

December 7, 2022

LETTER FROM OUR CHAIRMAN

Dear Fellow Yandex Shareholders:

As you well know, current geopolitical tensions, their impact on the Russian and global economy, and related stresses to the broader social and business environment, have created unprecedented challenges for our business and the individuals and teams who make us who we are.

In normal times, I would be delighted to tell you about our strong results in 2021 – and the continuing strong performance to date in 2022. But today of course that good news is overshadowed by broader events. And I fully appreciate that due to the suspension of trading in our shares on Nasdaq, our shareholders are not able to benefit from the Company’s achievements at the current time.

The Board and management have been working tirelessly since late February to help navigate through the current crisis: to ensure that our businesses continue to meet vital needs of our users for on-line and off-line services; to ensure that our staff are safe; and to protect the interest of all of our stakeholders, including our Class A shareholders. And we have not shied away from making significant decisions – most importantly, our strategic move to exit from our News and Zen businesses, and to focus on our world-class technology businesses including search, advertising, mobility, e-commerce, entertainment, self-driving vehicles and cloud computing. And as we announced in late November, the Board has commenced a strategic process to review options to restructure the group’s ownership and governance in light of the current geopolitical environment, with a view to ensuring the sustainable development and success of the group’s diverse portfolio of businesses over the longer term.

I wanted to comment on a few ways in which these circumstances have impacted our agenda for this year’s annual general meeting of shareholders:

- First, the auditor appointed by the shareholders for our 2021 statutory accounts (prepared in accordance with IFRS) has been unable to issue an audit opinion due to the current geopolitical circumstances. The Board has approved our unaudited statutory accounts for 2021 and believes that they present a fair and true view of our results and financial condition for 2021. We are asking our shareholders to consider our unaudited 2021 statutory IFRS accounts. I also want to remind you that we issued audited US GAAP financial statements for 2021 in April; these are available in our Annual Report on Form 20-F.

- Second, we are continuing to seek to identify an auditor for our statutory accounts for 2022, but are unable to nominate an auditor for the shareholders' approval at this time. We intend to do so in due course.
- Third, we currently have five vacancies on our 12-person Board, including both executive director positions. We are not in a position to nominate persons to fill these vacancies at this time. As you will appreciate, it is particularly difficult to identify qualified candidates who are prepared to take on the responsibilities of office in the current circumstances. We continue to seek appropriate candidates and hope to bring nominations to the shareholders for approval in due course.

I wanted to comment in particular on the executive director vacancies, which result from the resignations of Arkady Volozh, our founder and former CEO, and Tigran Khudaverdyan, our former Deputy CEO, following their sanctions designations in the European Union. We continue to believe that these designations were misguided. As I commented on behalf of the Board in June, we believe the decision to designate Arkady “to be wholly unjust and based on an inaccurate understanding of Arkady and what Yandex is all about. Rather than being sanctioned, Arkady should be lauded for building, from the ground up, one of the most independent, modern and progressive companies in Russia and one of the most innovative companies in Europe; a true pioneer in search, ride hailing, maps and navigation, and autonomous vehicles to name but a few of the areas where Yandex excels.” The same is true for Tigran. We are saddened that Yandex is unable to benefit from Arkady's and Tigran's leadership during these challenging times. We are, however, proud of the broader team that we have built, and believe that the company is in good hands under the collective leadership of the rest of the senior management team, under the supervision of the Board, while we continue to seek to identify a new Chief Executive Officer.

Our businesses in Russia remain strong. At the same time, we are continuing to develop our international operations, including self-driving technologies, cloud computing, education and data labelling, as well as mobility and delivery.

The coming months will no doubt continue to present significant challenges. On behalf of all of those working within the Yandex platform of services, we want to thank all of our shareholders for your support and confidence in us as we work to guide the company through these extraordinary times. Please be assured that we will do everything possible to protect value for our public shareholders and preserve opportunities for the 20,000 employees who have made Yandex one of Europe's most successful technology companies.

Yours sincerely,

John Boynton
Chairman of the Board