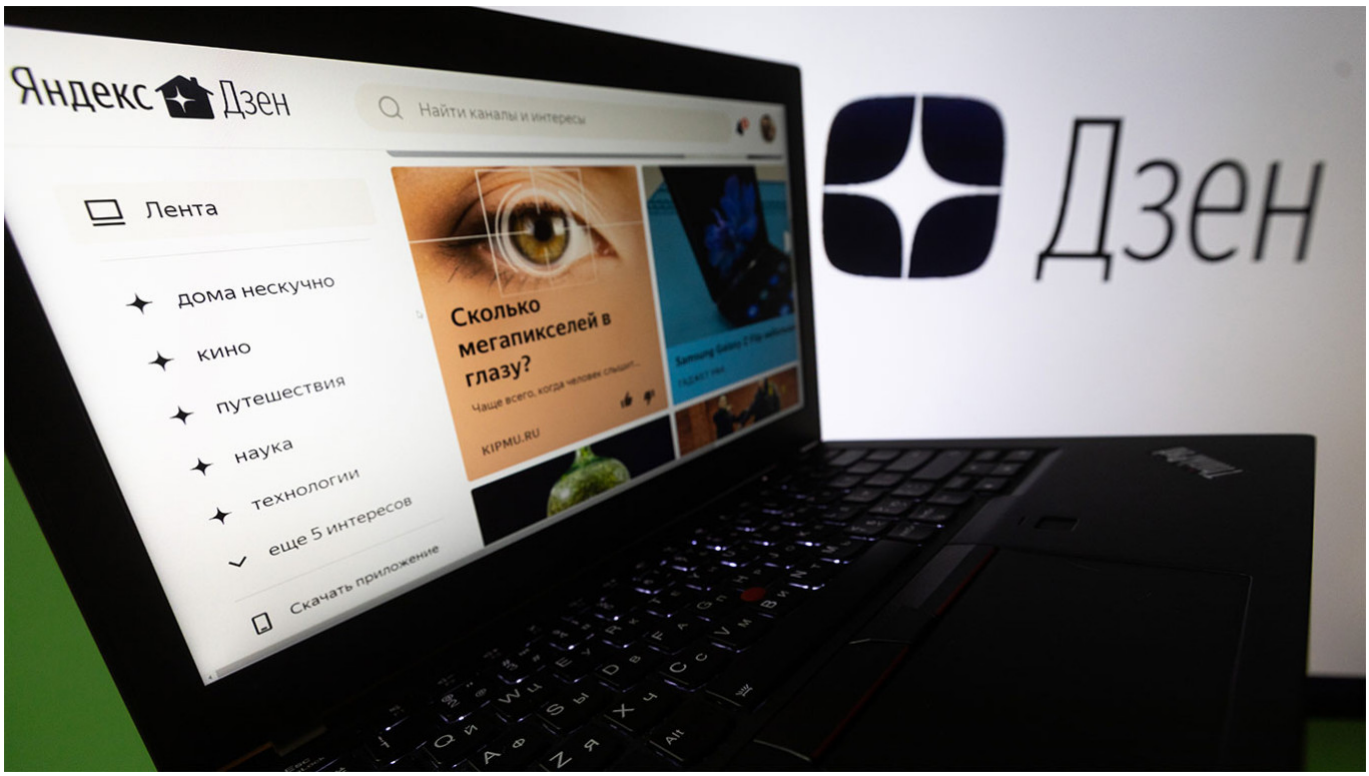
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Yandex Reaches 'Binding' Deal to Divest News Service, Homepage to VK

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Evgenij Razumnyj / Vedomosti / TASS

Russian tech giant Yandex said Tuesday it has reached a "binding" deal to sell its news platform and homepage to rival VK as war-related sanctions fuel uncertainty over the Russian tech industry's future.

VK said it exited its joint venture with top lender Sberbank to pave the way for the deal with Yandex, once considered the jewel of Russia's rising IT scene.

Yandex said it is pursuing a "strategic exit from its media businesses" with the sale of Yandex.News, Yandex.ru and the Yandex.Zen blogging tool to VK.

Related article: Russia's Yandex Sells News and Blogging Products to VK

The Yandex.ru domain will be renamed dzen.ru under VK's control and further development.

Yandex's main page — with search, mail and non-media tools — will be renamed ya.ru.

Yandex said it will “continue to focus” on its vast network of digital services, including a search engine, e-commerce platform, food delivery service, ride-hailing app, Yandex Music and more.

VK said it had exited its O2O Holding joint venture with Sberbank and planned to transfer its full stake in the Delivery Club food delivery service to Yandex in exchange for the news and blogging platforms.

Embed:

Yandex.news has faced criticism over its news aggregation tool leaning heavily on pro-Kremlin sources, particularly since Moscow sent troops into Ukraine on Feb. 24.

Its sale to VK has sparked fears that Russian users could further lose access to the few remaining independent media that have not been banned or closed down since Russia invaded Ukraine.

The deal’s main terms were settled in April following a reported delay on orders from the Kremlin. Its financial terms have not been publicly disclosed.

Yandex said the deal with VK was subject to approval by Russia’s anti-monopoly watchdog within “the coming months.”

VK controls the Mail.ru email and news services, the VKontakte and Odnoklassniki social networks and other assets.

VK CEO Vladimir Kirienko is the son of Sergei Kirienko, the deputy head of President Vladimir Putin’s administration.

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