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Yandex NV Says Completed First Phase of Russian Divestment

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Construction of a new Yandex office in Moscow. **RBC / TASS**

The Dutch parent company of the Yandex Group announced Friday that it has completed the first phase of divesting from its Russia-based businesses.

Yandex N.V. said in February that it had agreed to sell its Russian assets to a consortium of Russian investors for 475 billion rubles ($5.2 billion) in cash and shares, ending more than two decades of Western investment in what for years was seen as the crown jewel of Russia's fast-growing tech industry.

The Kremlin, which imposed steep exit taxes on Western companies after the start of the full-scale invasion of Ukraine, said it welcomed that deal.

On Friday, Yandex N.V. said it was "pleased to announce that the initial closing of the transaction has occurred," adding that it sold about 68% of the assets.

The buyer is an investment fund called Consortium.First, which includes Russian companies

and investment funds that are not under Western sanctions. The ultimate beneficial owner of one of the funds is Russian energy multinational Lukoil.

Related article: Yandex NV Strikes $5.2Bln Deal With Russian Investors

Having carried out an earlier cash sale of a 3.7% stake, Yandex N.V. said it plans to sell the remaining 28% as part of the second phase, which is expected to take place in early July.

“Following the second closing, Yandex N.V. will have no interest in the Russian businesses,” it said. The Yandex group’s businesses in Russia make up 95% of total revenues.

The Dutch holding company retains a small segment of Yandex’s international-focused business lines, including AI cloud and data platforms, as well as self-driving car technology.

Four Russian board members resigned in the first phase of the sale, with the remaining members expected to propose their replacements.

Yandex N.V. added that it has applied to delist from the Moscow Exchange by July 10 and expressed hope Nasdaq would resume trading its shares, but it said it could “provide no assurance.”

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