"Highworld" means Highworld Investments Limited, a limited liability company incorporated under the laws of the British Virgin Islands, registration number 1802016, registered at: Trident Chambers, P.O. Box 146, Road Town, Tortola, BVI.

1.2 Interpretation

1.2.1 In this Agreement, unless the context otherwise requires:

- (A) references to the **"Facility Administrator"**, the **"Pledge Manager"**, the **"Arranger"**, any **"Finance Party"**, any **"Lender"**, any **"Obligor"**, any **"Pledgor"** or any **"Party"** include their successors as required by law or this Agreement;
- (B) a document **"in an agreed form"** means a document agreed in writing by the Facility Administrator and the Borrower;
- (C) **"assets"** include existing or future property, income and rights of any nature;

- (D) reference to "**Finance Document**" or other agreement, document or financial instrument includes such Finance Document or other agreement, document or financial instrument with all amendments and additions made thereto at any time;
 - (E) "**person**" includes any natural person, legal person, state body, government or state;
 - (F) "**law**" means any law, ruling, decree, order, decision, regulation, rule, official directive, requirement or recommendation of any legislative or executive state, municipal, interstate or international body, ministry, department, service, agency or committee of either a self-regulatory organisation or any judicial body;
 - (G) reference to a provision of law is a reference to such provision with all amendments and additions made thereto at any time;
 - (H) it is understood that the words "**include**" and "**including**" are accompanied by the words "**inter alia**";
 - (I) Clause or Schedule means a reference to a clause of this Agreement or a schedule to it; and
 - (J) any reference to the time of day implies Moscow time, unless otherwise specified in the Agreement.
- 1.2.2 Unless the context otherwise requires, a reference to "**month**" means a period beginning on one of the days of a calendar month and ending on the same date of the next calendar month, with the following exceptions:
- (A) if the relevant date is not a Business Day, such period shall end on the next Business Day (if any) of that month or (if none) on the preceding Business Day; and
 - (B) if there is no corresponding date in such month, then this period shall end on the last Business Day of this month.
- 1.2.3 For the purposes of this Agreement, "**control**" means:
- (A) the right (existing by virtue of direct or indirect participation in the charter capital of a legal person, on the basis of a written agreement by virtue of law or otherwise), which allows:
 - (1) to vote or control the voting of at least 50 percent of the maximum number of votes entitled to vote at the general meeting of the legal person; or
 - (2) to appoint or remove from office a person who performs the functions of the sole executive body of a legal person or all or the majority of the members of any collegial management bodies of a legal person; or
 - (3) to give binding instructions regarding the activities or financial policies of a legal person; and (or)
 - (B) to directly or indirectly own at least 50 percent of ordinary shares or participatory interests in the charter capital of a legal person;
- and "**controlled**" and "**to control**" have a corresponding meaning.
- 1.2.4 Unless otherwise provided for in this Agreement, interest and amounts of remuneration payable by an Obligor under any Finance Document shall be calculated in accordance with the provisions of the relevant Finance Document and calculated based on the actual days elapsed and a year of 365/366 (three hundred and sixty-five/three hundred and sixty-six) days.
- 1.2.5 The headings used in this Agreement shall have no effect on how the Agreement is interpreted.

1.3 **Currency symbols**

In this Agreement:

- 1.3.1 **"₽", "RUB", "rouble", and "Russian rouble"** mean the official monetary unit (currency) of the Russian Federation;
- 1.3.2 **"U.S. dollar", "USD" or "\$"** means the legal tender of the United States of America; and
- 1.3.3 **"Euro", "EUR" or "€"** means the monetary unit (currency) of the member countries of the currency union that operates within the framework of the European Union.

2. **SUBJECT MATTER OF THE AGREEMENT**

2.1 **Loan Relations**

- 2.1.1 Subject to the Borrower's compliance with the provisions of this Agreement, each Lender shall grant the Facility to the Borrower in the amount of its Available Commitment and to properly perform the obligations contemplated by this Agreement during its term, while the Borrower shall properly perform the obligations contemplated by this Agreement during its term, including the obligation to repay to each Lender the Facility Outstanding received from it, the interest on it, and to pay the other amounts contemplated by this Agreement and other Finance Documents to the Finance Parties.
- 2.1.2 A Lender's obligation to grant the Facility to the Borrower under the relevant Tranche arises after the Borrower has fully complied with the requirements contemplated by Clause 4 (*Conditions Precedent*).

2.2 **Finance Parties**

- 2.2.1 Each Lender has an independent right to demand that the Borrower repays the Facility Outstanding, interest and other payments contemplated by the terms of this Agreement. Except as provided for in this Agreement, each Finance Party has the right to independently enforce its rights under the Finance Documents. At the same time, the Finance Parties shall exercise their rights subject to the provisions of Clause 24 (*Finance Parties*).
- 2.2.2 No Finance Party shall be liable for the obligations of another Finance Party under the Finance Documents. In the event that any Lender refuses to grant the Facility on the basis contemplated by Clause 6 (*Termination of Lender's obligations*), and also if a Lender violates its obligation to grant the Facility within its Available Commitment, the Facility amount shall be reduced by this Lender's Available Commitment.

2.3 **Facility Administrator**

- 2.3.1 This Agreement defines the conditions and procedure for appointing a Facility Administrator and its carrying out of legal and other actions on behalf and in the interests of all Lenders and other Finance Parties. The authority of the person performing the functions of the Facility Administrator is determined in accordance with the provisions of Clause 24.2 (*Appointment of the Facility Administrator*). However, the provisions of this Agreement governing the relations of the Facility Administrator and the Lenders will apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Facility Administrator" shall be deemed to refer to the single Lender.
- 2.3.2 The Lenders (with the exception of a Lender acting as the Facility Administrator) and the Facility Administrator hereby confirm that the Facility Administrator shall act without a power of attorney being issued to it and irrespective of the issuing of such power of attorney.

- 2.3.3 If the number of Lenders falls to one, then until there is more than one Lender, all the provisions in this Agreement and other Finance Documents that govern the relations of the Facility Administrator and the Borrower shall be deemed as provisions governing the relations of the sole Lender and the Borrower.

2.4 Relations with regard to pledge management

- 2.4.1 This Agreement defines the conditions and procedure for appointing the Pledge Manager and its carrying out of legal and other actions on behalf and in the interests of all Lenders. The authority of the person performing the functions of the Pledge Manager is determined in accordance with the provisions of Clause 22.2 (*Status of the Lenders and appointment of a Pledge Manager*). However, the provisions of this Agreement governing the relations of the Pledge Manager and the Lenders will apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Pledge Manager" shall be deemed to refer to the single Lender.
- 2.4.2 If the number of Lenders falls to one, then until there is more than one Lender, all the provisions in this Agreement and other Finance Documents that govern the relations of the Pledge Manager and the Borrower shall be deemed as provisions governing the relations of the sole Lender and the Borrower

2.5 Application of certain provisions in the Finance Documents concerning the syndicated nature of the Facility

The provisions of this Agreement and other Finance Documents concerning the syndicated nature of the Facility specified herein, in particular the provisions of Clause 22 (*Facility security*), Clause 24 (*Finance Parties*), Clause 25.3 (*Distribution of funds by the Facility Administrator*), and Clause 25.5 (*Payments not through the Facility Administrator*), shall apply whenever there is more than one Lender, while whenever there is a single Lender, all references in this Agreement and other Finance Documents to the "Facility Administrator", "Pledge Manager", "Finance Party", and "Majority Lenders" shall be deemed as references to the single Lender, and this Agreement and other Finance Documents shall be interpreted and applied based on the fact that the Lender according to the Finance Documents is the sole Lender.

2.6 Legal nature of the Agreement

This Agreement is a mixed agreement containing elements of a syndicated facility agreement, pledge management agreement, a lenders' agreement on the procedure for exercising their rights, and an agency agreement. Accordingly, this Agreement governs, among other things, the relations between:

- 2.6.1 the Lenders;
- 2.6.2 the Lenders and the Borrower;
- 2.6.3 the Facility Administrator and the Lenders;
- 2.6.4 the Pledge Manager and the Lenders; and
- 2.6.5 the Facility Administrator, the Pledge Manager, and the Borrower.

3. PURPOSE

- 3.1 The Borrower shall use Tranche 1 solely to issue loans in favor of Zemenik and Headhunter Group under Loan Agreements Between the Borrowers for the purpose of further immediate paydown of the amounts owed by Zemenik and Headhunter Group under the Existing Facility Agreement.
- 3.2 The Borrower shall use Tranche 2 solely for:
- 3.2.1 general corporate purposes;

- 3.2.2 funding transactions to acquire the shares and participatory interests of third parties and to make contributions to the charter capital of third parties; and
- 3.2.3 paying out dividends, acquiring shares of Headhunter Group or distributing funds to Headhunter Group shareholders in another form.
- 3.3 Funds received by the Borrower hereunder may not be used for:
 - 3.3.1 paying fees and costs under this Agreement; or
 - 3.3.2 other purposes not listed by this Agreement as permitted.
- 4. **CONDITIONS PRECEDENT**
- 4.1 **Initial Conditions Precedent**
 - 4.1.1 To utilise Tranche 1, the Borrower shall:
 - (A) deliver to the Facility Administrator the documents and information listed in Part A of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
 - (B) deliver to the Facility Administrator the documents and information listed in Part B of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
 - (C) send a duly completed Utilisation Request to the Facility Administrator for Tranche 1.
 - 4.1.2 To utilise Tranche 2, the Borrower shall:
 - (A) deliver to the Facility Administrator the documents and information listed in Part A of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator; and
 - (B) deliver to the Facility Administrator the documents and information listed in Part C of Schedule 2 (*Conditions Precedent*), in a form and substance acceptable to the Facility Administrator, that conform to the purpose of the Facility as stated in the Utilisation Request;
 - (C) provide the Facility Administrator with a certificate signed by an authorised representative of the Borrower containing information on the absence, or aggregate par value, of the placed Permitted Bonds for the purpose of determining the Available Commitment of Tranche 2; and;
 - (D) send a duly completed Utilisation Request to the Facility Administrator for Tranche 2.
 - 4.1.3 The Utilisation Request may be sent by the Borrower after the Borrower and the Lenders have received a notification from the Facility Administrator that the Borrower has duly fulfilled the applicable conditions listed in Schedule 2 (*Conditions Precedent*).
- 4.2 **Submission of Utilisation Requests**
 - 4.2.1 The Borrower may send to the Facility Administrator:
 - (A) in respect of Tranche 1: only one duly executed Utilisation Request for the full amount of Tranche 1; and
 - (B) in respect of Tranche 2 one or more duly executed Utilisation Requests, but the amount of the Facility specified by the Borrower in the relevant Utilisation Request may not exceed the amount of the Aggregate Unused Available Commitment of Tranche 2, and may not be less than RUB 500,000,000 (five hundred million) (other than a Utilisation Request for the entire balance of the Aggregate Unused Available Commitment for Tranche 2).

- 4.2.2 Unless otherwise agreed with the Facility Administrator, the Borrower must submit each Utilisation Request to the Facility Administrator no later than at 12:00 noon, 2 (two) Business Days before the proposed Utilisation Date.
- 4.2.3 Each Utilisation Request must be signed by an authorised person of the Borrower. Each Utilisation Request must include the requested amount of the Facility and the Utilisation Date, which is a Business Day within the relevant Utilisation Period.
- 4.2.4 The Borrower may not withdraw a Utilisation Request that it has sent to the Facility Administrator after it has been received.
5. **GRANTING OF FACILITY**
- 5.1.1 After receiving any Utilisation Request, the Facility Administrator shall immediately send to each Lender a copy of the Utilisation Request and inform each Lender of the amount corresponding to its Proportional Share in the requested Facility.
- 5.1.2 In the absence of the circumstances specified in Clause 6 (*Termination of Lender's obligations*), each Lender shall transfer to the Facility Administrator the amount corresponding to its Proportional Share in the Facility requested by the Borrower no later than 12:00 noon of the Utilisation Date specified in the relevant Utilisation Request.
- 5.1.3 Not later than on 15:00 on the relevant Utilisation Date, the Facility Administrator shall transfer to the Borrower the amount of the Facility specified in the Utilisation Request, into the account specified in that Utilisation Request, but not more than the Facility amount received from the Lenders.
6. **TERMINATION OF LENDER'S OBLIGATIONS**
- 6.1 Each Lender's obligation to grant a Facility to the Borrower shall terminate in whole or in part, depending on the following circumstances:
- 6.1.1 if a Facility is granted in the amount of the Available Commitment of the relevant Lender;
- 6.1.2 upon expiry of the relevant Utilisation Period; and
- 6.1.3 in other instances established by law.
- 6.2 Each Lender has the right to refuse to perform its obligations to grant a loan to the Borrower:
- 6.2.1 if there are circumstances that clearly indicate that the Facility will not be repaid by the Borrower within the period specified in the Agreement; or
- 6.2.2 if there is an Event of Default as per Clause 21.18 (*Acceleration*) and the corresponding notification is sent by the Facility Administrator to the Borrower; or
- 6.2.3 if there are circumstances specified in Clause 8.1 (*Illegality*) and Clause 8.2 (Change of Control).
- 6.3 In the event that any Lender refuses to grant the Facility on the basis of this Clause 6, the Parties agree that such Lender does not bear any liability to the Borrower or to any Finance Party for refusing to grant the Facility.
7. **REPAYMENT OF FACILITY**
- 7.1.1 The Borrower shall repay the Facility Outstanding by transferring quarterly payments into the Facility Administrator's Account on the Interest Payment Dates according to the repayment schedule given in Schedule 6 (*Repayment schedule*).
- 7.1.2 On the Final Repayment Date the Borrower shall repay the Facility Outstanding in full.
- 7.1.3 The Borrower may not submit a Utilisation Request for an amount of Facility Outstanding that the Borrower has repaid.

8. **EARLY REPAYMENT AND CANCELLATION OF FACILITY**

8.1 **Illegality**

If, in accordance with any applicable law, the granting of the Facility to the Borrower and/or participation in it becomes illegal for any Lender, then:

- 8.1.1 such Lender must notify the Facility Administrator and the Borrower as soon as it becomes aware of this;
- 8.1.2 any unfulfilled obligation of such Lender with respect to the Facility shall terminate on the date of the notification specified therein; and (or)
- 8.1.3 the Borrower shall repay the amount corresponding to the Proportional Share of such Lender in the Facility on the last day of the Interest Period in which a Lender became aware of the illegality of the participation in the Facility, or (if earlier) on the date specified by a Lender in the notification specified in Clause 8.1.1, which cannot be earlier than the date established by law.

8.2 **Change of Control**

8.2.1 If there is a Change of Control:

- (A) the Borrower shall notify the Facility Administrator immediately after it becomes aware of this; and
- (B) if this is requested by the Majority Lenders, the Facility Administrator shall send a notification to the Borrower and demand immediate repayment of the entire amount of the Facility Outstanding with all accrued interest and other amounts payable by the Borrower, while the Borrower shall repay the amount of the Facility Outstanding in full in accordance with the demand specified in the Facility Administrator's notification.

8.2.2 For the purposes of Clause 8.2.1, "**Change of Control**" means (with the exception of changes permitted in accordance with the Finance Documents, including as a result of a Permitted Payment) an event that results in the Headhunter Group's losing with respect to any Obligor:

- (A) its right (existing by virtue of direct or indirect participation in the charter capital of the legal entity, on the basis of a written agreement, by law or otherwise) to:
 - (1) vote or control the voting with respect to no less than 100 percent of the maximum number of votes having the right to participate in voting at a general meeting of such Obligor; or
 - (2) appoint or remove from office the person performing the functions of sole executive body of such Obligor or all members of any of the collective governance bodies of such Obligor; or
 - (3) give binding instructions regarding the activities or financial policies of such Obligor; and/or
- (B) direct or indirect ownership of no less than 100 percent of the ordinary shares or participatory interests in the charter capital of such Obligor.

8.3 Mandatory early repayment upon issue of Permitted Bonds

8.3.1 If:

- (A) there is Facility Outstanding under Tranche 2 at the time of placement of the Permitted Bonds; and
- (B) the amount of the Facility Outstanding under Tranche 2 and the aggregate par value of all placed Permitted Bonds exceeds RUB 5,000,000,000 (five billion),

the Borrower shall, on the Business Day on which the funds that it received as a result of the placement of the Permitted Bonds were transferred by the Underwriter from his special brokerage account to the Borrower's settlement account or otherwise received by the Borrower, to pay the necessary amount towards early repayment of the Facility Outstanding under Tranche 2 so that the amount specified in subparagraph (B) above does not exceed RUB 5,000,000,000 (five billion).

8.4 Voluntary Early Repayment of Facility Outstanding

- 8.4.1 The Borrower is entitled, subject to giving the Facility Administrator at least 10 (ten) Business Days' prior notice (unless a shorter period has been agreed with the Majority Lenders), to effect early repayment of the entire Facility Outstanding or any part thereof. The amount of the Facility Outstanding being repaid early must be at least RUB 50,000,000 (fifty million).
- 8.4.2 Partial early repayment of the Facility Outstanding shall reduce the obligation of the Borrower to repay the Facility Outstanding to each Lender rateably.
- 8.4.3 Any early payment by the Borrower pursuant to Clause 8.3.1 will be used to repay the Facility Outstanding, the payment of which is due in chronological order. Furthermore, the amount of such early payment shall be used to repay all Tranches in proportion to the amount of the next payment under each such Tranche.
- 8.4.4 Within 30 (thirty) days after the Facility Administrator has submitted a demand to a Borrower in accordance with Clause 13.1 (*Additional Costs*), the Borrower has the right, subject to giving the Facility Administrator at least 5 (Five) Business Days' prior notice (unless a shorter period has been agreed with the Majority Lenders), to effect early repayment of the entire Facility Outstanding. In this case, no Early Repayment Fee shall be charged.

8.5 Fee for Early Repayment of Facility Outstanding

- 8.5.1 In the event of early repayment of the Facility Outstanding or part thereof, the Borrower shall pay the Facility Administrator for subsequent distribution between the Lenders in proportion to their Proportional Shares a fee for the early repayment of the Facility Outstanding ("**Early Repayment Fee**"), the amount of which is determined in accordance with Clause 8.4.2.
- 8.5.2 The amount of the Early Repayment Fee shall be:
 - (A) 0.5% (zero point five percent) of the amount of early repayment of the Facility Outstanding under Tranche 2 in the event of early repayment using the funds received from the issue of the Permitted Bonds, in accordance with Clause 8.3 (*Mandatory early repayment upon issue of Permitted Bonds*) not later than 31 July 2021 (inclusive);
 - (B) excluding early repayment of the Facility Outstanding under Tranche 2 in accordance with subparagraph (A) above, 2.0% (two percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date of this Agreement and ending on the date falling 18 months after the date of this Agreement (including such date);

- (C) 1.5% (one point five percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date falling 18 months after the date of this Agreement (not including such date), and ending on the date falling 24 months after the date of this Agreement (including such date); and
- (D) 1.0% (one percent) of the amount of early repayment of the Facility Outstanding in the event of early repayment during the period starting on the date falling 24 months after the date of this Agreement (not including such date), and ending on the date falling 36 months after the date of this Agreement (including such date).

8.5.3 In the event early repayment of the Facility Outstanding or part thereof is made after the expiry of 36 (thirty six) months since the date of this Agreement (not including such date), no Early Repayment Fee shall be charged.

8.6 Other provisions

- 8.6.1 The Borrower does not have the right to withdraw its notification regarding early repayment of the Facility Outstanding or part thereof. Such notification must specify the relevant repayment date and the amount of the Facility Outstanding repaid early.
- 8.6.2 If the Facility Administrator receives any notification under this Clause 8, it shall send a copy of this notification to the Party to which this notification is addressed on the same Business Day. The Facility Administrator must notify all Lenders of receipt of the relevant notification within no more than one Business Day from the date of receipt of this notification.
- 8.6.3 Whenever the Facility Outstanding is repaid early, the Borrower shall repay the Facility Outstanding along with all interest accrued on it as of the repayment date and other amounts owed by Borrower.
- 8.6.4 The Borrower does not have the right to repay the Facility Outstanding or any part thereof early, or to refuse to receive the Facility or part thereof, on terms not expressly contemplated by this Agreement.
- 8.6.5 The Borrower is not entitled to submit a Utilisation Request with respect to the amount of the Facility, which this Borrower has refused to receive, and also with respect to the amount of the Facility Outstanding that the Borrower repaid early.

9. INTEREST

9.1 Interest calculation

The interest rate in respect of the Facility Outstanding for each Interest Period is an annual interest rate equal to the sum of:

- 9.1.1 the Margin; and
- 9.1.2 the Key Rate.

9.2 Margin revision

- 9.2.1 When any of the circumstances specified in this Clause 9.2.1 occur, the Margin with the Consent of the Majority Lenders shall increase by 0.5% (zero point five percent) per annum, starting from the first day of the Interest Period following the relevant Test Date (regarding which the Facility Administrator shall inform the Borrower in writing) if:
 - (A) on any Test Date falling in 2020, the Leverage is more than **3.0:1**; or
 - (B) the Leverage is more than **2.5:1** on any following Test Date.

- 9.2.2 Clause 9.2.1 shall remain effective until the first day of the Interest Period following a Test Date on which the Leverage is less than **2.5:1**, provided the Facility Administrator has received confirmation that the Leverage is less than **2.5:1**.

9.3 Interest Payment

The Borrower shall pay the Facility Administrator for the account of the Lenders interest on the Facility Outstanding on each Interest Payment Date.

9.4 Default Interest

- 9.4.1 If the Borrower fails to fulfil an obligation to pay any amount that it owes under the Finance Document within the prescribed period, default interest shall accrue on the overdue amount from the day, following the due date up to the date of actual payment (both before and after judgement).
- 9.4.2 Said default interest shall accrue in the amount of 2/365 of the interest rate, determined in accordance with Clause 9.1 (*Interest calculation*) subject to the provisions of Clause 9.2 (*Margin revision*), of the amount of overdue debt under the Financial Document for each day of delay.
- 9.4.3 Default interest accrued under this Clause 9.4 must be paid by the Borrower immediately upon the request of the Facility Administrator.
- 9.4.4 The Parties agree that payment by the Borrower of the default interest contemplated by this Clause 9.4 does not in any way restrict the Lenders' rights to pursue any other legal remedies, including the right to seek indemnification from the Borrower for damages and expenses caused by the Borrower's delay to the extent not covered by the default interest.
- 9.4.5 For the avoidance of doubt, the Parties confirm that the default interest contemplated by this Clause 9.4 shall be paid by the Borrower in addition to and in excess of the interest contemplated by Clause 9.1 (*Interest calculation*) subject to the provisions of Clause 9.2 (*Margin revision*).

9.5 Notification of Key Rate

- 9.5.1 Subject to the provisions of Clause 9.5.4, the Key Rate in effect on each day of the Interest Period shall be used to calculate the accrued interest.
- 9.5.2 The Facility Administrator shall notify each Party on each Utilisation Date of the amount of the Key Rate in effect on the relevant Utilisation Date.
- 9.5.3 If the Key Rate changes after any given Utilisation Date, the new Key Rate shall become applicable for the purposes of determining the interest rate as per Clause 9.1 (*Interest calculation*) from the effective date of the modified Key Rate, of which the Facility Administrator shall notify the Parties no later than the Business Day following the effective date of the modified Key Rate.
- 9.5.4 Notwithstanding the provisions of Clause 9.5.3, if the effective date of the modified Key Rate falls on the last day of any Interest Period, the relevant modified Key Rate shall become applicable for the purposes of determining the interest rate as per Clause 9.1 (*Interest calculation*) from the first day of the next Interest Period.

10. INTEREST PERIODS

- 10.1.1 The first Interest Period relating to Tranche 1 shall begin on the day following the Utilisation Date of Tranche 1 and end on the Interest Payment Date following the Utilisation Date of Tranche 1. Furthermore, if such Interest Payment Date comes earlier than 10 (ten) days after the Utilisation Date of Tranche 1, the first Interest Period relating to Tranche 1 shall end on the second Interest Payment Date which comes after the Utilisation Date of Tranche 1. Each subsequent Interest Period shall start on the day following the last day of the previous Interest Period, and end on the Interest Payment Date immediately following that day.

- 10.1.2 The first Interest Period relating to Tranche 2 shall begin on the day following the Utilisation Date of Tranche 2 and end on the Interest Payment Date following the Utilisation Date of Tranche 2. Furthermore, if such Interest Payment Date comes earlier than 10 (ten) days after the Utilisation Date of Tranche 2, the first Interest Period relating to Tranche 2 shall end on the second Interest Payment Date which comes after the Utilisation Date of Tranche 2.
- 10.1.3 Starting from the Interest Period immediately following the end of the first Interest Period relating to Tranche 2:
- (A) the Facility Outstanding relating to Tranche 1 and the Facility Outstanding relating to Tranche 2 shall be combined into a single Facility Outstanding (hereinafter referred to as "**Facility Outstanding on Tranches 1 and 2**") for the purposes of determining the Interest Period;
 - (B) the Interest Periods relating to Facility Outstanding on Tranches 1 and 2 shall be determined in accordance with Clause 10.1.1; and
 - (C) the last Interest Period relating to Facility Outstanding on Tranches 1 and 2 shall end on the Final Repayment Date.

11. FEES OF FINANCE PARTIES

11.1 Facility commitment Fee

- 11.1.1 The Borrower shall pay the Facility Administrator, for subsequent distribution among the Lenders in proportion to their Proportional Shares, a Facility commitment fee with respect to Tranche 2 at a rate of 0.30% (zero point three zero percent) of the Unused Available Commitment of Tranche 2 (excluding the Amount Payable).
- 11.1.2 Said Facility commitment fee shall be charged on the Unused Available Commitment of Tranche 2 for each day of the Tranche 2 Utilisation Period and shall be paid:
- (A) on each Interest Payment Date during such Utilisation Period; and
 - (B) on the Interest Payment Date immediately following the last day of the Utilisation Period.
- The amount of the Unused Available Commitment of Tranche 2 for the purpose of calculating the Facility commitment fee is subject to adjustment in accordance with the definition of the term "Available Commitment of Tranche 2" in Clause 1.1 (*Terms*) following the placement of the Permitted Bonds starting from the date following the date on which the Borrower notifies the Facility Administrator of the completed placement and the par value of the placed Permitted Bonds.

- 11.1.3 No Facility commitment fee shall be charged with respect to Tranche 1.

11.2 Facility Fee

The Borrower shall pay the Facility Administrator, for subsequent distribution among the Lenders in proportion to their Proportional Shares, a Facility fee in the amount of 0.5% (zero point five percent) of the Total Commitment no later than 10 Business Days after the date of this Agreement or after the first Utilisation Date, whichever occurs earlier.

12. TAXES

12.1 Tax gross-up

- 12.1.1 No later than 3 (three) Business Days after an Obligor or Lender becomes aware that an Obligor must make a Tax Deduction (or that changes have been made to the Tax Deduction rate or base), the Borrower or Lender (as the case may be) shall notify the Facility Administrator, and the Borrower shall also ensure that the relevant notification is sent by the other Obligors. If the Facility Administrator

receives such notification from the Lender, it must notify the relevant Obligor accordingly.

- 12.1.2 If, in accordance with the law, an Obligor must make a Tax Deduction in respect of any amount to be transferred to a Finance Party under the Finance Documents, the amount payable by an Obligor to a Finance Party shall be increased so that after the Tax Deduction the relevant Finance Party would receive the same amount that it would have received had such withholding in the form of the Tax Deduction not been required. However, an Obligor is not obliged to increase the amounts paid to the Finance Parties by the amount of the Tax Payment, if at the date of the relevant payment, any Finance Party ceased to be an Acceptable Lender for any reason not connected with a change in the law.
- 12.1.3 Within 30 (thirty) days after the Tax Deduction, the Borrower shall procure that it and other Obligors (as applicable) provide the Facility Administrator, for transfer to the relevant Finance Party, with evidence that is acceptable to that Finance Party confirming that the withheld amount of the Tax Deduction was transferred by an Obligor into the state budget in accordance with the requirements of applicable law.

12.2 Tax indemnity

- 12.2.1 Within 3 (three) Business Days after the Facility Administrator has submitted the relevant demand, an Obligor must pay to a Finance Party, which is not a Russian legal person, an amount equivalent to the Tax paid by a Finance Party, or the Tax that is payable in the opinion of that Finance Party, in connection with any Finance Document.
- 12.2.2 The provisions of paragraph 12.2.1 above shall not apply:
- (A) in respect of Taxes paid by a Finance Party:
 - (1) as required by the law of the Russian Federation; or
 - (2) in accordance with the law of the jurisdiction in which the lending division of that Finance Party that is connected with the amounts received or receivable in such jurisdiction is located,
 - if such Tax is levied or accrued on the basis of the net income received or receivable by such Finance Party; or
 - (B) to the extent that costs related to the payment of Taxes shall be indemnified by increasing the payment amount in accordance with Clause 12.1 (*Tax gross-up*).
- 12.2.3 A Finance Party that is submitting or intends to submit a demand in accordance with Clause 12.2.1 shall immediately notify the Facility Administrator of the event that will become or has become the basis for submitting this demand, whereupon the Facility Administrator must notify the Borrower accordingly.

12.3 Tax Relief

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- 12.3.1 a Tax Relief may be applied to an additional payment that includes such Tax Payment, to such Tax Payment or Tax Deduction which resulted in such Tax Payment being required; and
- 12.3.2 such Finance Party has received such Tax Relief,

such Finance Party shall transfer to such Obligor an amount that will leave such Finance Party (after making such payment) in the same after-Tax position that it would have been in had the Obligor not been required to make such Tax Payment.

12.4 Charges and duties

Within 3 (three) Business Days after receiving the relevant demand of the Finance Party, the Borrower shall procure that it, as well as other Obligors, indemnify this Finance Party for all

its expenses incurred due to the payment of state and stamp duties, registration charges and all other similar Taxes payable in connection with any Finance Document.

12.5 Value Added Tax (VAT) and other taxes

In the cases contemplated by the Russian law on taxes and charges, the fees due to the Finance Parties shall be increased by the relevant amounts of VAT calculated at the applicable tax rate.

13. ADDITIONAL COSTS

13.1 Additional Costs

13.1.1 Subject to Clause 13.3 (*Exemptions*), the Borrower shall, within 3 (three) Business Days of the expiration of 30 (thirty) days from when the relevant Facility Administrator submitted the relevant demand, pay the relevant Finance Party the Additional Costs incurred by such Finance Party for the period after the expiration of such thirty-day period due to any law being enacted, or law (or the practice of its interpretation or application) being amended after the date of this Agreement or due to a central bank or other competent authority imposing an obligation in the relevant jurisdiction for the Finance Parties to apply or comply with the standards established in Basel III.

13.1.2 In this Clause "**Additional Costs**" means:

- (A) additional costs or losses incurred by a Finance Party due to a reduction in any amounts received or receivable; or
- (B) any additional or increased costs or losses; or
- (C) expenses or losses related to the reduction of any amount payable by the Borrower in accordance with any Finance Document,

which any Finance Party incurs in connection with its being a Party to this Agreement.

13.1.3 For the avoidance of doubt, the Additional Costs under this Clause 13 shall be paid by the Borrower as a fee for the use of the Facility in addition to the interest and other amounts due from the Borrower.

13.2 Additional Cost Claims

A Finance Party that files a claim in accordance with this Clause 13 shall notify the Facility Administrator of the circumstances that formed the basis for such a claim and provide it with a reasonable calculation of the Additional Costs, whereupon the Facility Administrator shall notify the Borrower within 1 (one) Business Day and submit to it the calculation received from the Finance Party.

13.3 Exemptions

The provisions of this Clause 13 shall not apply if the Additional Costs:

- 13.3.1 shall be indemnified to a Finance Party in accordance with another Clause of the Agreement, or would be indemnified in the absence of exemptions from such Clause;
- 13.3.2 are caused by a Finance Party's willful non-compliance with the law; or
- 13.3.3 are caused by the application or compliance with the standards established in Basel II (as amended as of the date of this Agreement) or in the regulations of the Central Bank of the Russian Federation or in any other law by which the provisions of Basel II are implemented, except for the changes arising from Basel III.

14. OTHER INDEMNITIES

14.1 Currency indemnity

If any amount ("**Amount**") payable to a Finance Party by an Obligor in accordance with the Finance Documents or on the basis of a court, arbitrazh or arbitration court decision, has to be converted from the currency in which such amount is to be paid (the "**First Currency**") into another currency (the "**Second Currency**") or is to be calculated in the Second Currency, for the following purposes:

14.1.1 the filing of any claim against such Obligor; or

14.1.2 the enforcement of any judicial or arbitration award in any judicial, arbitrazh or arbitration proceedings,

the Borrower shall procure that it and other Obligors (as applicable), within 5 (five) Business Days from receipt of the relevant demand, indemnify each Finance Party to which such Amount is due, for the costs arising as a result of such conversion, including the difference between:

(A) the exchange rate used to convert said Amount from the First Currency into the Second Currency, and

(B) the exchange rate available to that person at the time it received the Amount.

14.2 Other indemnities

Within 10 (ten) Business Days from receipt of the relevant demand, the Borrower shall indemnify each Finance Party for the amount of all documented costs incurred by the respective Finance Party:

14.2.1 as a result of an Event of Default; or

14.2.2 (if such costs are incurred through no fault of a Finance Party or do not result from a Finance Party's negligence, with the exception of circumstances beyond the control of a Finance Party (not including the imposition of international sanctions)) as a result of:

(A) the inability to grant the Facility to the Borrower in accordance with a Utilisation Request due to any provisions of this Agreement; or

(B) the Borrower's inability to effect early repayment of the Facility Outstanding or part thereof, despite a notification of early repayment having been submitted to the Facility Administrator.

14.3 Indemnity to the Facility Administrator

The Borrower shall indemnify the Facility Administrator for all documented costs incurred by the Facility Administrator due to:

14.3.1 an investigation of any event that the Facility Administrator has reason to believe is a Default; or

14.3.2 actions being taken on the basis of any notification or order of any Finance Party in accordance with this Agreement, which the Facility Administrator has reason to believe are subject to execution.

Furthermore, such costs are subject to prior agreement with the Borrower, with the exception of Events of Default.

14.4 Indemnity to the Pledge Manager

14.4.1 The Borrower shall indemnify the Pledge Manager for all documented costs incurred by the Pledge Manager due to action it takes to:

(A) protect the Finance Parties' rights under the Pledges; and/or

(B) protect the property pledged to the Lenders under the respective Pledges, and to foreclose on it.

- 14.4.2 The Pledge Manager may, on a priority basis, recover its costs out of the value of the property pledged to the Lenders under the respective Pledges.

14.5 Transaction Costs

- 14.5.1 The Borrower shall, within 10 (ten) Business Days after receipt of the relevant demand, pay the Facility Administrator and the Arranger the amount of all documented costs that are previously agreed with the Borrower in writing or by email (including fees of legal consultants) that were incurred in connection with the preparation and execution of this Agreement and other Finance Documents.
- 14.5.2 The Borrower's duty to pay legal consultant fees will be considered fulfilled if, prior to the first Utilisation Date, a member of the Group pays the relevant fees (in the amount pre-agreed in writing or by email by the Facility Administrator, the Borrower and the legal consultant of the Facility Administrator) directly to the legal consultant of the Facility Administrator.
- 14.5.3 The Borrower shall bear in full all costs associated with the registration of the Security Agreements in accordance with the requirements of applicable law.

14.6 Amendment Costs

If, at the initiative of the Obligor or in accordance with the requirements of applicable law, changes need to be made to the Finance Documents or the consent of the Lenders for any action or omission needs to be obtained, the Borrower shall, within 10 (ten) Business Days after receiving the relevant demand, indemnify the Facility Administrator for all documented costs pre-agreed with the Borrower in writing or by email (including legal and other consultant fees) incurred by the Facility Administrator in agreeing and making the relevant changes to the Finance Documents and (or) obtaining the consent of the Lenders.

14.7 Enforcement Costs

Within 10 (ten) Business Days after receipt of the relevant demand of the Facility Administrator, the Borrower shall indemnify each Finance Party for all documented costs (including legal and other consultant fees) incurred by the relevant Finance Party in connection with the enforcement of any Finance Document or the protection of their rights under the Finance Documents.

15. MITIGATION BY THE FINANCE PARTIES

Each Finance Party shall, after consulting with the Borrower, take all reasonable steps to reduce potential negative consequences for the Borrower, which may result in a certain amount becoming payable or to its payment to the Borrower being annulled under Clauses 8.1 (*Illegality*), 12 (*Taxes*) and 14 (*Other Indemnities*).

16. REPRESENTATIONS

16.1 Representations

The representations set forth in this Clause 16 are given by the Borrower to each Finance Party with regard to itself and, if applicable, with respect to each Obligor and Pledgor. Each Finance Party relies on such representations of the Borrower, and their reliability is essential for the Finance Parties to enter into and perform this Agreement.

16.2 Status

- 16.2.1 Each Obligor and each Pledgor is a legal entity duly incorporated and operating lawfully in accordance with applicable law.
- 16.2.2 Each Obligor and each Pledgor has the power to own its assets and carries on its business in accordance with applicable law.

16.3 Legal capacity and authority

- 16.3.1 Each Obligor and each Pledgor has legal capacity and authority to enter into and perform the Finance Documents (to which it is party) and the transactions contemplated thereby, and has received all necessary approvals for entry into and performance of the Finance Documents in the manner prescribed by law and its constitutional and other internal documents, including approval of the transactions contemplated by the Finance Documents as a major transaction and an interested-party transaction.
- 16.3.2 The person acting on behalf of each Obligor and each Pledgor has the authority to enter into the Finance Documents to which the relevant Obligor is party.

16.4 Binding obligations

- 16.4.1 Subject to the requirements for registration of the Finance Documents as specified in Clause 16.9 (*Registration Requirements*), each Finance Document to which the Obligor or Pledgor is party constitutes its legal, valid, binding and enforceable obligation.
- 16.4.2 Each Finance Document to which any of the Obligors or Pledgors is party is drawn up in a form that ensures that it can be enforced in the Russian Federation and in the Republic of Cyprus.

16.5 Non-conflict

The entry into and performance by each Obligor and each Pledgor of the Finance Documents to which they are party, and the transactions contemplated thereby does not conflict with:

- 16.5.1 any applicable law;
- 16.5.2 its constitutional and other internal documents;
- 16.5.3 any decisions of its management bodies; and
- 16.5.4 any other documents or agreements that are binding on it.

16.6 Compliance with law

- 16.6.1 The business activities of each Obligor are carried out in accordance with applicable law in all aspects viewed as materially significant.
- 16.6.2 Each Obligor has promptly submitted tax returns.
- 16.6.3 With respect to each Obligor:
 - (A) there is no decision and (or) demand of a tax authority to pay Tax, which has not been executed within the period specified by such decision and (or) demand and (or) the applicable law; or
 - (B) if the above decision and (or) demand of a tax authority is contested in court: there is no court decision that has come into legal force regarding the need to execute the above decision and (or) demand, which has not been executed within the period specified by such court decision and (or) the applicable law.

16.7 No Default

- 16.7.1 There neither is nor will be a Default as a result of the entry into or performance by each Obligor and each Pledgor of the Finance Documents or the transactions contemplated thereby.
- 16.7.2 There are no other events or circumstances constituting default under any document that is binding on any Obligor or Pledgor or which imposes restrictions on the disposal of their property and which have or are reasonably likely to have a Material Adverse Effect.

16.8 Authorisations

As of the date of this Agreement, each Obligor and each Pledgor have received all authorisations and consents required in connection with entry into, performance, ensuring the validity of, and possibility of enforcing, each Finance Document to which it is party and the transactions contemplated thereby and such authorisations and consents remain in full force and effect.

16.9 Registration Requirements

No notarial actions are required in connection with any Finance Document or registration of any Finance Document, including in any state bodies or institutions, except for:

- 16.9.1 notarisation of the Borrower Participatory Interest Pledge and making the relevant entry in the Unified State Register of Legal Entities of the Russian Federation;
- 16.9.2 registration of the Borrower Participatory Interest Pledge in accordance with the laws of the Republic of Cyprus in the Register of Companies and entering information about it in the internal register of pledges of Headhunter FSU; and
- 16.9.3 entering information about the Pledge of Headhunter FSU (Headhunter Group) Shares in the internal register of pledges of Headhunter Group.

16.10 Financial Statements

16.10.1 The most recent financial statements of the Group (and each member of the Group) provided to the Facility Administrator:

- (A) have been prepared in accordance with Applicable Reporting Standards; and
- (B) in all material respects reliably reflect its financial position (if applicable, on a consolidated basis) as of the date of their preparation,

except where such financial statements indicate otherwise.

16.10.2 From the date on which the financial statements indicated in Clause 16.10.1 were drawn up, there have not been any events that could have a Material Adverse Effect, and for the purposes of this paragraph, Material Adverse Effect is understood to mean in the opinion of the Majority Lenders a material adverse effect on:

- (A) the financial condition of the Group as a whole, in the event that the Group as a whole, as a result of the occurrence of such an event, incurs actual damage in an amount exceeding RUB 50,000,000 (or its equivalent in another currency);
- (B) the Obligors' and Pledgors' ability to perform their obligations under any Finance Document;
- (C) the validity or ranking of the security that is provided or should be provided under any Finance Document or its enforceability; or
- (D) the validity of the Finance Documents or the possibility of exercising the rights of the Finance Parties contemplated by each relevant Finance Document.

16.11 Court Proceedings

16.11.1 With the exception of the court, administrative, arbitrazh or arbitration proceedings disclosed by the Borrower to the Facility Administrator in accordance with Clause 17.4 (*Information: miscellaneous*), no court, arbitration or administrative proceedings have been instituted against the Obligors or are expected to be instituted against the Obligors as far as the Borrower is aware:

- (A) in which the claim or demand exceeds RUB 50,000,000 (or the equivalent of this amount in another currency);

- (B) within the framework of which decisions have been taken or are highly likely to be taken, as a result of which the actual damage to the Group will amount to over RUB 50,000,000 (or the equivalent of this amount in another currency); or
- (C) in the event not falling under subparagraphs (A) or (B) above, as a result of which an unfavourable decision has been taken or, to the best of the Borrower's knowledge, is highly likely to be taken, that could have a Material Adverse Effect.

16.11.2 With the exception of the actions disclosed by the Borrower to the Facility Administrator in accordance with Clause 17.4 (*Information: miscellaneous*), no investigative actions provided for by applicable law are being taken in respect of the Obligors as a result of which unfavourable decisions have been taken or are highly likely to be taken, that could have a Material Adverse Effect.

16.12 Information

16.12.1 All factual information, which is material in the opinion of the Facility Administrator, provided by any Obligor or Pledgor to the Finance Parties in connection with the Finance Documents to which it is party, is true and accurate as of the date of its provision or (as the case may be) as of the date (if any) which is indicated as the date of its provision.

16.12.2 None of the Obligors or Pledgors has withheld information which, if disclosed, would result in any other information indicated in Clause 16.12.1 becoming materially untrue or misleading in the opinion of the Facility Administrator.

16.12.3 As of the date of this Agreement and on the first Utilisation Date from the date of provision of the information defined in Clause 16.12.1, there were no circumstances that, if disclosed, would result in the provided information becoming untrue or misleading in the opinion of the Facility Administrator.

16.13 Ranking of Security

The security established by each Pledge is security which the Pledge Manager has the right to enforce, with the Consent of the Majority Lenders, as a matter of priority. Third parties do not have any rights (claims) or other rights with respect to the property and assets of the Pledgors, which are the subject of the Pledges.

16.14 Granted loans

None of the Obligors has granted loans to third parties that are not Obligors, with the exception of the Permitted Loans.

16.15 Charges and duties

As of the date of this Agreement, payment of any state duties or registration fees or taxes or charges in connection with the Finance Documents is not required, except for:

16.15.1 fees for notarial acts in respect of the Borrower Participatory Interest Pledge; and

16.15.2 charges and duties for registering the Pledges, including payment of stamp duty in respect of Finance Documents in Cyprus.

16.16 Regulated Procurements

As of the date of the Finance Documents, the provisions of the Regulated Procurement Law do not apply to the entry into and performance of the Finance Documents by the Borrower and Zemenik. However, the Borrower does not make this representation with respect to the application of the Regulated Procurement Law to any Finance Party.

16.17 Moratorium on bankruptcy

The Borrower:

- 16.17.1 is not engaged in (and as of 1 March 2020 was not engaged in) activities referred to in the list approved by Russian Federation Government Resolution No. 434 dated 3 April 2020 of Russian economic sectors that have been most affected by the spread of the novel coronavirus infection;
- 16.17.2 does not figure on the list of strategic enterprises and strategic joint-stock companies that was approved by Russian Federation Presidential Decree No. 1009 of 4 August 2004;
- 16.17.3 is not a systemically important company and does not figure on any of the lists of systemically important companies that was approved by the Government Commission on Enhancing the Stable Development of the Russian Economy; and
- 16.17.4 is not subject to a moratorium on the initiation of bankruptcy proceedings under the Bankruptcy Law.
- 16.18 Times when representations made**
- 16.18.1 The representations set forth in this Clause 16 are given by the Borrower on the date of this Agreement.
- 16.18.2 The Borrower shall ensure that all the representations set forth in this Clause 16 remain true, as if they were given by the Borrower in the same form:
- (A) on the date of each Utilisation Request;
 - (B) on each Utilisation Date; and
 - (C) on the first day of each Interest Period.
- 17. INFORMATION UNDERTAKINGS**
- 17.1 Financial Statements**
- 17.1.1 The Borrower shall provide the Facility Administrator with a sufficient number of certified copies of the following for all Lenders:
- (A) as soon as they are available, but in any case within 120 (one hundred and twenty) days from the end of each financial year: the audited consolidated financial statements of the Group for that financial year prepared in accordance with IFRS;
 - (B) as soon as they are available, but in any case within 90 (ninety) days from the end of the first financial half-year of each financial year: the Group's reviewed interim consolidated financial statements for the second quarter and the first financial half-year, prepared in accordance with IFRS;
 - (C) as soon as they are available, but in any case within 60 (sixty) days from the end of the first and third financial quarters of each financial year: the interim consolidated financial statements of the Group for such financial quarter of the relevant financial year prepared in accordance with IFRS;
 - (D) as soon as they are available, but in any case within 40 (forty) days from the end of each quarter of the relevant financial year: the financial statements (including the profit and loss statements, balance sheet and cash flow statement) of the Borrower and Zemenik for such quarter of the relevant financial year prepared in accordance with RAS; and
 - (E) as soon as they are available, but in any case within 180 (one hundred and eighty) days of the end of each financial year: the unconsolidated financial statements of Obligors registered outside the Russian Federation for such financial year, prepared according to applicable local accountancy standards.
- 17.1.2 The Borrower's duty to provide the financial statements referred to in Clauses 17.1.1(A)-(C) may also be performed by making those financial statements publicly available:

- (A) on the Group's Internet website at <https://investor.hh.ru/investors/sec-filings>; or
- (B) on the Internet website of the Nasdaq Stock Exchange at <https://www.nasdaq.com/market-activity/stocks/hhr/sec-filings>; or
- (C) on the online Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) of the U.S. Securities and Exchange Commission at <https://www.sec.gov/edgar/searchedgar/companysearch.html>,

provided that:

- (1) regarding the financial statements referred to in Clause 17.1.1(A), within the time referred to in Clause 17.1.1(A):
 - (a) the Borrower has provided the Facility Administrator with an Auditor's opinion on said financial statements; and
 - (b) The Facility Administrator has actually obtained access to said financial statements in full on the above Internet websites; and
- (2) regarding the financial statements referred to in Clauses 17.1.1(B) and (C) the Facility Administrator has actually obtained access to said financial statements in full on the above Internet websites within the time referred to in Clauses 17.1.1(B) and (C).

17.2 Compliance certificate

17.2.1 The Borrower shall provide the Facility Administrator with the certificate of compliance with the following financial indicators:

- (A) with each set of financial statements provided in accordance with Clauses 17.1.1(A)–(C): the financial indicators specified in Clause 18.3 (*Leverage*), 18.4 (*Interest cover*) and 18.5 (*Guarantors' Cover Ratio*);
- (B) with each set of financial statements provided in accordance with Clause 17.1.1(D): the financial indicators specified in Clause 18.6 (*Revenue in accordance with RAS*) и 18.7 (*Cash receipts*);
- (C) with each set of financial statements provided in accordance with Clause 17.1.1(D) for the second and fourth financial quarters: the financial indicators specified in Clause 18.8.1 (*Net assets*); and
- (D) with each set of annual financial statements provided in accordance with Clause 17.1.1(E): the financial indicators specified in Clause 18.8.2 (*Net assets*),

along with the calculation proving that the Borrower complies with the financial indicators based on such financial statements as of the date of preparation of such financial statements.

17.2.2 Compliance certificate on the basis of the statements prepared in accordance with IFRS must be in the form provided in Part A (*Form of Compliance Certificate on the basis of IFRS*) of Schedule 5 (*Forms of Compliance Certificates*), signed by the Borrower's authorised person and, if the certificate is provided with the set of statements provided in accordance with Clauses 17.1.1(A) and (B), shall be accompanied by the opinion of the Group Auditors in a form agreed by the Borrower, the Facility Administrator and the Group Auditors.

17.2.3 Compliance certificate on the basis of statements prepared in accordance with RAS must be in the form provided in Part B (*Form of Compliance Certificate on the basis of RAS*) of Schedule 5 (*Forms of Compliance Certificates*) and signed by an authorised person of the Borrower.

17.3 Requirements for Financial Statements

The Borrower shall procure that each set of financial statements provided in accordance with Clause 17.1 (*Financial Statements*), is prepared using the same accounting principles and reporting periods used to prepare the Group's last financial statements. If any Obligor notifies the Facility Administrator of changes in accounting principles or reporting periods, the Borrower shall procure that the Borrower's Auditors and the auditors of the relevant Obligor provide the Facility Administrator with the following:

- 17.3.1 a description of the changes to be made to the relevant financial statements to reflect the changes made to the accounting principles and reporting periods that were used in the preparation of the Original Financial Statements of the Group or such Obligor; and
- 17.3.2 information in a form and content that meets the requirements of the Facility Administrator and is sufficient to enable Lenders to verify that the Borrowers have met the requirements of Clause 18 (*Financial Covenants*) and to adequately assess the Obligor's financial condition based on current financial statements compared to this Obligor's Original Financial Statements.

17.4 Information: miscellaneous

The Borrower shall provide the Facility Administrator with the following:

- 17.4.1 at the same time as they are dispatched to their addressees, copies of all documents dispatched by it to all its lenders, or in connection with circumstances that constitute a Material Adverse Effect, to all its members;
- 17.4.2 details of any court, arbitrazh, arbitration or administrative proceedings, as a result of which decisions have been taken or are highly likely to be taken, resulting in actual damage to the Group of:
 - (A) over RUB 50,000,000 (or the equivalent of this amount in another currency), but less than 2.5% (two point five percent) of the Consolidated EBITDA: no later than 5 (five) Business Days following the end of the next calendar quarter;
 - (B) over 2.5% (two point five percent) of the Consolidated EBITDA: promptly upon becoming aware of it, but no later than 5 (five) Business Days from the date it becomes aware of it;
- 17.4.3 promptly upon becoming aware of it, but no later than 5 (five) Business Days from the date it becomes aware of this: details of any investigative actions related to the Group or any member of the Group (including with respect to the executive or other management bodies of the Group or any member of the Group or any member of such a management body);
- 17.4.4 (without limiting Clause 26.2.5) promptly upon becoming aware of it, but no later than twenty (20) Business Days from the date it becomes aware of this or from the date of state registration (if applicable), depending on which of these events occurred later: notification regarding a change of location or postal address of the Borrower or any other Obligor or Pledgor; and
- 17.4.5 immediately upon request, but no later than 5 (five) days from the date of the request: such additional information regarding the finance position and business activities of any member of the Group that the Facility Administrator may require in the interests of any Finance Party.

17.5 Auditors

The Borrower shall not change its Auditors without the consent of the Majority Lenders, with the exception of those Auditors in relation to the financial statements of the Group and its members prepared in accordance with IFRS, approved or authorised in accordance with this Agreement.

17.6 Notification of Default

- 17.6.1 The Borrower shall notify the Facility Administrator of any Default (and measures, if any, to remedy such Default) immediately after it becomes aware of this.
- 17.6.2 At the request of the Facility Administrator, the Borrower shall provide the Facility Administrator with a statement signed by the sole executive body or an authorised representative of the Borrower certifying that the Default was remedied, or, if the Default is continuing, detailing the measures being taken to remedy it.

17.7 "Know your customer" checks

17.7.1 If as a result of:

- (A) any changes in any applicable law after the date of this Agreement;
- (B) changes in the legal form of the Borrower or any Obligor or Pledgor, or changes in the composition of its shareholders or members (owning more than two percent of the voting shares or participatory interests respectively after the date of this Agreement); or
- (C) the assignment or transfer by any Lender of all or part of its rights and obligations under this Agreement to a party that was not a Lender before such assignment or transfer, or the replacement of any other Finance Party in accordance with this Agreement, or other change of the Parties to this Agreement,

the Facility Administrator, Lender or any other Finance Party (or in the case of paragraph 0 above, a possible new party), as required by the law applicable to them, shall have an obligation to comply with "know your customer" or similar identification procedures, in circumstances where the necessary information was not previously provided by the Borrower, the Borrower shall provide the Facility Administrator (acting on its own behalf, on behalf of the relevant Finance Party or on behalf of a potential new party) with the information and documents required for the Facility Administrator, relevant Finance Party or possible new party to comply with the applicable "know your customer" checks.

- 17.7.2 Each Finance Party shall provide the Facility Administrator with the information and documents required for the Facility Administrator to comply with the applicable "know your customer" checks.

17.8 Designated purpose of funds

The Borrower shall, no later than 10 (ten) Business Days after each Tranche 2 Utilisation Date, provide the Facility Administrator with copies of documents certified by the Borrower confirming that the Facility was used in accordance with Clause 3.2.

18. FINANCIAL COVENANTS

18.1 Financial definitions

In this Clause 18:

"Assets" means the assets of the Group, including:

- (a) long-term tangible assets;
- (b) intangible assets (excluding goodwill)
- (c) Cash; and
- (d) Cash Equivalents.

Furthermore, the Cash and Cash Equivalents of each Subsidiary owned by Zemenik, Headhunter FSU or the Borrower shall be recorded for the purposes of Clause 18.5 (*Guarantors' Cover Ratio*) if, as of the relevant Test Date, the following conditions have been met:

- (i) an authorised body of such Subsidiary has taken a corporate decision (acceptable to the Facility Administrator) on the transfer of such Cash in favour of Zemenik, Headhunter FSU or the Borrower;
- (ii) such transfer of funds must take place no later than ninety (90) days from the Test Date;
- (iii) the financial statements of such Subsidiary are consolidated with the financial statements of the Group in accordance with IFRS in the relevant period of time using the direct method of consolidation; and
- (iv) the applicable law does not prohibit the transfer of Cash by the relevant Subsidiary to the Holding Company as dividends or otherwise.

For the purposes of Clause 18.5 (*Guarantors' Cover Ratio*), if all of the above conditions are met, such Cash shall be recorded as belonging not to a Subsidiary of Zemenik, Headhunter FSU or the Borrower, but directly to Zemenik, Headhunter FSU or the Borrower in proportion to its participation in the charter capital of such Subsidiary.

"Cash Receipts" means the cash receipts received by the Group from Clients within the preceding 12 (months), determined on the basis of the financial statements provided in accordance with Clause 17.1.1(D).

"Clients" means private individuals and legal persons, as well as individual entrepreneurs who have paid or are due to pay for the key services of the Borrower (access to the CV database and publication of vacancies) in accordance with agreements with the Borrower, including those concluded following the acceptance of an offer on the Obligors' Websites.

"Consolidated Net Debt" means, for any Test Period, the aggregate amount of the Financial Indebtedness of the Group (excluding any debts of a member of the Group to other members of the Group) net of Cash and Cash Equivalents of the Group in accordance with the Group's consolidated financial statements prepared in accordance with IFRS, on the last day of such Test Period.

"Group Consolidated Net Profit" means the Group's consolidated net profit determined on the last reporting date, i.e. (depending on the date on which it is determined):

- (a) at the end of the financial year or financial half-year of the financial year, in accordance with the Group's financial statements for the relevant financial year or first financial half-year of the relevant financial year, prepared in accordance with IFRS, provided to the Facility Administrator in accordance with Clauses 17.1.1(A) or (B); or
- (b) at the end of the first or third financial quarter, based on the relevant financial statements of the Group provided to the Facility Administrator in accordance with Clause 17.1.1(C).

"Interest Amount" means the interest accrued on the entire Financial Indebtedness of the Group (with respect to interest under lease agreements: to the extent that this indicator would have been recorded in IFRS statements before the introduction of IFRS 16).

18.2 Interpretation

- 18.2.1 Unless otherwise specified herein, the accountancy terms used in this Clause 18 shall be interpreted according to the IFRS as amended on the relevant date.
- 18.2.2 For the purpose of this Clause 18, any amount not denominated in Roubles shall be recorded in the rouble equivalent calculated on the basis of the exchange rates used by the Borrower in its financial statements for the relevant reporting period, on the basis of which the financial indicators are calculated.
- 18.2.3 When making calculations in accordance with this Clause 18, no indicator can be taken into account more than once.

18.2.4 Unless otherwise contemplated by this Agreement, the indicators specified in this Clause 18 shall be checked in respect of each Test Period on the appropriate Test Date on the basis of any statements provided in accordance with Clause 17.1.1.

18.3 **Leverage**

The Borrower must ensure that on each Test Date, the ratio of Consolidated Net Debt to Consolidated EBITDA (the "**Leverage**") is not more than:

18.3.1 **3.5:1** as of each Test Date falling in 2020; and

18.3.2 **3.0:1** as of each subsequent Test Date.

18.4 **Interest cover**

The Borrower must ensure that on each Test Date, the ratio of Consolidated EBITDA to the Interest Amount (the "**Interest Cover**") is at least **2.5:1**.

18.5 **Guarantors' Cover Ratio**

If, as of any Test Date, the Obligors in total account for:

18.5.1 less than 80% (eighty percent) of the Consolidated EBITDA; or

18.5.2 less than 80 (eighty) percent of the Group Revenue; or

18.5.3 less than 70 (seventy) percent of the Group Assets,

the Borrower shall procure the conclusion (issue), on terms acceptable to the Facility Administrator, of:

- (A) an additional independent guarantee, including an agreement to issue it ("**Additional Independent Guarantee**") by a legal entity acceptable to the Facility Administrator ("**Additional Guarantor**"), within 30 (thirty) days of the relevant Test Date; and
- (B) a pledge of 100% of the shares or participatory interests in the charter capital of such Additional Guarantor that are owned by any Pledgor or Group member ("**Additional Pledge**") within sixty (60) days of the relevant Test Date.

18.6 **Revenue in accordance with RAS**

The Borrower shall ensure that, as of each Test Date, the aggregate Revenue of the Borrower (excluding the revenue of Subsidiaries acquired or sold during the last 12 months and without double counting) for the 4 (four) previous financial quarters, determined on the basis of the Borrower's financial statements in accordance with RAS, provided in accordance with Clause 17.1.1(D), amounts to at least:

18.6.1 **80%** (eighty percent) as of each Test Date falling at the end of the second, third, and fourth quarters of 2020 and the end of the first and second quarters of 2021; and

18.6.2 **95%** (ninety five percent) as of each subsequent Test Date,

of the Borrower's Revenue determined as of the same date of the previous year based on the Borrower's financial statements prepared in accordance with RAS, provided in accordance with Clause 17.1.1(D).

18.7 **Cash receipts**

The Borrower shall ensure that, as of each Test Date, starting from the Test Date for the financial quarter following the financial quarter in which the first Utilisation Date falls, any reduction in Cash Receipts for the 4 (four) preceding financial quarters is no more than:

18.7.1 **30%** (thirty percent) as of each Test Date falling at the end of the second, third, and fourth quarters of 2020 and the end of the first and second quarters of 2021; and

18.7.2 5% (five percent) as of each subsequent Test Date,
compared with the Cash Receipts determined as of the same date of the previous year.

18.8 Net assets

The Borrower shall ensure that:

- 18.8.1 as of the end of the second financial quarter of each financial year, and as of the end of each financial year, the net assets of each Obligor registered in the Russian Federation determined on the basis of the financial statements provided under Clause 17.1.1(D),
- 18.8.2 at the end of each financial year, the amount of the net assets of each other Obligor determined on the basis of the financial statements provided in accordance with Clause 17.1.1(E),
- are positive.

19. GENERAL UNDERTAKINGS

19.1 Authorisations and corporate approvals

- 19.1.1 The Borrower shall, and shall procure that each Obligor shall, duly receive, ensure the validity of, and comply with the conditions of, any authorisations, consents and corporate approvals required under any applicable law to fulfil its obligations under the Finance Documents to which it is party, and to ensure that the Finance Documents can be used as evidence in arbitration proceedings, in the courts of the Russian Federation, including arbitrazh courts, and in the courts of Cyprus.
- 19.1.2 The Borrower shall, and shall procure that each Obligor shall, duly receive the necessary state and municipal permits, consents, licenses and patents, as well as membership in self-regulatory organisations, required by any applicable law for the conduct of business activities of the Obligor in the form in which it is conducted, as well as ensure their validity and comply with their conditions.

19.2 Negative Pledge

The Borrower shall, and shall procure that each Obligor shall, not create or allow the creation of any Encumbrances in relation to its assets without the prior written consent of the Facility Administrator, except for:

- 19.2.1 an Encumbrance in relation to assets (except those specified in Clause 19.2.4, but without double counting), whose aggregate book value does not exceed 10% (ten percent) of the Consolidated EBITDA at any time;
- 19.2.2 an Encumbrance arising under the Pledges;
- 19.2.3 an Encumbrance existing under Existing Pledges; and
- 19.2.4 an Encumbrance arising as required by law in the normal course of business.

19.3 Asset Disposal

- 19.3.1 The Borrower shall not sell, lease or otherwise dispose of any of its assets or property without the prior written consent of the Facility Administrator, and shall procure that any Obligor does not sell, lease, or otherwise dispose of any of its assets or property without the prior written consent of the Facility Administrator, except:
- (A) the disposal of assets or property in the normal course of business;
- (B) the disposal of assets or property of the Group's members totalling an amount, at book or market value (depending on which amount is greater), obtained as a result of one or several transactions made during each

successive 12 (twelve) months, not exceeding 10% (ten percent) of the Consolidated EBITDA;

(C) the disposal of shares or participatory interests in the charter capital of a member of the Group that is not an Obligor, provided that:

- (1) such disposal is carried out on market terms;
- (2) after such disposal the Debt Ratio will not exceed **2.0:1**;
- (3) the sale of the Group Member subject to Disposal will not entail a breach of the obligations under Clause 18 (*Financial Covenants*); and
- (4) no later than 5 (five) Business Days prior to the disposal of the Group Member subject to Disposal, the Borrower shall notify the Facility Administrator of the upcoming disposal, and provide the Facility Administrator with a certificate confirming that all the conditions specified in paragraphs (2) and (3) above have been met.

19.3.2 For the purposes of Clause 19.3.1:

"Funds of the Group" means the Cash and Cash Equivalents owned by the Group.

"Funds of the Group Member subject to Disposal" means the Cash and Cash Equivalents owned by the Group Member subject to Disposal.

"Group Member subject to Disposal" means a member of the Group who is not an Obligor, whose shares or participatory interests in the charter capital are subject to disposal.

"Debt Ratio" means the ratio of Net Debt Amount to EBITDA.

"Purchase Price" means the funds actually received by the member of the Group from the sale of the Group Member subject to Disposal.

"Distribution" means the amount of funds payable to Headhunter Group shareholders from the disposal of the Group Member subject to Disposal.

"Amount of Funds" means the amount obtained by calculating the difference between: (i) the Funds of the Group, and (ii) the amount of Funds of the Group Member subject to Disposal and the Distribution, and adding the Purchase Price to the difference.

"Net Debt Amount" means the difference between (i) the Financial Indebtedness of the Group (including the Financial Indebtedness of the Group to the Group Member subject to Disposal, recognised after the disposal of the Group Member subject to Disposal) and (ii) the Financial Indebtedness of the Group Member subject to Disposal (excluding the Financial Indebtedness of the Group Member subject to Disposal to other members of the Group) and the Amount of Funds.

"EBITDA" means the difference between Consolidated EBITDA and EBITDA of the Group Member subject to Disposal.

19.4 Acquisition of assets

The Borrower shall not acquire any assets without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors acquire any assets without the prior written consent of the Facility Administrator, except for the acquisition of assets, including shares and participatory interests in the share capital and charter capital of third parties (as well as other instruments that can be converted into shares or participatory interests in the share capital or charter capital of third parties):

19.4.1 in the ordinary course of business;

19.4.2 by a member of the Group for a total amount paid by such member of the Group, as a result of one or several asset acquisitions made during each successive 12 (twelve) months, not exceeding 50% (fifty percent) of the Consolidated EBITDA;

19.4.3 acquired using Permitted Financial Indebtedness.

19.5 **Arm's length basis**

19.5.1 The Borrower may not enter into transactions with any persons except on arm's length terms, and the Borrower shall procure that none of the Obligors enter into transactions with other persons except on arm's length terms.

19.5.2 Clause 19.5.1 does not apply to transactions with other Obligors.

19.6 **Lending**

With the exception of the Permitted Loans, the Borrower shall not act as a lender in respect of any Financial Indebtedness without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors act as a lender in respect of any Financial Indebtedness without the prior written consent of the Facility Administrator.

19.7 **Providing guarantees and sureties**

19.7.1 The Borrower shall not act as a guarantor or surety in respect of the obligations of any person without the prior written consent of the Facility Administrator, and shall procure that none of the Obligors act as a guarantor or surety in respect of the obligations of any person without the prior written consent of the Facility Administrator.

19.7.2 The provisions of Clause 19.7.1 above shall not apply:

- (A) when such guarantee or surety secures the performance of the obligations of another member of the Group that were created within the framework of Permitted Financial Indebtedness;
- (B) to any Placement Indemnity on condition that Headhunter Group provides the Facility Administrator, within 15 (fifteen) Business Days after provision of the Placement Indemnity, with a certified extract from the document(s) containing the Placement Indemnity, and that if modifications are made to the Placement Indemnity, it provides the Facility Administrator, within 15 (fifteen) Business Days after such modifications have been made, with a certified extract from the document containing such modifications. Said extract shall contain all the terms of the Placement Indemnity, including any modifications and supplements; or
- (C) when such guarantee (including an unlimited indemnity) or surety:
 - (1) secures the performance of Headhunter Group's obligations concerning the provision of brokerage and/or underwriting services to it on the completion of transactions involving Headhunter Group shares and bonds offered under an organized bidding process; or
 - (2) is provided by Headhunter Group to Bloomberg L.P. under an agreement to use a Bloomberg terminal and associated services, hardware, and software; or
 - (3) is provided by the Borrower to legal entities rendering services to the Borrower on the financial market or securities market, including securities management or trust management services, brokerage services, and conclusion of transactions involving securities and derivatives (whose subject may, inter alia, be foreign currency),

in each case provided that the Obligor providing such guarantee or surety furnishes the Facility Administrator within 15 (fifteen) Business Days following provision of the relevant guarantee or surety with a certified extract from the document(s)

containing such guarantee or surety, or, where such guarantee or surety has been modified, within 15 (fifteen) Business Days following such modification furnish the Facility Administrator with a certified extract from the document containing such modifications. Said extract shall contain all the terms and conditions of the relevant guarantee or surety (as modified).

19.8 Financial Indebtedness

The Borrower shall not enter into transactions that result in Financial Indebtedness for the Borrower or allow overdue Financial Indebtedness, and shall procure that none of the Obligors enter into transactions that result in Financial Indebtedness for such Obligor or allow overdue Financial Indebtedness, without the prior written consent of the Facility Administrator, with the exception of Permitted Financial Indebtedness and indebtedness under the Permitted Bonds. The existence of dividends declared, but which were not paid or subsequently canceled, is not a violation of this Clause 19.8.

19.9 Restructuring and reduction of charter capital

The Borrower shall not restructure or reduce its charter capital, share premium or other capital, and shall procure that none of the Obligors restructure or reduce its charter capital, or other share capital without the prior written consent of the Facility Administrator, except for:

19.9.1 a Permitted Redemption;

19.9.2 a Permitted Reorganization, in which case the Borrower shall ensure that:

- (A) as a result of such Permitted Reorganization, 100% of the shares or participatory interests in the charter capital of each legal entity whose shares or participatory interests in their charter capital were pledged under any Pledge Agreement prior to the start of the Permitted Reorganization procedure remain pledged to the Lenders; and
- (b) within 60 (sixty) calendar days of the completion of such Permitted Reorganization, additional agreements to the existing Pledge Agreements are signed, or new Pledge Agreements are signed, with respect to the shares or participatory interests in the charter capital of the relevant legal entity referred to in subclause (A) above that are acceptable in form and content to the Facility Administrator; and

19.9.3 any reduction in Headhunter Group's share capital.

19.10 Issuing new shares or increasing charter capital

The Borrower shall not increase its charter capital, and shall procure that none of the Obligors issue new shares or increase its charter capital, without the prior written consent of the Facility Administrator, except for:

19.10.1 a Permitted Issue; or

19.10.2 an issue of new shares and an increase in Headhunter Group's share capital.

19.11 Making changes to Constitutional Documents

The Borrower, without the prior written consent of the Facility Administrator, shall not make changes to its constitutional documents, and shall also procure that no Obligor, the shares or participatory interests in the charter capital of which are the subject of the Pledge, without the prior written consent of the Facility Administrator, shall make changes to its constitutional documents, which relate to:

19.11.1 legal form;

19.11.2 name;

19.11.3 share issue procedure;

19.11.4 the amount of charter (share) capital;

- 19.11.5 solely in relation to Obligors registered and operating in accordance with the legislation of the Republic of Cyprus: the procedure for appointing a new director or secretary;
- 19.11.6 the procedure for transferring (disposing) shares (participatory interests);
- 19.11.7 dividend payment procedure;
- 19.11.8 the scope of rights and obligations granted to members (shareholders);
- 19.11.9 the procedure for pledging participatory interests (shares) or otherwise encumbering participatory interests (shares); and
- 19.11.10 the procedure and conditions for the withdrawal and exclusion of a member from the company.
- 19.12 **Dividend payment and redemption of shares or participatory interests**
- 19.12.1 Without the prior written consent of the Facility Administrator, the Borrower shall not announce the payment of dividends or pay dividends, or redeem its participatory interests (unless required by applicable law), and shall procure that none of the Obligors announce the payment of dividends or pay dividends, or redeem its shares or participatory interests (unless required by applicable law), except for the following cases:
- (A) payments of distributable profit by any Obligor or a Group member to the Obligor;
 - (B) payment of distributable profit (including in the form of Permitted Redemption) to shareholders of Headhunter Group in an amount not exceeding 100% (one hundred percent) of the Group Adjusted Consolidated Net Profit provided that the Facility Administrator confirms that the Adjusted Leverage including such payment does not exceed **3.0:1**; and
 - (C) payment by any member of the Group of distributable profit to minority shareholders, provided that similar payments are made to the shareholders (members), which are members of the Group, of such member of the Group in proportion to their participatory interest in the charter capital of such member of the Group.
- When making the payments specified in subparagraph (B) above, the Borrower must provide the Facility Administrator, at least 5 (five) Business Days before payment, with a calculation of the Adjusted Leverage and confirmation that on the date of confirmation there is no Default, nor will there be a Default immediately after and as a result of such payment.
- 19.12.2 For the purpose of this Clause 19.12:
- "Group Consolidated Net Profit"** has the meaning given in Clause 18.1 (*Financial definitions*).
- "Consolidated Net Debt"** has the meaning given in Clause 18.1 (*Financial definitions*).
- "Group Adjusted Consolidated Net Profit"** means, as of the last Test Date, the Group Consolidated Net Profit for the Test Period ending on that Test Date, excluding:
- (A) the profits and losses resulting from the revaluation of any asset;
 - (B) goodwill impairment;
 - (C) depreciation and impairment of the following intangible assets:
 - (1) hh trademark;
 - (2) hh.ru CV database;
 - (3) Headhunter client relations; and

- (4) hh.ru website software;
- (D) non-monetary profits and losses from the Remuneration Plans based on Group Equity Instruments;
- (E) profit tax recorded in the Group Consolidated Net Profit on the non-monetary profits and losses referred to in paragraphs (A) - (D) above; and
- (F) profits and losses from the formation of a deferred retained earnings tax reserve.

"Adjusted Leverage" means, as of the last Test Date, the ratio of Consolidated Net Debt (as of that Test Date) and Dividend Amount to Consolidated EBITDA, calculated based on the Group's consolidated financial statements for the financial year or for the first financial half-year of the financial year (provided to the Facility Administrator under Clause 17.1.1(A) or (B) as of the Test Date which came not more than 5 (five) months before the date of payment of the distributable profit to the shareholders of Headhunter Group.

"Dividend Amount" is defined as the amount of dividends:

- (i) paid to the shareholders of Headhunter Group during the financial half-year ending on the last Test Date; and
- (ii) to be paid to the shareholders of Headhunter Group during the financial half-year commencing on the day immediately following that Test Date.

19.13 **Change of business**

The Borrower shall not make significant changes to the main areas of its business activity, and shall procure that none of the Obligors make significant changes to the main areas of their business activity without the prior written consent of the Facility Administrator.

19.14 **Existing Commercial Contracts**

The Borrower shall procure the continuous validity of the Existing Commercial Contracts or the conclusion of new contracts on similar conditions, where commercially reasonable to do so, no later than one month before the expiration of the Existing Commercial Contracts.

19.15 **Taxation**

The Borrower shall duly pay taxes and levies into the relevant budgets and make mandatory payments into the extra-budgetary funds of the Russian Federation ("**Mandatory Payments**"), and shall procure that each of the Obligors duly pays the Mandatory Payments, except for:

19.15.1 Mandatory Payments contested by an Obligor in accordance with the law; and

19.15.2 Mandatory Payments and the costs of disputing them, in respect of which the relevant reserves were created, reflected in the latest financial statements provided to the Facility Administrator in accordance with Clause 17.1 (*Financial Statements*); and

19.15.3 where non-payment of such Mandatory Payments will not have Material Adverse Effect.

19.16 **Pari passu ranking**

The Borrower shall procure that its obligations under the Finance Documents have at least the same ranking as its other existing and future unsecured payment obligations, and that each Obligor procures that its obligations under the Finance Documents have at least the same ranking as other existing and future unsecured payment obligations of such Obligor, with the exception of those obligations that have priority as expressly stipulated by law.

19.17 Access

- 19.17.1 At the request of the Facility Administrator, when there is a Default, or a Default has not been remedied, or when the Facility Administrator has sufficient reason to believe that a Default is possible, the Borrower shall provide (and shall procure that each Obligor provides) the Facility Administrator and (or) its auditors or other professional consultants with ready access to their premises, assets and accounting and tax primary documents (on paper or electronic media), including issuing powers of attorney to relevant persons, as well as arranging a meeting with the management of the Group.
- 19.17.2 The Borrower shall procure that the Facility Administrator and (or) Lenders are provided with the relevant documents and (or) information and perform other actions required so that the authorised representatives (employees) of the Central Bank of the Russian Federation can inspect (check) the pledged asset under the Pledges at the place of its storage and (or) record and (or) location, and visit the Borrower and each other Pledgor on-site

19.18 Appointment of New Directors

- 19.18.1 The Borrower shall not carry out and shall not allow, without the Facility Administrator's prior written consent, any actions that may lead to the election and (or) appointment of new directors and/or secretaries of the Obligors, who are legal persons registered and operating under the laws of the Republic of Cyprus and whose shares are pledged under a Pledge, except when the following documents are provided to the Facility Administrator at the same time as the new directors and (or) secretaries of the said Obligors are appointed:
- (A) in the case of new directors: originals of the following, that are duly signed by the specified directors:
 - (1) undated letters of resignation; and
 - (2) letters of authority and undertaking; and
 - (B) in the case of new secretaries, originals of the following, that are duly signed by the specified secretaries:
 - (1) undated letter of resignation; and
 - (2) letter of authority and undertaking; and
 - (3) undated secretary's confirmation that is addressed to the Department of the Registrar of Companies of Cyprus.
- 19.18.2 Within 5 (five) Business Days from the date of receipt of a reasonable request of the Facility Administrator, the Borrower shall provide the Facility Administrator with additional information regarding the above-mentioned new directors and/or secretaries regarding their education and (or) relevant experience.

19.19 Further assurance

The Borrower shall, at the request of any Finance Party, at its own expense, carry out any actions and sign any documents, and shall procure that each Obligor, at their own expense, carry out any actions and sign any documents, required to ensure the validity and proper performance of the Finance Documents. In particular, each Borrower, at the request of the Facility Administrator, shall procure, at its own expense:

- 19.19.1 the issuance of new Independent Guarantees in favour of the Lenders (on terms identical to those of existing Independent Guarantees) and the making of modifications to them or the conclusion of agreements to issue them; and
- 19.19.2 the conclusion of supplementary agreements to Pledges
- on terms acceptable to the Lenders, as well as the performance of all actions required to ensure the validity of such agreements in case of acquisition by any Lender (other than

Lenders that are party to existing Security Documents) of the rights (claims) against the Borrower and (or) obligations to grant the Facility in accordance with the provisions of Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*).

19.20 Conditions subsequent

19.20.1 Within 60 (sixty) days of the date of this Agreement, the Borrower shall provide the Facility Administrator with the originals and duly certified copies (as applicable) of the documents listed in sections 2 and 3 of Part A of Schedule 2 (*Conditions Precedent*), along with notarized translations into Russian of said documents if they were written in a foreign language and/or provided with an apostille.

19.20.2 The Borrower shall ensure that:

- (A) no later than the Business Day following the day of signing the Borrower Participatory Interest Pledge and the Pledge of Headhunter FSU (Headhunter Group) Shares, Headhunter FSU and Headhunter Group provide the Facility Administrator with updated internal registers of pledges, recording information about the said pledges;
- (B) within 21 (twenty-one) days after the signing of the Borrower Participatory Interest Pledge, Headhunter FSU provides the Facility Administrator with evidence that information about the pledge was submitted to the Cyprus Registrar of Companies; and,
- (C) within 42 (forty-two) days after the signing of the Borrower Participatory Interest Pledge, Headhunter FSU provides the Facility Administrator with a certificate of registration of the pledge issued by the Cyprus Registrar of Companies

in each case where this is required under Articles 90 and 99 of the Cyprus Companies Law, Cap. 113.

19.20.3 Within 30 (thirty) days of signing a respective Finance Document, the Borrower shall provide the Facility Administrator with evidence:

- (A) that each Finance Document to which an Obligor registered under the laws of Cyprus is party has been submitted to the Cyprus Stamp Duty Commissioner in order for a decision to be made as to whether stamp duty must be paid on such documents; and
- (B) that stamp duty has been paid on such documents in the amount specified by the Cyprus Stamp Duty Commissioner, or that such documents are exempt from payment of stamp duty.

19.20.4 The Borrower shall ensure that on the date of termination of the relevant Existing Pledges, Headhunter Group and Zemenik provide, with respect to each Headhunter FSU Shares Pledge:

- (A) a blank signed transfer instrument, undated, drawn up in the form set forth in the Headhunter FSU Shares Pledge;
- (B) all share certificates for original shares (as defined in the Headhunter FSU Shares Pledge);
- (C) a signed irrevocable proxy and power of attorney in the name of the Pledge Manager in the form set forth in the Headhunter FSU Shares Pledge;
- (D) a certified copy of a resolution in writing by the Headhunter FSU Board of Directors approving the pledge and transferring shares, drawn up substantially in the form set forth in each Headhunter FSU Shares Pledge;
- (E) a notice of pledge drawn up substantially in the form set forth in the Headhunter FSU Shares Pledge, along with a certified copy of the Headhunter FSU Shares Pledge;

- (F) a certificate drawn up substantially in the form set forth in the Headhunter FSU Shares Pledge, confirming that a memorandum of pledge was made in the register of members of Headhunter FSU, and a certified copy of the register of members of Headhunter FSU;
 - (G) a signed and dated waiver by Headhunter Group and Zemenik (as applicable) of their rights of pre-emption, drawn up in the form set forth in the relevant Headhunter FSU Shares Pledge;
 - (H) signed, undated resignation letters, duly signed by the directors and secretary of Headhunter FSU, in the form set forth in each Headhunter FSU Shares Pledge;
 - (I) signed letters of authority and undertaking, duly signed by the directors and secretary of Headhunter FSU, in the form set forth in each Headhunter FSU Shares Pledge;
 - (J) signed, undated confirmation by the secretary, issued by Headhunter FSU, confirming to the Cyprus Department of Registrar of Companies the changes in the officers and shareholders in the event of enforcement of the pledge under the Headhunter FSU Shares Pledge; and
 - (K) a copy of the updated internal register of charges of Headhunter Group containing information about the terms of the Pledge of Headhunter FSU (Headhunter Group) Shares in accordance with Article 99 of the Cyprus Law on Companies, Cap. 113.
- 19.20.5 Within 5 (five) Business Days of signing the Borrower Participatory Interest Pledge, the Borrower shall ensure state registration of the Encumbrance created under the Borrower Participatory Interest Pledge in the Russian Federation Unified State Register of Legal Entities and shall provide the Pledge Manager with evidence of such state registration.
- 19.20.6 Within 5 (five) Business Days of receiving a request from the Facility Administrator or Pledge Manager, the Borrower at its own expense shall undertake any action and sign any documents, and shall ensure that each Obligor and Pledgor at their own expense undertake any action and sign any documents, required to perfect and register the termination of Encumbrances created under the Existing Pledges.
- 19.21 Independent Guarantees Indemnity**
- The Borrower shall, without the prior written consent of the Facility Administrator, refrain from the following actions:
- 19.21.1 indemnifying any Guarantor for any amounts paid by such Guarantor under or in connection with the relevant Independent Guarantee;
- 19.21.2 making any changes to any Independent Guarantee agreement.
- 20. BANK ACCOUNT OBLIGATIONS**
- 20.1 Direct debit authority**
- 20.1.1 Pursuant to Civil Code Articles 847 and 854 and applicable regulations of the Russian Federation Central Bank, the Borrower hereby gives its irrevocable and unconditional consent to the direct debiting of funds from any of the bank accounts it may hold with the Original Lender, on terms of direct debit authorization, for purposes of performance of the Borrower's obligations under the Finance Documents. The appropriate consent shall constitute the Borrower's prior acceptance and is granted by the Borrower up to the monetary amounts that may be payable by the Borrower under the Finance Documents, allowing partial performance should there be insufficient funds on the Borrower's account.
- 20.1.2 The Facility Administrator may, without the Borrower's instruction, send a direct debit request based on collection orders, bank orders, payment requests or other

documents for funds to be debited from the Borrower's bank accounts opened with the Original Lender in order to perform the Borrower's payment obligations toward the Finance Parties under any Finance Documents that have become due for payment but remain unpaid, while the Original Lender may perform the instructions of the Facility Administrator.

- 20.1.3 Should there be no funds or insufficient funds in the obligation currency on the Borrower's bank accounts held with the Original Lender, the Borrower hereby instructs the Original Lender to convert funds on the Borrower's bank accounts in a different currency and transfer the funds obtained by such conversion to the Facility Administrator for them to be applied to performance of the Borrower's obligations under the Finance Documents according to the provisions of this Agreement. The Parties agree that the relevant funds conversion will be made by the Original Lender using the Original Lender's internal exchange rate that is applicable as of the date of the relevant operation.
- 20.1.4 Without prejudice to the limitations prescribed by this Clause 20.1, the Borrower shall, within 10 (ten) Business Days of opening any bank account with the Original Lender, sign an addendum to the relevant bank account agreement granting its consent for the Facility Administrator, without the Borrower's instruction, to direct debit funds for purposes of performance of the Borrower's obligations under the Finance Documents based on collection orders, bank orders, payment requests or other documents, allowing partial performance should there be insufficient funds on the Borrower's account.

20.2 Amounts debited

All funds obtained by the Facility Administrator through the exercise of its right to debit funds under Clause 20.1 (*Direct debit authority*) shall be applied to performance of the Borrower's obligations toward the Finance Parties under the Finance Documents according to the provisions of this Agreement.

21. EVENTS OF DEFAULT

Each of the cases, events, or circumstances set out in this Clause 21 (save for Clause 21.18 (*Acceleration*)) is an Event of Default.

21.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to Finance Documents at the place at and in the currency in which it is expressed to be payable unless:

21.1.1 its failure to pay is caused by:

- (A) administrative or technical error; or
- (B) a Disruption Event; and provided that

21.1.2 payment is made within 3 (three) Business Days from the date of payment.

21.2 Violation of financial covenants

An Obligor does not comply with any covenant under:

- 21.2.1 Clause 18.3 (*Leverage*);
- 21.2.2 Clause 18.4 (*Interest cover*);
- 21.2.3 Clause 18.5 (*Guarantors' Cover Ratio*);
- 21.2.4 Clause 18.6 (*Revenue in accordance with RAS*);
- 21.2.5 Clause 18.7 (*Cash receipts*); or
- 21.2.6 Clause 18.8 (*Net assets*)

The Borrower shall ensure that:

32.1.2 as of the end of the second financial quarter of each financial year, and as of the end of each financial year, the net assets of each Obligor registered in the Russian Federation determined on the basis of the financial statements provided under Clause 17.1.1(D),

21.2.7).

21.3 Other obligations

21.3.1 An Obligor or Pledgor does not comply with any provisions of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and in Clause 21.2 (*Violation of financial covenants*)).

21.3.2 No Event of Default under Clause 21.3.1 will occur if such failure to comply can be remedied, and is remedied:

(A) in respect of the obligations contemplated by Clauses 17.1.1(A)–(C) within 30 (thirty) days; or

(B) in respect of any other provisions of the Finance Documents: within 10 (ten) Business Days,

of the earlier of:

(1) the date the Facility Administrator sends notice to the Obligor regarding such failure to comply; or

(2) the date the relevant Obligor becomes aware or should have become aware of the failure to comply.

21.4 Misrepresentation

Any representations made by any Obligor or Pledgor in or in connection with the Finance Documents turns out to be incorrect, untrue or misleading at the time it is made.

21.5 Cross-default

21.5.1 Any member of the Group does not repay any Financial Indebtedness within the prescribed period or during any grace period established in accordance with the terms of the relevant obligation.

21.5.2 Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or a claim is brought against Headhunter Group under a Placement Indemnity, or a claim is brought against any Obligor under any surety or guarantee provided in accordance with Clause 19.7.2(C).

21.5.3 Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described). An Event of Default in accordance with this Clause 21.5.3 shall not be deemed to have occurred if such non-compliance can be remedied, and is remedied within 15 (fifteen) Business Days.

21.5.4 No Event of Default will occur under this Clause 21.5 if the total amount of Financial Indebtedness or obligations under the Financial Indebtedness subject to Clauses 21.5.1 – 21.5.3 is at any time less than RUB 150,000,000 (one hundred and fifty million)

21.5.5 An Event of Default shall not be deemed to have occurred pursuant to Clause 21.5.1 above if the relevant default was committed reasonably and in good faith by a Group member acting as a buyer, in the relevant part of the purchase price under a SPA for shares or participatory interests in the company's charter capital, provided that

- (A) the buyer is entitled under the terms of such SPA to reduce the purchase price or receive cash consideration from the seller upon the occurrence of the events specified in the SPA;
- (B) the relevant SPA relates to an asset acquisition transaction financed with funds from Tranche 2; and
- (C) the late payment under the relevant SPA lasts no more than 180 days from the last day of the Utilisation Period under Tranche 2.

21.6 **Loss of property**

Loss of property in respect of which an Encumbrance has been created under any Pledge.

21.7 **Insolvency**

The occurrence of any of the following cases or events in relation to any Material Group Member:

- 21.7.1 any Material Group Member meets the criteria for insolvency in accordance with the Bankruptcy Law;
- 21.7.2 any Material Group Member meets the criteria for insufficiency of assets in accordance with the Bankruptcy Law;
- 21.7.3 the financial condition of any Material Group Member gives grounds for bankruptcy prevention measures to be taken in accordance with the Bankruptcy Law;
- 21.7.4 any Material Group Member meets the criteria or gives grounds for bankruptcy prevention measures to be taken, similar to the criteria and measures specified in Clauses 21.7.1 and 21.7.2, contemplated by any law applicable to such Material Group Member;
- 21.7.5 any Material Group Member begins negotiations with one or more of its creditors to revise the timeframes for repayment of any of its debts due to actual or expected financial difficulties;
- 21.7.6 a moratorium is imposed on the settlement of creditors' claims in respect of any of its debts; or
- 21.7.7 any Material Group Member meets any other bankruptcy criteria established by the Bankruptcy Law or other law applicable to such Material Group Member.

21.8 **Insolvency proceedings**

The carrying out of one of the following actions in respect of any Material Group Member:

- 21.8.1 a bailout and other bankruptcy prevention measures;
- 21.8.2 the commencement of liquidation or bankruptcy proceedings or the appointment of a liquidation commission or similar body or official;
- 21.8.3 the filing in court by any Material Group Member of an application to declare such Material Group Member bankrupt;
- 21.8.4 the filing in court by any creditor of any Obligor of an application to declare such Material Group Member bankrupt or to liquidate it (or any other similar procedure), if the arbitrazh court or other competent court, within 30 (thirty) calendar days from the date of the determination to accept the application to declare the Material Group Member bankrupt, does not issue a determination on refusing to instigate supervision and dismissing the application, a determination on refusing to instigate supervision and terminating proceedings in the bankruptcy case, a determination on returning this application, a determination on terminating proceedings in the bankruptcy case, a decision on refusing to declare bankruptcy or other similar judicial act, which results in the termination of the bankruptcy proceedings or refusal to initiate such proceedings;

- 21.8.5 the institution of supervision (*nablyudeniye*), external management (*vneshneye upravleniye*), financial recovery (*finansovoe ozdorovleniye*), or bankruptcy management (*konkursnoye proizvodstvo*);
- 21.8.6 the appointment of a temporary administrator, administrator, receiver or any other person performing similar functions;
- 21.8.7 convening a meeting of creditors to consider a settlement agreement;
- 21.8.8 initiation of any other bankruptcy procedure established by the Bankruptcy Law;
- 21.8.9 enforcement of any Encumbrance established in respect of any assets of a Material Group Member, if the amount of assets in respect of which such Encumbrance is established exceeds RUB 100,000,000 (one hundred million);
- 21.8.10 carrying out any other similar procedures under the law on insolvency (bankruptcy) applicable to the relevant Material Group Member.
- 21.9 **Compulsory seizure or restrictions on disposal of property**

Freezing orders over, confiscation, other compulsory seizure of property, suspension or restriction of operations on the accounts of any member of the Group with a total value exceeding RUB 100,000,000 (one hundred million) or the equivalent of such amount at the rate of the Central Bank of the Russian Federation on the relevant date.
- 21.10 **Unlawfulness and invalidity**
 - 21.10.1 It becomes unlawful for an Obligor or Pledgor to perform any of its obligations under the Finance Documents.
 - 21.10.2 Any Finance Document ceases to be valid and legally binding.
 - 21.10.3 Any Finance Document is deemed not concluded in accordance with the law applicable to such Finance Document.
- 21.11 **Repudiation and rescission of agreements**

An Obligor or Pledgor declares its intention to rescind a Finance Document or performs actions aimed at challenging or rescinding a Finance Document, or repudiates it (except for situations where this is permitted by the Finance Documents).
- 21.12 **Cessation of business**

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) its core business activities.
- 21.13 **Qualified audit opinion**

Auditors of the Group issue a qualified opinion with respect to any audited financial statements.
- 21.14 **Judicial and administrative proceedings**
 - 21.14.1 The commencement of any judicial, administrative, arbitrazh or arbitration proceedings aimed at challenging of:
 - (A) the Finance Documents;
 - (B) any rights of the Finance Parties based on the Finance Documents; or
 - (C) transactions under the Finance Documents.
 - 21.14.2 A court, arbitrazh court or arbitration court (including international arbitration) accepts for consideration any claim in respect of a member of the Group or its assets, for a total amount that, together with the amount of other claims brought against such member of the Group (or its assets) or against other members of the Group (or their assets) accepted for consideration by a court, arbitrazh court or arbitration court (including international arbitration), exceeds RUB 150,000,000

(one hundred and fifty million) or the equivalent of this amount in another currency at the exchange rate of the Central Bank of the Russian Federation on the date on which the claim was filed.

- 21.14.3 The coming into force of decisions of a court, arbitrazh court or arbitration court (including international arbitration) in respect of a member of the Group or its assets for the recovery of funds or other assets from such member of the Group for a total amount that, together with the amount of other decisions of a court, arbitrazh court or arbitration court (including international arbitration) that have come into force, which relate to such member of the Group (or its assets) or other members of the Group (or their assets) exceeds RUB 100,000,000 (one hundred million) or its equivalent in another currency at the exchange rate of the Central Bank of the Russian Federation.

21.15 Expropriation

Limiting the ability of any member of the Group to conduct its business activities as a result of:

- 21.15.1 deprivation or restriction of title, nationalisation, requisition, confiscation, expropriation or other forced alienation of property, the total book value of which exceeds, together with other property of such member of the Group and property of any other member of the Group that was nationalised, requisitioned, confiscated, expropriated or otherwise forcibly alienated, RUB 75,000,000 (seventy-five million); or
- 21.15.2 a ban or other intervention committed by a government body in respect of any member of the Group (including, *inter alia*, the dismissal of the sole executive body, the collegial executive body or any other management body of any member of the Group).

21.16 Intellectual Property

- 21.16.1 The full or partial termination, suspension, or revocation of rights to any Intellectual Property;
- 21.16.2 The imposing of any restrictions on the terms of use or additional requirements in relation to any Intellectual Property, except where agreements under a non-exclusive or exclusive license in respect of Intellectual Property are entered into between members of the Group;
- 21.16.3 The expiration and refusal to extend the rights to any Intellectual Property largely under the same conditions; or
- 21.16.4 The creation of an Encumbrance in respect of any Intellectual Property,
- in each case, with the exception of the disposal of any Intellectual Property owned by a Group member, in the event of disposal in favour of non-members of the Group, of all shares or participatory interests in the charter capital of such Group member (which owns the relevant Intellectual Property) owned by Group members, if such disposal is permitted by the terms of this Agreement.

21.17 Material Adverse Effect

The occurrence of Material Adverse Effect.

21.18 Acceleration

Upon the occurrence of any Event of Default and at any time after the occurrence of any Event of Default that is continuing:

- 21.18.1 the Facility Administrator shall send a notification to the Borrower after receiving the Consent of the Majority Lenders, in which it will:
- (A) state the Lenders' refusal to grant funds within the Total Commitments (including the Amount Payable by the Lenders, if any, at the relevant time),

whereupon the Lenders' obligation to grant the Facility to the Borrower shall cease; and (or)

- (B) set out the Lenders' demand against the Borrower for immediate early repayment of the Facility Outstanding or any part thereof, including accrued interest, fees and any other amounts due to the Finance Parties under the Finance Documents; and (or)
- (C) notify the Borrower that the Lenders are aware of the Event of Default and reserve the right to demand that the Borrower immediately repay the Facility or any part thereof, including accrued interest, fees and any other amounts due to the Finance Parties under the Finance Documents; and (or)
- (D) notify the Borrower that the Lenders reserve the right to enforce the pledged property under the Pledges, or to file claims under the Independent Guarantees.

21.18.2 The Lenders shall enforce the pledge in accordance with the relevant Pledge. The property received by the Lenders from the enforcement of the pledge under the Pledges shall be transferred into the Lenders' shared ownership in the amount corresponding to their Proportional Shares.

21.18.3 The funds received by the Lenders from the enforcement of the property pledged under the Pledges and/or its subsequent sale in accordance with Clause 21.18.2, and which remained after indemnification for the enforcement costs of the Lenders, the Facility Administrator, and the Pledge Manager and payment of other mandatory payments, shall be transferred into the Account of the Facility Administrator, and then distributed by the Facility Administrator between the Lenders according to their Proportional Shares.

For the purposes of this Clause 21.18, an Event of Default shall be considered continuing from the time such event occurs until the Borrower receives notification from the Facility Administrator that the Majority Lenders have agreed not to exercise their rights under this Clause 21.18 due to the occurrence of such event or circumstance.

22. FACILITY SECURITY

22.1 Pledges

22.1.1 Each Lender hereby confirms that it is familiar with the content of each Pledge and approves its signature by the Pledge Manager.

22.1.2 The Parties confirm that this Agreement (in the appropriate part thereof) constitutes, *inter alia*, a pledge management agreement. The Parties agree that a Lender may act as the Pledge Manager.

22.2 Status of the Lenders and appointment of a Pledge Manager

22.2.1 The Parties hereby acknowledge and agree that all the Lenders, the Facility Administrator, and the Pledge Manager that is also a Lender, have shared claims toward the Borrower and, under Civil Code Article 335¹, constitute joint and several co-pledgees under the Pledges enjoying equal-seniority rights.

22.2.2 Pursuant to Civil Code Article 356, each Lender (except the Lender acting as the Pledge Manager) and the Facility Administrator hereby instruct the Pledge Manager to conclude, on behalf and in the interests of the Finance Parties, Pledges with the Pledgors (including modifications and addendums to such Pledges that have been approved by the Consent of all lenders), to sign all documents required for registration of the appropriate Pledges, encumbrances arising from the appropriate Pledges, and assignment of rights under the appropriate Pledges, and for the sending of notices to a notary public, notices of pledge creation, notices of pledge modification, and notices of deletion of information concerning a pledge (except those actions that, under applicable law or the Finance Documents, should

be undertaken by the relevant Pledgor), and to exercise all the rights and perform all the duties of pledgee under such Pledges.

- 22.2.3 The Parties acknowledge and agree that the Pledge Manager, by concluding the appropriate Pledges on behalf of the Lenders, and by exercising the rights and performing the duties of pledgee under the Pledges, is exercising the pledgee's rights solely in the interests of all the Lenders constituting such at any point in time, until the Borrower has performed its obligations in full under the Finance Documents in the manner prescribed herein. The assignment of rights by an Existing Lender to a New Lender (in the context of Clause 23.2 (*Assignment of Rights and Transfer of Obligations by the Lenders*)) shall not affect the rights and obligations of the Pledge Manager and the Lenders prescribed herein.
- 22.2.4 The Lenders hereby undertake not to independently exercise their rights and perform their duties as pledgees, including not to make claims against the Borrower and not to foreclose on the Borrower's assets and property, except if this pledge management agreement is terminated under Civil Code Article 356(5). At the same time, the Lenders and the Borrower agree to perform, at the Pledge Manager's request, all necessary actions (including participation in court hearings as co-claimants) and sign and issue to the Pledge Manager all necessary documents, including powers of attorney, that in the Pledge Manager's reasonable opinion are required by law and/or a court for the Pledge Manager to exercise the rights and perform the duties prescribed by the Finance Documents.
- 22.2.5 The Pledge Manager's exercise of the rights and performance of the duties of pledgee under the respective Pledges shall not prevent the Pledge Manager from performing any banking operations with the Borrower, including maintaining bank accounts, providing loans, and inviting deposits. If the Pledge Manager is also a Lender hereunder, then it shall have the same rights and obligations under the Finance Documents as any other Lender, and may exercise those rights and perform those obligations as if it were not the Pledge Manager.
- 22.2.6 The Pledge Manager shall bear no liability for its acts or omissions toward the Lenders (other than the Lender acting as the Pledge Manager) if it acts or fails to act in accordance with the Consent of the Majority Lenders or all the Lenders.
- 22.2.7 The Pledge Manager shall bear liability toward the Parties (other than the Lender acting as the Pledge Manager) solely for direct, judicially proven losses caused by the Pledge Manager willfully or through gross negligence.
- 22.2.8 The Lenders (other than the Lender acting as Pledge Manager) and the Pledge Manager hereby confirm that the Pledge Manager shall perform its functions without being granted power of attorney and independently of the grant of such power of attorney.

22.3 **Pledge Manager's rights and obligations**

- 22.3.1 The Pledge Manager shall, on behalf and in the interests of the Lenders, conclude as pledgee the relevant Pledges, including any modifications and supplements thereto, prescribed herein or approved by the Consent of the Majority Lenders, with the Borrower and third parties, and shall exercise all the rights and perform all the duties of pledgee under such Pledges according to the terms hereof. In particular, the Pledge Manager shall take the steps required to effect registration of the relevant Pledges and encumbrances arising out of the relevant Pledges, and the sending of notices to a notary public, notices of pledge creation, notices of pledge modification, and notices of deletion of information concerning a pledge (except those actions that, under applicable law or the Finance Documents, should be undertaken by the Borrower or relevant Pledgor) within the time periods specified herein.
- 22.3.2 Immediately following the acquisition by any Lender other than the Original Lender of rights or obligations under the Finance Documents as described in Clause 23.2

(Assignment of Rights and Transfer of Obligations by the Lenders), the Pledge Manager shall take the steps required to effect registration of the pledge management agreement contained herein, and/or send notice to a notary public that the pledge management agreement contained herein has been signed, and shall take other action required to register the Lenders as joint and several copledges under the Pledges.

- 22.3.3 The Pledge Manager may at its discretion exercise any pledgee rights prescribed by the relevant Pledges other than the right to foreclose on the property pledged thereby, which may be exercised solely on the basis of Consent by the Majority Lenders that specifies the judicial or non-judicial foreclosure procedure and defines how the pledged property will be sold.
- 22.3.4 The Pledge Manager shall foreclose on pledged property in the manner prescribed by the relevant Pledge. Property obtained by the Pledge Manager in the Lenders' interest through foreclosure on the pledged property under the Pledges, plus any insurance indemnities paid out on property pledged under the Pledges, shall become owned in common by the Lenders according to the Proportional Share of each Lender.
- 22.3.5 The funds obtained by the Pledge Manager through foreclosure on property pledged under the Pledges, insurance indemnity payments with respect to the property pledged under the Pledges, and/or its subsequent sale as described in Clauses 22.3.3 and 22.3.4, and which are left over after reimbursement of the Pledge Manager's foreclosure costs and payment of other mandatory payments, shall be credited to the Pledge Manager's Bank Account and then distributed by the Pledge Manager among the Finance Parties in proportion to their pledge-secured claims, and among the Lenders according to the Proportional Share of each Lender.

22.4 Replacement of Pledge Manager

- 22.4.1 The Lenders may, and, if the Pledge Manager meets the bankruptcy criteria, or if a bankruptcy petition has been filed in court against the Pledge Manager, or if an application has been filed for liquidation of the Pledge Manager, or if the Pledge Manager's banking license has been revoked, the Lenders shall, with the Majority Lenders' Consent, terminate the Pledge Manager's authority as of the date stated in the Majority Lenders' Consent and select a candidate from among the Lenders to become the new Pledge Manager (the "**New Pledge Manager**"). Each Lender and the Borrower hereby consent to replacement of the Pledge Manager by a New Pledge Manager according to the provisions of this Clause 22.4.
- 22.4.2 The Pledge Manager may unilaterally renounce its authority as pledge manager provided it notifies each Lender and the Facility Administrator at least 30 (thirty) days prior to the proposed date of termination of the Pledge Manager's authority. By Consent of the Majority Lenders, the Lenders shall select a candidate to become the New Pledge Manager no later than the proposed date of termination of the Pledge Manager's authority.
- 22.4.3 The Lenders shall ensure that the New Pledge Manager takes up the pledge manager duties referred to in Clause 22.3 (*Pledge Manager's rights and obligations*) starting on the date the Pledge Manager's authority terminates. The Pledge Manager shall at its own expense sign and hand over the documents it possesses that the New Pledge Manager may reasonably require in order to act as Pledge Manager under the Pledges.
- 22.4.4 The Parties agree that the New Pledge Manager shall become a party to this Agreement as pledge manager starting on the date of its appointment by the Lenders with the Consent of the Majority Lenders, unless such Consent prescribes another date. If necessary, the Facility Administrator may require the Parties to conclude an amendment hereto and, where prescribed by applicable law, of an amendment to the Pledges. On the occurrence of the relevant date, all mention of

"Pledge Manager" herein shall refer to the New Pledge Manager. For the avoidance of doubt, the appointment of a New Pledge Manager hereunder shall not constitute termination of the pledge management agreement in the context of Clause 22.2.4.

- 22.4.5 As of the date the New Pledge Manager is appointed, it shall open a new nominal account in favour of the Finance Parties as beneficiaries of such account, and shall notify the Borrower and the Finance Parties that the Pledge Manager Account has changed.
- 22.4.6 The Parties agree that the provisions herein concerning the Pledge Manager's rights and obligations may be modified by an addendum entered into by the Borrower, the Facility Administrator, the Pledge Manager, and the Lenders (other than the Lender acting as the Pledge Manager). Before such addendum is signed, its content shall be approved by the Majority Lenders' Consent, which may empower a single Lender to sign such addendum with the Pledge Manager on behalf and in the interests of all the Lenders (other than the Lender acting as the Pledge Manager). The Lenders shall provide the documents and powers of attorney required for a single Lender to sign such addendum on behalf of all the Lenders (other than the Lender acting as the Pledge Manager).

23. CHANGES TO THE PARTIES

23.1 Assignment by the Borrower

The Borrower does not have the rights to assign its rights or transfer obligations under the Finance Documents without the prior consent of all Lenders.

23.2 Assignment of Rights and Transfer of Obligations by the Lenders

23.2.1 A Lender ("**Existing Lender**") is entitled at any time to fully or partially assign its rights and (or) transfer the obligations under the Finance Documents to the following persons without the consent of the Borrower and other Lenders:

- (A) another Lender;
- (B) its Affiliate;
- (C) the Central Bank of the Russian Federation, and also in the subsequent assignment by the central bank or other similar body of its rights and (or) the transfer of obligations to any person;
- (D) a Russian bank or a Russian credit or financial organisation included in the list of banks contained in Schedule 9 (*List of Russian banks*); or
- (E) any reputable foreign credit or financial organisation,

in any case, with the exception of any person in respect of which the Borrower has submitted a confirmation acceptable to the Facility Administrator (with reference to the applicable legislative acts) confirming that such person is subject to sanctions restricting the Pledgors or their Affiliates from entering into or maintaining relations with such person ("**Sanctioned Person**").

23.2.2 Where there is no Default, an Existing Lender has the right at any time to fully or partially assign its rights and (or) to transfer the obligations under the Finance Documents to other persons not mentioned in Clause 23.2.1, provided that such person is not a Sanctioned Person, and subject to receipt of the prior written consent of the Borrower, while the Borrower cannot unreasonably and without grounds refuse to provide or delay provision of such consent.

23.2.3 For the purposes of this Clause 23.2, "**New Lender**" means a person to which an Existing Lender fully or partially assigns its rights and (or) transfers obligations under the Finance Documents referred to in subparagraphs (A) – (E) of Clause 23.2.1 or in Clause 23.2.2.

23.2.4 If:

- (A) any Default has occurred and is continuing for 10 Business Days; or
- (B) any Event of Default has occurred and is continuing,

the Borrower's consent to the assignment of rights and (or) the transfer of obligations of an Existing Lender is not required, except in cases where the prospective New Lender is a Sanctioned Person. For the purposes of Article 388 of the Civil Code, each Obligor hereby confirms that for the purposes of this Clause 23.2 the identity of the Lenders is not material to it.

23.2.5 In the event of the assignment by an Existing Lender of its rights and the transfer of its obligations to a New Lender in accordance with this Agreement, the Borrower hereby gives its prior consent to the simultaneous transfer to the New Lender of the relevant obligations of the Existing Lender (transfer of debt), if any.

23.3 Procedure for assignment of rights and transfer of obligations

23.3.1 The assignment of rights and (or) the transfer of debt shall be carried out by a Lender Rights Assignment Agreement between the Existing Lender, the New Lender and the Facility Administrator, and shall come into effect on the date of signature of the Lender Rights Assignment Agreement, unless otherwise expressly contemplated by the Lender Rights Assignment Agreement.

23.3.2 No later than 5 (five) Business Days before the date of the proposed signing of the Lender Rights Assignment Agreement, the Existing Lender must notify the Facility Administrator in writing of the proposed assignment of rights and/or transfer of the debt indicating the name of the New Lender. No later than the next Business Day after receiving the above notification from the Existing Lender, the Facility Administrator shall send a copy of this notification to the Borrower.

23.3.3 If within 10 (ten) Business Days after receiving the notification specified in Clause 23.3.2 the Borrower has not provided the Facility Administrator with confirmation (containing a reference to the relevant legislative acts) confirming that this New Lender is a Sanctioned Person, on the date of signature of the Lender Rights Assignment Agreement:

- (A) the Existing Lender shall assign to the New Lender the rights of the Existing Lender in the amount in accordance with the Lender Rights Assignment Agreement;
- (B) the New Lender shall assume the obligations of the Existing Lender transferred to it in the amount in accordance with the Lender Rights Assignment Agreement;
- (C) the Existing Lender shall be released from its obligations to the extent that these obligations have been assumed by the New Lender; and
- (D) the New Lender shall become the Lender under this Agreement and will be bound by the terms of this Agreement as the Lender.

23.3.4 From the date of signature of any Lender Rights Assignment Agreement, reference in this Agreement to the Lender includes any New Lender.

23.3.5 On the date of signature of a Lender Rights Assignment Agreement, the New Lender shall pay the Facility Administrator a fee of RUB 10,000 (ten thousand), as well as VAT, included as a separate line, and calculated based on the current tax rate under the law of the Russian Federation on taxes and levies, for the services of the Facility Administrator under this Agreement.

23.3.6 The Facility Administrator shall notify the Obligors in writing immediately after signature of a Lender Rights Assignment Agreement about the assignment of rights and (or) transfer of obligations under this Agreement, and shall send a copy of the signed Lender Rights Assignment Agreement to each Obligor.

23.4 **Interest payment on assignment**

- 23.4.1 Interest on the Facility Outstanding, default interest and fees in respect of the Proportional Share of the Existing Lender accrued prior to the date of signature of the Lender Rights Assignment Agreement (including the date of signature) and received from the Borrower ("**Accrued Amounts**"), as well as other payments specified in the Lender Rights Assignment Agreement, shall be paid by the Facility Administrator to the Existing Lender on the closest Interest Payment Date after the date of signature of the Lender Rights Assignment Agreement;
- 23.4.2 The rights assigned by the Existing Lender to the New Lender will not include the right to claim Accrued Amounts; and
- 23.4.3 The New Lender will receive the amount of interest accrued on the Facility Outstanding in respect of the Proportional Share of the New Lender for that part of the Interest Period that comes after signature of the Lender Rights Assignment Agreement (excluding the date of signature) and ends on the end date of the relevant Interest Period.

23.5 **Limitation of liability of Existing Lenders**

- 23.5.1 None of the Existing Lenders shall make any representations or assume any obligations to a New Lender for:
- (A) the financial position of an Obligor or Pledgor;
 - (B) the compliance or fulfilment by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (C) the correctness of the information contained in any Finance Document.
- 23.5.2 Each New Lender confirms to the Existing Lender, other Finance Parties and each Obligor that it has studied all the Finance Documents, conducted (and will continue to conduct) its own independent study and assessment of each Obligor's financial condition, and did not rely on any information provided to it by the Existing Lender when taking its decision to sign the Lender Rights Assignment Agreement.

23.6 **Security over Lenders' rights**

Each Lender may, without the consent of the Obligor or another Finance Party, pledge or create another Encumbrance in favour of any person that is not a Sanctioned Person for all or part of its rights under any Finance Document in order to secure the obligations of such Lender, provided that such Lender continues to fulfil its obligations under the Agreement.

23.7 **Restriction on assignment of rights and transfer of obligations to a Sanctioned Person**

The assignment of any rights, the transfer of any obligations, the pledging or creation of any Encumbrance in favour of a Sanctioned Person is invalid.

24. **FINANCE PARTIES**

24.1 **Lenders' decision making**

- 24.1.1 The Lenders hereby agree that in the cases expressly contemplated by this Agreement or other Finance Documents, the Lenders may exercise their rights under this Agreement or perform any actions solely with the consent of the Majority Lenders or all Lenders ("**Consent**").
- 24.1.2 The Lenders shall take a decision on granting Consent by holding a vote, the procedure for which is established by this Clause 24.1. In this case, the provisions of Chapter 9¹ (*Decisions of Meetings*) of the Civil Code shall not apply.
- 24.1.3 In all cases, when the Lenders vote for the purpose of the Finance Documents the vote of each Lender is equal to its Proportional Share.

- 24.1.4 The Facility Administrator, either on its own initiative or at the request of any of the Lenders or the Borrower, shall inform all the Lenders (except the Lender that is the Facility Administrator) about the issue put to a vote ("**Issue put to a Vote**") by sending a notice containing a description of the Issue put to a Vote, and other information deemed necessary by the Facility Administrator ("**Notice of Voting**"). The Notice of Voting must indicate the deadline by which the Lenders have to send notices containing the voting results of each of the Lenders regarding the Issues put to a Vote ("**Lender Decision Notice**"). This deadline may not be less than 5 (five) Business Days, except when the circumstances of the Issues put to a Vote are such that the voting of Lenders needs to take place sooner.
- 24.1.5 The Lender Decision Notice must be signed by an authorised person of the relevant Lender and contain the Lender's unequivocal answer as to whether such Lender votes for or against the granting of Consent on each of the relevant Issues put to a Vote. The Facility Administrator is not obliged to verify the authority of the person who signed the Lender Decision Notice, and has the right to presume that such person was authorised unless the relevant Lender notified the Facility Administrator prior to the date on which the relevant Lender Decision Notice was sent that such person is not an authorised representative of the relevant Lender.
- 24.1.6 If any Lender (other than the Lender that is the Facility Administrator) did not send the relevant Lender Decision Notice within the deadline specified in the Notice of Voting, the Facility Administrator shall consider that such Lender voted against the granting of Consent on the relevant Issues put to a Vote.
- 24.1.7 After the deadline for sending the Lender Decision Notice established by the relevant Notice of Voting, the Facility Administrator shall determine the number of votes of the Lenders in favour of granting Consent on each of the relevant Issues put to a Vote within 5 (five) Business Days, and shall send a notice to the Lenders and the Borrower containing the voting results on each of the Issues put to a Vote ("**Voting Results Notice**").
- 24.1.8 If, in accordance with the provisions of the Finance Documents, the Consent on an Issue put to a Vote requires the votes of the Majority Lenders (but not all Lenders), the Facility Administrator shall (regardless of the expiration of the deadline established in the relevant Notice of Voting) send a Voting Results Notice within 5 (five) Business Days after receipt of the Lender Decision Notices, from which it follows that the Majority Lenders voted in favour of granting such Consent or, that Lenders, the votes of which are sufficient to prevent the Majority Lenders from granting such Consent, voted against granting such Consent.
- 24.1.9 If the Lenders whose votes are sufficient to provide such Consent in accordance with the Finance Documents, voted in favour of granting the Consent, such Consent shall be deemed to have come into effect at the time when the Facility Administrator sends the Voting Results Notice, unless a later date is specified in the corresponding Voting Results Notice.
- 24.1.10 The Notices of Voting, Lender Decision Notices and Voting Results Notices shall be sent by email and/or by fax to the email addresses or fax numbers indicated in Clause 26.2 (*Addresses*).
- 24.1.11 Unless otherwise expressly stipulated by a Finance Document, any Consent granted in the manner contemplated by this Clause 24.1 shall be binding on all the Finance Parties.
- 24.1.12 For the avoidance of doubt, the Lenders hereby authorise the Facility Administrator, and the Facility Administrator agrees, to act with the prior consent of the Majority Lenders or all Lenders on the basis of the relevant Consent of the Majority Lenders or all Lenders in cases where such Consent is expressly stipulated by this Agreement.
- 24.1.13 The Facility Administrator has the right to refrain from acting on the basis of instructions of the Majority Lenders (or, where applicable, all Lenders) until it

received indemnity against any costs, losses or liabilities (together with any accompanying VAT), which it may incur in complying with these instructions.

- 24.1.14 In the absence of instructions from the Majority Lenders (or, where applicable, all Lenders), the Facility Administrator has the right to take actions (or refrain from taking actions) that it views as being in the Lenders' interests.
- 24.1.15 The Facility Administrator shall only be liable to the Parties for direct losses proven in court, caused by the Facility Administrator intentionally or as a result of gross negligence.

24.2 Appointment of the Facility Administrator

- 24.2.1 The Parties agree that a Lender may perform the functions of a Facility Administrator. Each Finance Party (with the exception of the Lender that performs the functions of the Facility Administrator) hereby appoints the Facility Administrator as its agent and instructs it to perform the actions contemplated by the Finance Documents on behalf of and at the expense of that Finance Party.
- 24.2.2 For the avoidance of doubt, the Parties confirm that the Lender acting as the Facility Administrator has the same rights and obligations under the Finance Documents as any other Lender, and has the right to exercise these rights, including the right to vote when Consents are provided, and to fulfil the obligations as if it were not a Facility Administrator.
- 24.2.3 The performance by the Facility Administrator of its obligations under the Agreement does not prevent the Facility Administrator from executing any banking operations with any member of the Group, including maintaining bank accounts, granting loans and attracting deposits.
- 24.2.4 If the indemnification received from the Obligors does not cover the amount of expenses or losses incurred by the Facility Administrator as a result of acting as the Facility Administrator in accordance with the terms of the Finance Documents, the Facility Administrator has the right to file a claim against the Lenders (except for the Lender acting as the Facility Administrator) and each Lender (except for the Lender acting as the Facility Administrator) shall, within 10 (ten) Business Days from date on which the Facility Administrator's claim was filed, indemnify it in the amount corresponding to the Lender's Proportional Share, for any documented expenses or losses incurred by the Facility Administrator (except in the event of the Facility Administrator's gross negligence or wilful misconduct) as a result of acting as the Facility Administrator in accordance with the terms of the Finance Documents, to the extent not covered by the amount of indemnification received from any Obligor.
- 24.2.5 The Facility Administrator shall not be liable to the Lenders for its actions (or omissions), if it acts (or does not act) in accordance with the Consent of the Majority Lenders or all Lenders.
- 24.2.6 The Facility Administrator shall only be liable to the Lenders for losses caused by the Facility Administrator intentionally or as a result of gross negligence.
- 24.2.7 When the terms of the Agreement do not require the Consent of the Majority Lenders or all Lenders, the Facility Administrator shall act (or refrain from acting) at its own discretion in the best interests of the Lenders.

24.3 Duties of the Facility Administrator

- 24.3.1 Subject to Clause 24.3.2, each Finance Party (with the exception of the Facility Administrator) instructs the Facility Administrator, while the Facility Administrator agrees, to perform the following actions:
 - (A) keep records of the Cash provided to the Borrower by each of the Lenders in accordance with this Agreement;

- (B) receive any payments due to the Finance Parties from the Obligors under this Agreement into the Facility Administrator's Account, and transfer the amounts received from the Obligors to the relevant Finance Party in accordance with the terms of this Agreement;
- (C) receive any Facility amounts from the Lenders into the Facility Administrator's Account, and transfer the Facility amounts received from the Lenders to the Borrower in accordance with the terms of this Agreement;
- (D) notify the Borrower and Lenders about the interest rate for each Interest Period;
- (E) sign, on behalf of all the Finance Parties, amendments to this Agreement, as well as any consents, confirmations, waivers and other documents contemplated by this Agreement, on the terms agreed in the Consent of the Majority Lenders or all Lenders, depending on the nature of the changes, consents, confirmations, waivers or other documents;
- (F) inform the Lenders of the Borrower's fulfilment (or non-fulfilment) of the conditions precedent for submitting a Utilisation Request under this Agreement;
- (G) provide the Parties and (or) other persons contemplated under this Agreement with documents and information received from the Borrower and third parties (including, *inter alia*, sending to the relevant Party an original or a copy of any document received by the Facility Administrator from any other Party to be forwarded to this Party), however the Facility Administrator is not obliged to examine or verify the correctness, accuracy or completeness of such documents and information;
- (H) notify the Finance Parties of the receipt of a communication from any Party containing a description of an event or circumstance and a statement to the effect that such an event or circumstance constitutes Default;
- (I) inform the Lenders that the Facility Administrator has received the Borrower's request for a waiver under this Agreement;
- (J) arrange the granting of Consents by the Majority Lenders or all Lenders at its own initiative or at the request of the Majority Lenders;
- (K) keep a register of all Parties (with the addresses, contact details of all Lenders at any time and the Proportional Share of each Lender) and provide a copy of this register for information purposes upon the request of any Party;
- (L) notify the Lenders if an Obligor has failed to pay any amount of the Facility Outstanding, interest, fees or other amounts payable to any Finance Party (other than the Facility Administrator) under the Finance Documents;
- (M) in the event of the Facility Administrator's resignation, transfer to the New Facility Administrator (defined in Clause 24.4.4) all documents received by the Facility Administrator from the Parties, or created by the Facility Administrator in the process of fulfilling its duties; and
- (N) perform all other actions (or refrain from actions) which are contemplated by this Agreement and other Finance Documents or are required for the Lenders to exercise their rights under this Agreement or other Finance Documents after having obtained the relevant Consent of the Majority Lenders or all Lenders, depending on the circumstances.

24.3.2 The Facility Administrator has the right not to exercise any rights and authority granted in accordance with Clause 24.3.1 if the Consent of the Majority Lenders or all Lenders is required to exercise such rights and authority in accordance with the terms of this Agreement, and the Facility Administrator had not received such

24.4 **Resignation of the Facility Administrator**

- 24.4.1 The Facility Administrator has the right, after having notified the other Finance Parties and the Obligors not less than fifteen (15) days in advance, to refuse to discharge the duties of the Facility Administrator, subject to the provisions of paragraph 7 of Article 8 of the Syndicated Loan Law. In this case, the Majority Lenders (after consultation with the Borrower) are entitled to appoint the Facility Administrator's successor no later than the proposed date on which the Facility Administrator shall resign.
- 24.4.2 The resigning Facility Administrator shall, at its own expense, provide the Facility Administrator's successor with the documents available to the Facility Administrator, as well as provide the assistance that the Facility Administrator's successor may reasonably require in order to act as the Facility Administrator under the Finance Documents.
- 24.4.3 In the event that the Facility Administrator's banking license is revoked (1) the authority of the Facility Administrator shall automatically terminate from the date of the banking license's revocation, and (2) the Facility Administrator or any Lender that has received information about the revocation of the Facility Administrator's banking license, shall notify the other Parties ("**License Revocation Notice**") during the Business Day following the day when the Facility Administrator or relevant Lender received information about the revocation of the Facility Administrator's banking license.
- 24.4.4 In the event of the resignation of the Facility Administrator or the termination of its powers at the initiative of the Lenders, the Lenders, with the Consent of the Majority Lenders, shall appoint a new Facility Administrator from among the Lenders (the "**New Facility Administrator**"), and each Finance Party and the Borrower hereby confirm their consent to such possible appointment. At the request of the Facility Administrator, the Borrower shall provide the written consent of each other Obligor to such possible appointment of the New Facility Administrator. In the Consent, the Lenders shall determine the date of termination of the authority of the Facility Administrator, and the procedure whereby the New Facility Administrator shall send a notice of the termination of the authority of the Facility Administrator to the other Parties ("**Notice of Termination of Authority**"). Moreover, in the event of the resignation of the Facility Administrator, its authority will automatically terminate 15 (fifteen) days after the Facility Administrator has sent the notice in accordance with Clause 24.4.1, unless an earlier date is stipulated by the Consent of the Lenders or the Facility Administrator does not agree to a later date of termination of its authority.
- 24.4.5 The Parties agree that the New Facility Administrator will become a party to this Agreement as the Facility Administrator after the adoption of the Consent of the Majority Lenders on the appointment of a New Facility Administrator, from the date of signature of an agreement on making the relevant changes to this Agreement, unless another date is specified in this agreement (the "**Date of Accession of the New Facility Administrator**"). Thereafter, any reference to the Facility Administrator in this Agreement will refer to the New Facility Administrator.
- 24.4.6 From the Date of Accession of the New Facility Administrator, the New Facility Administrator must ensure that a new account is opened and notify the Borrower and the Finance Parties that the Facility Administrator's Account has been substituted within 5 (five) Business Days from the Date of Accession of the New Facility Administrator.
- 24.4.7 From the date of termination of the authority of the Facility Administrator to the Date of Accession of the New Facility Administrator, the Parties hereby agree that the Lender with the largest Proportional Share or, in the absence of such, the Lender

appointed by the Consent of the Majority Lenders, shall act as temporary Facility Administrator under the Agreement ("**Temporary Facility Administrator**").

24.4.8 The Parties agree that from the date of receipt by the Borrower of the Notice of Termination of Authority or of the License Revocation Notice to the Date of Accession of the New Facility Administrator, the Borrower shall procure that it and also the other Obligors make all payments provided for in this Agreement to the account of the Temporary Facility Administrator, whose details must be provided by the Temporary Facility Administrator to the Borrower on the first day on which it exercises the authority of facility administrator under this Agreement.

24.4.9 If the Facility Administrator, whose authority has been terminated for any reason, receives any payments from the Parties, it undertakes, subject to the requirements of the applicable law, to transfer such payments to the Temporary Facility Administrator on the same Business Day, so that the relevant amounts can then be transferred to the Party to which they are owed.

24.5 **Arranger**

The Arranger does not bear any obligations in relation to other Parties, unless this is expressly stipulated in the Finance Documents.

25. **PAYMENT MECHANISM**

25.1 **General Provisions**

The Borrower shall procure that it, as well as each other Obligor, make payments in accordance with the provisions of this Clause 25.

25.2 **Payments to the Facility Administrator**

Unless otherwise expressly stipulated in this Agreement, on each date on which an Obligor or Finance Party must make a payment to a Party under the terms of a Finance Document, such Obligor or Finance Party must transfer the relevant amount into the Facility Administrator's Account (unless the context of a Finance Document otherwise requires) with valuation on the date of the payment due date. All payments to be made by an Obligor under a Finance Document must be transferred into the Facility Administrator's Account no later than 17:00. Payments of an Obligor that are received into the Facility Administrator's Account later than the specified time shall be considered received on the following Business Day.

25.3 **Distribution of funds by the Facility Administrator**

25.3.1 The funds received by the Facility Administrator from an Obligor in fulfilment of its obligations to the Lenders under a Finance Document, as well as those received from the Facility Administrator as a result of enforcement under Security Agreements, shall be distributed among the Lenders according to each Lender's Proportional Share.

25.3.2 Each amount of funds transferred into the Facility Administrator's Account for another Party shall be transferred by the Facility Administrator no later than 11:00 of the next Business Day to the Party for which this amount of funds was intended, into an account whose details shall be provided to the Facility Administrator by the relevant Party at least 5 (five) Business Days before the payment date. The Facility Administrator shall transfer this amount to the relevant Party after it has determined that it has received the required amount in full.

25.4 **Partial payments**

If the Facility Administrator receives an amount that is not sufficient to fully repay all amounts payable by an Obligor under the terms of the Finance Documents at the relevant time, the Facility Administrator shall use that amount to repay that Obligor's obligations under the Finance Documents in the following order of priority, unless otherwise provided by law:

- 25.4.1 **firstly**, to indemnify the Finance Parties for the expenses incurred in connection with the enforcement of their claims against the Obligor;
- 25.4.2 **secondly**, for the payment of accrued interest on the Facility Outstanding;
- 25.4.3 **thirdly**, to repay the Facility Outstanding owed on the relevant date;
- 25.4.4 **fourthly**, for the payment of fees due to the Finance Parties;
- 25.4.5 **fifthly**, for the payment of accrued default interest; and
- 25.4.6 **sixthly**, for the payment of any other amounts due from the Obligor under the terms of the Finance Documents.

25.5 **Payments not through the Facility Administrator**

The Obligor's transfer of any funds towards payments due to a Finance Party under Finance Documents, without going through the Facility Administrator's Account, does not constitute proper fulfilment by the Obligor of its obligations under Finance Documents. If the Lender receives any payment owed to it under a Finance Document directly from the Obligor (and not from the Facility Administrator), such Lender shall transfer the amount received from the Obligor into the Facility Administrator's Account on the same Business Day for distribution among all Finance Parties according to their Proportional Share in the manner prescribed by Clause 25.4 (*Partial payments*). Thereafter, the Obligor will be deemed to have fulfilled its payment obligations under a Finance Document only to the extent of the amount received by all Finance Parties from the Facility Administrator in accordance with the provisions of this Clause 25.5.

25.6 **No set-off by Obligors**

The Borrower shall make (and shall procure that other Obligors make) any payments under the Finance Documents without offsetting any uniform counter-claims that the relevant Obligor may have against any Finance Party.

25.7 **Payment currency**

The Obligors shall make all payments under Finance Documents in Roubles, except for the indemnification of the Finance Parties for expenses incurred in connection with Finance Documents, which shall be paid by the Obligors in the same currency in which they were incurred, provided that this is not inconsistent with the currency legislation of the Russian Federation ("**Agreement Currency**"). The monetary obligations of the Obligors shall be deemed fulfilled only if the relevant amounts have been received by the Facility Administrator in the Agreement Currency. If any amounts under a Finance Document are received towards the Obligors' obligations in a currency other than the Agreement Currency, and the Facility Administrator converts the amount received into the Agreement Currency, the Borrower shall indemnify (and procure that other Obligors indemnify) the Facility Administrator for its expenses related to converting the amount received into the Agreement Currency (at the internal rate of the Facility Administrator), and also indemnify the difference between the amount due from the Obligors in the Agreement Currency, and the amount received by the Facility Administrator as a result of the conversion of the funds received from the Borrower into the Agreement Currency.

25.8 **Payment due date**

- 25.8.1 If payment under a Finance Document falls due on a non-Business Day, the next Business Day shall be considered the payment deadline.
- 25.8.2 If any Finance Document does not stipulate the due date of any payment, such payment must be made by the Obligor within 5 (five) Business Days after receipt of the demand of the relevant Finance Party from the Facility Administrator.

26. **NOTICES**

26.1 **Communications in writing**

Any communications sent by Parties to the Finance Documents must be made in writing and may be sent by courier, mail with notification of delivery, fax or other means whereby it can be reliably established that the communication is from a Party to the Finance Documents. For the purposes of this Agreement, a communication transmitted using electronic means of communication shall be considered a written communication.

26.2 **Addresses**

26.2.1 Save for the exceptions set out below, the contact details of each Party for all communications in connection with this Agreement are the details that such Party has provided to the Facility Administrator for this purpose.

26.2.2 Contact details of the Borrower:

Headhunter Limited Liability Company

Address: 9 Godovikova Street, Building 10, Moscow, 129085,
Russian Federation

Fax number: +7 495 974 64 27

Email: moiseev@hh.ru

FAO: Grigory Moiseev

26.2.3 Contact details of Facility Administrator:

VTB Bank (Public Joint-Stock Company)

Location: 11a Degtyarnyy Pereulok, Saint Petersburg,
191144, Russian Federation

Postal address: Building 1, 43 Ul. Vorontsovskaya, Moscow,
109147

Telex: 412362 BFTR RU

Phone: +7 495 739-77-39

Telefax: +7 495 775-54-54

Email: loanadmin@vtb.ru, TM21@msk.vtb.ru

FAO: The Credit Administration

26.2.4 Each Lender shall provide its contact details to the Facility Administrator, which will in turn provide them to any other Party as and when requested.

26.2.5 Any Party has the right to change its contact details by giving the Facility Administrator at least 5 (five) Business Days' prior notice. The Facility Administrator will notify all other Parties of the amended contact details.

26.2.6 If a Party indicates a specific office or official as the recipient of a communication, the communication will not be deemed to have been delivered unless such department or official is indicated as the recipient.

26.3 **Delivery of notices**

26.3.1 Any communication or document sent by one Party to another Party in connection with the Finance Documents shall be deemed to have been received:

(A) when sent by fax or in any other way whereby it can be reliably established that the communication is from a Party to the Finance Documents: upon receipt in a legible form; or

(B) when sent by courier: upon delivery to the appropriate address; or

- (C) when sent by mail: upon delivery to the appropriate address or 5 (five) Business Days after being deposited in the post postage prepaid with notification of delivery, depending on which occurs earlier.

26.3.2 All notifications sent by the Obligor or to the Obligor shall be transmitted through the Facility Administrator.

26.4 **Language**

Any notification or communication sent by a Party in connection with any Finance Document must be in Russian. For the avoidance of doubt, the text in Russian may be accompanied by a translation into another language, however the text in Russian shall prevail.

26.5 **Replies to requests from the Borrower**

If the Borrower sends a request for consent in accordance with the terms of this Agreement to the Facility Administrator, such request is considered rejected if the Facility Administrator has not sent a positive reply to the Borrower within 10 (ten) Business Days from the date of receipt of the request.

27. **SEVERABILITY**

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, this shall not affect the legality, validity or enforceability of any other provisions of this Agreement.

28. **AMENDMENT OF AGREEMENT**

28.1.1 Any provision of this Agreement may be modified by a written agreement signed by the Borrower and the Facility Administrator, acting in accordance with the Consent of the Majority Lenders, except for the cases listed in Clause 28.1.2.

28.1.2 The provisions of the Agreement relating to:

- (A) the definition of "Majority Lenders" in Clause 1.1 (*Terms*);
- (B) an extension to the date of payment of any amount under the Finance Documents;
- (C) a reduction in the Margin or any other amount due from any Obligor;
- (D) an increase the amount of any Available Commitment or the Total Commitments or an extension of the Utilisation Period or a change of the Final Repayment Date;
- (E) any provision of the Agreement which expressly requires the consent of all the Lenders;
- (F) the provisions of Clause 23 (*Changes to the Parties*) and this Clause 28 (*Amendment of Agreement*);
- (G) the provisions of Clause 21 (*Events of Default*); or
- (H) changes in the Agreement Currency, as defined in Clause 25.7 (*Payment currency*),

as well as any provisions of the Security Documents, may not be modified without obtaining the Consent of all Lenders.

28.1.3 A material change of the circumstances described in Article 451 of the Civil Code cannot serve as grounds for amending or terminating this Agreement.

29. **CONFIDENTIALITY**

29.1 **Confidential information**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 29.2 (*Disclosure of Confidential Information*).

29.2 Disclosure of Confidential Information

Confidential Information that constitutes bank secrecy in accordance with the law is not subject to disclosure. The Finance Party has the right to disclose Confidential Information that does not constitute bank secrecy:

- 29.2.1 to its Affiliates, professional consultants and auditors, if the person to whom such Confidential Information is being provided is informed in writing of its confidential nature, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of such information;
- 29.2.2 to any persons:
 - (A) 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 Facility Administrator, and also, in each case, to the professional consultants of such persons, provided that such persons (with the exception of professional consultants who, by virtue of their professional duties, must maintain confidentiality with respect to such information) assume the obligation to maintain confidentiality with respect to the Confidential Information on the conditions contemplated by this Agreement;
 - (B) with which the Finance Party concludes a sub-participation agreement in relation to the Facility or another transaction, payments under which can be made with reference to any Finance Documents and/or Obligors and their professional consultants, provided that such persons (with the exception of professional consultants who, by virtue of their professional duties, must maintain confidentiality with respect to such information) assume the obligation to maintain confidentiality with respect to the Confidential Information on the conditions contemplated by this Agreement;
 - (C) specified in the request of a prosecutor's office, court, investigating body, an administrative, banking or currency supervision body (including the Central Bank of the Russian Federation), tax body or other state body acting within their remit as established by law;
 - (D) which is a Party; or
 - (E) with the consent of the Borrower, Obligor or Pledgor;
- 29.2.3 to any rating agency (including its professional consultants) in order to assign a rating to the Finance Documents and (or) Obligors; and
- 29.2.4 to any credit reference agency in accordance with the Credit Histories Law.

29.3 Notification of disclosure

- 29.3.1 Each Finance Party agrees to inform the Borrower about circumstances where Confidential Information is disclosed in accordance with Clause 29.2.2(C), unless such information is disclosed to a state authority as part of its normal supervisory or regulatory functions.
- 29.3.2 The Lenders hereby inform the Borrower that the details of the Borrower and this Agreement, specified in Article 4 of the Credit Histories Law, will be transmitted to the relevant credit reference agency in accordance with the Credit Histories Law.

29.4 Obligations of the Obligors

The Borrower shall procure that it, as well as each other Obligor, keep all provisions of the Finance Documents confidential, except for the disclosure of such information:

- 29.4.1 to the bank through which settlements under this Agreement are made;
- 29.4.2 to its shareholders/members;

- 29.4.3 to its Affiliates, professional consultants and auditors provided that the person to whom such Confidential Information is provided is informed in writing of its confidential nature. However there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of such information;
- 29.4.4 upon a request of a prosecutor's office, court, investigating body, an administrative, banking or currency supervision body, tax body or other state body acting within their remits as established by law;
- 29.4.5 in accordance with the mandatory provisions of the applicable law, including, in accordance with the requirements of the stock exchange or the regulatory authority, whose authority extends to such Obligor, or to which it is reasonably subject; or
- 29.4.6 with the consent of the Facility Administrator.

29.5 Continuing obligations

The provisions of this Clause 29 (*Confidentiality*) shall remain in force and continue to be legally binding for each Finance Party within twelve (12) months from the earlier of:

- 29.5.1 the date on which all amounts payable by the Obligors in accordance with this Agreement are paid in full; and
- 29.5.2 the date on which such Finance Party will otherwise cease to be a Finance Party.

30. APPLICABLE LAW

This Agreement, as well as the rights and obligations of the Parties arising under this Agreement, are governed by the laws of the Russian Federation and are subject to interpretation in accordance with them.

31. DISPUTE RESOLUTION

- 31.1.1 Any dispute in connection with this Agreement, including regarding the interpretation of its provisions, its existence, validity or termination, is to be resolved out of court by one Party sending the other Party the relevant demand (claim). If a Party does not receive a response to the submitted demand (claim) and the dispute is not resolved within 10 (ten) Business Days from the date of receipt of the relevant demand (claim) by the other Party, such dispute may be resolved in court in accordance with Clause 31.1.2.
- 31.1.2 Subject to the provisions of Clause 31.1.1, in the event of any dispute arising out of this Agreement, including regarding the interpretation of its provisions, existence, validity or termination, such dispute is to be considered in the Moscow Arbitrazh Court. Each Finance Party intending to file a claim against a Borrower in accordance with this Clause 31 shall notify the other Finance Parties of its intention (by sending the relevant information to the Facility Administrator).

32. COUNTERPARTS

This Agreement is executed by the Parties in 3 (three) original counterparts, having equal legal force in the form of a single document.

This Agreement is signed on the date specified at the beginning of this Agreement.

SCHEDULE 3**THE PARTIES, AVAILABLE COMMITMENTS AND SECURITY****PART A****ORIGINAL LENDERS AND AVAILABLE COMMITMENTS**

| Tranche | Available Commitment | Original Lender |
|-----------|----------------------|-----------------|
| Tranche 1 | RUB 4,615,000,000.00 | VTB Bank (PJSC) |
| Tranche 2 | RUB 4,000,000,000.00 | VTB Bank (PJSC) |

PART B**THE OBLIGORS**

| Term | Name | Registration number | Location |
|------------------|------------------------|---------------------|---|
| Borrower | Headhunter LLC | 1067761906805 | 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Headhunter Group | HEADHUNTER GROUP PLC | HE 332806 | Company: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus Moscow Branch: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Headhunter FSU | Headhunter FSU Limited | HE 178226 | Company: 42 Dositheou, Strovolos 2028, Nicosia, Cyprus Moscow Branch: 9 Godovikova Street, Building 10, Moscow, 129085, Russian Federation |
| Zemenik | Zemenik LLC | 1167746153860 | 14 Krzhizhanovskogo Street, Building 3, Suite 53, Akademicheskij Urban Municipality, Moscow, 117218, Russian Federation |

PART C
SECURITY AGREEMENTS

| Type of Security | Date of Security Agreement | Pledgor / Guarantor | Pledge | Applicable Law |
|----------------------------------|----------------------------|---------------------|--------------------------------------|--------------------|
| Pledge of participatory interest | 24/08/2020 | Headhunter FSU | 100% of Borrower's charter capital | Russian Federation |
| Pledge of shares | 24/08/2020 | Zemenik | 100% minus 1 share in Headhunter FSU | Republic of Cyprus |
| Pledge of shares | 24/08/2020 | Headhunter Group | 1 share in Headhunter FSU | Republic of Cyprus |
| Independent guarantee | 24/08/2020 | Headhunter Group | — | Russian Federation |
| Independent guarantee | 24/08/2020 | Zemenik | — | Russian Federation |
| Independent guarantee | 24/08/2020 | Headhunter FSU | — | Russian Federation |

SCHEDULE 4
CONDITIONS PRECEDENT

PART A

CONDITIONS PRECEDENT FOR SUBMITTING FIRST UTILISATION REQUEST

1. FINANCE DOCUMENTS

Each of the following Finance Documents in a form acceptable to the Facility Administrator, properly executed by each party thereto or issued by the appropriate person:

- 1.1 this Agreement;
- 1.2 the Borrower Participatory Interest Pledge;
- 1.3 the Pledge of Headhunter FSU (Headhunter Group) Shares;
- 1.4 the Pledge of Headhunter FSU (Zemenik) Shares;
- 1.5 each Independent Guarantee.

2. DOCUMENTS CONCERNING OBLIGORS REGISTERED IN THE RUSSIAN FEDERATION

- 2.1 A notarised copy of:
 - 2.1.1 the Obligor's duly registered charter and valid amendments and supplements thereto, stamped by the authorised tax office (including the relevant record entry pages or registration certificates);
 - 2.1.2 the Obligor's certificate of state registration;
 - 2.1.3 the Obligor's tax registration certificate from the tax office for the company's location.
- 2.2 An up-to-date extract from the Unified State Register of Legal Entities regarding the Obligor, issued by the authorised tax office and containing information as of no earlier than 7 (seven) days prior to the date of this Agreement (including in the form of an electronic document with the protected electronic signature of the authorised tax office).
- 2.3 An information letter as of the date falling no earlier than 14 (fourteen) days prior to this Agreement, issued by the tax body that the Obligor is registered with, confirming that it has no outstanding obligations to the state budget or other extra-budgetary funds or, where such outstanding obligations exist, confirming that there is a repayment schedule for these obligations agreed with the relevant body.
- 2.4 Original or notarised copy of a decision of the Obligor's authorised management body approving the terms of the Finance Documents to which the relevant Obligor is party, and the transactions thereunder, as well as any transactions related to them, including (where applicable) on approving a transaction as a major transaction and (or) as an interested-party transaction (as these terms are defined by the laws of the Russian Federation).
- 2.5 Certified copies of the documents on appointing the sole executive body or other authorised persons with the right of signature, provided for by the charter, of the Obligor.
- 2.6 A notarised and, if applicable, apostilled copy of the power of attorney granting the Obligor's authorised persons the authority needed to sign the Finance Documents to which the respective Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with any Finance Documents to which the respective Obligor is party (if applicable).

- 2.7 The specimen signature card of each person authorised to sign on the Obligor's behalf the Finance Documents to which it is party, or, as the case may be, to sign or send any documents or notifications in connection with Finance Documents to which the respective Obligor is party (if applicable).
- 2.8 A document signed by an authorised representative of the Obligor, confirming, *inter alia*, that:
- 2.8.1 each document (either original or copy) provided by each of the Obligors or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
 - 2.8.2 all corporate approvals required in accordance with applicable law in respect of the Finance Documents to which the relevant Obligor is party and the transactions thereunder, including approvals of such transactions as major transactions or interested-party transactions, have been received by the relevant Obligor;
 - 2.8.3 the total value of transactions under the Finance Documents to which the relevant Obligor is party amounts to over fifty (50) percent of the book value of the assets of the relevant Obligor; and
 - 2.8.4 with regard to the Borrower, the Regulated Procurement Law does not apply to the conclusion by the Borrower of the Finance Documents to which it is party (however, such confirmation should not apply to the application of the Regulated Procurement Law to any Finance Party).
3. **DOCUMENTS IN RESPECT OF THE OBLIGORS REGISTERED IN CYPRUS**
- 3.1 Apostilled copy of the certificate of incorporation issued by the Department of the Registrar of Companies of Cyprus.
 - 3.2 Apostilled copy of the memorandum and articles of association (together with all changes and additions to them) in Greek (with the Department of the Registrar stamp on them) and in English.
 - 3.3 Apostilled original certificate of address of the registered office, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.4 Apostilled original certificate of directors and secretary issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.5 Apostilled original certificate of the shareholders of Headhunter FSU, issued by the Department of the Registrar of Companies of Cyprus and dated not earlier than 30 (thirty) days before this Agreement.
 - 3.6 Certified copy of the register of directors and secretaries dated no earlier than 1 (one) day before this Agreement.
 - 3.7 Certified copy of the register of members dated no earlier than 1 (one) day before this Agreement.
 - 3.8 Certified copy of the register of mortgages and other charges dated no earlier than 1 (one) day before this Agreement.
 - 3.9 An original incumbency certificate, the form and substance of which is acceptable to the Facility Administrator, along with all documents submitted in accordance with such incumbency certificate.
 - 3.10 A notarised and, if applicable, apostilled copy or apostilled original of the resolution of the board of directors and shareholders or any other authorised body, as contemplated by the constitutional documents of each Obligor:

- 3.10.1 on approving the terms of the Finance Documents to which the relevant Obligor is party, and the transactions thereunder, and resolving that the relevant Obligor shall sign the Finance Documents to which the relevant Obligor is party;
 - 3.10.2 on granting the relevant person or persons with the authority needed to sign the Finance Documents to which the relevant Obligor is party, on the latter's behalf; and
 - 3.10.3 on granting the relevant person or persons with the authority needed to sign on behalf of the relevant Obligor all documents and notifications, which must be signed by the relevant Obligor in accordance or in connection with the Finance Documents to which the relevant Obligor is party.
- 3.11 A notarised and, if applicable, apostilled copy of a power of attorney granting the authorised persons of the relevant Obligor with the authority needed to sign the Finance Documents to which the relevant Obligor is party, or, where appropriate, to sign or send any documents or notifications in connection with the Finance Documents to which the relevant Obligor is party (if applicable).
- 3.12 An original signature sample of each person granted the authority on the basis of the resolution referred to in Clause 3.10.2 above.
- 3.13 An original document, signed by an authorised representative of the relevant Obligor, confirming that each document (either original or copy) provided by the relevant Obligor or on its behalf in accordance with this Schedule 2 is genuine, contains complete and up-to-date information, has full legal force, has not been changed, cancelled, withdrawn or terminated and that, as of the date not earlier than the date of this Agreement, no new documents were issued in connection with the issues addressed in the relevant document;
4. **LEGAL OPINIONS**
- A legal opinion prepared by Alexandros Economou LLC, the Facility Administrator's legal adviser on Cypriot law, in a form acceptable to the Facility Administrator and approved by the Facility Administrator before this Agreement is signed that is addressed to the Finance Parties who constitute such as of the date of such opinion.
5. **OTHER DOCUMENTS AND EVIDENCE**
- 5.1 A duly concluded amendment agreement to each bank account agreement entered into with the Original Lender, providing consent to the direct debiting of funds by the Facility Administrator on the basis of collection orders, bank orders, payment demands or other documents, for the purposes of the performance of the Borrower's obligations under the Finance Documents, with the possibility of partial performance where there are insufficient funds on the Borrower's account.
- 5.2 Confirmation of payment of the Facility fee specified in Clause 11.2 (*Facility Fee*).
- 5.3 Confirmation of payment of remuneration to legal advisors (Herbert Smith Freehills CIS LLP and Alexandros Economou LLC).
- 5.4 Any other permits or other documents, opinions or representations which the Obligors were told by the Facility Administrator were necessary or expedient for the conclusion and execution of any Finance Documents and transactions thereunder, or for ensuring the validity and enforceability of any Finance Documents.

PART B

CONDITIONS PRECEDENT FOR THE TRANCHE 1 UTILISATION REQUEST

1. **LOAN AGREEMENTS BETWEEN THE BORROWERS**

- 1.1 Borrower-certified copies of each Loan Agreement Between the Borrowers in a form approved by the Facility Administrator.
- 1.2 Original or copy, properly certified by the relevant company, of a resolution by the authorized governing body of the Borrower, Zemenik, and Headhunter Group approving the terms of the Loan Agreements Between the Borrowers to which the relevant company is party and the transactions they contemplate, as well as any associated transactions, including (as the case may be) approval of a transaction as a major transaction and/or a non-arms-length transaction (in the meaning given those terms by Russian Federation law).
- 1.3 A notarised and, if applicable, apostilled copy of the power of attorney granting authorised representatives of the Borrower, Zemenik, and Headhunter Group the authority required to sign the Loan Agreements Between the Borrowers to which the relevant company is party, or, as appropriate, the authority required to sign or send any documents or notices involving the Loan Agreements Between the Borrowers to which the relevant company is party (if applicable).
- 1.4 Borrower-certified copies of Zemenik's and the Borrower's corporate approvals and powers of attorney for the signing of such loan agreements.
- 1.5 Irrevocable instructions signed by the Borrower for the transfer of loan amounts under each Loan Agreement Between the Borrowers.
- 1.6 An irrevocable instruction signed by Zemenik for transfer of the loan amount under the relevant Loan Agreement Between the Borrowers for early loan repayment under the Existing Facility Agreement in which Zemenik is the borrower.
- 1.7 An irrevocable instruction signed by Headhunter Group for transfer of the loan amount under the relevant Loan Agreement Between the Borrowers for early loan repayment under the Existing Facility Agreement in which Headhunter Group is the borrower.

PART C

CONDITIONS PRECEDENT FOR THE TRANCHE 2 UTILISATION REQUEST

1. GENERAL CORPORATE PURPOSES

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.1 of the Agreement:

- 1.1 Borrower's certificate confirming a change in Cash Receipts and Revenue of the Group compared to the same period in the previous year, for the period from the last Test Date.
- 1.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2 and the par value of the placed Permitted Bonds, as well as the amounts of other Financial Indebtedness raised after the relevant reporting date.

2. ACQUISITIONS

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.2 of the Agreement.

2.1 Information and documents on the balance sheet and liabilities of the asset being acquired, along with explicatory material concerning its market value, including:

- 2.1.1 due diligence report for asset being acquired;
- 2.1.2 the structure of the group and shareholders of the asset being acquired;
- 2.1.3 research of the relevant market of the asset being acquired;
- 2.1.4 calculation of synergies; and
- 2.1.5 other relevant documents (financial models).

- 2.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2 and the par value of the placed Permitted Bonds, as well as the amounts of other Financial Indebtedness raised after the relevant reporting date.

- 3. **DIVIDENDS PAYOUT**

For utilisation of the Facility Tranche 2 for the purposes referred to in Clause 3.2.3 of the Agreement.

- 3.1 A tax consultant's and/or legal consultant's opinion on the tax consequences and possibility of going forward with the planned distribution in a form and substance acceptable to the Facility Administrator.
- 3.2 Compliance certificate, to be provided per Clause 17.2 of the Agreement, based on planned utilisation of Facility Tranche 2 and the par value of the placed Permitted Bonds, as well as the amounts of other Financial Indebtedness raised after the relevant reporting date.

SCHEDULE 5
FORM OF UTILISATION REQUEST

From: [name of Borrower]
To: [Name of Facility Administrator]
Date: [•]

Dear Sirs,

Syndicated Facility Agreement dated __ August 2020 (as amended) (the "Agreement")

1. We refer to the Agreement. The terms defined in the Agreement have the same meaning in this Utilisation Request, unless they are given a different meaning in this Utilisation Request.
2. We request that the Facility be granted on the following terms:

| | |
|------------------------------|--|
| Tranche: | [•] |
| Purpose: | [refer to Clause 3 (<i>Purpose</i>)] |
| Utilisation Date: | [•] |
| Facility Currency: | Roubles |
| Amount in Facility currency: | [•] |
3. We confirm that as of the date of this Utilisation Request every Initial Condition Precedent for Tranche [•] specified in Clause [4.1] of the Agreement has been satisfied and] all the representations listed in Clause 16 (*Representations*) of the Agreement remain true.
4. The funds under this Facility must be transferred to [specify account].
5. This Utilisation Request is irrevocable.

Yours Sincerely,

.....

[Authorised Representative]

[name of Borrower]

SCHEDULE 6
FORM OF LENDER RIGHTS ASSIGNMENT AGREEMENT

AGREEMENT FOR
ASSIGNMENT OF RIGHTS (CLAIMS) [AND TRANSFER OF DEBT]

_____ [•]

BETWEEN

[EXISTING LENDER]

[NEW LENDER]

AND

[FACILITY ADMINISTRATOR]

BETWEEN:

- (1) [•], [open/public]/[closed] joint-stock company/[limited liability company], incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number: [•], located at: [address], represented by [full name], acting on the basis of [power of attorney] [Charter] OR [company/legal person/limited liability company/[open/public]/[closed] joint-stock company], [incorporated]/[organised and existing] in accordance with the law of [jurisdiction], [located/registered/ whose head office is located] at [address], represented by [full name], acting on the basis of [power of attorney] [Charter], as the assignor (the "**Existing Lender**");
- (2) [•], [open/public]/[closed] joint-stock company/[limited liability company], incorporated under the laws of the Russian Federation, registered in the Unified State Register of Legal Entities of the Russian Federation under Primary State Registration Number: [•], located at: [address], represented by [full name], acting on the basis of [power of attorney] [Charter] OR [company/legal person/limited liability company/[open/public]/[closed] joint-stock company], [incorporated]/[organised and existing] in accordance with the law of [jurisdiction], [located/registered/ whose head office is located] at [address], represented by [full name], acting on the basis of [power of attorney] [Charter], as the assignee (the "**New Lender**"); and
- (3) [•] [full name of the bank acting as Facility Administrator] as the facility administrator (the "**Facility Administrator**").

THE PARTIES AGREED AS FOLLOWS:

1. INTERPRETATION

The terms defined in the Facility Agreement have the same meaning in this Lender Rights Assignment Agreement, unless they are given a different meaning in this Lender Rights Assignment Agreement.

In this Lender Rights Assignment Agreement:

"Bank Account" means the bank account of the Existing Lender as specified in paragraph 4.1.2 of this Lender Rights Assignment Agreement.

"Transaction Date" means [the date of this Lender Rights Assignment Agreement]/[indicate the agreed calendar date on which the assignment of rights (claims) and the transfer of debt will occur].

"Debt" means the commitment of the Existing Lender to grant the Borrower a Facility within its Unused Available Commitment, amounting on the date of this Lender Rights Assignment Agreement to [•] [Roubles] [US Dollars] [Euro].

"Borrower" means [•]:

"Facility Agreement" means the syndicated facility agreement dated [•] 2020, concluded, *inter alia*, between the Existing Lender and the Borrower (as amended).

"Receivables" means the rights to claim repayment of the Facility Outstanding in the amount of [indicate amount of the facility provided to the Borrower by the Existing Lender as of the date of this assignment agreement], interest, and other payments due to the Existing Lender from the Borrower under the terms of the Facility Agreement, as well as the receivables under each Security Agreement and each Independent Guarantee].

"Parties" means the Existing Lender, the New Lender and the Facility Administrator, and **"Party"** means each of them.

"Notification" means the notification, drawn up in the form given in Schedule 1 to the Lender Rights Assignment Agreement, of assignment of the Receivables [and transfer of Debt] of the Existing Lender under the Facility Agreement on the terms of this Lender Rights Assignment Agreement, sent to the Borrower by the Existing Lender.

"Price of the Receivables" means the amount of [•] ([•]) [Roubles] [US Dollars] [Euro].

2. **SUBJECT MATTER OF LENDER RIGHTS ASSIGNMENT AGREEMENT**

2.1 [On the Transaction Date, the Existing Lender shall assign, and the New Lender accept, the Receivables in the manner and on the terms specified in Clause 23 (*Changes to the Parties*) of the Facility Agreement and this Lender Rights Assignment Agreement.] / [On the Transaction Date, the Existing Lender shall transfer, and the New Lender accept, the Debt in the manner and on the terms specified in Clause 23 (*Changes to the Parties*) of the Facility Agreement and this Lender Rights Assignment Agreement.]

2.2 The Receivables under the Facility Agreement shall be transferred to the New Lender free from any Encumbrances.

3. **PROCEDURE FOR PERFORMANCE OF PARTIES' OBLIGATIONS**

3.1 [On the Transaction Date, the New Lender shall pay to the Existing Lender the Price of the Receivables into the Bank Account.]

3.2 On the Transaction Date, the Existing Lender shall cease to be the Lender under the Facility Agreement [to the extent of the relevant Receivables], while the New Lender shall become the Lender under the Facility Agreement [to the extent of the relevant Receivables] and all provisions of the Facility Agreement and other Finance Documents shall apply to it.

3.3 The Existing Lender confirms that it does not have any information that the Borrower has any objections to such Existing Lender that the Borrower could raise to the New Lender in accordance with Article 386 of the Civil Code.

3.4 The New Lender confirms that it has studied all the terms of the Facility Agreement and other Finance Documents, conducted (and will continue to conduct) its own independent study and assessment of each Obligor's financial condition, and did not rely on any information provided to it by the Existing Lender when taking its decision to sign this Lender Rights Assignment Agreement.

3.5 The New Lender confirms the appointment of the Facility Administrator as Facility Administrator in accordance with Clause 24.2 (*Appointment of the Facility Administrator*) of the Facility Agreement.

3.6 On the Transaction Date the Existing Lender shall:

3.6.1 transfer to the New Lender documents certifying all receivables of the Existing Lender as a Lender under the Facility Agreement, including the original Facility Agreement and other Finance Documents to which the Existing Lender is party, all changes and additions to them, copies of the Utilisation Requests, as well as all documents confirming the amount of the Receivables [and Debt] on the Transaction Date;

3.6.2 provide the New Lender with information relevant to the exercise of the Receivables, including information about the Borrower's breach of the Facility Agreement; and

3.6.3 send the Notification to the Borrower.

3.7 The obligations of the New Lender to pay the Price of the Receivables shall be deemed fulfilled when the amount of the Price of the Receivables is received into the Bank Account of the Existing Lender.

3.8 The Parties shall perform all other actions necessary to fulfil their obligations under this Clause 3.

4. **PAYMENTS**

All payments under this Lender Rights Assignment Agreement must be made by bank transfer based on the following details:

4.1.1 New Lender (if applicable):

Payment recipient: [•]
location: [•]
Bank: [•]
SWIFT: [•]
IBAN: [•]
Account No: [•]

or into another account specified by the New Lender in writing;

4.1.2 Existing Lender:

Payment recipient: [•]
Bank: [•]
location: [•]
SWIFT code: [•]
Correspondent account: [•]
Settlement account: [•]
BIC: [•]

or into another account specified by the Existing Lender in writing.

5. **NOTICES**

Any notices or other official communications sent under this Lender Rights Assignment Agreement shall be made in writing and may be delivered in person, sent by fax or by registered mail with delivery confirmation to the following addresses:

5.1.1 New Lender:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

5.1.2 Existing Lender:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

5.1.3 Facility Administrator:

[•]
FAO: [•]
e-mail: [•]
Tel.: [•]
Fax: [•]

6. **APPLICABLE LAW**

This Lender Rights Assignment Agreement is governed by Russian law.

7. **DISPUTE RESOLUTION**

In the event of any dispute arising out of this Lender Rights Assignment Agreement, including regarding the interpretation of its provisions, existence, validity or termination, this dispute is to be considered in the Moscow Arbitrazh Court.

8. **COUNTERPARTS**

This Lender Rights Assignment Agreement is signed in 3 (three) counterparts, one counterpart for each Party to the Lender Rights Assignment Agreement.

FORM OF NOTIFICATION OF BORROWER

From: [Existing Lender]
To: [Borrower]
[Address of Borrower]
Copy: [to New Lender]
[Address of New Lender]

NOTIFICATION OF ASSIGNMENT OF RECEIVABLES

[AND TRANSFER OF DEBT]

Hereby [•], registration number [•], location: [•] (the "**Existing Lender**") notifies [•], Primary State Registration Number [•], location: Russian Federation, [•] (the "**Borrower**") of the transfer of all rights (claims) [and transfer of debt] under a syndicated facility agreement between, *inter alia*, the Borrower and the Existing Lender dated [•] 2020 (the "**Facility Agreement**") from the Existing Lender to [•], location: [•] (the "**New Lender**") on the conditions specified in the agreement of assignment of rights (claims) [and transfer of debt] between the Existing Lender and the New Lender, contained in Schedule 1.

[Upon receipt of this notification, the Borrower must continue to fulfil its payment obligations to the New Lender under the Facility Agreement to the Facility Administrator in accordance with the provisions of the Facility Agreement.]

Schedule 1: Copy of agreement of assignment of rights (claims) [and transfer of debt] between the Existing Lender and the New Lender.

stamp here

SIGNATURES OF THE PARTIES

[EXISTING LENDER]

[•])
[•])
stamp here

[NEW LENDER]

[•])
[•])
stamp here

[FACILITY ADMINISTRATOR]

[•])
[•])
stamp here

SCHEDULE 7

FORMS OF COMPLIANCE CERTIFICATES

PART A

FORM OF COMPLIANCE CERTIFICATE ON THE BASIS OF IFRS

under Syndicated Facility Agreement dated [•] 2020

From: [name of the Borrower] [details of the Borrower]

To: [name of the Facility Administrator] [details of the Facility Administrator]

Auditor: [name of the Auditor] [details of the Auditor]

Date: [•]

1. On the basis of Syndicated Facility Agreement dated [•] 2020 (the "**Agreement**"), the Borrower informs the Facility Administrator that the financial covenants as of [Test Date] have been complied with in accordance with the conditions specified in Clause 18 (*Financial Covenants*) of the Agreement.
2. The terms defined in the Agreement have the same meaning in this compliance certificate, unless they are given a different meaning.
3. We confirm that the list of financial indicators listed in Schedule 1 of this compliance certificate corresponds to the list of financial indicators specified in Clause 18 (*Financial Covenants*) of the Agreement.
4. We confirm that the financial indicators given in Schedule 1 to this compliance certificate were calculated by us on the basis of financial statements prepared in accordance with IFRS as of the Test Date.
5. We confirm that as of the date of this compliance certificate, each financial covenant specified in [Clauses 18.3 (*Leverage*), 18.4 (*Interest cover*), and 18.5 (*Guarantors' Cover Ratio*)] has been complied with.
6. [We confirm that as of the date of this compliance certificate, the following covenants specified in [Clauses 18.3 (*Leverage*), 18.4 (*Interest cover*), and 18.5 (*Guarantors' Cover Ratio*)] of the Agreement have not been complied with: [list financial covenants which were breached].]
7. [We confirm that as of the date [•] there is no Event of Default/[the following Events of Default have occurred and we are taking the following measures to remedy them: [•]].]
8. The report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 1 to this compliance certificate.
9. The description of the parameters used in the report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 2 to this compliance certificate.

FINANCIAL INDICATORS OF THE BORROWERS AS OF THE TEST DATE

| No. | Name of financial indicator | Source of data | Calculation procedure | Indicator value | Test Date | Event of Default |
|-----|-----------------------------|----------------|-----------------------|-----------------|-----------|------------------|
| 1 | Leverage | [•] | [•] | [•] | [•] | [•] |
| 2 | Interest Cover | [•] | [•] | [•] | [•] | [•] |
| 3 | Guarantors' cover ratio | [•] | [•] | [•] | [•] | [•] |

PART B

FORM OF COMPLIANCE CERTIFICATE ON THE BASIS OF RAS STATEMENTS

under Syndicated Facility Agreement dated [•] 2020

From: [name of the Borrower] [details of the Borrower]

To: [name of the Facility Administrator] [details of the Facility Administrator]

Date: [•]

1. On the basis of Syndicated Facility Agreement dated [•] 2020 (the "**Agreement**"), the Borrower informs the Facility Administrator that the financial covenants as of [Test Date] have been complied with in accordance with the conditions specified in Clause 18 (*Financial Covenants*) of the Agreement.
2. The terms defined in the Agreement have the same meaning in this compliance certificate, unless they are given a different meaning.
3. We confirm that the list of financial indicators listed in Schedule 1 to this compliance certificate corresponds to the list of financial indicators specified in [Clauses 18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)].
4. We confirm that the financial indicators given in Schedule 1 to this compliance certificate were calculated by us on the basis of financial statements prepared in accordance with RAS and financial statement prepared in accordance with IFRS as of the Test Date.
5. We confirm that as of the date of this compliance certificate, each covenant specified in Clauses [18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)] of the Agreement has been complied with.
6. [We confirm that as of the date of this compliance certificate, the following covenants specified in Clauses [18.6 (*Revenue in accordance with RAS*), 18.7 (*Cash receipts*), and 18.8.1 (*Net assets*)] of the Agreement have not been complied with: [list financial covenants that were breached].]
7. [We confirm that as of the date [•] there is no Event of Default/[the following Events of Default have occurred and we are taking the following measures to remedy them: [•]].]
8. The report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 1 to this compliance certificate.
9. The description of the parameters used in the report "Financial indicators of the Borrower as of the Test Date" is given in Schedule 2 to this compliance certificate.

FINANCIAL INDICATORS OF THE BORROWER AS OF THE TEST DATE

| No. | Name of financial indicator | Data Source | Calculation procedure | Indicator value | Test Date | Event of Default |
|-----|--|-------------|-----------------------|-----------------|-----------|------------------|
| 1 | Revenue in accordance with RAS | [•] | [•] | [•] | [•] | [•] |
| 2 | Cash receipts | [•] | [•] | [•] | [•] | [•] |
| 3 | [Net assets of Borrower] | [•] | [•] | [•] | [•] | [•] |
| 4 | [Net assets of [Obligor registered in Russia]] | [•] | [•] | [•] | [•] | [•] |

SCHEDULE 8
REPAYMENT SCHEDULE

| | Repayment date (counted from the date of this Agreement) | Repayment amount (percentage of the amount of Facility utilised under each Tranche as of the end of the relevant Utilisation Period) | |
|-----|--|---|-----------|
| | | Tranche 1 | Tranche 2 |
| 1. | First Interest Payment Date | 1/38 | 0 |
| 2. | Second Interest Payment Date | 1/38 | 0 |
| 3. | Third Interest Payment Date | 1/38 | 0 |
| 4. | Fourth Interest Payment Date | 1/38 | 0 |
| 5. | Fifth Interest Payment Date | 1/38 | 1/30 |
| 6. | Sixth Interest Payment Date | 1/38 | 1/30 |
| 7. | Seventh Interest Payment Date | 1/38 | 1/30 |
| 8. | Eight Interest Payment Date | 1/38 | 1/30 |
| 9. | Ninth Interest Payment Date | 1/38 | 1/30 |
| 10. | Tenth Interest Payment Date | 1/38 | 1/30 |
| 11. | Eleventh Interest Payment Date | 1/38 | 1/30 |
| 12. | Twelfth Interest Payment Date | 1/38 | 1/30 |
| 13. | Thirteenth Interest Payment Date | 1/38 | 1/30 |
| 14. | Fourteenth Interest Payment Date | 1/38 | 1/30 |
| 15. | Fifteenth Interest Payment Date | 1/38 | 1/30 |
| 16. | Sixteenth Interest Payment Date | 1/38 | 1/30 |

| | | | |
|-----|-----------------------------------|--|--|
| 17. | Seventeenth Interest Payment Date | 1/38 | 1/30 |
| 18. | Eighteenth Interest Payment Date | 1/38 | 1/30 |
| 19. | Nineteenth Interest Payment Date | 1/38 | 1/30 |
| 20. | Final Repayment Date | Entire amount of Facility Outstanding for Tranche 1 | Entire amount of Facility Outstanding for Tranche 2 |

SCHEDULE 9
EXISTING FINANCIAL INDEBTEDNESS

| No. | Agreement number and date | Lender | Borrower | Sum of loan | Currency |
|------------|---|---------------|------------------|--------------------|-----------------|
| 1. | Loan agreement No. 05/21 dated 05/07/2021 | Borrower | Headhunter Group | 2,250,000,000 | RUB |
| 2. | Loan agreement dated 01/09/2021 | Borrower | Headhunter Group | 1,575,000,000 | RUB |
| 3. | Loan agreement dated 01/09/2021 | Borrower | Zemenik | 3,040,000,000 | RUB |
| 4. | Loan agreement dated 09/06/2020 | Borrower | "Skilaz" LLC | 150,000,000 | RUB |

SCHEDULE 10
INTELLECTUAL PROPERTY

16. Obligors' Trademarks

| No. | Type of mark | Contents | Country of registration | NCL [Nice Classification] Classes | Priority date | Certificate No. | Certificate date | Term of registration |
|-----|--------------|-----------------------------|-------------------------|-----------------------------------|---------------|-----------------|------------------|----------------------|
| 1 | word mark | HEADHUNTER | Russian Federation | 09, 16, 35, 41, 42 | 06/04/2006 | 339197 | 12/12/2007 | 06/04/2026 |
| 2 | word mark | Headhunter | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/02/2008 | 401167 | 12/02/2010 | 22/02/2028 |
| 3 | Graphic mark | XX | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 410843 | 09/06/2010 | 22/06/2019 |
| 4 | graphic mark | HH | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 410844 | 09/06/2010 | 22/06/2019 |
| 5 | graphic mark | new HH logotype | Russian Federation | 09, 16, 35, 38, 41, 42 | 11/03/2009 | 431008 | 28/02/2011 | 11/03/2019 |
| 6 | graphic mark | hh | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/06/2009 | 430120 | 14/02/2011 | 22/06/2019 |
| 7 | word mark | HRBRAND | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/04/2008 | 378423 | 05/05/2009 | 22/04/2028 |
| 8 | word mark | HR brand of the year | Russian Federation | 09, 16, 35, 38, 41, 42 | 22/02/2008 | 423350 | 22/11/2010 | 22/02/2028 |
| 9 | word mark | HR brand | Russian Federation | 09, 16, 35, 38, 41, 42 | 08/04/2008 | 388438 | 02/09/2009 | 08/04/2028 |

| | | | | | | | | |
|----|-------------|---------------------------|--------------------|-------------------------------|------------|---------------|------------|------------|
| 10 | word mark | HRspace | Russian Federation | 35, 36 | 11/12/2015 | 602908 | 24/01/2017 | 11/12/2025 |
| 11 | combination | Salary data bank | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 622996 | 10/07/2017 | 18/02/2026 |
| 12 | combination | HR Experts League | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 615705 | 10/05/2017 | 18/02/2026 |
| 13 | combination | Talent Measurement | Russian Federation | 09, 16, 35, 38, 41, 42 | 18/02/2016 | 606635 | 22/02/2017 | 18/02/2026 |

17. Obligors' Websites

Borrower — <http://hh.ru>; <http://headhunter.ru>; <http://XX.pф>; <http://hrbrand.ru/>

18. Database

| No. | Proprietor | Type | Name | Country of registration | Application No. | Application date | Certificate No. | Certificate date |
|------|-----------------------|----------|----------------------------|-------------------------|-----------------|------------------|-----------------|------------------|
| 2015 | | | | | | | | |
| 1 | Headhunter LLC | Database | HeadHunter Database | Russia | 2015621116 | 31 August 2015 | 2015621803 | 21 December 2015 |

SCHEDULE 11
LIST OF RUSSIAN BANKS

1. Sberbank PJSC
2. VTB Bank (PJSC)
3. Gazprombank (Joint-Stock Company)
4. Bank FC Otkritie PJSC
5. BM-Bank JSC
6. UniCredit JSC
7. Credit Bank of Moscow PJSC
8. Promsvyazbank PJSC
9. Raiffeisenbank JSC
10. Rosbank PJSC
11. Saint Petersburg Bank PJSC
12. Sovcombank PJSC
13. AK Bars PJSC
14. CB Citibank JSC
15. Nordea Bank JSC

SIGNATURES OF THE PARTIES

Borrower

"HEADHUNTER" LIMITED LIABILITY COMPANY

Signature: / Dmitry Markelov /
Full name: Markelov Dmitry Valentinovich
Position:

Arranger**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitaliy Buzoverya /
Full name: Vitaliy Nikolayevich Buzoverya
Position: Credit Department Manager, Senior Vice President

Facility Administrator**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitaliy Buzoverya /
Full name: Vitaliy Nikolayevich Buzoverya
Position: Credit Department Manager, Senior Vice President

Pledge Manager**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitaliy Buzoverya /
Full name: Vitaliy Nikolayevich Buzoverya
Position: Credit Department Manager, Senior Vice President

Original Lender**VTB BANK (PUBLIC JOINT-STOCK COMPANY)**

Signature: / Vitaliy Buzoverya /
Full name: Vitaliy Nikolayevich Buzoverya
Position: Credit Department Manager, Senior Vice President



Subsidiaries of the Registrant

| Legal Name of Subsidiary | Jurisdiction of Organization |
|--------------------------|------------------------------|
| Zemenik LLC | Russia |
| Headhunter FSU Ltd | Cyprus |
| Headhunter LLC | Russia |
| 100 Rabot TUT LLC | Belarus |
| Vsya Rabota LLC | Belarus |
| 100 Rabot.AZ LLC | Azerbaijan |
| Headhunter.KZ LLP | Kazakhstan |
| Zarplata.ru LLC | Russia |
| Skilaz LLC | Russia |

CERTIFICATIONS

I, Mikhail Zhukov, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 20-F of HeadHunter Group PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 27, 2022

By: /s/ Mikhail Zhukov
Mikhail Zhukov
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Grigorii Moiseev, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 20-F of HeadHunter Group PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 27, 2022

By: /s/ Grigorii Moiseev
Grigorii Moiseev
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of HeadHunter Group PLC for the year ended December 31, 2021 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

I, Mikhail Zhukov, Chief Executive Officer, certify that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2022

By: /s/ Mikhail Zhukov
Mikhail Zhukov
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of HeadHunter Group PLC for the year ended December 31, 2021 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

I, Grigorii Moiseev, Chief Financial Officer, certify that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2022

By: /s/ Grigorii Moiseev
Grigorii Moiseev
Chief Financial Officer
(Principal Financial Officer)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the registration statements (No. 333-231557 and No. 333-232778) on Form S-8 and registration statement (No. 333-239560) on Form F-3, of our report dated April 27, 2022, with respect to the consolidated financial statements of HeadHunter Group PLC and the effectiveness of internal control over financial reporting.

/s/ JSC “KPMG”

Moscow, Russia

April 27, 2022
