

ANNUAL REPORT 2024



PRE-APPROVED

by the resolution of the Board of Directors of MTS PJSC
on May 22, 2025, Minutes № 385

APPROVED

by Annual General Meeting of Shareholders of MTS PJSC
on June 24, 2025, Minutes № 58

Disclaimer

This Annual Report has been prepared by MTS PJSC solely for information purposes and may contain statements based on projection data or forecasts. Such statements or forecasts relate to matters other than historical facts or statements, and reflect the Company's intentions, beliefs or current expectations concerning, inter alia, performance results, financial condition, liquidity, efficiency, prospects, growth rates, and strategies of the Company and the industry in which it operates. The nature of the statements based on projection data and forecasts implies risk and uncertainty, as they relate to events and depend on circumstances that may, or may not arise in the future. The Company cautions that statements based on projection data and forecasts do not guarantee future performance and that actual performance results, the financial condition and liquidity of the Company, as well as changes in the industry in which the Company operates may differ significantly from those stated or assumed in the statements based on projection data or forecasts contained in this Report. Factors that may lead

to material differences between the actual results and the assumptions contained in statements based on projection data or forecasts include general economic conditions prevailing in the markets in which the Company operates, competitive environment and risks associated with operating in such markets, market change in the industry and related industries, as well as other risks affecting the Company and its activities. Moreover, even if the Company's performance results, financial condition and liquidity and the changes taking place in the industry in which the Company operates match those set forth in the statements based on projection data or forecasts presented herein, those results or changes may not be illustrative of the results or changes in future periods. The Company does not undertake any obligation to review or confirm expectations or estimates, or update any statements based on projection data or forecasts to reflect the events or circumstances occurring or arising after the date of this Report.

INFORMATION ABOUT MTS¹

Mobile TeleSystems Public Joint Stock Company (MTS PJSC) is a leading company in Russia providing mobile and fixed-line telephony, data transfer and Internet access, cable and satellite TV broadcasting services; provider of digital services, including fintech and media within ecosystems and mobile apps; provider of IT solutions in the field of unified communications, the Internet of Things, monitoring, data processing, cloud computing, and cybersecurity. More than 88 million subscribers in Russia and Belarus use mobile communication services delivered by MTS Group. MTS holds a leading position in the Russian mobile business market by servicing the largest subscriber base accounting for 82 million users. MTS fixed-line services — telephony, Internet access and TV — cover more than 10.7 million subscribers, OTT and pay-TV services in various environments — more

than 15 million users, the total number of MTS ecosystem customers exceeds 17.5 million. The Company has a retail network of more than 4,200 stores in Russia. MTS shares are listed on the Moscow Stock Exchange under the code MTSS.

Company website: www.mts.ru.

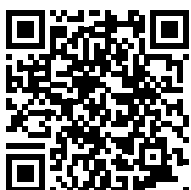


[Detailed information
about MTS](#)

¹ In this Annual Report, the terms “MTS PJSC”, “MTS” and the “Company” should be understood as Mobile TeleSystems Public Joint Stock Company, and the terms the “MTS Group”. “Group” should be understood as a group of companies consisting of MTS PJSC and its subsidiaries. The figures contained in this Annual Report are as of December 31, 2021, unless other periods or dates are expressly indicated.

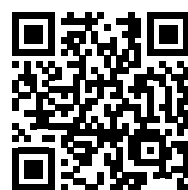
WHERE TO FIND THE ANNUAL REPORT

The Annual Report is available online (interactive version) and in PDF format.



[Annual Statements](#)

In addition, MTS publishes Sustainable Development Reports on an annual basis.



[Sustainability Report](#)

WELCOME TO THE 2024 MTS PJSC ANNUAL REPORT!

We would like to bring to your attention the Annual Report of MTS PJSC following the results of 2024.

Purpose of the 2024 Annual Report

The MTS Annual Report is a tool of our openness and transparency that allows making investors, shareholders, customers and other stakeholders aware of the important solutions and Company operation results. It is also one of our mechanisms for internal evaluation of effectiveness and efficiency of the management processes and product offers, which allows us to maintain a high level of resilience to the arising challenges, competitiveness and market leadership.

The Report provides consolidated information on the main results of the Company's business in accordance with its strategic goals and objectives for the short, medium and long run.

Key topics of the Report

As part of the Annual Report, we inform stakeholders about the status and prospects of our business. We strive to provide comprehensive and unbiased information about the Company, the environment where we operate, a general situation in the markets of our presence and the trends that we observe there. Our primary goal is to help shareholders understand the specifics of our business, our strategic priorities and demonstrate the results of yearly operations in the context of the strategy implementation. Thus, we contribute to correct assessment of the risks and benefits of investing in MTS and, as a result, to informed investment decisions made by the market participants.

In 2024, MTS embarked on an important transition to a new ecosystem business unit management system. If in previous years MTS actively increased the volume of business in ecosystem verticals and sought synergies between assets, by the end of the reporting year the Company had identified the main outlines of its structural divisions that would be formed as a result of the business transformation. In 2025, MTS will begin to identify separate business units and an organic growth strategy for the verticals in the medium term. The key topic of the report will be the results of work in 2024, as well as the Company's views on further development in the new format.

The Report has been prepared in accordance with the statutory requirements of the Russian Federation, as well as the regulatory requirements applicable to MTS:

- Federal Law dated December 26, 1995 No. 208-FZ "On Joint Stock Companies";
- Regulations of the Bank of Russia dated March 27, 2020 No. 714-P "On Information Disclosure by Issuers of Equity Securities";
- recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014.

In addition, when preparing the Annual Report, we were guided by international standards and best practices in the area of public annual reporting.

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ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear shareholders,

The key decision of 2024 for us was a fundamental change in the business configuration of the MTS Group — the transformation of existing business lines into separate legal entities. We have been moving towards it for several years, forming strong ecosystem businesses with powerful mutual synergies with our key telecommunications vertical. Our strategic approach to changing the corporate structure has the following objectives:

- improving the independence and operational efficiency of each vertical;
- increasing the transparency of activities and the possibility of an objective assessment of the results of each area of work;
- ensuring better control over the Group's investment and debt burden;
- diversification of methods and tools for raising external financing;
- uncovering the investment potential of the formed verticals to increase the total shareholder value of the Group.

At the moment, we have formed a set of business lines and assets that meet our expectations regarding scale, growth dynamics and market prospects, and emphasized the asset outlines of each of the business units: Telecom, Fintech, MTS Media, MTS AdTech, and MWS technology company. At the same time, we decided to abandon high-risk acquisitions and investment in areas that, given the current difficult market conditions, will not bring significant financial results in the near future. Thereby, we will fully focus on the strategic development of the selected verticals, in the short term considering new opportunities for their consolidation through new acquisitions. I am convinced that all of our business units will demonstrate long-term growth with an already established asset portfolio, even in the current environment. By the end of the year, our revenues are growing at double-digit rates, and we will continue to strive to improve the operational efficiency of all our businesses.

We are paying increased attention to debt servicing issues, and we have implemented measures that will ensure control of the debt burden, despite maintaining an unprecedentedly high key interest rate. The current ratio of net debt to OIBDA is stable throughout 2024, and will not grow — this is one of the priorities for MTS management. Last year, we fixed a dividend policy until the end of 2026, which assumes payments of at least 35 rubles per share. To this day, MTS remains a company whose goals include increasing shareholder value and strictly following its obligations to shareholders. I have no doubt that these values will remain in the future.

In recent years, when I was the head of the Company, we aimed to connect various ecosystem services with a single customer experience, make them convenient for customers, and involve all kinds of audiences in the MTS ecosystem. I can say that we have managed to achieve good results, and I wish my colleagues not to stop there. Over the past year, the number of our ecosystem customers has grown by 16%, to 17.5 million, and it will only grow in the future.

MTS confidently looks to the future with strong digital directions based on the telecommunications business, which is confirmed by decent results in key operational indicators. Telecom remains our main focus, but the key growth drivers are now non-telecom assets, which generate more than 40% of the group's revenue, which is the result of extensive and well-coordinated teamwork. Yes, we made mistakes, tried non-standard solutions, and did not always agree with each other, but I am convinced that the Company has chosen the right development vector.

I would like to conclude my message by thanking all MTS Group employees for their creativity, diligence, and commitment to achieving results, the management for their faith in visionary ideas, and numerous shareholders for their support even in the most difficult moments.

Yours sincerely,
Chairman of the Board of Directors of MTS

ADDRESS BY THE CEO

Dear friends and colleagues,

I am proud to note that by 2024, MTS has accumulated a sufficient margin of safety and has prepared for various turbulent scenarios. The ecosystem strategy we have chosen has allowed us to create strong verticals with significant prospects for further development, built around the traditional telecommunications business. Over the past few years, we have been living in a volatile external environment, subject to geopolitical and inflationary risks, and tightening monetary policy. Even in the most difficult times, MTS proves itself to be a responsible company, fulfilling its obligations to partners, customers, and shareholders. We continue to successfully bring new competitive innovative products to the market, improve the quality of communication and customer service, and we pay special attention to the security of our subscribers' data. MTS is now on the verge of major corporate transformations, which, I am sure, will take the Company to a new stage of development.

¹ 26.02.2025 a record was made about changing information about a legal entity in the Unified State Register of Legal Entities: Inesa Galaktionova — CEO of MTS PJSC.

Global telecommunications companies have been undergoing the test of time in recent years. Traditional communications services may continue to make up the bulk of telecommunications companies' revenues, but the sector's growth rate is expected to decrease in the next few years. At the same time, the global telecom faces large-scale challenges not only in maintaining existing infrastructure, but also in introducing new technologies such as 5G networks and the spread of AI, which requires significant investment. According to TMT Consulting's calculations, the Russian telecommunications market grew by 6.2% in 2024, to 2 trillion rubles, but the forecast by 2029 is expected to reduce the average annual growth rate to 4%. In recent years, the telecommunications sector has been developing even more slowly. To maintain the status quo, we need to increase the demand for telecom services in the digitalization industry. B2C penetration has almost reached the ceiling. In order to reverse this industry trend, we rely on services such as spam and fraud protection.

In addition, in the absence of prospects for intensive growth of traditional telecom, companies around the world are looking for new points to increase value and enter into fierce competition with companies outside telecom. In the face of an industry storm, MTS will remain on the crest of the wave, and current industry trends will be a powerful incentive to transform our management model. At the end of last year, we launched large-scale changes that will allow us to stand the test of time and remain the undisputed leader in high-tech industries.

Already this year, we have created the MTS Ecosystem group of companies, which will manage ecosystem verticals outside of telecom. We had to significantly adjust investment for 2025. Conservative cost management measures will allow us to free up additional cash flow and maintain a high level of dividend payments for investors in the coming years. MTS has always strived for transparency in its relations with investors and has always sought to meet expectations. I would like to focus on the baggage of assets with which we embarked on the transformation. By the end of 2024, MTS demonstrated a high double-digit revenue growth rate due to increased revenue from basic telecom services and fast-growing areas.

MTS AdTech is the fastest growing business in the ecosystem, which started with a single product and now represents a full-fledged advertising vertical. Over the past two years, MTS has expanded its perimeter by entering into partnerships in the field of data and active acquisitions: deals with Buzzoola, Segmento, GetBlogger. We have also built one of the leaders of the kick-sharing market, MTS Urent service, with the widest geographical presence among competitors.

In the reporting year, we improved our RnD competencies in kick-sharing by merging with Eleven, which in the future will allow us to localize the production of electric scooters in Russia and bring new models to the market.

MTS Media Holding has become one of the main drivers for replenishing the ecosystem base, which already has 17.5 million customers. In the past, we completed the consolidation of all media assets into a single business vertical, which included MTS Live, Kion, MTS Music, MTS Label and Stroki. This is our first vertical highlighted as part of the transformation. It involves close cooperation between services that are integrated into the media universe and enrich the entertainment sector of our customers every day.

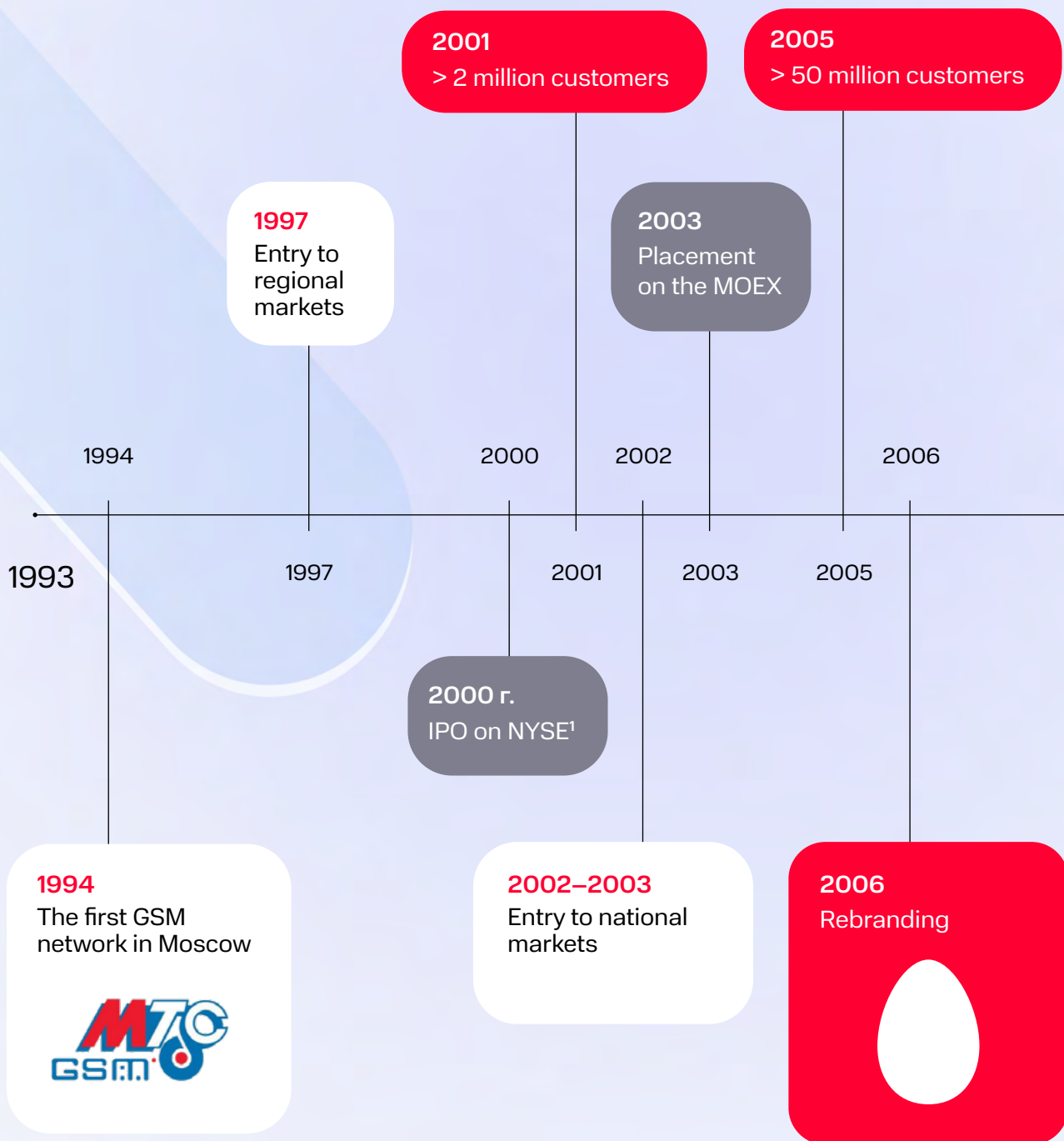
MTS Web Services is our new technology company that consolidates ecosystem assets in IT, AI, cloud and data, namely MTS Digital, MTS AI, MWS (formerly MTS Cloud), Big Data, as well as assets in the field of innovation and cybersecurity. MWS has one of the best expertise in the industry, high-quality business solutions, and intends to realize its ambitions in the future. After the creation of a new technology company, MWS solutions will become more replicated beyond the MTS perimeter. We see great growth prospects in terms of AI offerings. MTS has highly competitive products, in particular, the Kodify AI assistant, which helps programmers write code, fix bugs, and conduct auto-testing. With it, team productivity can increase by more than 50%. There is also the Cotype model, which speeds up text preparation and information analysis by creating chatbots and text services. MTS has extensive expertise in the field of platformization. The ecosystem is actively developing a single technology platform, The Platform, and now plans to bring its components to the foreign market: intelligent, technological, infrastructural, cloud and business platforms, as well as platforms for data analysis and storage.

And finally, Fintech. The stock exchange placement of our bank's shares last year was a record in terms of demand and the number of investor applications. The funds raised and the organic dynamic growth of the Fintech business will make it possible to implement an ambitious strategy.

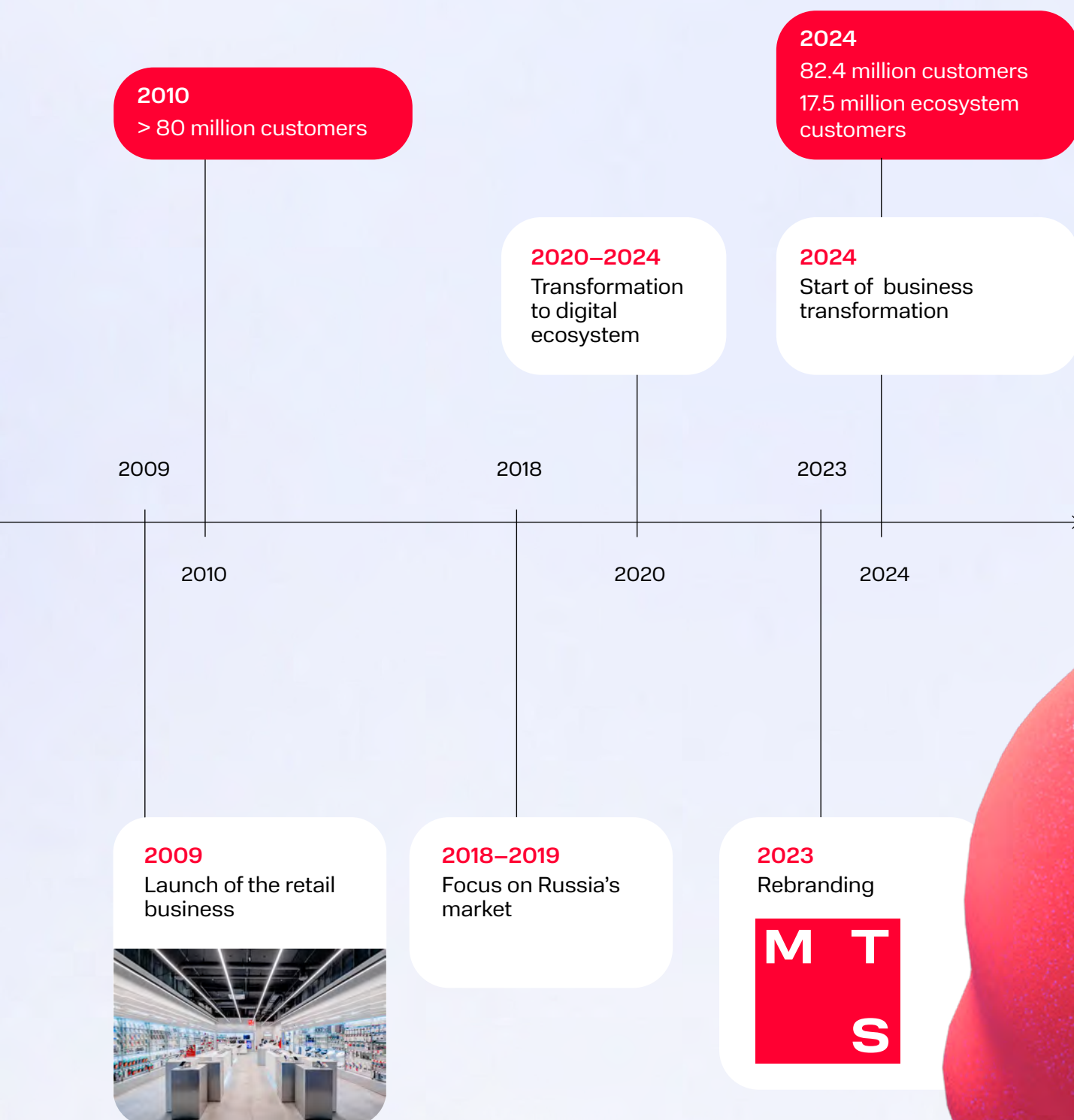
Together with you, we have gone through the process of establishing new business verticals. They have grown into mature independent businesses before our eyes, and some already occupy leading positions in their own niches. And this, of course, could not have been achieved without the trust of our partners, the enthusiasm of our employees, and their confident aspirations to change the familiar..

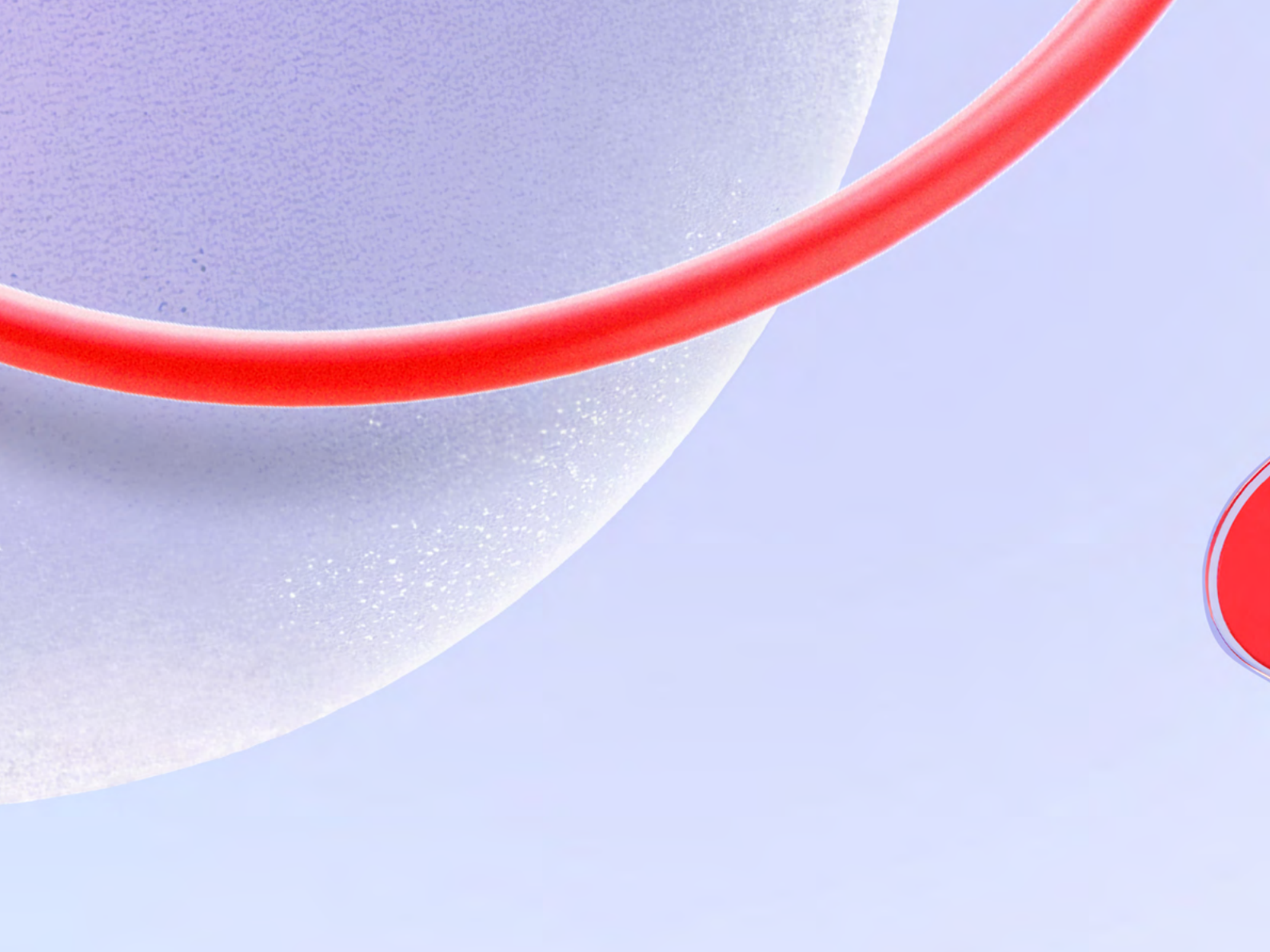
Yours sincerely,
CEO of MTS

OUR HISTORY



¹ Depositary receipts were delisted from the NYSE in 2022.





MTS ECOSYSTEM: VECTORS AND RESULTS OF DEVELOPMENT

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11

365

KION



MTS ECOSYSTEM IN 2024

184.3 BRUB

ecosystem revenue in 2024

+16%

increase in customers involved
in the ecosystem

17.5 million

ecosystem customers

+47%

growth in participants in the MTS Premium
customer loyalty program

TELECOM

MTS.RU

82.4 million — mobile subscriber base

No. 1 in terms of mobile business revenue and
the number of subscribers

No. 2 in the fixed-line market²

+20% — growth of convergent subscribers



MTS DEFENDER

+38% — user growth (MAU)



MTS LINK

Online communication
and collaboration services

+68% — user growth (MAU)

MTS RETAIL NETWORK

No. 1 among telecom retailers

+14.5% — revenue growth



MTS EXOLVE

Communication services
for business

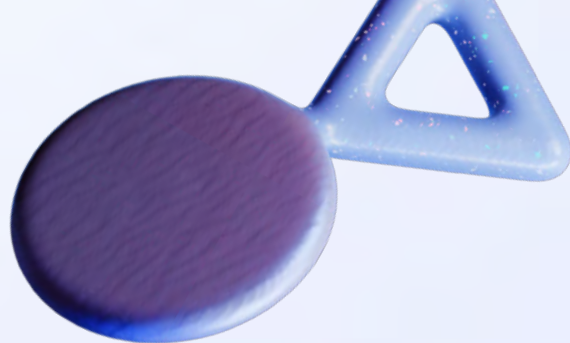
By 14 times — growth of registrations
on the platform

¹ According to ONSIDE analytical agency.

² According to TMT Consulting data.

[Omnichannel rating of retailers in 2024.](#)

Unless otherwise indicated, figures for 2024, base at the end of 2024, growth in 2024 against 2023.



MTS MEDIA HOLDING



A video streaming service
and entertainment content provide

0.3 million users

No. 5 by revenue in the Russian online cinema
market (reported by TMT consulting)

No. 5 among online cinemas by total
subscribers (according to GfK)

KIONFILM — production of original content



**MTS
MUSIC**

A streaming service for
listening to music

Is among the **top 3** streaming
services in Russia

+268% growth in MAU users
(4Q24 to 4Q23)

+103% growth in DAU users
(4Q24 to 4Q23)



**MTS
LABEL**

A full-service music company
responsible for working with artists
using the 360 mode

+67.5% — +increase in the catalog volume

894 million listeners, increase of 600%



Development of entertainment projects:
managing a network of concert venues
in Moscow and the regions, MTS Live,
Ticketland, and Ticketscloud ticket ser-
vices, producing concerts, exhibitions,
theater productions, and other proprie-
tary events

800 thousand visitors to their own events for
the year

Launch of the Theater on Tsvetnoy

Launch of the MTS Live Hall for 1,450 viewers
in Nizhny Novgorod



STROKI

A book service

250 thousand works in the catalog

Twofold growth of the active audience

FINTECH

MTSBANK.RU

127.9 BRUB — bank's income

3.5 million Bank customers

+20% — growth of the consumer loan portfolio

In 1.5 times — growth of individuals' current account volume



MTS INVESTMENTS

Financial services, investments,
trust management



MTS WEB SERVICES (MWS)

MWS.RU

No. 1 in providers' rating IaaS Enterprise 2024 (CNews)

No. 5 on the cloud infrastructure service market (IaaS+PaaS) (iksconsulting.ru)

> 5000 customers build business on CloudMTS solutions

+31% — revenue growth from cloud business in general

CDN (Content Delivery Network) — in-house quick content delivery network has been expanded **in 2.5 times**

MTS Cloud

MTS Digital

Big Data

AI



MTS URENT

URENT.RU

Electric scooter, bicycle and powerbank sharing service

7.6 million unique service users

No. 1 by trips in the Moscow region, integration with mos.ru in Moscow

187 locations — the geography of the service

150 thousand scooters — a fleet of scooters in Russia

ADTECH

Advertising technologies of MTS

2x

growth in multichannel revenue for key customers in Q4 2024

2x

growth in the number of registered and confirmed customers in Q4 2024

2x

growth in the number of unique contracts in Q4 2024

>470 thousand

advertising campaigns in Telegram Ads for the year

MTS MARKETER

A platform for self-launching targeted mailings and advertising in Telegram Ads based on MTS Big Data

MTS OMNICHANNEL

A service for mass mailing of messages on its own database for large and medium-sized businesses via SMS, push, e-mail, Viber, VK, Ok, chat center, chatbots

MTS ADS

A comprehensive platform solution for promoting large businesses

MEDIASCOU

A service for transmitting digital advertising data to Roskomnadzor in accordance with the requirements of Russian legislation

MARKETER PRO

A professional platform for agencies and advertisers

**MTS
BELARUS**



No. 1

in revenue and number of subscribers in Belarus

2024 HIGHLIGHTS

Record revenue and debt

By the end of 2024, MTS received about 704 BRUB in revenue, which is a record figure in the Company's 31-year history. MTS revenues are growing at double-digit rates mainly due to successful results in the B2B telecommunications business, MTS Fintech and MTS AdTech. High interest rates continue to put pressure on profit margins, but the Company's management is making every effort to offset the

negative effects. The Company maintains its debt burden at a stable level.

704 BRUB

MTS revenue by the end of 2024

Improving the efficiency

An important stage in the group's development was the decision to transform the corporate structure and optimize costs. According to the group's management, ecosystem businesses outside of telecom will focus on the MTS Ecosystem. Separating ecosystem businesses from telecom will create a

solid foundation for their further strategic development and improving the quality of corporate governance. Dedicated business verticals will become more independent, manageable, and focused on achieving specific results.

Share repurchase and dividends

MTS PJSC has launched tender offers for holders of the Company's ordinary shares. As part of the tender, MTS subsidiary Stream Digital LLC completed the purchase of more than 26.2 million shares in the summer of 2024, and another 1.60 million in the fall of the same year.

In April, MTS approved a new dividend policy for 2024–2026, according to which the target dividend yield is at least 35 rubles per share for each year.

35 rubles per share

is the target for the dividend yield for 2024–2026

Key M&A Deals

January

- MTS has closed a deal to sell 100% of shares of its subsidiary in Armenia, MTS Armenia CJSC.
- MTS became the main shareholder of the kick-sharing business Urentbike.ru (MTS Urent), having bought out the shares of the Company's founders.

November

- MTS acquired a controlling stake in the developer of video conferencing solutions Vinteo.

December

- MTS acquired the Getblogger platform to strengthen the advertising business
- MTS Urent acquired the Belarusian electric scooter development company Eleven

Innovation and Products

April

- **Urent 2.0.** MTS Urent presented its own electric scooter, which was developed in collaboration with Eleven. The model was named "Urent 2.0".
- **Trading Desk.** MTS has launched its own platform for purchasing ads in Telegram Ads. MTS' new Trading Desk is designed for professional traders. MTS has an exclusive contract with Telegram for targeted advertising in most categories.

May

- **DevX.** MTS has launched the DevX platform, an integrated development environment, the use of which will increase several times the speed of launching new products and services.

July

- **WordPulse.** MTS has launched a speech analytics service in all services of the ecosystem.

September

- **«Co-pilot».** MTS has introduced the "Co-pilot" function based on artificial intelligence (AI) in MTS Link online communication and collaboration services. The assistant can remind you of the results of past online meetings, find the necessary notes, compile summaries of information on a specific topic, and highlight key points of discussions in chat rooms.

November

- MTS summed up the results of the campaign to exchange minutes of conversations for bonus points for Urent scooter rides under Tariff 24. MTS subscribers exchanged more than 10 million minutes for bonus points and traveled more than 2 million km.

December

- **Membrana Kids.** MTS has launched a wide-scale digital safety space service for children, Membrana Kids. The service is able to protect children from harmful content in real time. The AI built into the solution analyzes every website visited by a child, determines whether it contains unacceptable or potentially dangerous information, and then blocks access to it, if necessary.
- **Domestic Base Stations.** MTS has announced the launch of domestic base stations. The equipment was developed and manufactured by IRTEYA LLC, a Russian telecom vendor. The architecture of the base stations is based on the concept of open standards Open RAN and the clustering of the radio subsystem, when part of the functionality of the base station is processed in data centers.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In January 2025, MTS launched the Membrana mobile application, which allows you to control the filtering of Internet traffic and incoming voice calls, as well as the premium rate for communication. The application provides high-quality protection of the subscriber's digital footprint through patented high-tech ad blocking tools, profiling and behavior tracking scripts, protection against spam, viruses and unauthorized invasions of privacy. Privacy is ensured simultaneously in two areas — protection of customer data and voice traffic.

In February 2025, the outlines of the new business units were formed and the Board of Directors approved the formation of verticals within the MTS Ecosystem, as well as the management bodies. Inesa Galaktionova was appointed CEO of MTS PISC, and Rovshan Aliyev became President of MTS Ecosystem.

MTS RATINGS

Credit Ratings

**RA Expert
Rating Agency**

ruAAA

In December 2024, the **Expert RA Rating Agency** confirmed MTS' credit rating at the ruAAA level. Expert RA identified several factors, based on which MTS retained its credit rating:

- High level of liquidity. Operating flow, together with cash and unused credit facilities, is sufficient to cover interest expenses, upcoming repayments, capital expenditures and dividend payments.
- High level of corporate governance. The Agency notes the high quality of the organization of risk management and strategic planning. MTS also has a high level of information transparency.

**ACRA
Rating Agency**

AAA(RU)

In December 2024, the **ACRA Rating Agency** confirmed MTS' credit rating at the AAA(RU) level. The Rating Agency has confirmed MTS' credit rating based on its strong business profile, wide geography of operations, and high-quality corporate governance system. The assessment of the financial risk profile also remains at a high level due to high profitability and liquidity indicators, as well as a low debt burden with an average debt service assessment.

**NCR
Rating Agency**

AAA.ru

In January 2025, the **NCR Rating Agency** (National Credit Ratings LLC) confirmed the credit rating of the company and its bond issues at AAA.ru (highest level of creditworthiness) with a stable outlook. When making the decision, the agency relied on several factors:

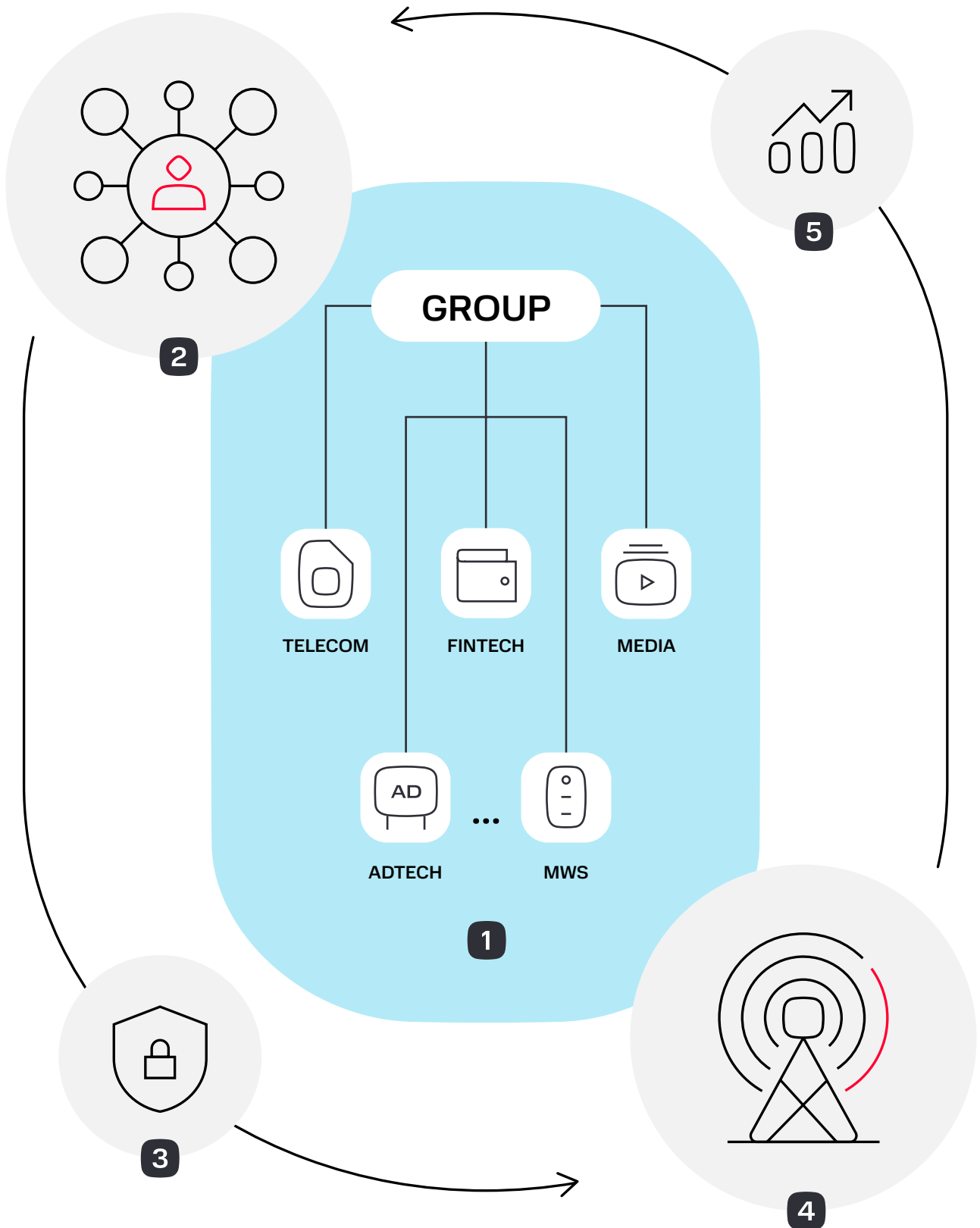
- Low systematic risk of MTS' business profile is due to the stability of the Company's key markets (provision of communication services) and moderate potential for their growth.
- The Company's markets in Russia are characterized by high geographical diversification and stable customer base: MTS services are used by a significant proportion of Russian households and enterprises from various sectors of the economy.

Assessment of the financial profile is supported by a moderate debt burden, sufficient margin of safety for debt servicing, high operating profitability, and sufficient liquidity.

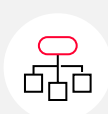
Sustainable Development Ratings

Assessed by	Rating date	Assessment tool and subject matter	Result	Reference
NCR	October 2024	ESG index of RBC	MTS was among the largest companies with a high level of introduction of ESG practices at year-end	https://ratings.ru/files/research/macro/NCR_ESG_Oct24.pdf
AK&M	October 2024	2024 Social Performance Rating of the largest Russian companies	MTS took third place in the social performance rating in the Information Technology category Ranked 3rd among the largest holdings	Social Performance Rating. (akmrating.ru)
AK&M	October 2024	2024 Rating of social responsibility	MTS took the second place in the ranking of social responsibility in the Information Technology category Ranked 11th among the largest holdings	Rating of social responsibility.
AK&M	December 2024	Rating of non-financial reporting of companies	AK&M Rating Agency confirmed the rating of non-financial reporting to MTS Group at — RESG 1, the highest level of information disclosure regarding sustainability in reports. The highest-level rating is assigned for the fourth year in a row. In accordance with the agency's methodology, MTS Group's reporting for 2023 received 95.6 points and was classified as the highest level.	ESG Reporting Rating
AK&M	October 2024	Carbon Footprint Rating	MTS ranked 3rd in the carbon footprint rating in Information Technology category Ranked 11th among the largest holdings	Carbon Footprint Rating
AK&M	March 2025	Sustainable Development Rating	AK&M Rating Agency confirmed MTS PJSC's highest sustainable development rating on the national scale "A++" — a fair state of sustainable development with a stable outlook	ESG Rating
Association of Grant-Providing Organizations "Donors Forum"	November 2024	Rating "Corporate Philanthropy Leaders"	MTS confirmed the highest A+ category of the socially responsible business rating	PROJECT-2024 — Activity — Donors Forum Association of Grant-giving Organizations
Forbes	November 2024	Rating of the best employers in Russia according to Forbes 2024	MTS is one of the two best employers in Russia according to Forbes. The company received platinum status in the categories "Ecology" and "Corporate Governance" and gold status in the category "Employees and Society"	Rating of the best employers — 2024 Forbes.ru
RA Expert Rating Agency	October 2024	ESG Transparency Ranking of Russian Companies and Banks	Ranked 37th (1.64)	raexpert.ru/rankingtable/esg/2024/tab1/
National Rating Agency	November 2024	Ranking of the consumer and non-financial services sectors	Ranked 18th	rjenking_esg_potrebitelскоgo_sektora_2024.pdf

BUSINESS MODEL



- 1 **The allocation and ipo of large business lines as part of the transformation strategy into the group ensures an increase in their value and the entire group as a whole¹**
 - quality growth and flexibility of management through the autonomy of business lines while maintaining interaction within the Group
 - raising of external capital in business areas (strategic investors, IPO)
 - capital redistribution between business areas, including for M&A
- 2 **Investment in development² of ecosystem infrastructure and product portfolio**
 - development of ecosystem modules, mechanics, general competencies and technologies (for example, Big Data), as well as digital products (its own and partners'), it pays off through various ecosystem effects
- 3 **The ecosystem provides a strategic reduction in the cost of protection for the telecom business¹**
 - the outflow of multi-product ecosystem customers is significantly lower
- 4 **Financial efficiency and new growth points¹ in the core telecom business**
 - The high-margin but stagnating telecom business still has potential for growth, for example, in the B2B segment
- 5 **Implementation of the CLV 2.0 ecosystem strategy creates a new revenue¹**
 - ecosystem customers consume several services, while their pre-sale is quite effective, since we rely primarily on a large telecom base



Key elements of MTS business model complement each other, creating a cumulative effect of the group's value growth

¹ Red color

key points of the business model when group's value growth.

² Blue color

key points of the business model when group's value spend.

STRATEGY

The title of strategy — Customer Lifetime Value 2.0 (CLV 2.0) — means that we strive to maximize the time during which the customer uses our services by increasing his/her emotional commitment to our brand, as well as his/her satisfaction and loyalty through offering him/her a personalized seamless customer experience across a wide range of digital products. In this way, we strive to maximize the value that we broadcast to the customer, while simultaneously maximizing the value that we receive from them.

The main areas of our activity, which we perceive as "tools" for increasing shareholder value, are: building an ecosystem of digital products, transforming into a Group with the imple-

mentation of the "sum of the parts" principle, and achieving excellence in digital technologies and competencies.

Building an ecosystem of digital products

This is the key format of our market offer in the B2C segment. We are confident that our strong brand and deep customer knowledge, supported by advanced analytical tools (based on BigData and using AI technologies), will allow us to provide our customers with a seamless, deeply customized and personalized digital experience within the framework of the multi-product consumption of our and partner services. We clearly see that the customers, who use several our services, generate greater value and demonstrate higher levels of brand loyalty and satisfaction with services.

We will continue to build a portfolio of digital products based on our own developments, as well as complementing it with partner products. We now see with even greater clarity the fundamental role of partnerships in the development

of our ecosystem. Partnerships will allow us to bring more value to the lives of our customers, directly or indirectly providing them with a convenient customer experience in various fields. The main priority of our work with partners is to expand the possibilities of partner programs and create a value proposition that will allow us to become the best possible choice for our potential partners.

Our key priorities in terms of ecosystem development over the next few years are: increasing the ecosystem customer base, developing high-quality digital products and expanding the pool of partner companies. We focus on developing innovative products in existing and promising business areas through our own R&D, partnerships and M&A transactions.

Transforming into the Group with implementation of the sum of the parts principle

Some of our business areas have reached such a scale and level of maturity that they have the opportunity to become a driver of increasing the fundamental value of MTS Group. Therefore, we launched the process of gradual spin-off of such areas into separate companies that in the future could raise external funding and become full-fledged financial market entities with significant value for the investment community in the long run. In terms of investor perception, we are striving to move away from the image of MTS as a single and indivisible entity to the image of the Group as "a sum of the parts", where each part is valued fairly in accordance with

the results of its activities and by the multipliers accepted by the market for each specific business area.

We are confident that this approach will ensure capitalization growth for the Group as a whole, and for individual business lines, high motivation for their teams, will allow them to set up internal business processes in an optimal way, in accordance with the specifics of each business, and will also expand the possibilities of raising additional financial resources.

In December 2024, MTS announced the transformation of MTS PJSC into a holding company with the separation of the Company's business verticals into individual legal entities: Fintech, Media Holding, MTS AdTech, Urent, and MWS, where we plan to bring together all our IT-related competencies, including BigData and AI, to offer the market. The creation of separate legal structures will ensure transparency of the Group's activities, faster decision-making in individual businesses, and even clearer investment focus in an environment of increased key interest rates.

The telecommunications business will be concentrated in MTS PJSC. Non-telecom businesses are structured into

separate companies under the management of a new legal entity, MTS Ecosystem. Legally, MTS Ecosystem is a 100% subsidiary of MTS PJSC, but it will have greater independence in its activities.

It is important to say that we will remain a Group and continue to maintain and develop ecosystem links between individual areas. All of the above will be supported by clear and detailed agreements on interaction between the companies included in the Group. We also intend to ensure efficient corporate governance across all businesses of MTS Group following the uniform standards consistent with the best global practices.

Implementation of the Strategy in 2024

Digital Communications AWARDS-2024

In 2024, MTS received seven awards from the Digital Communications AWARDS-2024, established by the Association of Directors of Communications and Corporate Media of Russia (ACMR)

Innovation of the Year

MTS's DataOps Platform was recognized as the best platform for working with BigData by CNews in the Innovation of the Year nomination

TOP 5

MTS entered the top 5 of the TAdviser100: Largest Russian IT companies rating

The leader of the Russian Telecom API market

MTS Exolve is recognized as the leader of the Russian Telecom API market according to TMT Consulting

The leader of B2B Telecom

MTS has become the leader of B2B telecom in the IoT and Private LTE segments, according to the assessment of the analytical agency ONSIDE

TOP 3

MTS is in the top 3 in the ranking of the largest companies in the field of information and communication technologies according to the RAEX agency and in the CNews 300: Largest Russian IT companies rating

Achieving excellence in digital technology and competencies

It is a continuous process of introducing advanced technological competencies, tools and solutions into the Company's business processes and products. We are focused on developing and enhancing cutting-edge digital platforms that provide flexibility and high speed of development and launch of a wide range of internal and external products.

In order to improve the overall cost efficiency and reduce T2M, we are committed to using AI tools across all platforms, products and business processes. We are developing digital sales and communication channels (both external and internal), creating a digital corporate culture and digital consciousness among our personnel. We strive to shape the Company's technological image in the external and internal environment.

An important external context for our priority on developing digital competencies is the active growth in demand for digital services in the B2B/B2B2X markets. Recently, the

source of this growth is the companies' common commitment to technological transformation supported by the pandemic effect, the reduced offer of such services in Russia due to the fact that global players left the market, as well as development of AI technologies. We think that this market is a critical source of growth for digital service providers and its importance will only increase in the future.

We are confident that our IT and other digital technology competencies, which will be concentrated at MWS, will benefit our customers and partners, and we will be able to successfully monetize them in the market.

Ecosystem and digital competences

By the end of the year, MTS demonstrates stable performance in an ever-changing external environment. The number of ecosystem customers increased to 17.5 million, and ecosystem revenue increased by 22% in Q4 2024 year-on-year. The number of customers using four or more ecosystem products increased by 19%. Our MTS Premium ecosystem subscription has demonstrated a 47% increase in the number of participants and 1.6 times the involvement of participants in non-telecom products. MTS PJSC's non-telecom lines already account for almost half (45%) of the Group's revenue and are growing 4 times faster than the underlying telecom business. These indicators demonstrate the successful implementation of our ecosystem strategy aimed at synergy between the various business lines of the MTS Group.

As part of the retail network development, we opened the first ecosystem supermarket of a new format in Moscow with a focus on the Company's digital solutions. In the store, customers will not only be able to purchase the latest technological innovations, but also get to know more about the digital services of the MTS ecosystem.

In 2024, we launched MTS ID solutions, which made authorization on our partners' websites and applications much easier for the end user due to seamless authentication. Previously, MTS ID was integrated only into ecosystem products and successfully passed all testing stages.

19%

an increase in the number of customers using four or more ecosystem products

45%

of revenue is accounted for by non-telecom branches of MTS PJSC

The capabilities of Big Data play an important role in ensuring synergies within the MTS ecosystem. For example, in 2024, MTS BigData developed a new solution to combat telephone fraud, which allows banks to assess the likelihood of suspicious actions against their customers in real time and receive notifications. Using the MTS service, the accuracy of detecting fraudulent activities increased by 45%. One of the largest banks has already implemented the new technology.

The MTS ecosystem has successfully developed its digital competencies. In particular, the Company announced the launch of the DevX platform, an integrated development environment, the use of which will increase the speed

of launching new products and services several times. The potential economic effect of the implementation of the platform in the next five years is expected to amount to more than 6 BRUB. We have also implemented the WordPulse speech analytics tool developed by MTS AI in a number of services. Every day, neural networks will check hundreds of thousands of customer requests by phone or in chat rooms, as well as study feedback in messengers and social net-

works regarding issues related to communications, the KION online cinema, MTS Bank, and other products.

45%

an increase in the accuracy of detecting fraudulent actions by the MTS service

Telecom

Our core telecom business shows steady growth of 7% year-on-year in communication services, and also demonstrates synergy with ecosystem areas.

In March, we launched a new telecom platform that provides companies in our ecosystem with the ability to manage resources and services in the telecom industry. It will replace the Foris billing system, which the Company has been using for more than 20 years. During the year, 30% of subscribers were transferred to the new platform, and in the next three years, all MTS subscribers will switch to the Telecom Platform.

The Company has implemented nationwide a new automated system for monitoring the quality of transport, switching and cloud networks — Network Performance Monitoring (NPM) of its own design, and has also deployed high-quality voice transmission technology VoLTE (Voice over LTE) throughout the network. We have also put into trial operation on our existing network in 37 regions of Russia 200 domestic LTE base stations manufactured by IRTEYA, a Russian telecom vendor.

MTS launched the antispam Defender AI application, which makes it possible to identify who is calling the user, even if the phone number is not registered in the phone book, and also promptly report spam calls and prevent leak of personal data. The application, which is available to subscribers of

any Russian mobile operators, is already used by 18.3 million subscribers.

We are the first among Russian operators to launch the function of calls via Yandex Station together with Yandex. With it, MTS subscribers can make calls from smart speakers to any operator's numbers at their current rate and receive calls.

MTS has introduced an artificial intelligence-based "digital assistant" function in MTS Link online communication and collaboration services: the assistant can recall the results of past online meetings, find the necessary notes, compile summaries of information on a specific topic, and highlight key points of discussions in chat rooms.

7%

is the growth of the telecom business from MTS communications services

18.3 million

subscribers use the Defender AI application

Fintech

As part of the MTS Group's value disclosure strategy for shareholders, we conducted MTS Bank's IPO, which was successful based on the volume of demand and the number of investor applications. The market capitalization of MTS Bank, including shares issued as part of the IPO, at the time of the start of trading amounted to about 86.6 BRUB, and investor demand was approximately 15 times higher than the IPO volume at the upper limit of the price range.

MTS Bank's revenue in 2024 increased by 41%, and the retail loan portfolio grew by 14% in Q4 2024.

We continued to effectively expand the capabilities of our fintech products for ecosystem users and other customers. In April, the MTS Pay contactless payment service from bank cards became available to owners of smartphones running on the Android operating system. MTS introduced the Flex ecosystem service for paying for purchases without com-

mission and overpayments in equal payments from Russian bank cards. It is also possible to pay for goods and services at retail outlets and online stores using a QR code from a subscriber's personal account or a card of any Russian bank using the My MTS application on Android.

86.6 BRUB

The market capitalization of MTS Bank within the framework of the IPO amounted to 86.6 BRUB

14%

growth of MTS Bank's retail loan portfolio

MTS Media Holding

In May 2024, MTS completed the consolidation of the KION online cinema, the Stroki book service, MTS Music streaming, and MTS Live and MTS Label areas into a single vertical — MTS Media holding. In 2024, all businesses demonstrated dynamic growth in key indicators.

10.3 million

KION users

30

new original projects released by KION

894 million

listenings of the MTS Label catalog in 2024. 600% increase compared to 2023

46%

share of MTS Premium subscribers among KION viewers

33.4 billion

MTS Live's GMV increased by 33%, year-on-year

24.32%

an increase in the number of original projects of the Stroki service, year-on-year

3.8x

growth of the MAU of MTS Music

AdTech

By the end of 2024, the revenue of the MTS advertising vertical increased by 58% compared to the same period of the previous year and exceeded 58.7 BRUB.

In April, MTS launched its own next-generation platform for agencies and major businesses to purchase ads in Telegram Ads. A technology partnership agreement was also signed, under which MTS AdTech customers will be able to launch advertising campaigns on Avito.

58%

an increase in the MTS advertising vertical revenue

2x

growth of registered and confirmed customers

2x

growth of unique contracts

MTS Web Services (MWS)

During the year, MWS launched a number of new services and areas, including Russia's first cloud-based robotics platform, RPA CloudMTS (which accelerates routine workflows by 10–20 times), a virtual infrastructure based on Russian software, an AI cloud, and more than 30 new Enterprise-level cloud products.

31%

increase in cloud business revenue

MTS Urent

MTS Urent's business has been actively developing and demonstrating synergy with the MTS ecosystem. Thanks to the integration of MTS Urent with MTS ID and MTS Pay services, MTS users have the opportunity to seamlessly log into the application, quickly start and pay for trips using cashback points — as part of the 24 Tariff, MTS subscribers have already exchanged more than 10 million minutes for bonus points and traveled more than 2 million kilometers, and the My MTS application has also made available rent of powerbanks from MTS Urent. In total, over the year, unique users of our kick-sharing service made > 100 million trips, an increase of over 52%.

>100 million trips

were made by unique users of our kick-sharing service

52%

increase in the number of trips

MTS BRAND



The growing knowledge that MTS provides an ecosystem of digital services

In 2024, customer knowledge of the MTS digital services ecosystem increased. This is an important criterion that affects the recognition and willingness to use MTS ecosystem services.

Spontaneous market knowledge:

22%

call MTS an ecosystem

an increase of 10% points year on year

Spontaneous knowledge among customers:

30%

call MTS an ecosystem

an increase of 12% points year on year

People changing the familiar



For the first time, MTS formulated the value proposition of the employer's brand. The new EVP helps MTS stand out from competitors in the labor market by attracting talented specialists.

Our EVP — People changing the familiar It is supported by 4 advantages that are important to external applicants when choosing an employer, and is also noted as a strong point by a large number of employees and top management:

- Work on interesting tasks that develop you, the Company, and the world.
- A creative environment for enthusiastic teams.
- We welcome new ideas and appreciate everyone's contribution;
- We make sure that you feel good at work and in life.

Positive impact of the MTS brand on Urent



In 2024, the Urent kick-sharing service joined the MTS ecosystem. The name was changed and the brand identity was updated, now the service is called MTS Urent. During the 2024 season, spontaneous knowledge about the service increased by 12 percentage points year on year. 72% of Urent users are aware that the service now belongs to MTS. Of these, 40% improved their opinion of the service after the rebranding.

40%

of Urent users improved their opinion of the service after the rebranding

Perception of communication

MTS continues to lead in brand communication perception: we are the first in terms of advertising knowledge and the "I like its ads" indicator among direct competitors in the telecom category, as well as among ecosystem competitors. In telecom, we continue to maintain leadership in terms of "using the latest technologies", "setting trends in the market", "constantly evolving", "the operator takes care of my safety", "the operator offers additional services".

In continuation of the "Customer Lifetime Value 2.0" strategy, we are launching projects that visually combine different services in a single customer path and demonstrate a convenient experience of interacting with MTS products. In 2024, an advertising project was launched in support of the ecosystem's entertainment services, the Universe of the Master and Margarita. The campaign was built around the film of the same name, which was released exclusively in the online cinema KION. Other MTS content services have provided their own exclusive experience, immersing users in the atmosphere of the film and creating an integrated experience of exclusive content from MTS. For example, in the hotel on Patriarch's Ponds, with the participation of MTS Travel, a real Bad apartment was created in a design inspired by the aesthetics of the film. We have integrated mystical activities into the apartment. In MTS Music, you could listen to playlists inspired by the characters in the movie. MTS Live provided tickets for the performances of "The Master and Margarita" from various theaters of the country with a profitable cashback. In the Stroki book service, the user could listen to an audio novel in voiceover by Leonid Yarmolnik, who played one of the roles in the film.

In addition to ecosystem solutions, MTS' telecom business also continues to develop. In the Q4 2024, we introduced an innovative technology — VoiceTech and announced a new positioning of the telecom brand. MTS has announced a new generation of communication to the market, which changes the daily experience of communication, fills life with energy and helps to look at the world positively. The high-profile announcement about brand renewal and the introduction of

artificial intelligence-based technologies was accompanied by the launch of a large-scale advertising campaign, which helped consolidate MTS' perception as a technological and innovative leader in the telecom market.



PRODUCT TRANSFORMATION OVERVIEW

TELECOM

Mass Market

In 2024, we actively developed and marketed favorable tariffs, in which each customer could choose the optimal set of both standard telecom services and choose from a wide range of ecosystem digital products.

Cubes

In February, MTS launched CUBES, a constructor that will allow you to customize any MTS tariff according to your personal needs so that you can use the connection as comfortably and profitably as possible.

CUBES has collected the most useful services and options for personal tariff settings according to personal preferences. Each CUBE expands the possibilities of the tariff. For example, you can:

- increase the number of minutes included in the tariff;
- get unlimited internet access to selected areas;
- enjoy special privileges, and more.

Launching a youth tariff in partnership with Urent

In June, MTS introduced a unique youth tariff 24, which includes the MTS Music streaming service and offers new opportunities for active urban life: exchanging minutes of conversations for bonus points for trips on Urent scooters, fireproof gigabytes and unlimited connection to popular messengers and social networks.

One of the main advantages of the 24 Tariff is the exchange of unused call time for bonus points from the Urent electric scooter and bicycle rental service, which is part of the MTS ecosystem. Minutes for trips can be exchanged in the My MTS application or in your Personal Account by clicking on the Urent advertising banner.

Another feature of the new tariff is the ability to connect unlimited traffic to use any of the following services separately: VKontakte, Odnoklassniki, Rutube, YouTube, Telegram, Viber, Whatsapp, Discord, Snapchat, TikTok, Twitch, and Skype.

Comprehensive bundle of communication + smartphone

MTS goes on developing the area of operator mechanics with the leading vendors of subscriber equipment of the sector. The following offers are available to consumers:

- when purchasing the "smartphone with MTS SIM card" kit, you will receive a discount on your smartphone;
- when buying a subscription for communication complete with a smartphone, a smartphone discount is provided;
- when buying a smartphone from a certain vendor you receive communication services and accessories for a set amount of money as a gift;
- when buying a set, a tablet or router with a SIM card — 3 months of communication as a gift;
- partnership programs. When fulfilling the conditions of the promotion (for example, when buying a promotional product or when reaching a certain amount of the bill) and concluding a subscription agreement with MTS, the consumer received a unique promo code to activate a Premium subscription with a promotional period.

Reloading roaming options

Before the holiday season, MTS updated its products for international travel. The new "Abroad" option allows you to stay in touch even on vacation. In dozens of countries, this service provides unlimited Internet access and a package of minutes for receiving incoming calls to Russia until the end of the day. The fee for the option is daily, but it is charged only on the day of use.

Innovative VoiceTech technology

In 2024, MTS was recognized as No. 1 in digital subscriber security among the largest Russian ecosystems and telecom operators, according to a study by J'son & Partners Consulting. Since the beginning of the year, Defender has blocked 3.3 billion unwanted calls, and the MTS Secretary has received 250 million missed calls. There will be even more AI-based services in the future. MTS subscribers can already expand their capabilities with MTS VoiceTech.

Defender + contains three security services in one service:

- Defender will answer unwanted calls for you.
- "Safe call" will warn you about a conversation with a possible fraudster.
- "Insurance" against fraudsters up to 1.5 MRUB.

The MTS Secretary will answer if you declined the call or do not answer, introduce you by name and find out the details of the call, send a transcript in SMS, and a recording of the call in Telegram.

MTS is No. 1

in digital subscriber security among the largest Russian ecosystems and telecom operators, according to a study by J'son & Partners Consulting

Telecom. 2025 — focus on the security and privacy of MTS subscribers on the network

MTS Defender

Platform for comprehensive protection against spam and data leaks

18.3 million

MAU in 2024 (+38% YoY)

3.3 billion

blocked calls in 2024
(+50% YoY)

Membrana

An innovative solution to protect communication and privacy on the network

- Tariff integration with the application — a single control interface without additional charges
- Blocking threats, trackers and advertising
- Control of personal data leaks
- Control of incoming calls through an AI secretary
- The ability to use additional numbers

Safe call

AI assistant to control incoming calls

- Automatic call processing: target identification, recording details, subscriber notification
- Spam call filtering and robots

MTS Secretary

AI analytics for fraud prevention

- Voice warnings about potential fraudulent activities real-time
- Data analysis based on MTS BigData

VOICETECH

New service management platform

MTS launched a new telecom platform that provides companies in the ecosystem with the ability to manage resources and services in the telecom industry. It will replace the Foris billing system, which the company has been using for more than 20 years. During the year, 30% of subscribers will be transferred to the new platform, and in the next three years, all MTS subscribers will switch to the Telecom Platform.

The Telecom Platform allows you to create new opportunities for ecosystem development, launch personalized offers for customers, and offer ecosystem products to existing Telecom customers without having to switch to new tariffs. The platform also provides reliability and reduces the time to create and bring new products to market by up to 75% by 2025. Due to the reuse of implemented features, optimization of labor costs for new products can be up to 40%.

Launching secure communication — Membrana

At the end of the year, we have launched a mobile application, which allows you to control the filtering of Internet traffic and incoming voice calls, as well as the premium rate for communication. Membrana is a product developed by the MTS Future Crew Innovation Center. The application provides high-quality protection of the subscriber's digital footprint through patented high-tech ad blocking tools, profiling and behavior tracking scripts, protection against spam, viruses and unauthorized interference with the private life. Privacy is ensured simultaneously in two areas — protection of customer data and voice traffic.

The application uses its own unique algorithm to identify suspicious and malicious websites. Advertising is blocked in any form — images, videos and texts, so that the user can view website pages and video content without pop-up ads. In the Membrana application, you can view statistics on blocked threats and saved gigabytes of Internet traffic and time at any time. Unlike other offers on the market, the content filtering in Membrana is implemented not on the device, but on the network of the telecom operator, due to which it works much faster and does not discharge the smartphone battery. Membrana filters Internet traffic according to blacklists of web addresses. At the moment, there are about 500 thousand resources in the black list of Membrana, and their list is constantly expanding.

Membrana also provides protection for users during voice communications: the customer can select those contacts with whom he wants to communicate personally and define policies for all others. Incoming messages can be sent to an AI secretary who is able to maintain a conversation and make decisions on his own. The AI secretary knows how to prioritize calls — determines the caller, the subject of the call. If the call is critical, the secretary will transfer it to the customer, according to the settings of the profile and contact groups. While the product is available for connection in Moscow and the Moscow region, it is planned to expand the geography of users later.

Launching secure communication for the most important — Membrana Kids

Future Crew innovation center has launched a wide-scale digital safety space service for children, Membrana Kids. The solution has been tested and is now available to MTS subscribers in all regions of the digital ecosystem.

The Membrana Kids service is able to protect children from harmful content in real time. AI in-built in the solution analyzes every website visited by a child, determines whether it contains unacceptable or potentially dangerous information, and then blocks access to it, if necessary. Each website analyzed by AI receives one of the access categories ("safe", "dangerous" or "forever forbidden"), and then gets into the Future Crew database. This approach speeds up the subsequent analysis of content on the web and makes Membrana Kids even more effective, allowing it to fight even mirrors of malicious sites. The ML model developed by Future Crew specialists is responsible for the analysis and categorization of websites.

Parents who have connected their children to Membrana Kids also have the opportunity to see the top sites that the child visits every week. This will help parents keep abreast of their children's interests and experiences. In addition, Membrana Kids also contains a number of features that protect children from various threats and offline. For example, the Smart Filtering function analyzes calls to a child's device, checks phone numbers against a database of spam and scammers, and blocks it if the call is suspicious. The "trusted list" function allows parents to determine a list of phone numbers from which the child can receive incoming calls: for example, the numbers of his grandmother, mother, and brother. All other incoming messages will be blocked.

Retail Distribution

The MTS retail chain remains the main channel for attracting MTS subscribers. More than 40% of SIM card sales are carried out through MTS retail outlets. MTS own retail chain demonstrates high rates in the number and quality of SIM card activations.

At MTS offices, subscribers receive a full range of services provided by the operator, including the services of broad-

band access to the Internet and TV. Being points of contact with the MTS ecosystem, MTS retail outlets allow increasing cross-sales. Any new service released by the Company automatically becomes available for sale in the retail chain office.

Our own sales channel enables us to more efficiently manage the number and quality of activations, as well as to maintain our level of service.

Network Development

MTS continues to develop and upgrade the network to ensure a consistent level of coverage and a high quality of mobile Internet. In 2024, more than 17000 4G BSs were commissioned, +13% of the network. The main increase occurred in large regions of Russia: Krasnodar Territory and Moscow are in the lead. In St. Petersburg, the 2,100 MHz frequency spectrum has been fully converted to LTE technology.

In order to maintain and expand the network quality, MTS is increasing the number of regions, in which it is redistributing the frequency spectrum to LTE technology (60 regions by the end of 2024).

Projects

Bridging the Digital Gap Project 2.0

As a result of the implementation of the 1st stage of the project, mobile communication shall become available in 4.7 thousand small settlements with a population ranging from 100 to 500 inhabitants. In 2024, 2.2 thousand sites were launched in 72 regions of the RF. By the end of 2025, it is scheduled to implement 1.1 thousand sites more. The project will include 78 regions of the RF as its participants. In 2024, 16.7 thousand new customers were connected to the MTS network in the project locations and the quality of communication services was improved for 65 relevant MTS subscribers.

Refarming of the 900 MHz band in cities

MTS continues to expand coverage inside buildings by upgrading the 900 MHz LTE spectrum. Thanks to this refarming, in 2024 it was possible to improve the quality of communication inside buildings for 4.6 million people.

UMTS switch off

In 2024, 3.7 thousand BS were disconnected from outdated 3G technology (5% of the total number of MTS sites). 3G was completely switched off in St. Petersburg and Leningrad region, and a pilot was conducted in the Yaroslavl region in the city of Uglich.

FHW coverage

In 2024, MTS completed comprehensive work to expand LTE mobile coverage along the M3, M3, M4, M11 and M12 federal highways (Moscow-Kazan section).

Fixed-Line Business

B2C fixed-line business

The share of Internet BBA penetration into the telecom market in 2024 reached 56% (in 2023—54%) on average in the RF¹. In 2024, the subscriber base growth rate in the market was 1.9% (in 2023—1.4%): the main increase in physical terms was provided by the B2C segment, which accounts for almost 96% of the BBA subscriber base in the RF. The increase in the number of users is associated with the commissioning of new residential buildings, the expansion of operator networks in the suburbs of cities and the private sector. Despite the general decline in the population, there is a continuing trend towards an increase in the number of households due to a decrease in their size (an increase in the number of households consisting of one and two people), which also affects the growth of the market in physical terms.

Herewith, the fixed-line BBA market in the country remains saturated; further growth of users can be achieved due to cities (penetration of more than 70–80%), as well as coverage of the private sector in the city suburbs. In 2024, the trend towards expanding the geography of BBA providers using the FVNO model based on the networks of partner operators in the regions continued. MTS has significantly expanded its presence (plus 9 cities).

Based on the 2024 results, ARPU increased by 13.8 rubles and amounted to 391 rubles (as compared to RUB 378 in 2023). Western sanctions, inflation, and an increase in the cost of equipment and contractor services continue to affect the market and lead to an increase in the cost of services. In addition to the need to modernize equipment, expand network capacity and improve the quality of services, changes in tax legislation will be one of the additional burden factors.

For the second year in a row, the Russian pay-TV market has been under pressure from OTT video services caused by the proliferation of online cinemas and the expansion of the fleet of smart TVs. The penetration of the service has been maintained at 70% for the past two years. By the end of 2024, ARPU increased to 195 rubles (compared to 191 rubles in 2023). The market volume returned to positive dynamics, reaching 108.4 BRUB (an increase of 1.9% compared to 2023). The main reason for the growth was the numerous marketing promotions associated with a decrease in the outflow of users during the period of forced interruptions with broadcasts.

Despite multidirectional trends in the fixed-line business market in 2024, MTS continues to maintain a leading position in terms of growth rates. The combined base of broadband Internet subscribers and pay-TV subscribers is growing by 5% compared to 2023. In 2024, fixed-line business revenue also goes on growing steadily by 6%. Given the saturation of the broadband Internet market, as well as the slowing pay-TV market, MTS ensures growth by leading² the number of subscribers — individuals using converged tariff plans (an increase in the share by 5 percentage points during 2024). At the same time, the trend towards migration of users to higher home BBA connection speeds (including the speed of 1 Gbps) impacts MTS base and revenue³ indicators positively.

6%

an increase in the fixed-line business revenue in 2024

5%

an increase in the total base of BBA and pay-TV subscribers in 2024 (compared to 2023)

Fixed-line network

In 2024, MTS continued to implement a program of upgrade and construction of fixed-line networks. The share of the 1Gb network in Russia increased by 6% and amounted to 67% of the total fixed-line network coverage.

In addition to its own construction of fixed-line networks, MTS continues to expand coverage under the FVNO (Fixed Virtual Network Operator) model with federal partners Rostelecom, Vimpelcom, TTK, as well as with local operators. According to this scheme, MTS launched a broadband network in the cities of Saint Petersburg, Samara, Togliatti, Orenburg, Novotroitsk, Orsk, Yoshkar-Ola, Arkhangelsk, and Cherepovets. The increase in coverage amounted to more than 1 million households. It is planned to launch projects in the cities of Voronezh, Volgograd, as well as in the Republic of Bashkortostan and other regions of the Russian Federation.

¹ In early 2023, Rosstat (Federal State Statistics Service of the RF) published new data on the number of households in the RF obtained on the basis of the 2020 census. Previously, the last official data was the data provided by Rosstat on the basis of the 2010 census. Over 10 years, the number of households in the RF increased by 11.5 million, this led to a decrease in such an indicator as the BBA service penetration among households.

² According to the annual report "Research on the Russian Telecommunications Market — 2024", prepared by the independent consulting agency TMT Consulting.

The program of modernization and construction of fixed-line networks

>518 thousand

households built in the RF
(excluding the Moscow
Region)

>118 thousand

households built in the
Moscow Region

557 thousand

households modernized
in 2024

Convergent

The Company continues to develop a range of convergent data plans. In 2024, MTS maintained the growth rate of its convergent base at more than 20% year-on-year. MTS also improves the efficiency of the converged business, in 2024, paid speed options were introduced for customers of the converged TP line, about 30% of subscribers choose high-speed TP above the minimum base rate in the tariff, which effectively pays for the construction of Gb networks.

Additionally, subscribers have the opportunity to purchase subscription equipment in installments — more than 40% of subscribers buy MTS equipment when they connect new services.

In addition to classic converged solutions combining mobile and fixed-line services, in 2024 MTS entered a new segment

of converged products linking Telecom and Fintech services: when applying for an MTS Money debit card, along with the purchase of a new SIM card with an MTS More tariff or a Tariff 24, the subscriber receives a 100% discount on MTS mobile communications for the first two months, as well as 5 categories of increased cashback to choose from. Starting from the third month and in each subsequent month, a 100% discount on mobile communications and 1% cashback on card purchases (or choose 5 cashback categories) is provided when making at least 5 purchases per month using an MTS Money card.

>20%

increase in the converged base in 2024
(by 2023)

B2B/G

B2B

In 2024, MTS is showing record growth. Growth of revenue by 2023 was 20.2%. The main contribution to the growth of revenue was made by Equipment, IoT M2M, CCTV, ICS, Cloud. The record growth of mobile business and BBA revenues shall be noted as well.

49%

an increase in the revenue of non-core
products in 2024

B2G

MTS' shift in 2024 to work to strengthen the Company's participation in the regional and national digital agendas of the subjects, focusing on the outstripping growth in sales of non-core products, including work on import substitution in B2G, the supply of a full range of products and solutions of the group of companies, ensured a 49% increase in non-core revenue, while maintaining revenue growth dynamics for the core business.

MTS entered a new market in 2024 and successfully established itself in the field of environmental solutions, the first major contracts were signed, which also allowed to increase the service portfolio and form a funnel of projects for 2025 and 2026.

In the coming years, MTS will continue to increase revenue growth in the B2G segment by focusing on the Company's participation in national programs and the regional agenda of the entity, increasing the focus of regional teams on providing customers with integrated solutions, video surveillance solutions, IoT and other non-core products of the group of companies that meet and solve the needs of government customers.

B2B products

Marketplace B2B

In August, MTS launched its own marketplace of digital solutions for small and medium-sized businesses, which provides convenient product selection and online shopping in a "one-stop shop" mode. The window features more than 100 business services from the MTS digital ecosystem. Digital products powered by Big Data, AI, and IoT are divided into categories: geoservices, information security, communications and the Internet, cloud solutions, targeted mailings and advertising by MTS Marketer, artificial intelligence, collaboration, communications, and the Internet of Things.

The platform allows you to pay for goods immediately, or put them in the shopping cart to return and pay later. The technological platform guarantees the safety and reliability of all operations. The platform was developed by the MTS product team.

50%

of mobile communication purchases on the website go through online registration in 2024

2x

Sales revenue from the website doubled in 2024 (compared to 2023)

Mobile business

To increase the convenience and reduce business costs when receiving communication services and interacting with MTS, a number of projects have been implemented to develop online sales and automate service processes:

- The portfolio of tariffs and promotions that are available for purchase on the B2B marketplace and in the personal account of MTS Business without visiting the office or calling the manager has been expanded;
- The process of definitive online contract registration has been introduced without signing paper documents;
- The opportunity to reissue the number online has been launched.

The Smart Business tariff line includes more ecosystem opportunities:

- smart protection against spam calls and data leak,
- unlimited access to the MTS Link video conference,

- VK Video and Dzen platforms,
- unlimited messengers,
- navigation and translator when traveling around the world,
- several months of free use of the MTS Premium subscription and the Stroki book service,
- 30% discount on sports training at GoGym fitness sharing.

During the year, it was possible to connect a mobile communication with a refund of the entire amount to the mobile phone account as part of the "Annual Communication Bonus" promotion or double the packages of minutes and gigabytes without increasing the subscription fee for the "Doubling minutes and gigabytes forever" promotion.

The launch of convergent services is a part of the MTS ecosystem development program. In 2024, small businesses will be able to connect a package of essential services at a discount of up to 30% — mobile communications, virtual PBX, 8800, employee location monitoring, fixed Internet, CCTV, and Wi-Fi. For major businesses, there was a discount when connecting mobile communications in conjunction with the MTS Link video conferencing service.

MTS is the market leader in terms of mobile NPS in the corporate segment in 2024¹

Fixed-Line Business

In 2024, for the second year in a row, MTS demonstrated unprecedented revenue growth from fixed Internet access by 19.7% by 2023, which is more than three times faster than the market dynamics of +5.8%.

The results are driven by a 12.1% increase in the active base of corporate subscribers by 2023, thanks to the active automation of processes and the increased value of MTS' offerings achieved through focused work on the development of related services.

19.7%

an increase in the fixed-line Internet access revenue in 2024 (by 2023)

12.1%

growth of active corporate customer base in 2024 (by 2023)

¹ Research performed by MAGRAM MR LLC

CCTV

In 2024, MTS CCTV revenue growth was 73% by 2023, service revenue growth was +23%, and the number of contracts increased by 56% in 2023. Key updates of Sphere — a control system by MTS — were performed; it is a comprehensive solution for large CCTV and security systems. Major CCTV projects in the transport sector were implemented with national customers and large businesses in the field of monitoring cargo movement and safety. There have been major projects for calculating passenger traffic based on video analytics.

73%

increase in MTS CCTV revenue in 2024
(by 2023)

ICS and MTT JSC

In 2024, MTS Exolve, a subsidiary of MTS PJSC, achieved significant success in the field of business communication solutions. One of the key events was the recognition of the MTS Exolve platform as the "Communication Platform of the Year" at the CNews Awards 2024. This award highlights the efficiency and reliability of the communication infrastructure developed by the Company for business.

MTS Exolve also took the first place in the rating of virtual PBX and IP telephony providers compiled by CNews. This leadership is due to the broad functional and omnichannel capabilities of the platform, which make it possible to fulfill any business requests and ensure effective communications management. In particular, in 2024, the Company completely updated its Virtual PBX, providing customers with more than 40 tools to increase sales and automate the work of employees.

In 2024, MTS Exolve continued to expand the functionality of its platform. New features have been introduced, such as Speech Analytics, auto-informer detection, and the API Communication Strategy.

In the field of Telecom API, MTS Exolve continues to lead the Russian market. The Company is actively developing its solutions, offering businesses modern tools for effective and convenient customer communication. The Telecom API market is showing high growth rates, and MTS Exolve is playing a key role in its development.

MTS Exolve — "Communication Platform of the Year" according to CNews Awards 2024

MTS Exolve is the TOP 1 in the ranking of virtual PBX and IP telephony providers according to CNews

MTS Link

MTS Link's consolidated revenue increased by 65% compared to 2023. Revenue growth, excluding the results of Vinteo LLC, which joined the ecosystem in November 2024, amounted to 36% year-on-year. MTS Link's revenue growth rates exceed the market average.

In 2024, we focused on Unified Communications (UC): our goal is to offer MTS Link solutions for all scenarios of online and hybrid interaction. In April, we launched a new product, a corporate messenger of our own design, which became the basis of our UC offer and allowed us to transfer the organizational structure of the teams to the digital space. We have also implemented a number of artificial intelligence-based features, which have made our platform a tool for improving workflow efficiency.

In 2025, MTS Link will focus on improving operational efficiency, launching new services and integrations as part of the movement towards unified communications, as well as developing a comprehensive offering to equip companies with turnkey video conferencing equipment and software.

In 2024, the total number of active customers of MTS Link solutions — Meetings, Webinars, Chats, Whiteboards and Courses increased by 65% compared to 2023. At the same time, the number of customers grew in all priority sectors: in particular, in industry they increased by 92%, in healthcare — by 50%, in education and in finance and consulting — by 48%. The number of online events held in MTS Link services exceeded 35 million during the year.

In November 2024, Webinar LLC (MTS Link brand) completed the acquisition of 51% of VINTEO (Vinteo LLC). The purpose of the deal was to expand MTS Link's offering in the field of video conferencing server solutions and strengthen competitiveness in the B2B product market. Today, the MTS Link offer covers most of the cases of working with equipment in meeting rooms using the SIP protocol.

65%

an increase in the MTS Link's revenue in 2024
(by 2023)

Business in the Markets of Operation

Belarus

Mobile TeleSystems JLLC (MTS Belarus) was established in 2002 by MTS PJSC of Russia (49%) and Beltelecom RUE of Belarus. The Company operates under the MTS brand and is the largest mobile communication operator in the Republic of Belarus. Its main competitors are BeST CJSC ('life' trademark) and A1 UE (Unitary Enterprise).

In Belarus, MTS provides mobile communication services of GSM 900/1800, UMTS 900/2100 and 4G (including 2600/1800/800) standards, home Internet and TV services, offers cloud services and products for business, as well as financial services in partnership (MTS Money).

MTS Belarus' own retail chain is the main channel for attracting subscribers, together with single-brand stores of its partners. The network of sales and service offices includes 90 of its own offices and 215 retail facilities of MTS commercial representatives in 133 localities of the Republic of Belarus, which allows connecting subscribers and providing service operations in all regions and key cities of Belarus.

MTS Belarus maintained its leading positions, significantly outperformed its market competitors and completed 2024 with a market share of subscribers of about 48% and a market share of 50% in terms of revenue (according to the Q4 results). The share of subscribers to V&D tariff plans is 65.0%, and the share of subscribers using data transmission has reached 73.0%. The average volume of calls per MTS Belarus subscriber in Q4 2024 amounted to 571 minutes per month (+2.5% year-on-year) and the use of data transfer amounted to 19.0 gigabytes per month.

In 2024, MTS Belarus continued to develop cloud services; revenue at the end of 2024 increased by 62% as compared to 2023.

MTS Belarus provides services that are in demand on the market: IaaS, SaaS, BaaS, Professional Service, Corporate Mail, Object Storage, information security services, and others. In 2025, the Company plans to further develop its services with an emphasis on information security services, as well as expand its market presence with products for small and medium-sized businesses. Special attention will be paid to the implementation of complex technical solutions focused on innovative industries and long-term cooperation.

In 2024, MTS continued to expand access to 4G network services throughout Belarus together with the infrastructure operator beCloud. In total, in 2024, the LTE network in Belarus increased by 918 new base stations: 595 — in the 800 MHz range, 163 — in the 1,800 MHz range and 160 — in the 2,600 MHz range.

Also, in 2024, MTS Belarus continued to expand its network coverage for the Internet of Things and networks in the 3G standard. Minsk, regional centers and cities/towns with a population exceeding 50 thousand people were provided with NB-IoT communication. In 2024, 74 NB IoT BSs, 146 3G BSs in the 2,100 MHz range and 128 BSs in the 900 MHz range were commissioned. Besides, MTS, together with the operator A1 UE, commissioned 123 BSs to improve the 3G coverage in rural areas using RAN-Sharing technology in the 900 MHz range.

MTS Belarus holds the leading position in the telecommunication market of Belarus in terms of net promoter score (NPS)¹

¹ According to internal marketing research.



MTS Belarus is the leader in the mobile communication of Belarus with the largest market share in terms of the number of subscribers

MTC 2G

98.02%

of the territory of Belarus

99.91%

of the country's population

MTC 3G

97.20%

of the territory of Belarus

99.88%

of the country's population

MTC 4G-LTE

78.57%

of the territory of Belarus

99.26%

of the country's population

FINTECH

The past year has been a landmark one for the MTS financial vertical. In 2024, three key events took place in the life of the fintech area:

1. Holding the IPO of MTS Bank PJSC with raising of 11.5 BRUB.
2. Approval of the updated fintech development strategy for 2025–2027.
3. Launch of the flagship MTS Money card, which combines the bank's services and ecosystems.

IPO of MTS Bank

In April 2024, MTS Bank successfully conducted an initial public offering (IPO), giving investors the opportunity to enter the capital of one of the most promising and fastest-growing players in the fintech market. This event is of strategic importance not only for the Bank, but also for the entire MTS ecosystem, within which MTS Bank became the first public issuer, which underlines its leadership role in digital finance.

The total size of the IPO was 11.5 BRUB in the form of 100% cash-in (4.6 million new shares were sold at a price of 2,500 rubles per share). The Bank's market capitalization at the time of the IPO was 86.6 BRUB. MTS Bank's IPO became one of the largest in size in 2024.

Key indicators for the Bank's shares:

- Share of the Bank's shares in free float is more than 13% of the authorized capital.
- Average daily trading volume in 2024 — 144 MRUB.
- More than 96000 individuals are shareholders of the bank as of the end of 2024.
- The bank's shares are included in the first quotation list of the Moscow Stock Exchange, as well as in the broad market and financial sector indices.

Updated development strategy for 2025–2027

In November 2024, the Board of Directors of MTS Bank approved a new strategy aimed at strengthening the resilience of the credit institution to changes in monetary policy. The main goal of the strategy is to make commission and risk-free income a dominant part of the bank's operating income.

Key areas of the strategy

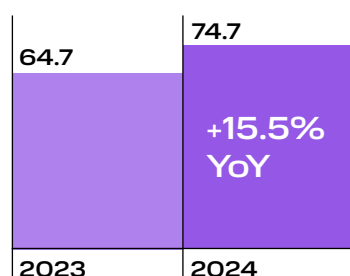
- Advanced development of frequency attraction products and Daily Banking.
- Increasing the frequency and profitability of lending.
- Expansion of cross-sales of passive and transactional services.

Ways to achieve your goals:

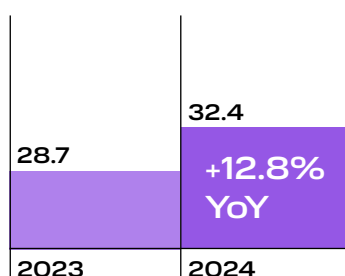
- Transformation of card products with an unprecedented value proposition and a focus on active transactional customer behavior.
- Launch of the Flex BNPL service to stretch the payment of purchases into several parts on the ecosystem's windows, as well as by QR in any store in the RF.
- Development of high-frequency lending with low average purchase amount and high returns, as well as entry into the segment of microcredit and car loans.
- Growth of customer balances and increased involvement of Private & Premium segment customers in Daily Banking.

Fintech increases operating income amid cooling lending...

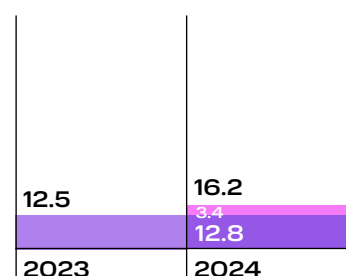
Operating income¹
BRUB



Net fee and commission income
BRUB



Net income²
BRUB



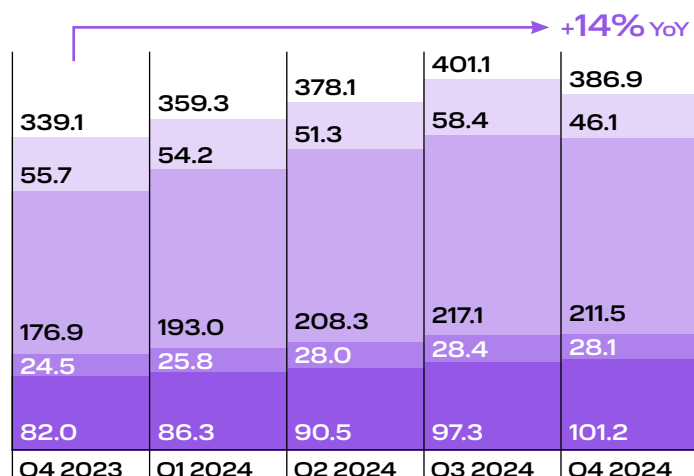
1.5x
up to 43 BRUB

the volume of current accounts of individuals has increased

Fintech is diversifying revenue by increasing transactional services for retail customers in assets and current accounts in liabilities

... and retains confident market positions

Growth of the retail loan portfolio¹
BRUB



TOP-3

in the POS credits market³

+20% YoY

growth of customer loans, flagship credit product

- POS
- Consumer loans
- Mortgage
- Credit cards

¹ Before deduction of reserves.

² Fintech's net profit in 2024 includes adjustments for one-time transactions. Excluding this adjustment, net profit is 12.8 BRUB.

³ POS credits — credits at points of sales. Frank RG in a Rating, end of 2024.



- Expansion of the product line of investment products, including the development of MTS Investment functionality.
- Creating targeted offers for different customer segments.
- Development of payment infrastructure for companies.

MTS Money card

In mid-2024, fintech launched its flagship product, the MTS Money debit card, which has become a real breakthrough due to its unique customer conditions. In just six months since the launch, 1.3 million cards have been sold, which confirmed the high demand and need for the product.

The MTS Money card offers customers exceptional benefits when using MTS services: payments for mobile communications, subscriptions to MTS Live, Stroki, Urent services, as well as when using cloud storage.

1.3 million

MTS Money cards have been sold since launch

Results of the fintech vertical's activities in 2024

The share of non-credit commission income increased from 33% to 43% of total net commission income.

The share of current savings accounts in customer funds increased from 19% to 24%.

The number of Daily Banking customers with debit card transactions (5+ transactions per month) increased by 35%.

Over 1.3 million MTS Money debit cards have been sold as part of the development of Daily Banking.

MTS customer base has been scored, and limits have been set for 45 million customers to use the BNPL product.

Revenues from operations related to the MTS ecosystem increased by 32% in 2024.

The "Money" section has been launched in the My MTS application with a monthly audience (MAU) of more than 3 million customers.



RETAIL

Revenue of the MTS Group's retail business segment increased by 14% to 78.6 BRUB in 2024, while OIBDA increased by 15% to 10.1 BRUB. The number of MTS own and partner BS was 4,214 at the end of 2024.

Achievements 2024:

- Revenue from the sale of goods increased by +14%.
- Share of online sales increased to 32% (year-on-year increase of +8 percentage points).
- Share of RTC in the Living 2M MTS subscribers reached 52% (year-on-year increase of +5 percentage points).
- Number of MTS Bank debit cards issued increased 2.8 times.
- Premium subscription sales increased 1.5 times.

In 2024, the tNPS of the MTS Retail network reached a historic maximum, year-on-year we showed an increase of +4.5 percentage points.

We have managed to significantly reduce paper consumption in our stores by eliminating paper applications and transferring the bulk of service operations to electronic

signing and self-service channels. By the end of 2024, 86% of service operations are performed without signing paper applications, and 6 times more operations were performed in the My MTS application compared to last year, thanks to the training of customers by retail employees to use this application.

We value the time of our customers and employees, so we are constantly working to optimize service procedures. Due to the simplification of a number of business processes, the total number of service operations performed in information systems decreased by 13%.

In 2024, a record number of pre-orders for top smartphone models were processed in the online store.

Based on the requests of our customers, we choose the most convenient communication channels. By the end of 2024, 60% of requests were processed in chat rooms.

86%

of MTS service operations are performed without signing paper documents by the end of 2024

MEDIA

MTS Media Holding

mtsmedia.ru

32%

growth in the total audience of MTS Media

800 thousand

the number of visitors to MTS Live's own events

+268% MAU

+103% DAU

MTS Music audience growth (4Q24 to 4Q23)

+24%

of books published by Stroki publishing house year-on-year

2x

growth of the audience of Stroki

+68%

MTS Label catalog volume growth

+600%

growth in streaming from MTS Label (894 million listeners compared to 128 million in 2023)

In February 2024, MTS' entertainment assets were separated into a single MTS Media vertical. The multidisciplinary holding has brought together businesses in various entertainment segments, from film production and online platforms to book publishing and concert venues. The media vertical includes the online cinema KION, MTS Live, the online book service Stroki, the streaming service MTS Music and the full-service music company MTS Label. By combining them, the media holding aims to create multi-format projects, search for and develop media franchises that can be monetized in different environments, thereby offering a voluminous immersion into the world of entertainment and emotions.

MTS Media's strategy is based on the 360 approach, where content is used on different platforms and services and uses all the capabilities of the ecosystem. In 2024, the holding implemented the following 360 projects:

"The Master and Margarita":

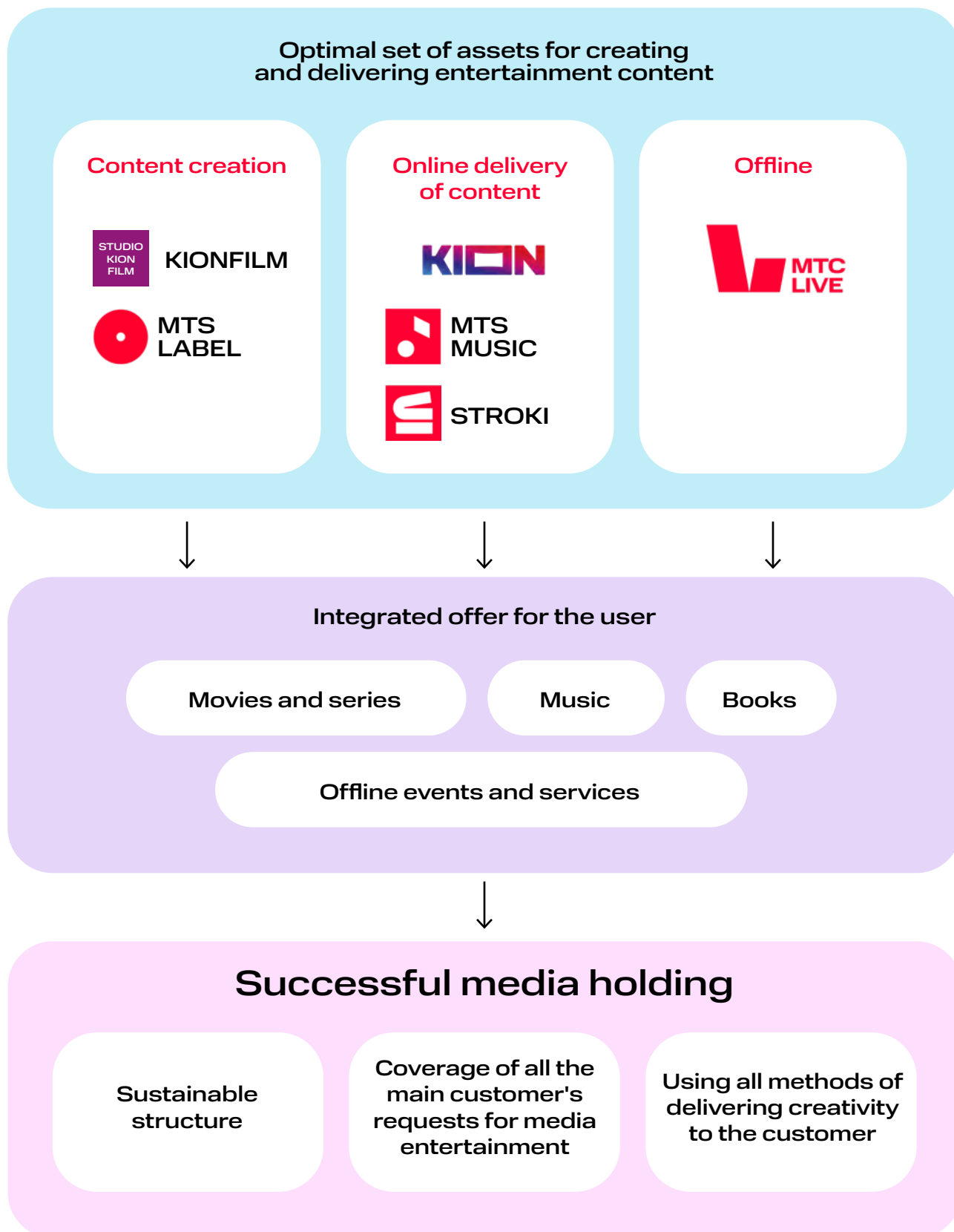
- film adaptation of Mikhail Bulgakov's novel was released exclusively in the online cinema KION,
- the audiobook, dubbed by Leonid Yarmolnik, who starred in the film, was released in Stroki,
- MTS Live has released a selection of performances on "The Master and Margarita",
- playlists of the novel's characters are available in MTS Music.

"Secrets of Karenina":

- the series "Secrets of Karenina" based on Pavel Basin-sky's book "The True Story of Anna Karenina" was released on KION,
- the premiere was timed to coincide with the release of this book in Stroki,
- MTS Live held a large-scale interactive exhibition at the Vitebsk Railway Station in St. Petersburg, which became a reinterpretation of the world-famous novel by Leo Tolstoy.



MTS Media Holding Structure



"Amura":

- inserts from animated manga created by the Stroki service's artists have been integrated into the series "Amura" on KION,
- for the premiere of "Amura" on KION, Stroki released a spin-off series — three original manga, complementing the main storyline, and a paper version of the comics was also released,
- with the support of MTS Label, a soundtrack was recorded performed by Tosya Chaikina and the band Three Days of Rain
- joint collection of figurines and tableware with the Gzhel brand was released.

"Arbenina":

- Diana Arbenina made her film debut in the series "Mutual Consent",
- the documentary "Arbenina" was released on KION,
- the singer performed at the MTS Live Summer festival.

KION

kion.ru

10.3 million

the number of KION online cinema users by the end of 2024

30 original projects

were released by KION in 2024, including a new season of the drama "Life on Call" starring Pavel Priluchny, a new season of Russia's first vertical series "Mutual Consent" and the series "Number One" based on a script by Sergey Minaev

TOP-5

include KION among the largest online cinemas in the Russian market by revenue in 2024 (Telecom Daily data)

TOP-5

include KION among online cinemas for total subscribers (according to GfK)

KION

KION online cinema offers over 200 TV channels, thousands of films, serials, animated cartoons and documentaries. The flagship area of the platform is the originals line. Over the 4 years of its existence, KION has released more than 90 original projects, such as the dramedy "Kidney" with Lyubov Akseanova, the detective drama "Mutual Consent" directed by Valeria Guy Germanica, the psychological crime drama "Crystal" with Anton Vasiliev and many others. KION's original projects have won more than 50 Russian and international awards.

KION is developing technologically and offers stable secure service, customer support, children's accounts, user-friendly interface, and accessibility on any gadgets. In 2024, the KION online cinema launched many new features: a waiting rating for projects, a "Games" section with quizzes, the beginning of video playback with the best quality, Face ID and Touch ID login, and adaptive quality depending on the connection speed. Active work continues on the implementation of Big Data and AI, with which the recommendation system works and individual collections of content are created, which users appreciate so much.

KIONFILM

In 2024, MTS Media Holding separated the original content production unit into an independent business and began developing TV series under the brand of the new KIONFILM studio. The studio's main task will be to create projects for its own online cinema KION, as well as for other online platforms, TV channels and film distribution.

Dynamic growth of users of all businesses of the Media holding

KION

10.3 million **+49%**

KION users
(Q4 2024)

increase in the number
of viewing hours per
user (Q4 2024 YoY)

140+

new original movies
are being developed
and produced by KION
(Q4 2024)

1st day

of each month —
release of new series
on KION

30

new original projects
released by KION
(for 2024)

46%

share of MTS Premium
subscribers among
KION viewers

MTS Live

+33%

GMV growth
(Q4 2024 YoY)

MTS Music

3.8 times

MAU growth
(in December 2024
YoY)

MTS Label

267+
million

listens to the MTS
Label catalog
(Q4 2024)

Stroki

3.4 times

increase in content
consumption
time per user
(Q4 2024 YoY)

The most successful media projects of 2024

KION

TOP 3 new KION Original products
by popularity in 2024



★9.1



★9.0



★8.7

KION's original projects have received more than
30 awards in 2024, including:

MAYAK Festival
(Gelendzhik)

the film "Summer will End"
in the Grand Prix nomination

Big Digit Award
(Moscow)

the film "I love you"
in the nomination "The best show
of original production"

Award of the Association
of Film and Television
Producers (Moscow)

The series "Ranevskaya"
in the nomination "Best actress"

PILOT Festival (Ivanovo)

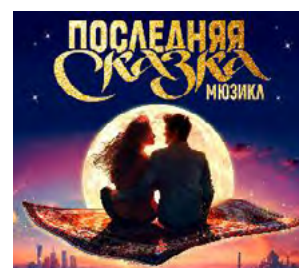
The series "Killing vacation"
in the nomination "Best pilot of the
series. Viewers' choice"

The series "She's so cool"
in the nomination "Best actor"

MTS Live

90
thousand

tickets have been sold
for the new musical
before the premiere in
December 2024



MTS Label

26 million

listeners (Q4 2024)



MTS Live

live.mts.ru



MTS Live is engaged in producing and promoting its own events: concerts, musicals, theatrical productions, as well as ticket sales and manages a federal network of concert venues.

In 2024, MTS Live launched a new musical, "The Last Fairy Tale", and expanded its offline infrastructure. The Theater on Tsvetnoy was launched and new venues were opened in the MTS Live Hall network in St. Petersburg and Nizhny Novgorod. The MTS Live Summer festival was open-air in Luzhniki for two months and attracted 120,000 people.

MTS Live is the winner in the "For Partnership" nomination of the Musical Heart of the Theater festival

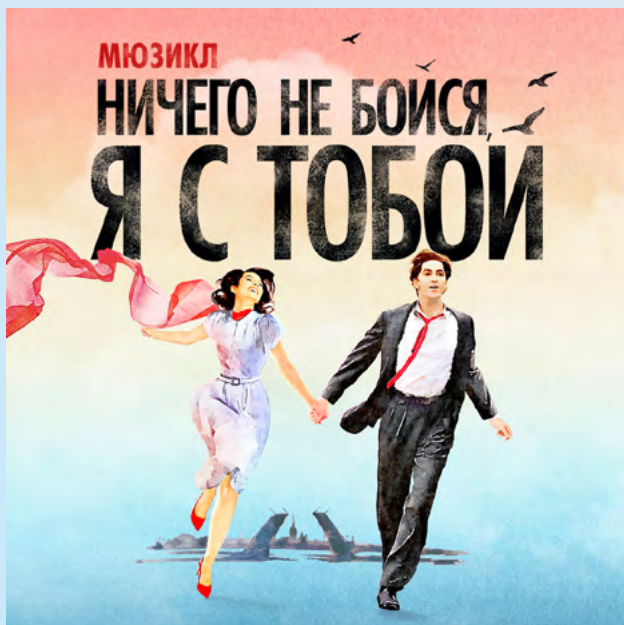
33.4 billion GMV

+67% growth year-on-year

800 thousand

visitors of their own events

The musical "Don't be afraid of anything, I'm with you"



- It was included in the Russian Book of Records in the nomination "The most visited musical in Russia"
- The winner of the award "Event of the Year" in the nomination "Cultural Event of the Year" and "Socio-cultural Event of the Year", the winner in the nomination "Private Theater Project of the Year" of the Art Platform award

MTS Music

music.mts.ru

A streaming service for listening to music with a collection of tens of millions of tracks. Available to subscribers of MTS and other operators.



+268% MAU

+103% DAU

User growth (4Q24 to 4Q23):

TOP-3

It is one of the top 3 streaming services in Russia

MTS Label

label.mts.ru

An ecosystem full-service music company responsible for working with artists using the 360 model.

Soundtracks have been created for the action drama "Amura" for KION and for the retelling collection "Tales of Sorrow and Joy" for Stroki



+67.5%

increase in the catalog volume YoY

894 million

listeners in 2024, an increase of 600% compared to 2023

Stroki

stroki.mts.ru

Stroki is a book service where you can read books, magazines, manga and comics, listen to audiobooks and podcasts. Stroki using artificial intelligence was the first on the market to bring the covers and illustrations inside e-books to life. In October 2024, Stroki integrated audio files into the e-book text — a player that plays audio is integrated into the updated format. Thereby, for the first time in the Russian market, Stroki combined all three book formats — paper, electronic and audio.



- There are 250 thousand works in the catalog, and about 57 thousand pieces of content were added in 2024.
- The active audience doubled in 2024.
- The number of original projects increased by 24.32% year on year.
- Original projects of the Stroki publishing house are finalists of the Book of the Year and Yasnaya Polyana awards.

ADTECH

MTS AdTech is the fastest growing vertical of the MTS group. The reporting year 2024 was a year of massive growth for MTS AdTech, which was made possible by continuous product development, successful M&A deals, the introduction of advanced technologies and strategic partnerships with major market players. By the end of 2024, MTS AdTech's revenue increased by 58% year-on-year, to 58.7 BRUB.

The launch of the MTS Ads Premium Video technology video seller and the Company's strategic partnership with the Ivi online cinema, the involvement of external data providers such as X5 and Magnit, as well as the creation of a unique Spy service to analyze competitors' creatives in Telegram together with WholsBlogger allowed MTS AdTech to strengthen its leading position in the advertising market.

A significant role in the revenue growth of MTS AdTech was played by the development of the technology platform for businesses and agencies Marketer PRO, as well as the introduction of artificial intelligence-based tools into the MTS Marketer platform for small and medium-sized businesses, which is used by more than 20 thousand customers. In the fourth quarter of 2024, MTS AdTech launched a beta version of an AI moderator for checking advertising messages in Telegram Ads and SMS newsletters, as well as an AI assistant author for small businesses that generates creative ad texts using artificial intelligence.

The number of unique contracts, as well as the number of registered and confirmed customers, doubled year-on-year in the fourth quarter of 2024. By the end of 2024, customers of the advertising vertical launched more than 470 thousand advertising campaigns in Telegram Ads.

Revenue from MTS DSP and digital inventory of companies and products included in the AdTech circuit, such as DSP

Segmento and Buzzoola, increased 3.2 times in the fourth quarter of 2024 compared to the same period in 2023. This is due to technological updates of platforms, the connection of external data providers, as well as strategic partnerships of the advertising vertical with major market players such as Avito.

The MarTech line showed a twofold increase in multichannel revenue for key customers in the fourth quarter of 2024 compared to the same period in 2023. This was due to an increase in the number of strategic direct customers in the banking sector, as well as in the retail sector.

58%

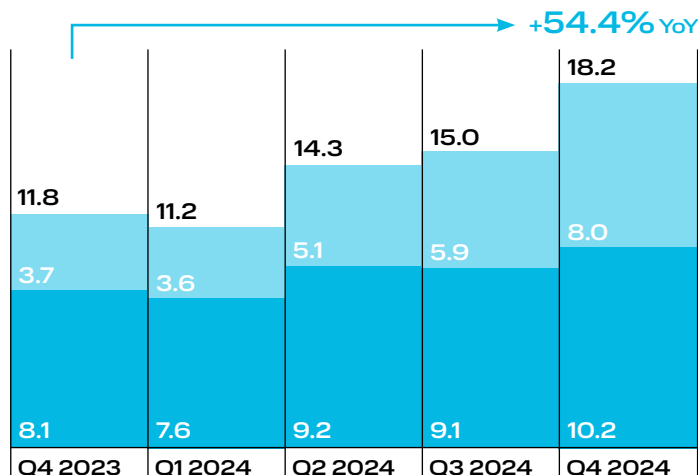
an increase in the MTS AdTech's revenue by the end of 2024

2x

increase in registered and confirmed customers in Q4 2024

Impressive results of the advertising direction building on partnerships with major players

Revenue BRUB



- Advertising technologies¹
- Marketing technologies²

Growth drivers

20%

of the revenue growth of the entire AdTech line is due to the launch of the new MTS Ads Premium Video format in Q4 2024 YoY

3.2x

increase in DSP³ revenue and digital inventory (MTS, Segmento, Buzzoola) in Q4 2024 YoY

2x

growth in multichannel revenue for key customers in Q4 2024 YoY

2.2x

revenue growth of advertising technologies¹ in Q4 YoY

Key events

- Ivi and MTS Ads Premium Video announced a strategic collaboration
- Jointly with **X5 Group** we added the ability to target retailer's data in **Telegram Ads**
- Partnership with **Avito** in the field of native advertising
- Joint **WholsBlogger** competitor analysis service in **Telegram Ads**
- We connected artificial intelligence to moderate the texts of advertisements

Recognition

No. 1

DSP programmatic² according to DMC Rus research

No. 1

advertising data operator according to ARIR survey

No. 2

omnichannel platform according to OnSide research

Customers

2x

growth in the number of unique contracts (Q4 2024 YoY)

2x

growth in the number of registered and confirmed customers (Q4 2024 YoY)

>470 thousand

advertising campaigns in Telegram Ads for 2024

¹ Advertising in digital channels (digital advertising) and targeted mailings

² A2P distribution (Application-to-Person) — SMS distribution from applications/ systems to customers

³ Demand Side Platform (DSP) — automated platform for the purchase of advertising spaces



URENT



In 2024, MTS Group became the controlling shareholder of the Urent kick-sharing service. As a result, MTS Urent has shown steady growth in all operational indicators over this period. The number of trips on the MTS Urent platform increased by 52.2% in 2024, to 100.3 million. At the same time, the MTS vertical continues to grow faster than the kick-sharing market, which grew by 39% in 2024 (according to the data of Truesharing).

In the reporting year, MTS Urent relied on the active expansion of the geography of its presence, as well as on the development of the MTS ecosystem, which significantly increased the user base. The number of active users on the platform (YAU) increased by 30% year-on-year, to 7.2 million people. Users who have made trips during the season are considered active. The inclusion of MTS Urent in the MTS Premium subscription has helped attract 1.2 million new customers to the ecosystem, with service users in second place after Telecom in terms of cashback write-off activity for scooters.

A 24-hour tariff has also been launched, which allows you to exchange unused minutes for scooter rides. As part of it, MTS subscribers exchanged more than 10 million minutes for bonus points and traveled more than 2 million kilometers on Urent scooters.

In 2024, the number of MTS Urent locations increased by 26% to 187. In 2024, the Company launched scooters in 6 new million-plus cities — Voronezh, Yekaterinburg, Chelyabinsk, Ufa, Novosibirsk, and Krasnoyarsk.

Another strategic decision was the creation of the RnD area. At the end of 2024, MTS Urent acquired Eleven, a developer of sharing technology. An RnD center was created on its basis, which develops its own solutions for sharing. In particular, these are its own electric scooter, cargo bike and other technologies that in the medium term will allow MTS Urent to improve operational efficiency and gain additional competitive advantages.

52.2%

an increase in the number of trips in 2024

30%

an increase in the number of active users

MTS Urent has successfully completed the 2024 season and is ready for a new one



Key results

>100 million

trips in 2024
(+52.2% YoY)

No. 1

by trips in the Southern
Federal District

187

locations (+39 new
ones in 2024) launched
in Ural and Siberia

No. 1

by trips in the Moscow
Region

Key events

- They have acquired Eleven, a developer of sharing equipment
- They have created an RnD center that will implement their own solutions for sharing
- They have launched self-driving developments
- They have launched the rental of powerbanks and electric bicycles
- They have integrated with mos.ru in Moscow

MWS



MTS Web Services is an MTS cloud business providing virtual infrastructure services, AI and network services, business applications and services for storing and processing large amounts of data. The provider's services are used by more than 5000 customers. The MWS virtual infrastructure includes 15 availability zones based on individual data centers of MTS and partners, thus ensuring minimal cross network delays and a high level of availability for customers.

The MWS virtual infrastructure complies with the requirements of the Russian law, is certified, can be used in organizations of various scale of operations, and any personal data and government information systems can be transferred to it.

MWS availability zones are deployed in Moscow and the Moscow region, St. Petersburg and the Leningrad region, Kazan, Novosibirsk and Vladivostok.

Revenue of the MWS cloud business grew by 31% in 2024, which corresponds to the growth rate of the market. The number of companies hosting their IT systems in the MWS cloud increased by 12%.

The main drivers of growth were the virtual infrastructure with a GPU for artificial intelligence training, sales of which almost doubled over the year, HaaS services — an increase of three times, cloud backup — 1.4 times, as well as virtual

workplaces — 1.5 times and the fast convention delivery service (CDN) — more than 10 times.

In 2024, MTS Web Services began creating its own public cloud platform. It is an ecosystem of infrastructure and network services, tools for data storage and processing, and PaaS services. In 2024–2025, the Company will invest 7.5 BRUB in its development.

Also in 2024, the Company launched a number of new areas and services, such as the AI cloud, which combines infrastructure and services for working with artificial intelligence, and the import-substituted cloud, a virtual infrastructure based on Russian software and hardware. In total, MWS launched more than 15 cloud services in 2024.

31%

an increase in the revenue of the MWS cloud business in 2024

12%

an increase in the number of companies hosting their IT systems in the MWS cloud

MTS Web Services cloud technologies: dynamic growth of core products



Cloud business in total

+31%

revenue growth from cloud services (in 2024)

+12%

growth in the number of customers in the cloud (in 2024 YoY)

Revenue growth by area (2024 YoY)

+41%

backup service

+132%

office products in the cloud

+29%

supercomputer GROM

+24%

object storage service

+99%

virtual infrastructure with GPU¹

+85%

distributed network management service "SD-WAN"

¹ Graphics processing unit — graphic processor

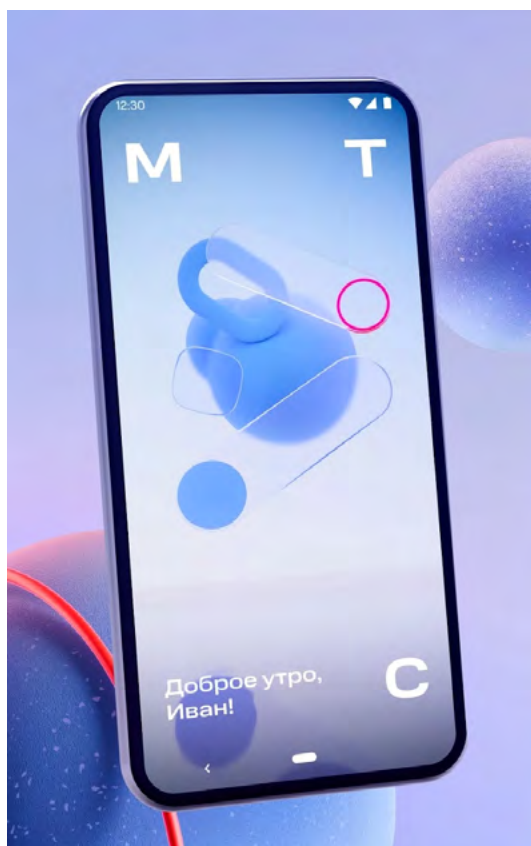
MTS WINDOWS AND ECOSYSTEM PARTNER PRODUCTS

MTS develops a wide ecosystem of digital products and services covering various aspects of users' lives, from security and financial services to entertainment and everyday tasks.

MTS windows are digital surfaces through which users can get to know and interact with a variety of ecosystem products and services. They provide convenient access to the Company's offerings, contributing to increased customer engagement and satisfaction.

My MTS effectively performs the functions of a window for the distribution of Telecom products and an Ecosystem with the activation of users in the consumption of these products, as well as develops a self-service surface for users, automating service operations and reducing support costs. The key focuses of My MTS in 2024 were the personalization of user experience with the introduction of AI technologies and the launch of new value-based transactional scenarios.

- Monthly active users +8.9% YoY (28 million vs 30.5 million).
- Monthly engaged users +9.3% YoY (12.9 million vs 14.1 million).



- Daily active users +17% YoY (4.7 million vs 5.5 million).
- Frequency in the ecosystem user segment +10.2% YoY (26.4% vs 29.1%).
- MTS Digital Stars is an annual internal corporate competition held jointly with the MTS League, aimed at recognizing and rewarding employees who demonstrate outstanding performance and contribute to the Company's technological leadership. The competition includes individual and team nominations such as "Ambassador of the Year", "Innovation of the Year", "Fastest Delivery" and others.
- Launch of Tariff 24 with a new mechanism for exchanging minutes for bonuses — 200 thousand users switched to the tariff through My MTS and 100 thousand minutes for bonuses were exchanged.
- Support for Cubes for tariffs within My MTS — we provide up to 1 million plug-in Cubes per month. Cubes are a constructor of additional benefits that allow you to customize the MTS tariff according to the user's personal needs, to increase comfort and benefits.
- The introduction of AI tools to personalize the user experience and a 1.9-fold increase in conversion to telecom and fintech product activation.
- Increased coverage of service operations inside the self-service window from 52% to 76%.

In 2024, the My MTS product became the winner in the "Best External Product" nomination according to Markswebb, ranking 2nd in the rating of digital ecosystems

MTS Launcher is a proprietary shell (launcher) for Android smartphones that provides a user-friendly interface and promotion of MTS services on partner devices.

- Pre-installed on 30,000 realme C63 smartphones in 2024 (new distribution channel through a vendor partner).
- User retention in the first month exceeded 80%.

- About 30% of new MTS Launcher users have started using other MTS services thanks to the built-in recommendations.

MTS VoiceTech is an innovative technology based on artificial intelligence aimed at providing comfortable and secure voice communication. VoiceTech services include a smart assistant that protects against spam and fraud, as well as provides new features for users.

MTS Defender ensures the security of subscribers by blocking spam calls, monitoring data leaks, warning about phone fraud during a call, and insuring against financial fraud.

- In 2024, the "Secure Call" feature was launched, which warns the subscriber about possible fraud using an AI-based voice assistant during a call.
- In 2024, Defender blocked 1.8 billion spam calls (twice as many as in 2023).
- The number of users of the service has increased by 80%.
- An additional 1.5 billion unwanted calls were stopped using the free "Basic Spam Protection" service.
- The Defender service is included in MTS Premium and MTS Junior subscriptions, as well as in the MTS Super tariff.

MTS Secretary is an intelligent answering machine based on AI that accepts calls for a subscriber when it is inconvenient for him to answer.

- A joint project with Yandex is a skill for the Alice smart speaker that allows you to make calls to regular phone numbers. MTS is the only operator in Russia offering such an opportunity.
- During the year, the service processed 293.3 million missed calls.
- As of December 2024, the skill's active user base was 79.8 thousand people, with almost half of users making more than 6 calls per month.
- The MTS Secretary service user base grew 2.3 times in 2024, and the average monthly income increased 2.2 times.

MTS ecosystem modules and end-to-end initiatives are integrated solutions and end-to-end initiatives aimed at providing a seamless and personalized user experience. These solutions make it possible to ensure the integrity

and efficiency of the ecosystem, as well as, in some cases, to offer ready-made modular solutions for the external market.

MTS ID for business provides a number of B2B services for various segments: classifieds, marketplaces, e-commerce platforms, fintech, and sharing services. Services include user authentication, data collection, identification, and data verification.

- Revenue increased by 88% compared to 2023.
- 140 new B2B projects have been implemented, including 24 integrations with the branded MTS ID button. Key partners include the largest marketplaces and digital ecosystems of the RF.
- MTS ID is the only solution on the Russian market that uses the best document and face recognition technologies (Vision Labs and Smart Engines) to authenticate users in mobile applications.
- MTS is the only telecom operator that performs remote identification using government sources to comply with the requirements of 115-FZ.

MTS Pay is a payment service that allows you to quickly and securely pay for purchases using your smartphone. Users can add up to 10 bank cards to the app and make contactless payments with one touch wherever such payment is supported. The service is available to customers of any Russian banks and telecom operators. For devices without NFC, MTS offers a Pay Tag payment sticker that provides similar functionality. The card data is securely protected by encryption, which prevents it from being passed on to third parties.

3.8 million

paying users per month (+30%)

16.8 million

million transactions per month (+15%)

12 million

16.8 million transactions per month (+15%)

540 BRUB

Cash turnover — 540 BRUB (+43%)

MTS Analytics provides comprehensive real-time data processing for web and mobile applications. The wide functionality of the services includes: tag manager, behavioral, marketing and technical analytics, A/B tests, verification of advertising with Brand Safety and anti-fraud, realtime segmentation and innovative COOKIELESS identification based on machine learning.

- The quality and accuracy of advertising verification is not inferior to the top3 verifiers in Russia.
- Verification of Yandex demonstrations with identification (except for us, there are 2–3 other companies in Russia).
- Own cookie-free identification service to improve coverage and segmentation quality of non-MTS subscribers.
- Integration into 142 windows of the MTS Ecosystem.
- Processing of 34 thousand events per second.
- Identification of 20 million users daily (of which only 3 million are MTS subscribers).

A set of integrated **SDK Support** modules for customer support services is integrated into more than 20 MTS products. Our own development has replaced outdated integrations of third-party vendors, which allows MTS ecosystem customers to receive a single UI/UX in support services, regardless of the application used.

6 million
chat conversations

17 million

customers used the help, and 80% solved their problems on their own

A successful pilot of the **media recommendation service** was conducted in 2024: an ecosystem module that integrates into the windows of the MTS ecosystem and provides personal recommendations in the field of entertainment, urban life, culture, and art. The module is based on MTS' knowledge of the user using the RECSYS platform.

Partnership projects continue to develop within the MTS ecosystem and with leaders of the Russian and international markets: in 2024, a Business Development and Partnership Chapter was created (100+ participants), strategic work was carried out with 30+ major partners (Big Tech: Yandex, VK / Retail: Sportmaster, Magnit, X5 / HoReCa: Rostics, DoDo / AFK: SDEK, Etalon).

>1 million

unique users in partner projects

>2 million

people involved in ecosystem projects with the integration of 10+ services and 15+ external partners

>200 million views

total coverage of initiatives

The Artificial Intelligence Competence Center coordinates the implementation and development of AI solutions in MTS ecosystem products, focusing on improving user experience and achieving strategic business goals.

- In 2024, the AI Maturity Index (AIMI) assessment methodology was introduced, which makes it possible to measure the actual use of AI functions by users at the level of products and the entire business unit. The index is calculated monthly, taking into account the percentage of users involved.
- A hybrid intent recognition system has been launched in MTS products, which has increased the relevance of responses to 89% (at a global level of 75–85%), which has led to an increase in the average duration of user interactions with AI services.
- The automatic speech recognition model has been upgraded, reducing the number of errors from 45% to 35%.
- Automatic moderation tools based on large language models (LLM) are integrated into the Clatch and Stroki products.
- The text2code model has been created for frontend platforms, which allows you to generate UI elements based on text queries without programming with an accuracy of over 70%.
- In progress is the development of the Copilot platform and the launch of PaaS solutions based on an intelligent assistant.

Experiments in digital products cover a wide range of B2C services developed using advanced technologies to meet the diverse needs of users and provide high-quality service.

MTS Fog Play allows owners of powerful PCs to rent them out virtually to other players for cloud gaming. The platform provides seamlessness and quality of user experience.

- The platform's revenue increased 4.7 times compared to 2023.
- The monthly audience has increased by more than 6 times (compared to 2023).
- The average user retention rate in the first month was 22% (compared to 17% in 2023).
- In December 2024, the MTS Fog Play Stick branded game console for TV was released (a pilot batch of 1000 devices); the entire edition sold out in 6.5 hours.

Clatch is a cycle and mood tracker for girls and women with an AI assistant named Klasha, an ability to share data with friends and family. The service has gathered a large user community around it; the application is free for users and is monetized using an advertising model.

- Audience growth by 7 times in 2024.
- Retention in the first month is 48%. Daily usage is 4 minutes (comparable to media services).
- Average number of messages to the assistant — more than 30 per month. TnPS — 51%.

No. 3

in terms of audience in Russia according to KAMA FLOW¹

¹ <https://kamaflow.com/ru/post/with-the-support-of-kama-flow-and-femtech-force-a-study-has-been-published-on-the-market-for-solutions-to-improve-womens-lives-and-health/>

QUALITY AND IMPROVEMENT OF CUSTOMER EXPERIENCE AND SERVICING

In 2024, MTS actively implemented advanced technologies in its customer service, including generative artificial intelligence and large language models (LLM). The key results were reflected in the growth of customer loyalty and the digital transformation of processes.

MTS Bridge's own contact center

As part of import substitution, we are creating our own set of systems that ensure customer communication with the Company. The active development of our own Contact Center in 2024 made it possible to fully transfer customer service to an internal product in the areas of chat and chat-bot. The IVR and voice bot were migrated to Bridge. In-house development allows integration with internal systems without involving external suppliers. The refinement has been completed and the replication of incoming voice in large business areas has begun. The MVP of automated calling was conducted as part of outgoing IVR campaigns.

These events made it possible to replicate the voice bot to a number of customer segments, increase the level of automation by 20 percentage points and maintain a high level of satisfaction. Currently, the voice bot effectively processes more than half of all traffic coming to the MTS customer service.

10 pp

an increase in the tNPS level of the Voice Bot

Voice bot

In 2024, the Contact Centers switched to a Voice bot, which was introduced to replace the outdated push-button IVR. The analysis shows that the tNPS customer satisfaction level is 10 percentage points higher on a voice bot than on an IVR with a comparable level of automation. During the year, several synthesis (TTS) and recognition (ASR) models were updated, which led to increased customer satisfaction.

Several key improvements have been implemented in voice and chatbots, which allows you to collect and analyze the emotional color of customer requests. In the second half of 2024, several maintenance scenarios powered by GenAI technologies were put into commercial operation. In addition, generative AI technologies are used to generate the highest quality and empathic bot replicas.

Knowledge Management System (KMS)

Smart search has been implemented, which has increased the proportion of articles found the first time by 20% and simplified the content creation process. Content managers use the GenAI web interface for rewriting, which has increased the clarity of the content by 5 percentage points NSAT¹. The integration of the knowledge base into the customer's card allows operators to quickly find tariff articles, reducing service time. These changes improved the customer experience and employee satisfaction with the knowledge management system by 13 percentage points relative to 2023.

13 pp

an increase in the employee satisfaction with the knowledge management system

¹ Satisfaction level.

Speech analytics

In 2024, migration to MTS AIC own WordPulse speech analytics solution was completed. More than 10 areas, such as mobile and fixed businesses, the B2B segment, digital products, and others, use speech analytics to improve the quality of service in contact centers. Thanks to the introduction of WordPulse, the tNPS of technical consultations increased by 10 percentage

10 pp

an increase in the tNPS of technical consultations

Automation of diagnostics of mobile and fixed-line communication services

The main focus is to independently check the quality of services in the My MTS mobile application.

Already now, the customer can check and eliminate restrictions on his number, find out about network problems and the timing of their elimination, as well as independently register an application for consideration by a technical specialist.

The new tool has reduced the burden of technical requests to the Voice and Chat channels by 20%.

20%

reduction of the burden of technical requests to the Voice and Chat channels

CRM Workspace

In 2024, 62% of B2C Contact Center operators transferred to customer service through their own CRM solution, Workspace. This allowed a reduction of 10 seconds average customer service time. The new CRM system serves customers with mobile communications, digital and converged products. Automated processes: the launch of the process of diagnosing the quality of communication and Internet in the My MTS application, as well as the launch of the application

management process and interaction with the installer in the Personal Account of a potential customer, which made it possible to reduce the workload and labor costs for the Contact Center.

10 seconds

a decrease in the average customer service time at the B2C Contact Center

Shared Customer Back Office Centre

In 2024, a set of measures was implemented to reduce application refusals and increase the percentage of resolved issues from 1 request from customers of the mobile and fixed business of the B2C segment. Changes have been made to the processes and algorithms of employees' actions when working with the application:

- powers of employees have been increased,
- processes have been implemented to request missing information from the customer and to study additional request history,
- feedback to customers on resolved requests has been revised, including the introduction of oral notification of rejected requests.

The bounce rate for fixed-line business customers decreased from 7% to 1% during this period, and for mobile business customers — from 12% to 4%.

In 2024, the main changes were focused on operations to verify the personal data of customers. 4 large processes were automated, which allowed more than 95% of data confirmation operations to be performed automatically, saving the department's resources and reducing the time required to complete a request for a customer. Automation in the B2C mobile business increased from 73% to 87.6% during peak load periods in 2024.

87.6%

is automation in the B2C mobile business area during peak load periods in 2024

The Tip Project

In 2024, MTS launched a pilot project — gratitude in the form of a "Tip" to the Contact Center operator, which is a fundamentally new approach in the telecom industry.

Pilot project results:

- Customers are ready to use this tool for gratitude. During the first month of the pilot, customers made 815 "Tip" transactions, and the maximum one-time amount was 1,551 rubles.
- According to the survey, 88% of CC operators noted that this is an opportunity for additional earnings, 61% of employees were satisfied with the amount received. The maximum additional income of an employee due to the Tip service was 4,469 rubles.

At the moment, the pilot covers more than 1000 Customer Service operators.

Key customer service

The increase in the size of the crisis management team led to an increase in the customer retention rate to 39% in the mobile business and 25% in the fixed business.

The introduction of a flexible system for informing customers about an unpaid bill reduced blocking requests by 35%, while simplifying the procedure for providing promised payment increased its use by 13% and allowed customers to avoid blocking and access services.

As part of the development of local B2B FB processes, diagnostics were launched in Inetcore, which increased the level of solvability of technical problems by 2% and reduced the dialogue time by 13%.

2%

an increase in the level of solvability of technical problems

13%

a decrease in the dialogue time

Voice of the customer

In 2024, regular meetings continued with the participation of all top managers, where current customer issues are discussed. During these meetings, tactical and strategic decisions are made on the development of products, services and processes in the Company.

Customer experience management system

In 2024, we developed our own digital solutions for evaluating and managing customer experience based on a data-driven approach. Work has begun with predictive analytics systems and ML models, and AI-based solutions have been introduced into operational business processes.

One of the annual focuses of the customer experience team was to improve the quality of the Company's products through collaboration in cross-functional teams.

More than 30 studies of customer paths in key MTS products have been conducted, as a result of which changes have been made to products that have had a positive impact on customer satisfaction. Together with the product teams, customer paths have been designed for 14 key areas of the Company, in particular, for the MTS24 and As You Wish! tariffs.

>30

studies of customer paths have been conducted in 2024

Work continued on improving the customer experience through effective communication management. Tools have been developed to analyze SMS costs, which will save ~ 100 MRUB on sending messages in 2025.

A project has been launched to use AI to manage the quality of customer communications. Based on the analysis of SMS communications on 6 tariff plans, message quality standards have been developed related to product metrics and aimed at improving them.

In 2024, we continued to expand the coverage of products aimed at collecting feedback. 147 digital windows participate in customer opinion polls and the collection of product metrics, which is 6 times more than in 2023. We simplified the survey launch process, which reduced the T2M of launching the survey by 4 times and in 1.5 months we were able to include 43 internal products in the customer opinion survey, and during the year we sent 218 surveys via e-mail

and messengers to external and internal users. By working with customer feedback, we enable the product team to get more information about product quality and improve the user experience.

>6x

digital windows participate in customer opinion polls (by 2023)

Surveys have been launched using voice bots to assess customer satisfaction at the point of contact. The response to surveys using this tool increased by 6 percentage points, compared with surveys via IVR.

Tools for non-invasive research have been developed: ML models for predicting tNPS and FCR estimates with an accuracy of 90%, which reduced the survey load on the customer by 18% at the points of contact.

18%

The survey load on the customer decreased by 18%

In 2024, our ambitious goal was to increase the number of products to be monitored on the Health Dashboard to 200. We have exceeded this target by 11%, and the total number of key user scenarios under monitoring has reached 1100. Currently, the Health Dashboard covers 58% of all products.

58%

of all products are covered by the Health Dashboard in 2024

In 2024, quality metrics covered 165 products, which is 2.75 times more than in 2023. This allows for comprehensive quality monitoring based on versatile metrics, which, in turn, contributes to a more detailed customer assessment of the product and the identification of areas for growth. For example, by receiving valuable customer feedback and using it for improvements, the MTS Launcher product was able to significantly increase its tNPS from 15% in December 2023 to 28% in December 2024. At the same time, the MTS Cashback product, working on customer requests, corrected transaction errors and implemented anti-fraud measures, which reduced the number of complaints by more than 2 times.

In 2024, the development of Alpha and Beta testing tools continued, with an emphasis on improving their effectiveness and participant engagement. The motivation system of testers has been redesigned, which has allowed to increase their activity and the quality of feedback.

In 2024, the automated testing platform for tariff plans and services was significantly improved. Its functionality has been expanded to support product testing on new target systems. This allowed us to maintain a high level of quality and accelerate the launch of new offers for our customers.

BIG DATA

In 2024, the team focused on integrating services and platforms into ecosystem businesses, as well as developing co-pilot assistants and AI-based processes.

The adaptation of Big Data platforms to simple use has made it possible to lower the qualification threshold and increase the penetration of data and tools into the products and services of MTS Group businesses.

Dynamic Pricing Platform

- We implemented the process of selecting a personal offer for Internet traffic packages (+9% of revenue and +16% of conversion).
- We have developed a new process for evaluating the non-optimal tariff and making offers for customers with a personal price (expanded the segment by 1.5 times).

Big Data Tools (DataOps)

- All platform tools have become available in the cloud, more than 230 internal products are connected, more than 5000 monthly active users, and open source versions of data processing tools have been published to increase the penetration and feedback of the Data Community. We have started scaling the tools to the AFK group of companies.

Recommender Systems (RecSys)

- In 2024, flexible search functionality with recommendations was created and integrated. A universal template for the process of collecting and preparing data for recommendations has been developed. Improved modeling functions (Underdog, a framework for training and inference models) and AB testing. Resources for developing recommendations have been reduced by 40% due to platform services. TOP 1 open source solution by MTS (due to recToolsMTS, it is among the top 10 Russian companies in terms of contribution to open source). More than 13 windows connected.

Scoring (Financial and Antifraud)

- We continued to develop new services and increase external revenue (+13%) due to an increase in data quality and an increase in the reliability of the infrastructure built on DataOps (99.97% service availability).
- In 2024, social engineering scoring was implemented for banks (MTSBank, SBER, Sovcombank) that help prevent theft from customers.
- We have launched piloting of new services in the TOP 7 largest banks in Russia.

Integration of Big Data into business:

Fintech

- Credit card conversion rate increased by 15% due to improved lead generation.
- Expanding the functionality of the insurance service by connecting CASCO products.
- 40% increase in payment and transfer conversions due to the transaction prediction model on the bank's window.

Marketer

- The automatic pipeline for searching for similar customers has been restarted (AutoLAL2.0).
- A new platform with segments for advertising (Segmentator) has been developed — we count segments faster and, as a result, requests grow by 110%.
- Rollout of models in DSP has been automated, which allowed to increase reliability and speed up the process.
- A new anti-fraud model has been built for advertising campaigns.

Telecom

- The integration of ML algorithms based on big data and AI technologies into the development processes of the telecom business continues.
- We have released an assistant for b2b sales, which allows you to receive up-to-date news on the portfolio of companies and form relevant communications through email messages. Next, the integration of the MTS Link service and other points of interaction.
- For b2b sales processes, an ML algorithm has also been developed for selecting the best offer with automatic calculation of CLV for non-core products (about telecom services without communication).
- Based on call transcription, network data, and Big Data AI algorithms, the Defender + Big Data team has developed a secure call service. Which allows you to identify fraudsters and notify the customer about it using the first few phrases. The spam number search service continues to be improved by speeding up data acquisition and developing a set of classification models.
- Optimizing retention algorithms — we have developed an AI robot to maintain the balance of MNP portations.
- We are integrating pricing platforms into Telecom windows and introducing hyper-personalization.
- We have improved the quality of network construction models and traffic and load forecasting (MAPE 4.5%).
- And also increased the accuracy of the model for detecting low-quality connections and fraud (MAPE 4%).

ARTIFICIAL INTELLIGENCE

Vertical AI (hereinafter referred to as MTS AI) is the competence center of the MTS ecosystem in the field of artificial intelligence. It was created in 2017. The Company's experts develop solutions based on computer vision, natural language processing and synthesis, generative AI for the MTS ecosystem, as well as for external customers.

In 2024, MTS AI actively created new products, integrated advanced developments into current solutions, participated in the development of the AI sector in Russia, conducted research aimed at studying innovative technologies and their subsequent implementation into its products.

Key areas:

- large language models;
- bots and virtual assistants,
- speech technologies,
- solutions for detecting digital fraud.

Large language models

Product-oriented development

In 2024, MTS AI released 7 large language models of the Cotype family (formerly MTS AI Chat), as well as the Kodify service for code generation and auto-completion. For almost the entire year 2024, one of the versions of LLM Cotype occupied a leading position in the MERA benchmark. The following was also released during the year:

- Cotype version in Tatar and Arabic languages,
- Cotype Nano open source model, capable of working on laptops and smartphones.

At the very end of 2024, MTS AI developers prepared the release of Cotype Preview (later renamed Cotype Pro 2). This LLM took the second place in the MERA benchmark.

MTS AI has also been actively developing the RAG (Retrieval Augmented Generation, generation based on search data) module to improve the accuracy of large language models and offer customers smart knowledge base search systems that allow them to find the necessary information in 3–5 seconds based on a natural language query.

MTS AI was actively involved in the creation of MWS GPT, a cloud-based B2B platform combining various large language models. Thanks to this platform, small, medium and large businesses will be able to simultaneously use different LLMs, as well as work with any open source models, train them, apply the functionality of function calling, and then implement and use ready-made solutions on the ecosystem infrastructure. The MWS GPT has built-in Cotype and Kodify models.

Projects

For the MTS Link service, MTS AI has improved the function of meeting video files. It makes it possible not to waste time watching the full video conference, but to study a short clip with the main fragments of the meeting: the agenda, the moments of making important decisions, agreement or objection, as well as the change of emotions.

Together with other companies, we have launched pilots to implement a large Cotype language model with the RAG module to enrich customer profiles, create smart database search systems and code generation and auto-completion services.

Bots and virtual assistants

Product-oriented development

In 2024, the MARS bot creation platform was released, and the MTS virtual assistant was implemented on its basis. MARS availability is 99.5%, latency (delay in processing information) is 2.5 seconds for 90% of requests. Further, during 2024, the product was refined and transformed. Work has begun on the creation of a copilot platform based on MARS and Audiogram.

Projects

For MTS products and services, MTS AI has developed a virtual assistant that answers subscribers' questions directly during a telephone conversation. For example, he can give you the weather forecast for tomorrow or suggest the addresses of the nearest shops or cafes. The assistant is able to summarize the content of the conversation and

send it to the messenger. The voice assistant also warns of possible fraud.

The NUUM streaming platform has implemented an AI content moderator, MTS AI, to detect scenes with military themes, smoking, pornography, prohibited symbols, alcohol and narcotic substances, and other sensitive content.

In 2024, significant work has been done to improve the quality of bots serving MTS PJSC customers in voice and text channels. ML models for recognizing emotions, intentions, and predicting customer satisfaction (tNpS) were implemented, and almost 670 versions of the models were trained for this purpose. The query classification quality increased by 13% for voice and 10% for text. Various data-driven practices have also been implemented, and own data infrastructure has been created, including a Replica storage with more than 300,000 tagged phrases. Operational improvements have reduced the time to market from 38 to 20 days, thanks to flexible methodologies and structured processes.

Speech technologies

Product-oriented development

The WordPulse service has been updated thanks to the introduction of a large language model, which makes it possible to search for information on a query in natural language and summarize the content of dialogues.

An anti-spoofing module has been introduced into the Audiogram speech synthesis and recognition platform, which allows detecting cloned, synthesized (never before existed) and recorded voice.

Projects

VisionService company has integrated the large Cotype language model and the Audiogram platform into the MAX

corporate communications system. The solution is able to record, transcribe and analyze corporate meetings. The AI platform helps to structure information and records all important aspects of meetings, so that managers receive accurate data for making managerial decisions.

For the tasks of Aeroflot PJSC, the Announce service was developed to promptly inform passengers. The solution allows you to create text messages, voice them in a synthesized voice, call customers and send them SMS messages.

Since 2024, the MTS Customer Service Department has been using the WordPulse speech analytics service to process voice and text communications with customers.

Solutions for detecting digital fraud

Based on VisionLabs' own developments and algorithms, MTS AI has created a service to protect against deepfake attacks, detect prohibited frames in photos and videos, and identify

AI-generated media materials. In 2024, active work began on combining VisionLabs and MTS AI solutions for anti-spoofing into a single service.

In 2024, the main part of the work on creating a content verification service was completed. The AI solution allows you to determine the likelihood of synthesized speech, recorded voice and deepfakes in audio messages, as well as signs of fraud in text messages and screenshots with text. The accuracy of the solution is 97%, and the response preparation time is 5–8 seconds.

Financial figures

In 2024, pilots were launched to implement a large Cotype language model with the RAG module to enrich customer profiles, create smart database search systems and code generation and auto-completion services for a number of financial and industrial enterprises.

By the end of 2024, MTS AI has signed eight contracts worth 208 million rubles with external clients. By the end of 2024, the external customer funnel had more than 50 leads totaling 1.455 billion rubles.

In 2024, MTS AI signed 17 partnership agreements with leading IT integrators and developers of corporate digital solutions.

4.36 BRUB

revenue of MTS AI in 2024

>20 projects

for external and internal customers implemented in 2024

208 MRUB

amount of MTS AI contracts with external customers in 2024

Artificial Intelligence Alliance

MTS AI actively participated in the development of the AI industry in Russia, in the projects of the Artificial Intelligence Alliance, which unites the country's largest AI developers. MTS AI has signed a declaration on responsible development of generative AI, which sets out ethical principles and recommendations for responsible treatment of this technology. The head of

the Kodify group, Valentin Malykh, joined the scientific council of the Artificial Intelligence Alliance. With the participation of the Company's experts, a textbook on artificial intelligence for grades 5–6 was prepared, and in 2025 the manual will appear in schools across the country.

Scientific activity

MTS AI actively developed its scientific activities: in 2024, the Company presented six studies at international Tier A conferences, including the largest in their fields CVPR 2024, NeurIPS 2024, EMNLP 2024. It is worth noting that MTS AI is the only Russian company that has managed to get two articles approved at once at EMNLP 2024, which is one of the largest and most authoritative conferences on NLP (natural language processing technologies). NLP developer Daria Galimzyanova (Efficient Active Learning with Adapters) and Head of MTS AI Search Group Nikita Krayko (Efficient Answer Retrieval System (EARS): Combining Local DB Search and WebSearch for Generative QA) presented their articles at the conference.

The Company's employees also won prizes in major international artificial intelligence competitions, including Image Matching Challenge 2024 by Google, and NASA's Pose Bowl: Detection Track 2024 competition driven by data. In addition, MTS AI specialists won two prizes in ASVspoof2024, one of the most prestigious international competitions in the field of biometrics and voice recognition. The Company's employees have the second place in the voice anti-spoofing competition and the third place in the voice verification track.

In 2024, MTS AI participated in leading Russian business conferences: CIPR, Finopolis, Retail Tech, AI Journey, and the Moscow Financial Forum. Top managers and specialists of the Company made 47 public appearances, the MTS AI Company's booth was present at 4 specialized events.

Employer's brand

MTS AI entered the top 3 key AI employers, along with Yandex Search and SBER AI. The rating was compiled by the TAdviser analytical center. MTS AI also received the IT Leader in Artificial Intelligence award for the development of the Cotype language model at the Kazan Digital Forum. Audiogram has entered the top 5 best speech synthesis solutions in contact centers according to an independent study by

ICT-Online. Audiogram's male voice in high quality mode was recognized as one of the highest quality on the market.

MTS AI in the TOP 3 key AI employers in the TAdviser Analytical Center ranking

LOOKING INTO THE FUTURE

Current trends in ecosystem development in Russia

After a period of adaptation to new economic and geopolitical conditions, the dynamics of ecosystem development in the country's consumer markets began to show certain signs of slowing down. Thus, this is reflected in the abandonment of unpromising areas and concentration on key ones, in a decrease in the growth rate of subscription penetration, and in general in greater pragmatism, caused, among other things, by the tightening of monetary and financial policy by the end of 2024. Of course, ecosystems will continue to improve consumer ecosystem-wide mechanics and existing services, but in building up product portfolios, we can expect efforts to shift from self-development and M&A to attracting partners and integrating their products into the integrated offerings of their ecosystems.

At the same time, most ecosystems have a new organizational and commercial focus — B2B, that is, a segment of services for companies: B2B product portfolios are being formed around basic, key competencies (for example, SBER, Yandex, VK, and, of course, ecosystem marketplaces with their "helping" services for sellers), plans have been announced even by completely separating such business areas from individual players. This trend is related both to

the great prospects in B2B compared to saturated consumer (B2C) markets in general (the growing demand for further digitalization, automation and robotization of internal business processes of companies and their sales channels, the transition to the so-called platform-based, as well as cloud-based solutions for the formation of industry marketplaces), and with the ability for ecosystems to reuse accumulated B2C market tools in the B2B segment, transferring "consumer" marketing and user mechanics there (using social networks, marketplaces and self-service sales channels, selling their advertising capabilities and capabilities of technology platforms and modules).

A certain transition from quantity to quality is observed in the field of AI: from the creation of experimental models and demonstration products, many ecosystems in Russia are moving to the practical implementation of large language and generative AI models in their basic products — or even to the creation of completely new products based on AI technologies. It should be expected that in Russia it is ecosystem companies with a wide range of both B2C and B2B products, human, technological and financial resources that will be able to develop AI most actively in the future.

Key development vectors: technological and business trends

In the telecom sector, the main trends have not changed over the year.

The growing penetration of 5G contributes to the unloading of mobile networks, but it still does not provide any clear advantages or any new products based on its base for ordinary consumers. Additional revenue from 5G is still expected to be driven by demand for new high-load services from B2B companies. At the same time, here in B2B, complex, integrated solutions are important (which include a "basic" high-speed mobile connection only as one of the components), which means that operators will have to compete not only with each other, but also with technological IT companies, and in Russia, with ecosystems that are beginning to be considered the business market as a new key area for itself. This applies not only to 5G, but also to other telecom and

near-telecom services that some operators (including MTS) are developing, such as UCaaS, Telecom API, private LTE \ 5G.

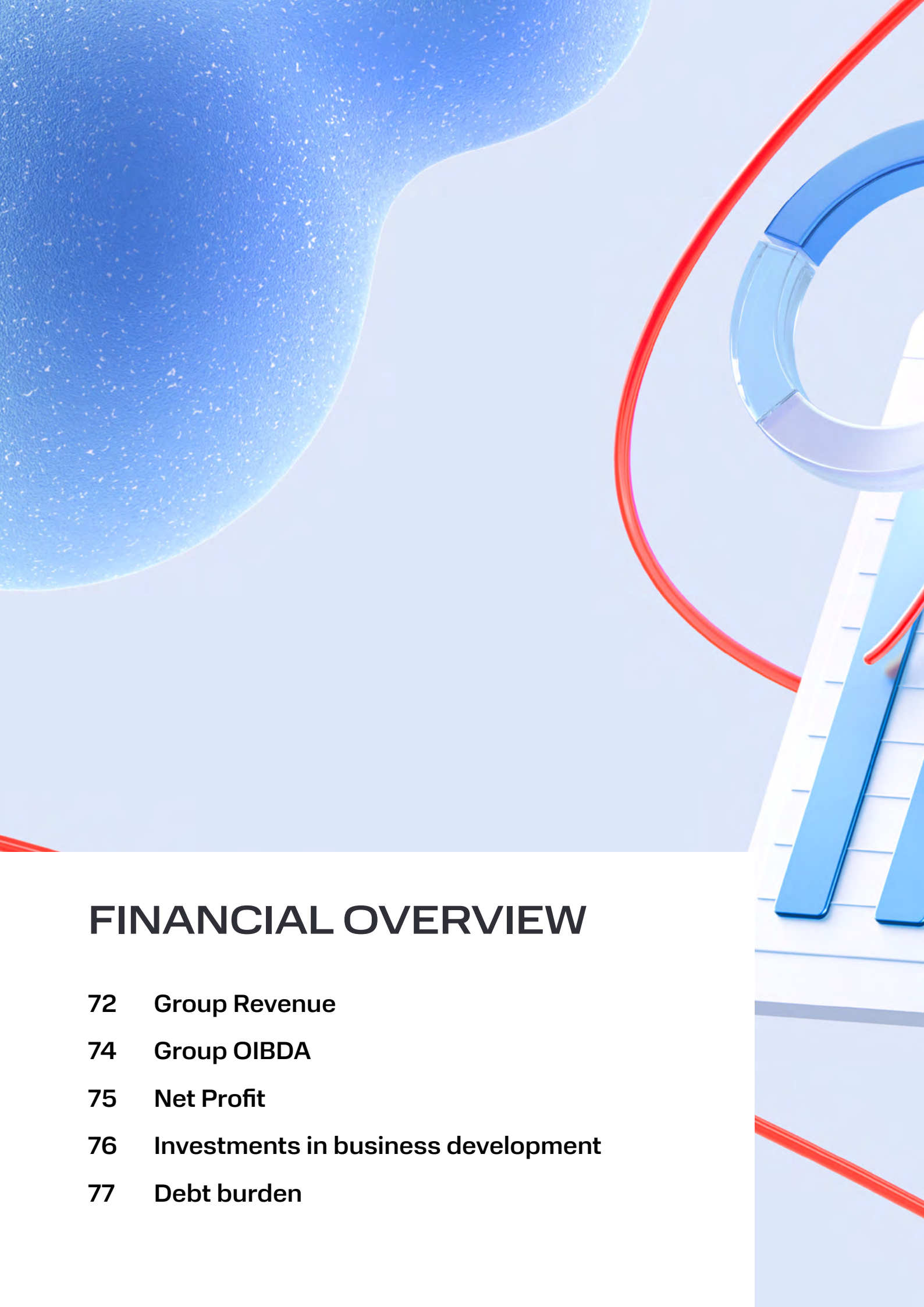
The number of partnership agreements between satellite (primarily Starlink) and mobile operators in the field of "non-terrestrial" networks (NTN) for direct satellite-standard smartphone communication continues to grow. So far, efforts are focused on ensuring the delivery of text messages (SMS), but data transmission is also already possible. In the medium term, the introduction of a separate substandard (5G NTN) seems to be the most promising, which will probably ensure both higher communication quality and a seamless transition between terrestrial and satellite network segments.

As an example of a technology that is developing at a slower pace than expected, but at the same time has discovered an interesting niche, it is necessary to note eSIM and roaming communications: the lack of need to spend time buying a physical SIM card at the airport, the ability to choose the optimal tariff in advance and "install" the card into the phone has created a new type of mobile communication service.

In the field of artificial intelligence (AI), there is an active search and targeted implementation of solutions with understandable commercial effect in internal business processes (integrated chatbots, advanced analytics and HR tools, automation of contact centers, robotics) and certain types of commercial products (for example, software development and working with legal documents). Separately, it is worth noting various types of activities in the field of content creation (including amateur one): the expansion of the use of AI tools can have a significant impact on other industries, such as film production and UGC video services, both by reducing cost and increasing the variety of offerings. In general, the key direction in the field of AI (primarily generative) in the medium term — in addition to the ongoing race

to increase the quality and capabilities of "ultimate" models — will be the search for ways to reduce the cost of training and retraining — in general, solving issues of economic efficiency and financial accessibility. Potentially, these areas can lead to the discovery of fundamentally new architectures and algorithms, which we can already see in the example of research in the fields of agent systems, specialized processors, the progress of "reasoning" models (which ensure an increase in quality and capabilities, including by "shifting" computational costs from the learning stage to the inference stage), and systematic use synthetic data from large models for training small ones. In addition, explosive growth in the field of robotics is possible due to synergies with generative and other types of AI models.

Issues of global politics, economics and demography — such as de-globalization, isolation of local markets, restrictions on the global Internet or the activities of digital giants, aging and population decline — already directly affect most companies on the path of technology development, creating well-known problems in supply, in attracting staff, but at the same time opening up new ones.



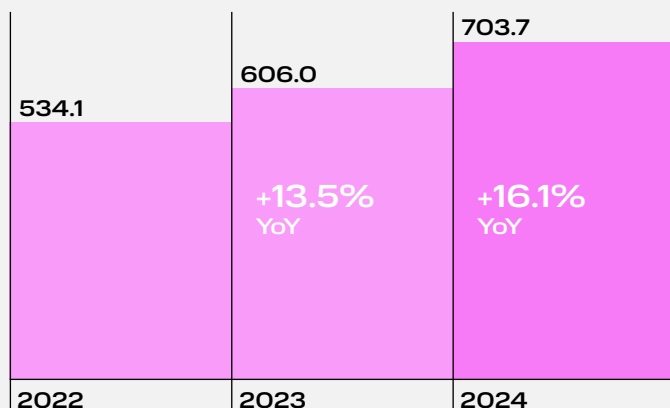
FINANCIAL OVERVIEW

72	Group Revenue
74	Group OIBDA
75	Net Profit
76	Investments in business development
77	Debt burden



GROUP REVENUE

Group Revenue
BRUB



The group revenue has been growing at double-digit rates for many years

MTS has reached a new stage of transformation with a record annual revenue for the company's entire history – over RUB 700 billion. MTS continues demonstrating high double-digit rate of income growth through increased revenue from basic telecom services, and also through fast-growing AdTech and Fintech areas.

We also continue fast-growth of the ecosystem base, which increased for the year by 16%, reaching 17.5 million customers. The main drivers for attracting new customers are KION, MTS Urent, Defender services and MTS Premium subscription.

To improve the corporate structure, the company generated new verticals beyond the primary telecom business under the management of MTS Ecosystem, defined the leaders in new business units, revised the approach to investments, having frozen investments in some projects with low profitability.

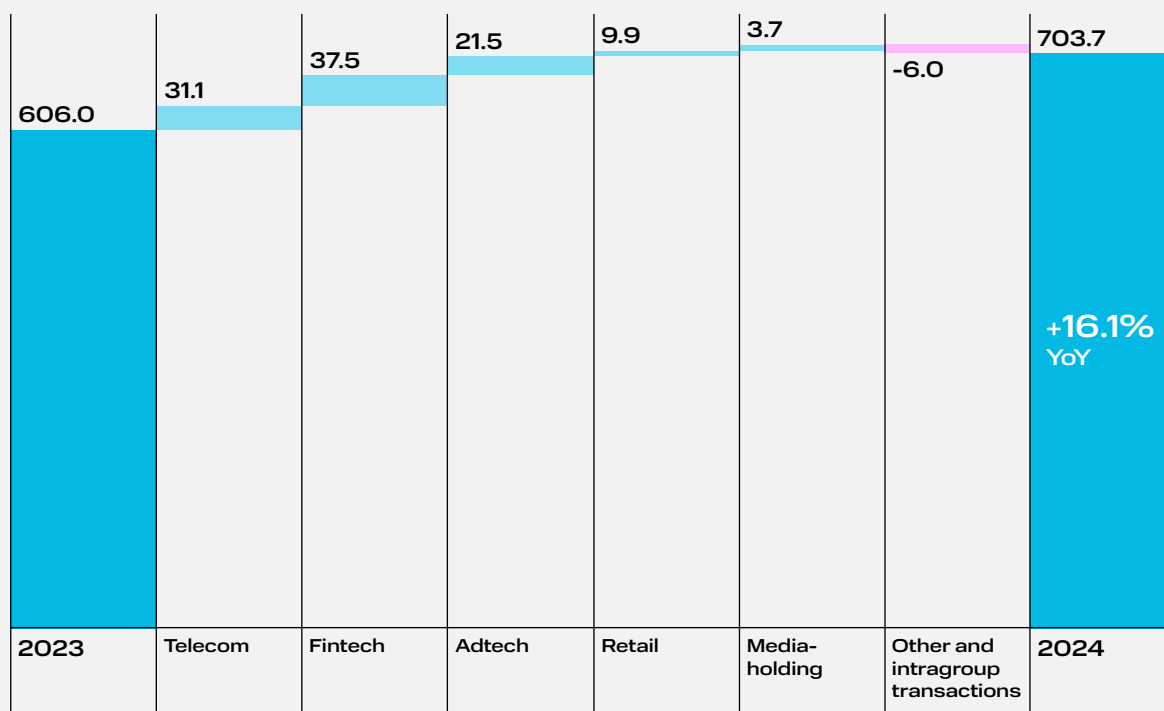
All these actions allow maintaining the debt load at stable level even under strict money and credit policy – the net debt ratio to OIBDA has remained at an invariable level of 1.9x for a long period of time. OIBDA growth is limited by investment into development of new businesses, the ecosystem and personnel. We are confident that further improvement in the corporate structure will make it possible to unleash the potential of each vertical, which in the future will provide a multiplicative effect for the entire ecosystem and will maintain double-digit growth rates.

In 2025, MTS is focusing on improving operational efficiency, launching a new breakthrough technology in all business areas and better quality of service for the customers and partners.

CEO of MTS¹

¹ On February 26, 2025, an entry was made about the change in information about the legal entity to the Unified State Register of Legal Entities: Inesa Galaktionova – CEO of MTS PJSC.

Group Revenue BRUB



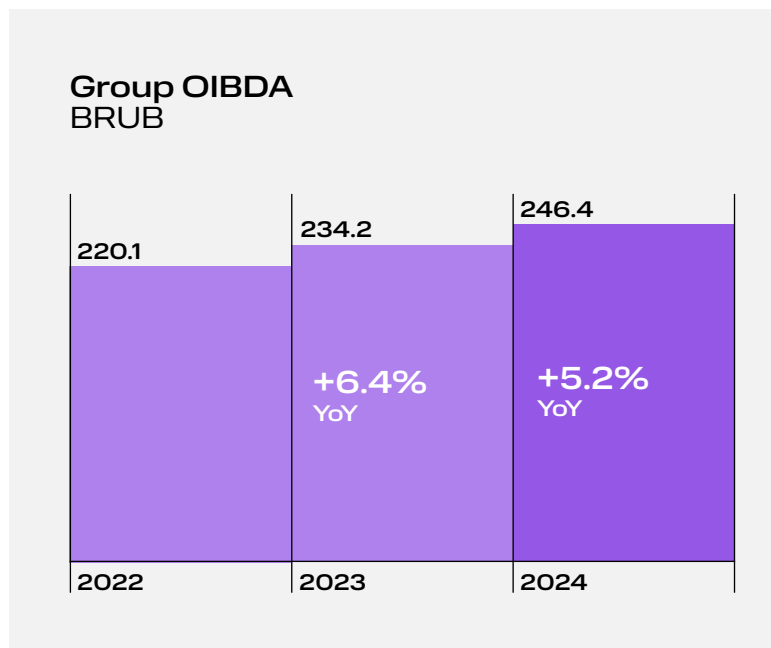
High growth rates in the group income in 2024 were due to the growth in income from communication services, in the Fintech segment — by growth in portfolio and interest rates, in the Adtech segment — by growth in income from traffic increase and active promotion of products in digital. Additionally, the group retail income increased significantly, and Media Holding income also grew.

Information on the consolidated financial and operating results of MTS Group for Q4 2024 is available on the company's website



[Financial statements](#)

GROUP OIBDA



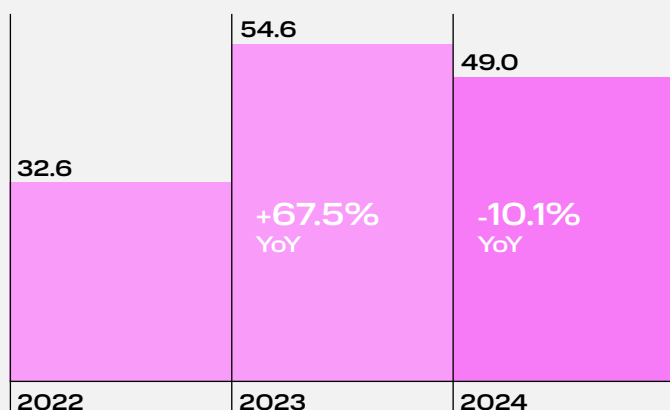
Increased revenue
drives steady
OIBDA growth

The stable dynamics of OIBDA is supported by income from communication services and the advertising segment.

OIBDA growth is limited by investments in developing new businesses, the ecosystem and personnel.

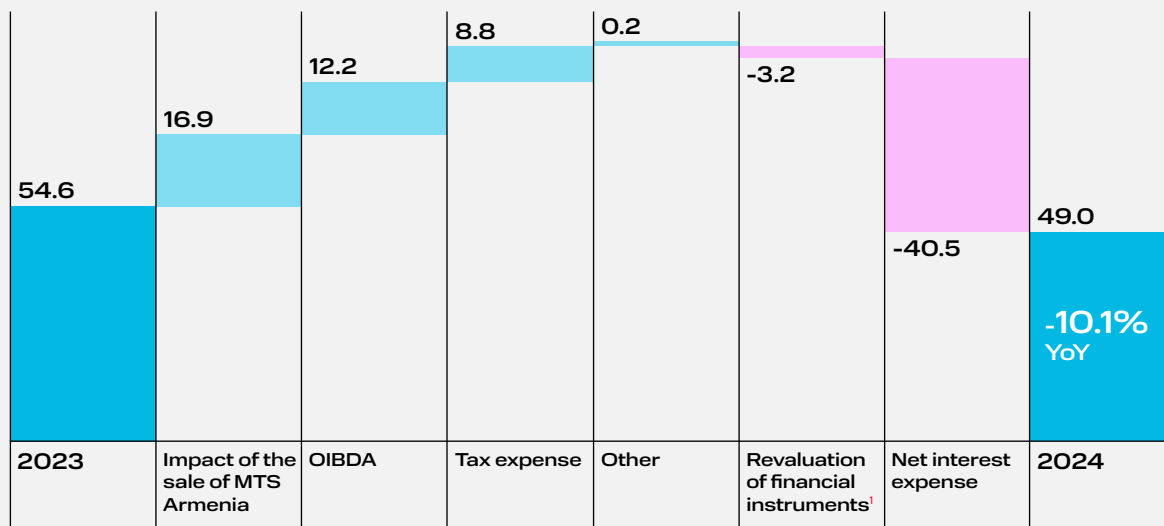
NET PROFIT

Group net profit
BRUB



Group net profit
under pressure
of high rates

Group net profit
BRUB

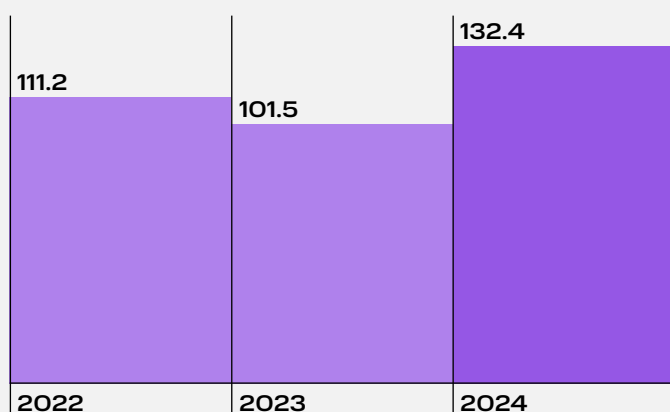


¹ Including FX and operations with derivatives.

Net profit in 2024 decreased by 10.1%. YoY in association with an increase in interest expenses in connection with the key rate increase, and because of the reevaluation of financial instruments and derivatives.

INVESTMENTS IN BUSINESS DEVELOPMENT

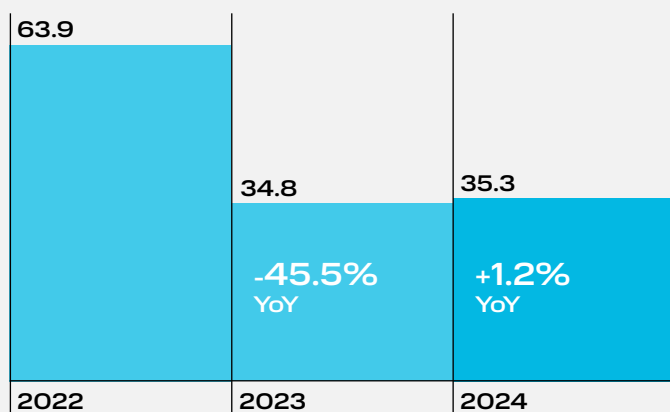
Group capital expenses¹
BRUB



¹ CAPEX without purchase of 4G licenses and minus the funds credited from joint use of infrastructure

Increase in the Group capital expenses for 12 months of 2024 is related to intensive procurement of equipment, investment in products and development of teams in the reporting period.

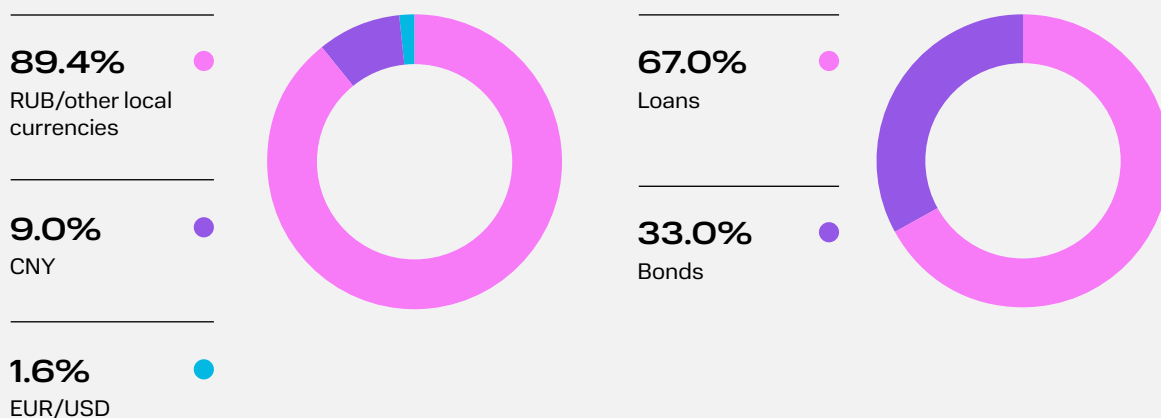
Free cash flow
BRUB



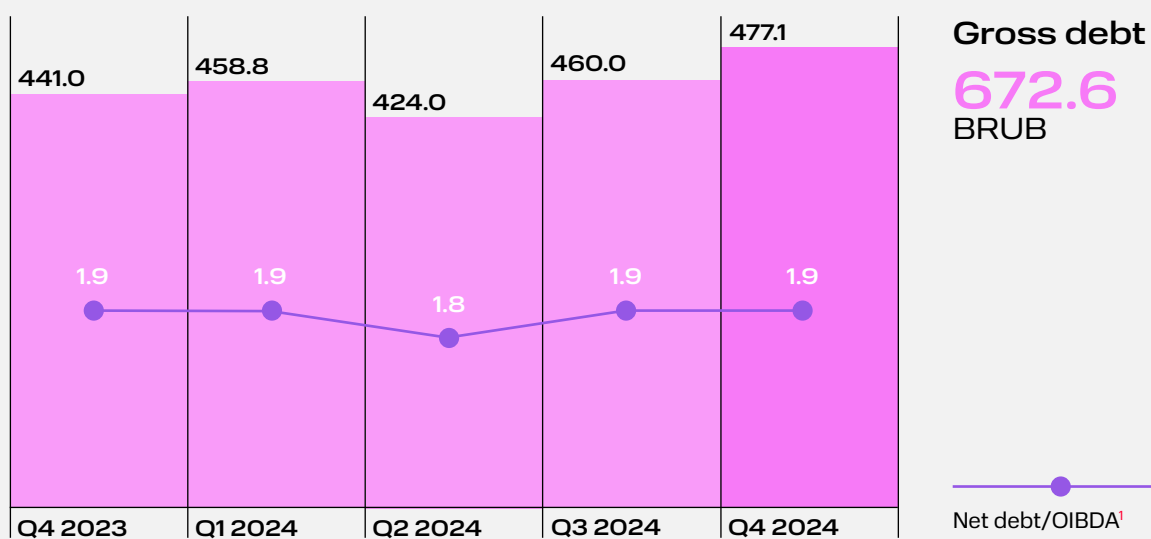
In 2024, the free cash flow was under pressure due to higher capital expenses, company acquisitions and low operating cash flow because of high interest expenses.

DEBT BURDEN

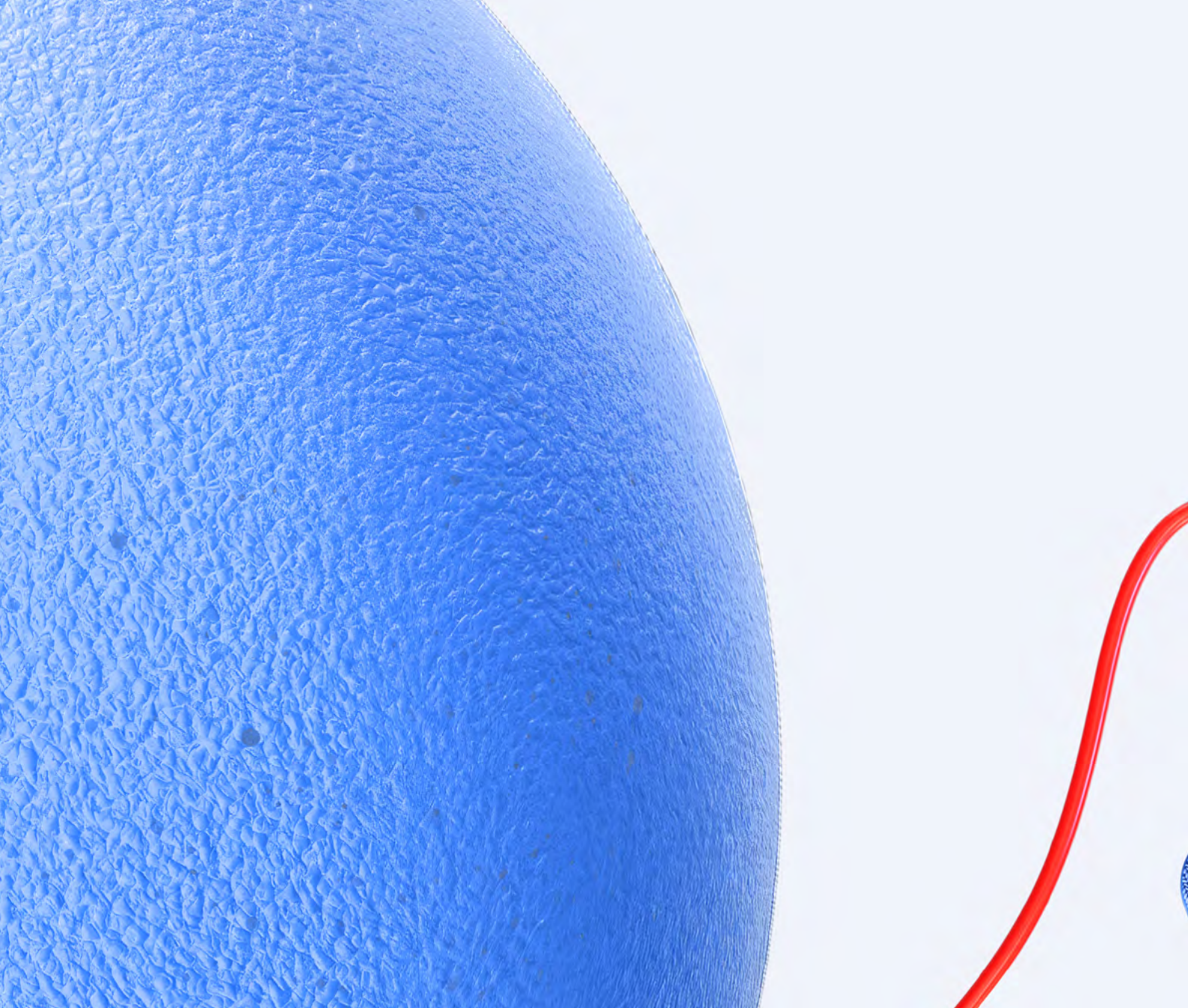
Gross debt breakdown¹



Net debt¹ BRUB

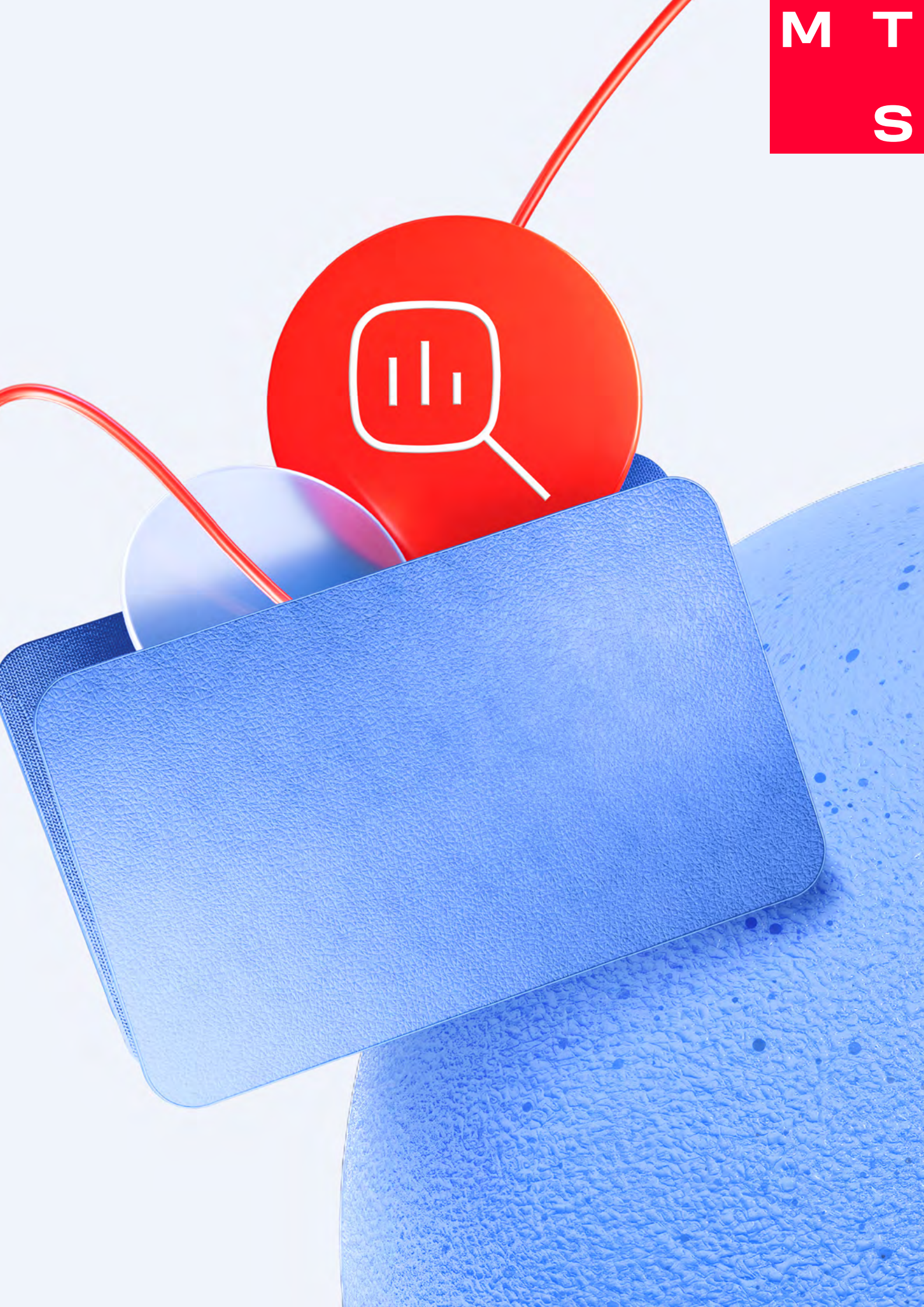


¹ Excluding IFRS lease liabilities.



CORPORATE GOVERNANCE

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REPORT BY THE BOARD OF DIRECTORS

on the Results of MTS Development in terms of Priority Business Areas

Summary of the annual performance results and management activity in the context of strategy implementation

The key outcome we aim to achieve in implementing our Customer Lifetime Value 2.0 (CLV 2.0) strategy is to increase the overall value of our ecosystem product proposal and transform that growth into increased shareholder value. From a strategic management perspective, this means that we focus our efforts in the following three areas:

- building an ecosystem of digital products;
- achieving excellence in digital technology and competencies;
- transforming into the Group with implementation of the sum of the parts principle.

In the first two areas, the majority of the necessary decisions and actions on the part of senior management and the Board of Directors have already been implemented. A set of key business areas which, according to our expectations, can demonstrate certain dynamics and give financial effect, has been formed, a system of operational management and mechanisms for interaction between areas have been built, and principles and standards of corporate management have been established. Currently, the main operational work in this area is done by local teams. The Ecosystem's top management and corporate bodies make decisions regarding opening new areas or closing those that do not meet expectations and perform a number of high-level functions (distribution of financial flows, approval of strategy, control over the achievement of business outcomes, key personnel appointments, M&A issues). An important task at the Group level remains the search for optimal parameters and configuration of the partner program, which is the most important factor in the forming the ecosystem offer for us.

The main area of work by the Board of Directors and senior management in 2024 was "Transformation into a Group of Companies". In this area, we not only made good progress, but also fulfilled all the tasks set at the upper limit of expectations. The above can be explained by both obvious successful activities in business areas and positive changes in our expectations regarding the further revival of financial markets and the macroeconomic environment. As a result, at the end of the year, we considered it possible and necessary to propose to shareholders to adopt an official resolution to start the asset division procedure and the process of transformation towards the Group configuration, and this proposal was supported by the shareholders.

We hope that we will be able to complete all necessary actions to reconfigure the Group in Q3 and Q4 2025. Management structures and business processes have been built in the areas, and all conditions for conducting business operations have been created. Businesses are independent

enough, and the interconnections between them allow them to continue to interact smoothly as standalone legal entities. The main task of the Group's corporate governance bodies in the near future will be the formation of corporate governance structures for new companies. They will be unified and standardized in accordance with our high standards and our rich experience in this field.

As part of its function to protect the rights and interests of shareholders, the Board of Directors took all necessary actions to organize the annual general meeting of shareholders and make decisions on paying dividends for 2023 in the total amount of RUB68.6 billion. Also in 2024, in order to preserve shareholder value, the Board of Directors continued to consider and made decisions on issues of restructuring the ownership of MTS foreign businesses and their transfer to friendly jurisdictions. In April 2024, the Board of Directors approved a new dividend policy for 2024–2026, which sets the target yield at a level of at least RUB35.0 per ordinary share of MTS PJSC with a payment frequency of once a year. This emphasizes that respecting the interests of investors is an absolute priority for us.

The following can be noted among other issues considered by the MTS Board of Directors in 2024 and the respective decisions made.

- Following the best corporate governance practices, the Board of Directors considered a number of issues related to functioning of the internal audit, control and compliance system, as well as the risk management system in MTS.
- Necessary decisions were made regarding the composition of the corporate management bodies of MTS PJSC and subsidiaries.
- An assessment was made with regard to the achieving the target KPIs in 2023 by the CEO and members of the MTS Management Board, and the target KPI levels for 2024 were also approved.
- In order to ensure the continuity of financing of MTS PJSC activities and optimal debt management, issues related to the programs for issuing and repurchasing bonds, Digital Financial Assets and other financing instruments were considered.

In 2025, we will consistently implement our transformation plan and, if necessary, make prompt adjustments based on likely changes in the macroeconomic environment and historical background. Our expectations for the future combine optimism and pragmatism. We are ready to take advantage of the opportunities that arise, but in our actions we will focus primarily on the sustainability of the current business, high financial performance, and the interests of shareholders.

CORPORATE GOVERNANCE SYSTEM

Corporate Governance Model Development

Since the beginning of its public history, MTS has been paying great attention to developing corporate governance and strives to ensure that MTS corporate governance practices meet the best standards.

In 2024, by implementing the principles and recommendations of the Bank of Russia Corporate Governance Code¹, we continued to maintain a high level of corporate governance, taking into account the challenges facing the Company². A high level of corporate governance is one of the fundamental values for MTS.

Corporate Governance Index

Based on the results of 2024, for the seventh consecutive year, MTS is among the “Leaders in Corporate Governance” of the RUCGI National Corporate Governance Index.

MTS Corporate Governance Principles

- Comprehensive protection of shareholder rights and interests;
- Information openness and transparency;
- Single corporate policy with respect to subsidiaries;
- Independence of the Board of Directors when defining the Company’s strategy, approving business plans and making other important decisions;
- Control over management activities;
- Observance of business ethics when doing business;
- Doing socially responsible business aimed at ensuring sustainable development of the Company and its welfare.

MTS Group Governance System

The current Corporate governance system at MTS Group ensures strict observance of rights and legitimate interests of all shareholders, sustainable functioning and initiation of business and achievement of the strategic goals of MTS Group. The steps taken to develop the corporate governance system ensure the most effective use of shareholders’ investments and their protection, assist in developing the digital ecosystem of MTS products, in the context of the interconnected relationships and succession in the decisions made by the management bodies of MTS Group of Companies.

Management of MTS Group Subsidiaries

As part of the strategy, development of the MTS Ecosystem continues. However, at the same time, there is a transformation into a Group of individual legal entities, many of which will have independent access to the capital market and valuation.

¹ Approved on March 21, 2014 by the Board of Directors of the Bank of Russia (Letter of the Bank of Russia No. 06-52/2463 dated April 10, 2014).

² See detailed results in Appendix “Report on Compliance with the Principles and Recommendations of the Corporate Governance Code”.

Principles of Managing MTS Controlled Subsidiaries

- Management and control are carried out through MTS representatives elected to the management bodies of subsidiaries.
- With respect to subsidiaries, the uniform corporate governance standards of MTS Group are applied, including unified internal decision-making procedures and standard corporate documents, as well as uniform standards and procedures of MTS Group in the field of anti-corruption compliance.
- MTS participates in the process of forming the composition of the Board of Directors and determines strategic and priority decisions by the Boards of Directors of subsidiaries.

The MTS Board of Directors is the center for strategic decisions transmitted to subsidiaries through MTS representatives in the management bodies, including on the following issues:

- strategy and investments;
- business plan and budget;
- remuneration system;
- management control, audit, compliance;
- asset control.

The following points are taken into account when forming the Boards of Directors at subsidiaries:

- importance of the company for the overall MTS Group strategy;
- current and target scale of the company's business;
- sector and industry of the company;
- requirements of laws, regulators and exchanges;
- balance between the personal and numerical composition of the Board of Directors.

The Remuneration & Nomination Committee of the MTS Board of Directors approves the list of subsidiaries, for which it considers information on the formation, termination and change of the composition of the Boards of Directors.

The following criteria are taken into account when selecting candidates for membership in the Boards of Directors of subsidiaries:

- personal skills, qualifications, experience;
- knowledge of industry and sector of the subsidiaries;
- overall employment, including in other management bodies of companies;

- exclusion of a possible conflict of interest;
- candidate's consent, including consent to meet anti-corruption compliance requirements;
- positive opinion based on the candidate's verification results.

Training of MTS representatives in the subsidiary management bodies is conducted in accordance with the MTS regulatory internal documents. The MTS representatives participate in the work of the management bodies of subsidiaries guided by the rules of subsidiary internal documents.

In order to fulfill their duties efficiently, the representatives:

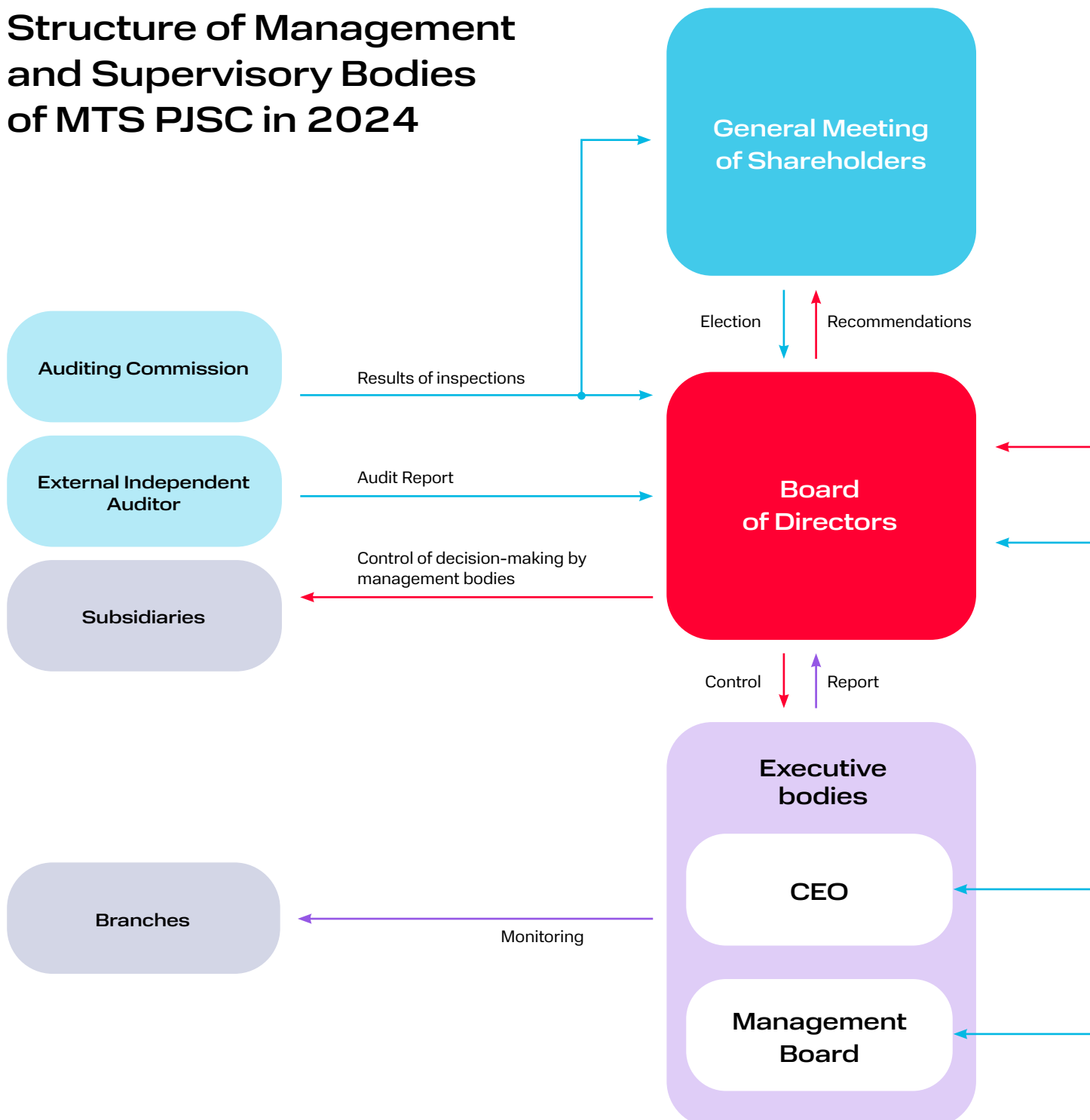
- receive and analyze information about the company's activities;
- initiate issues to be included in the agenda of management bodies;
- take active part in meetings of management bodies;
- vote taking into account the position of the MTS management bodies, determined in accordance with the MTS Charter;
- control the execution of the decisions made;
- participate in developing a culture of ethical business conduct and compliance with applicable anti-corruption legislation;
- inform MTS about the occurrence of a conflict of interest and possible violations of the requirements of the applicable anti-corruption legislation by the company.

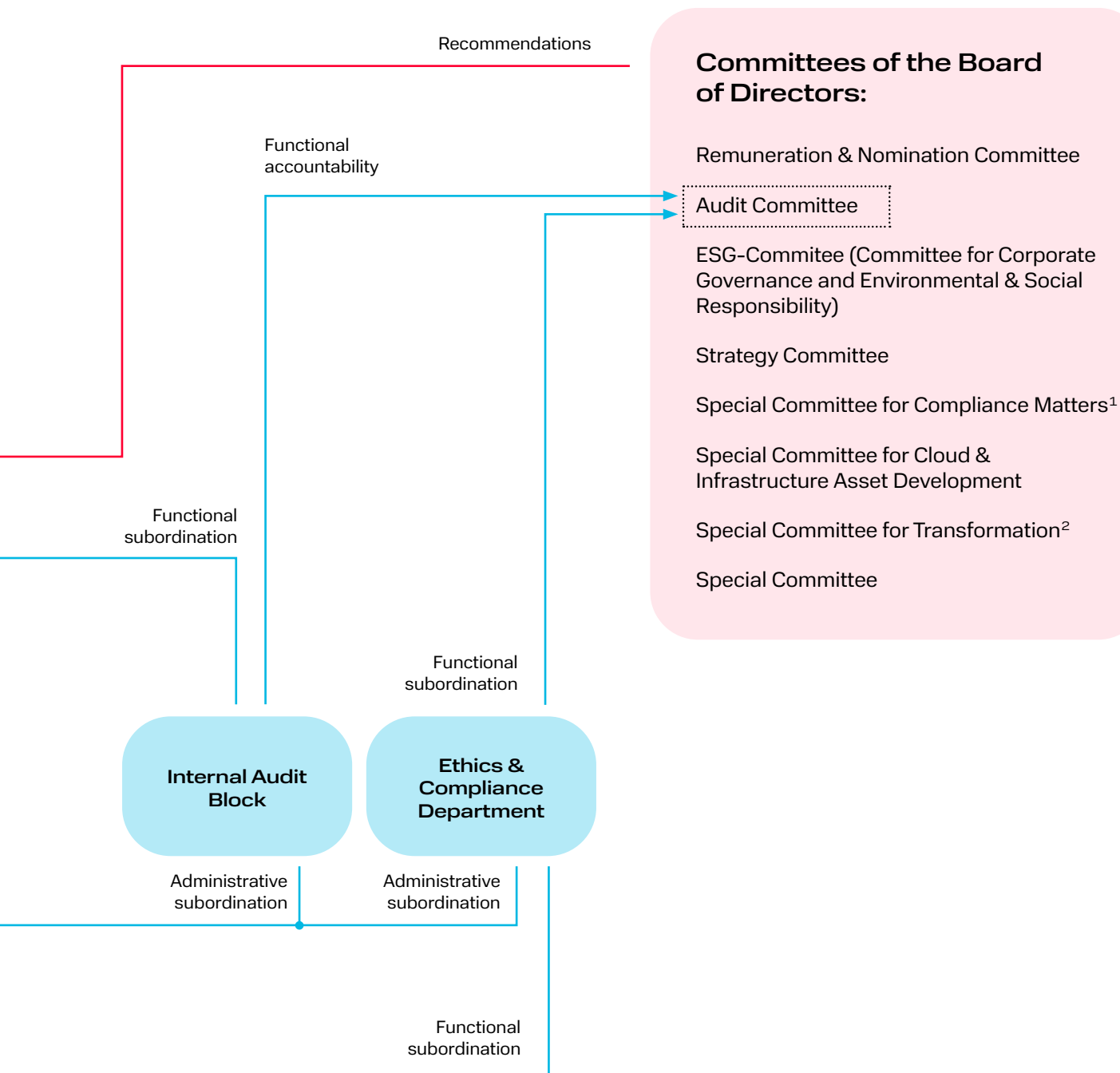
Management of the companies not controlled by the MTS Group, regarding which persons/entities from MTS Group have the rights of a shareholder (member), involves protecting MTS interests in terms of profitability target parameters, strategy priorities, property rights of shareholders (members). The degree of integration of corporate governance standards and anti-corruption compliance of MTS Group in such companies is influenced by the share of participation by persons/entities as part of MTS Group and/or the terms of the corporate agreement entered into regarding such a company. Herewith, the Group makes reasonable efforts to ensure compliance with and application of these standards in the companies not controlled by the MTS Group.

The anti-corruption compliance program of the MTS Group is implemented by introducing uniform approaches, standards, policies and procedures both at MTS PJSC and its subsidiaries. Ensuring uniformity in the context of the large composition of the MTS Group is achieved through commitment to the principles of corporate governance, efficacious contract work in investment transactions and a proactive approach to setting up interaction with the heads of new MTS Group companies.

CORPORATE GOVERNANCE BODIES

Structure of Management and Supervisory Bodies of MTS PJSC in 2024





¹ Powers terminated on 27.06.2024

² From 19.12.2024.

GENERAL MEETING OF SHAREHOLDERS

General Meeting of Shareholders — supreme management body of MTS PJSC. The procedure for holding the General Meeting of Shareholders is aimed at ensuring adherence to the rights of shareholders and meets all the requirements of the Russian Federation legislation. The procedure for preparing, convening, holding and summarizing the results of the General Meeting of Shareholders is determined by the Charter¹ and the Regulations on the General Meeting of Shareholders of MTS PJSC².

The shareholders take part in governance over the Company and significantly impact its priority areas of business development by making decisions at the General Meeting of the Company's Shareholders. The powers of the General Meeting of Shareholders include approving the annual report and

accounting statements, distributing profit, including paying dividends, electing key management and control bodies of the Company, decision-making concerning the Company reorganization and a number of other important matters.

Notifying the Shareholders on Holding of the General Meeting of Shareholders

Shareholders shall be notified on holding of the General Meeting of Shareholders through posting of this information on the Company's official website³ at least thirty (30) calendar days prior to the date of its holding.

The notice of holding the General Meeting of Shareholders may be additionally sent to the persons entitled to participate in the General Meeting of Shareholders and registered in the Company's register of shareholders, by registered mail to the address specified in the register of the Company's shareholders, or delivered personally to such persons against signature simultaneously with sending or handing over the voting ballots. The information and materials on the agenda of the General Meeting of Shareholders are provided to the persons registering their rights to the Company's

shares in a depository by providing them to the Company's registrar for direction to a nominee holder entered in the register of shareholders in accordance with the Russian Law on Securities.

Within the framework of preparation for the General Meeting of MTS Shareholders, the shareholders get the opportunity to ask members of the executive bodies and the Board of Directors about the items on the agenda of the General Meeting of Shareholders, as well as to voice their opinion about the items on the meeting agenda by sending e-mails to: shareholder@mts.ru. Materials on the meeting agenda are posted on a special page of the website dedicated to the Annual General Meeting of Shareholders.

¹ https://storage.ir.mts.ru/mts-ir/images/documents/statements/MTS%20Charter_2025-eng.pdf

² <https://storage.ir.mts.ru/mts-ir/images/documents/statements/MTS%20GSM%20Regulations%202025%20ENG.pdf>

³ https://ir.mts.ru/en/about_mts/corporate_governance/shareholders-meeting

Holding the General Meeting of Shareholders

Shareholders may exercise their voting right by ways most simple and convenient for them without any encumbrance. Voting at the General Meetings of Shareholders is conducted by direct participation in the meeting or by filling out and sending to the Company (as well as its registrar) ballots on agenda items or by filling out voting e-ballots on the MTS website at: www.mts.ru/shareholder via electronic services.

The General Meetings of Shareholders shall be set up and held so as to allow easy access for all the shareholders. General meetings held in the form of joint attendance shall be organized at locations convenient for arrival and personal participation by the shareholders and their representatives. During registration and during the break, the shareholders are provided with an opportunity to receive the necessary consultations on various Company projects.

Results of the 2024 Annual General Meeting of Shareholders¹

The Annual General Meeting of Shareholders of MTS PJSC was held on June 26, 2024 in absentia using the Registry-Online e-voting services by Reestr JSC. At the Annual General Meeting of Shareholders, 71.2% of those participating in the meeting voted electronically.

¹ https://ir.mts.ru/en/news_and_events/corporate_releases/details/741912.

BOARD OF DIRECTORS

The Board of Directors is a key element in the MTS PJSC corporate governance system representing the interests of its shareholders through efficient management organization.

Establishment procedure, status, composition, functions, goals and objectives, powers of the Board of Directors, the procedure for its operation and interaction with other management bodies of the company are set forth in the provisions of Russian Federation legislation, the Charter, the Regulations on the Board of Directors of MTS PJSC¹, as well as taking into account the recommendations of the Corporate Governance Code of the Bank of Russia.

Basic Functions of the Board of Directors:

- developing and analyzing general corporate strategy, and exercising control over its implementation;
- ensuring control over executive bodies and chief executive officers of the Company, and assessing their activities;
- increasing the Company's capitalization, expanding its market positions, achieving and preserving the Company's competitiveness;
- maintaining financial stability, and increasing revenue and profitability;
- protecting rights and legitimate interests of the Company's shareholders.

Composition of the Board of Directors

The composition of the Board of Directors is formed in accordance with the interests of shareholders, taking into account the balance of professional qualifications, experience and business skills of its members. The issues related to the needs of the Board of Directors in the area of professional qualification, background and business skills of its members, as well as to the numerical composition, were considered within the procedure for assessing the Board of Directors' performance². Current members of the Board of

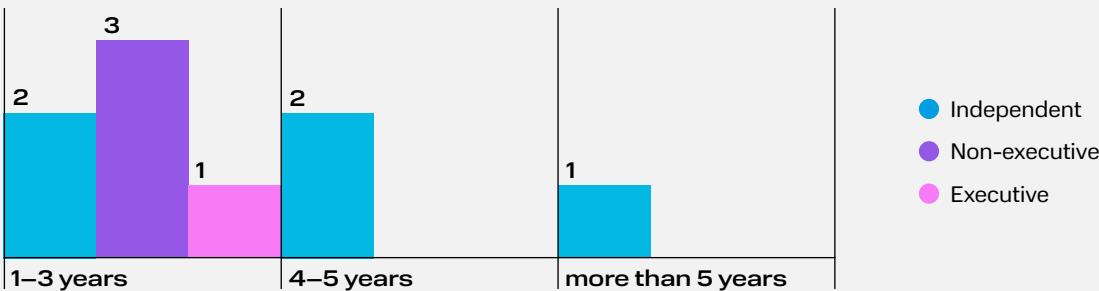
Directors of MTS PJSC were elected at the Annual General Meeting of Shareholders of MTS PJSC on June 26, 2024.

In recent years, the majority of seats on the MTS Board of Directors have been occupied by independent directors. The Board of Directors is well-balanced both in terms of numerical composition and in terms of experience and qualification of its members.

¹ <https://storage.ir.mts.ru/mts-ir/images/documents/statements/MTS%20BoD%20Regulations%202025%20ENG.pdf>

² See more in the "Assessing the Performance of the Board of Directors" section.

Duration of Work in the Board of Directors



Composition of the Board of Directors¹

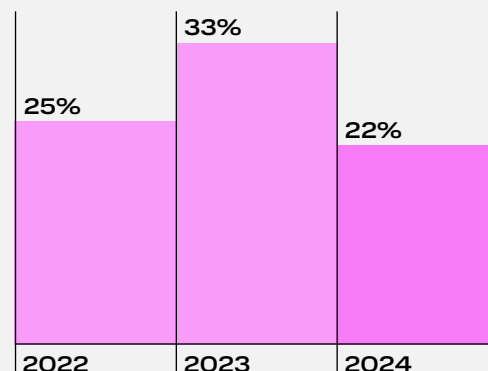
56%
Independent

33%
Non-executive

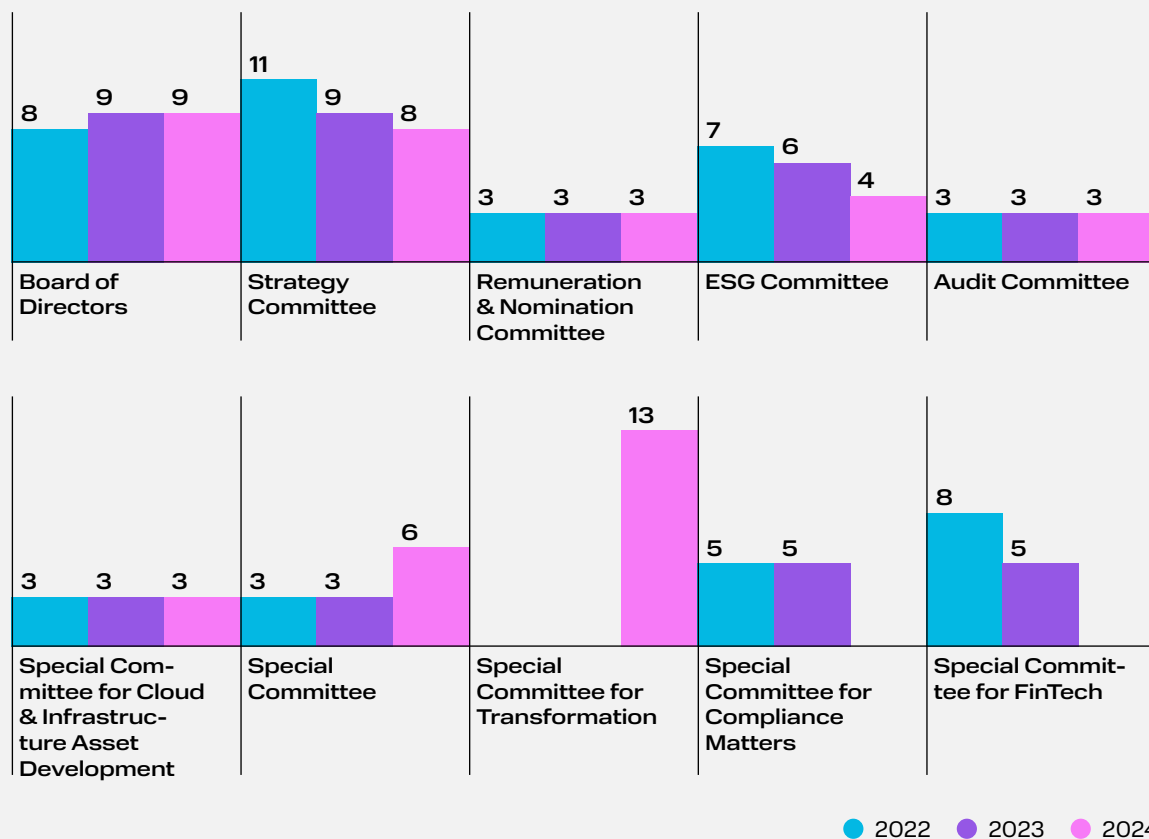
11%
Executive



Share of Female Directors in the Composition of the Board of Directors¹



Numerical Composition of the Board of Directors and Committees¹



¹ Data as of December 31, 2024.

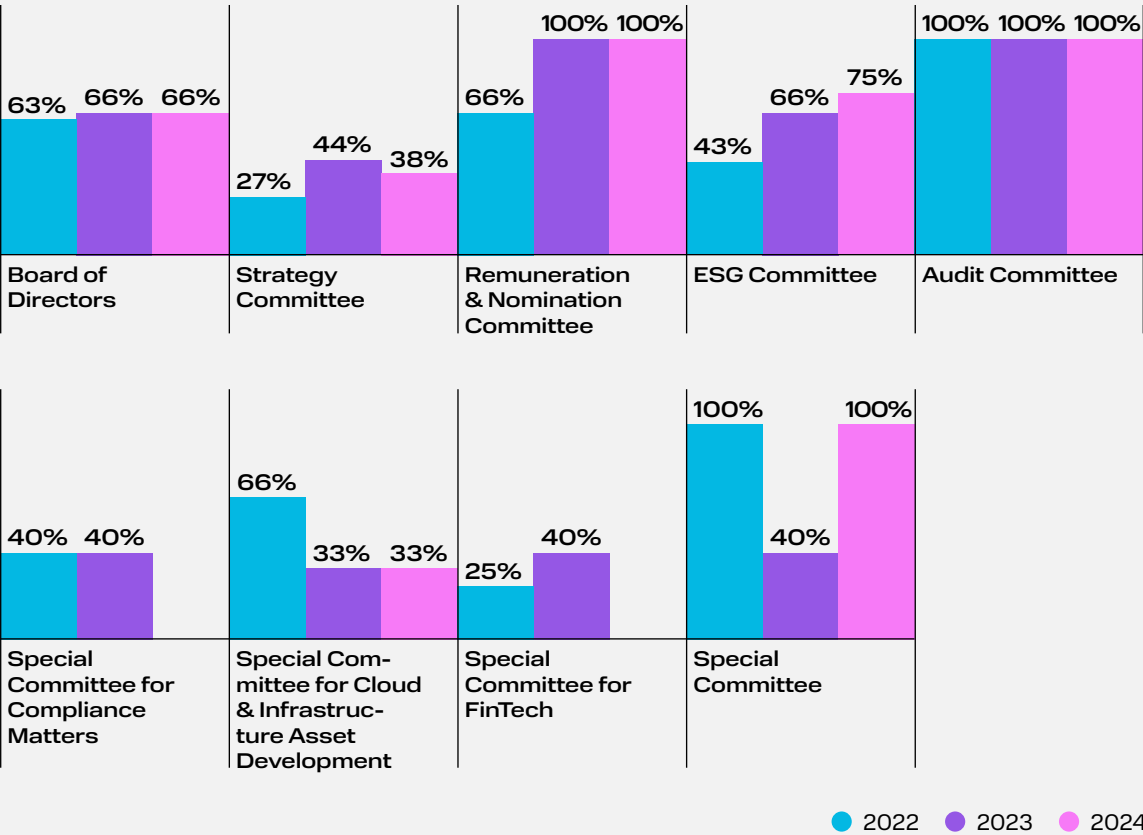
Chairman of the Board of Directors

The Chairman of the MTS PJSC Board of Directors ensures the growth in shareholder value and maintains a balance between short-term financial performance and long-term strategic positioning of the business. The key task of the Chairman of the Board of Directors is to create a dynamic and positive environment in the Board of Directors, where each member can show their best qualities.

By a unanimous decision of the MTS Board of Directors, a non-executive director was elected Chairman of the MTS PJSC Board of Directors on June 27, 2024, and an independent director was elected Deputy Chairman of the Board of Directors.

The Deputy Chairman of the Board of Directors actually performs the functions of the senior independent director provided for by the Corporate Governance Code. They coordinate the work of independent directors and build interaction between independent directors and the Chairman of the MTS Board of Directors.

Share of Independent Directors in the Composition of the Board of Directors and Committees¹



¹ Data as of December 31, 2024.

Independent Directors

Independent directors ensure a reasonable balance of interests between all the concerned parties: The Company itself, its shareholders and other stakeholders.

The Audit Committee under the Board of Directors is headed by an independent director, who has experience and knowledge in the preparation, analysis, evaluation and audit of financial reporting.

The Audit Committee and the Remuneration & Nomination Committee of the Board of Directors are formed exclusively from independent directors. The remaining committees also include independent directors.

Independent directors participate in strategic sessions for discussing the Company's strategy update with participation by members of the Board of Directors, and Company management.

The Company also introduced the practice of preliminary review of a number of interested-party transactions at the

meetings of the Audit Committee of the Board of Directors consisting only of independent directors.

Independent directors are professional managers, whose experience and knowledge make a significant contribution to developing the Company's corporate governance system.

Since 2020, independent directors have made up more than a half of the numerical composition of the Board of Directors.

The Board of Directors includes two independent female directors.

Informing newly elected members of the Board of Directors and the committees of the Board of Directors about the Company's operation

In accordance with the best corporate governance practices, an orientation (information) course is held for newly elected members of the Board of Directors and the committees of the Board of Directors in the format of an interactive presentation in Russian and English. This course makes it possible to briefly familiarize new members of the Board of Directors and the committees of the Board of Directors with the history of Company development, work of the Board of Directors, main documents governing the Company's opera-

tions, annual financial statements, development strategy, the Company's management structure, etc.

As part of the orientation course, meetings are held with the CEO and key representatives of MTS senior management, where members of the Board of Directors can receive any information they need for work.

Role of the Board of Directors in organizing an efficient risk management and internal control system¹

The Board of Directors determines the principles and approaches to organizing the risk management and internal control system in the Company and regularly reviews issues of organization, functioning and effectiveness of the risk management and internal control system. Approves internal documents defining the policy in the field of risk management and internal control; reviews and approves reports by the Audit Committee on the work of the internal audit, business ethics and compliance, risk management and internal control system departments, as well as reports on risk

management in the MTS Group of Companies, reports on the development of the Unified Compliance System, reports on the development of the corporate anti-corruption compliance program in the MTS Group and reports on the results of internal audit activities in the MTS Group.

An efficient risk management, compliance and internal control system is in place in the Company designed to ensure a reasonable level of confidence in the Company achieving its objectives.

Organization of the Board of Directors activities

At least six in-person meetings shall be conducted each year in accordance with the approved plan of meetings of the Board of Directors. If necessary, it is possible to participate in a joint meeting through video conferencing. Extraordinary meetings are convened to make decisions on urgent matters. Issues that have been previously thoroughly worked out and with regard to which members of the Board of Directors do not have significant comments are brought up at the meetings in the form of absentee voting.

The plan of activities of the Board of Directors for the next year shall be approved in June of the current year. Dates, time and locations of meetings shall be determined according to the activity schedules of the Board of Directors members in order to provide for participation by all directors.

The activities plan includes the main issues of the Company's operation: strategy, finances, budget and risks, HR. Such a plan shall be prepared with regard for the suggestions

from the Board of Directors members and the Company's management. All items on the agenda of the Board of Directors meeting shall normally be reviewed by the relevant committees, allowing discussion and generation of recommendations for a final decision by the Board of Directors.

In-person meetings of the Board of Directors are held in the Moscow headquarters. The first meeting of the newly elected composition of the Board of Directors shall be held in person, on the day of the General Meeting of Shareholders or within several business days after the election of the Board of Directors in a new composition, at which a decision on the election of the Board of Directors is made. The Company also uses remote forms of communication.

The Chairman of the Board of Directors holds monthly meetings/consultations with representatives of shareholders and/or management of the Company. The main topic of such meetings is the issue of managing strategic changes.

¹ See "Risk Management" section for details.

Corporate Secretary

The Corporate Secretary ensures efficient work of the Board of Directors, interaction with the shareholders, coordinates the Company's activities aimed at protecting the rights and interests of the shareholders.

The functions of the Corporate Secretary in MTS PJSC are performed by the Corporate Governance Department acting on the basis of the Regulations on the Corporate Governance Department¹. The Corporate Governance Department is headed by the Corporate Governance Director, who is appointed and dismissed by the Company CEO in agreement with the Company Board of Directors.

The functions of the Corporate Governance Department include ensuring efficient ongoing interaction with shareholders, coordinating the Company's actions aimed at protecting the rights and interests of shareholders, as well as supporting the efficient work of the Company's Board of Directors.

Board of Directors Secretary

The Board of Directors Secretary ensures compliance by the Company's management bodies with the requirements of legislation and internal regulations of the Company that guarantee the enforcement of rights and interests of its shareholders. The Board of Directors Secretary performs its functions in accordance with the Charter and Regulations on the Board of Directors of MTS PJSC².

The functions of the Board of Directors Secretary include, inter alia, induction of newly elected members of the Board of Directors, notification of members of the Board of Directors and invited persons about upcoming meetings, provision of

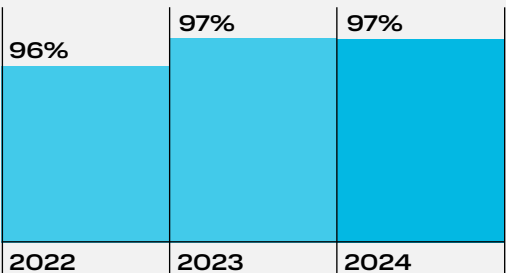
materials on the agenda items and additional information, counting voting results, keeping minutes of meetings, control over execution of decisions by the Board of Directors, communication, organizational and other functions.

¹ <https://storage.ir.mts.ru/mts-ir/images/documents/regulations-on-mts-corporate-governance-department.pdf>.

² <https://storage.ir.mts.ru/mts-ir/images/documents/statements/MTS%20BoD%20Regulations%202025%20ENG.pdf>.

Report on activities of the Board of Directors

Attendance Rate for the Meetings of the Board of Directors

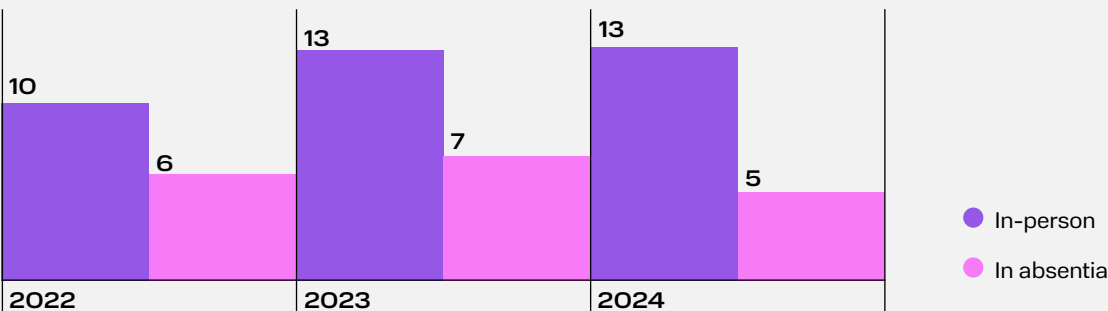


2024 saw

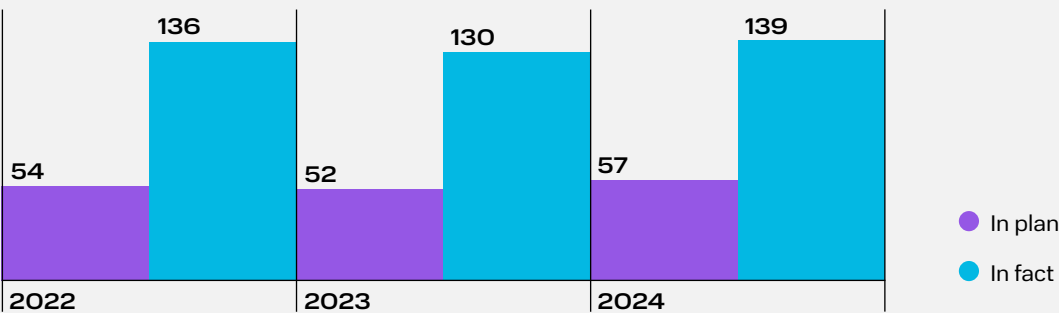
18 meetings

of the Board of Directors, including 13 in-person meetings and 5 meetings in the form of absentee voting.

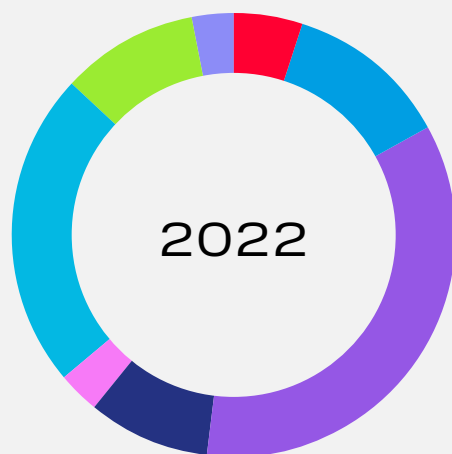
Number of meetings held by the Board of Directors



Number of Issues Considered at the Meetings of the Board of Directors



Structure of Issues Considered at the Meetings of the Board of Directors



5%
Business strategies,
investments, new activities

3%
Approval of internal
documents

12%
Personnel appointments
and personnel policy

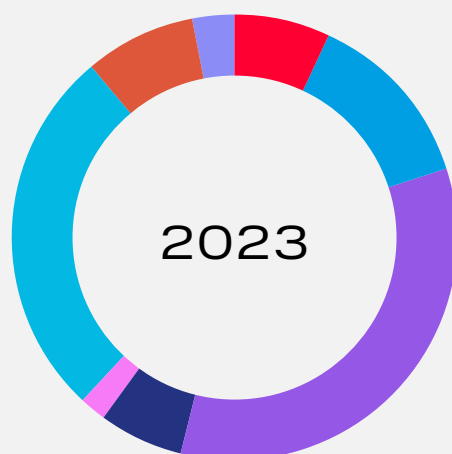
23%
Participation in assets,
groups, associations

35%
Corporate governance
and securities

10%
Financial reporting,
planning and audit

9%
Approval of transactions

3%
Functional strategies



7%
Business strategies,
investments, new activities

2%
Approval of internal
documents

13%
Personnel appointments
and personnel policy

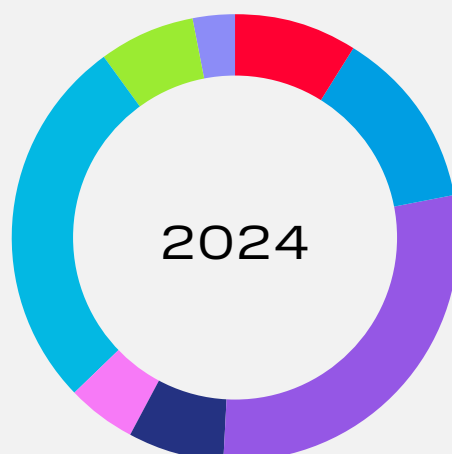
27%
Participation in assets,
groups, associations

34%
Corporate governance
and securities

8%
Financial reporting,
planning and audit

6%
Approval of transactions

3%
Functional strategies



9%
Business strategies,
investments, new activities

5%
Approval of internal
documents

13%
Personnel appointments
and personnel policy

27%
Participation in assets,
groups, associations

29%
Corporate governance
and securities

7%
Financial reporting,
planning and audit

7%
Approval of transactions

3%
Functional strategies

Examples of Major Issues Reviewed by the MTS PJSC Board of Directors in 2024

- Approval of the MTS PJSC technological strategy (IT) for 2025–2027
- Status of MTS PJSC transformation for 2023–2024
- Strategy of the MTS PJSC Venture Fund for 2023–2024
- On funds of the long-term material incentive programs for MTS PJSC employees
- Results of the MTS Group compliance culture study for 2024, improvement plans for 2025, as well as the results of the improvement implementation plan for 2024
- Development of MTS PJSC digital services in the field of personnel management
- On the main indicators (metrics) of the MTS Group strategy execution
- Status of transforming MTS PJSC corporate culture
- Implementation of MTS PJSC ESG strategy

Assessment of the Board of Directors' performance

The Board of Directors' performance is evaluated on a regular basis (annually). The assessment can be made as a self-assessment or by involving an independent consultant.

In 2024, MTS conducted an assessment of the Board of Directors' performance in the form of a self-assessment. All current members of the MTS Board of Directors, as well as representatives of MTS management, took part in the survey.

The following items were assessed in 2024:

- composition, role and competences of the Board of Directors and the Committees of the Board of Directors;
- effectiveness of performance of functions by the Board of Directors and the Committees of the Board of Directors;
- procedures for the work by the Board of Directors and the Committees of the Board of Directors;
- individual work of each member of the Board of Directors and the Chairman of the Board of Directors;
- activities of the Corporate Secretary.

Results of Assessment of Board of the Directors Performance in 2024

The Preliminary Report on the Results of Assessing the Board of Directors Performance was reviewed at a joint meeting of the Remuneration & Nomination Committee and the ESG Committee of the MTS Board of Directors. The final report was reviewed at a meeting of the MTS Board of Directors.

The assessment confirmed that the principles of the Board of Directors' work comply with high standards of corporate governance, and that members of the Board of Directors and the Chairman of the Board of Directors demonstrate high work efficacy. Areas for improvement in the work of the Board of Directors and the Committees of the Board of Directors were also identified.

The Board of Directors will continue to evaluate its performance to ensure continuous improvement in the effectiveness of the Board of Directors and the Committees of the Board of Directors.

100%

of the Board of Directors members participated in the self-assessment of 2024 performance

Liability Insurance

The sum insured under the liability insurance contract for members of the Boards of Directors, officials of MTS and MTS Group companies (hereinafter the “Insurance Contract”) shall be USD50 million.

The Insurance Contract allows protection of members of the Board of Directors, Management Board and management of MTS PJSC and MTS PJSC subsidiaries and provides coverage for indemnification of executive officers, in connection with actions or claims submitted against them or their prosecution by authorized state authorities for their actions/omission while they exercise official duties in the office held, namely:

- reimbursement of expenses to executive officers for lawyers and legal protection in connection with the above actions or claims;
- indemnification for damages caused to plaintiffs by inadvertent actions/omission by executive officers (in the event that the action is satisfied by the court);
- indemnification of damages to MTS PJSC and subsidiaries of MTS PJSC for security-related claims (except for actions related to new IPOs of American depository receipts).

COMMITTEES OF THE BOARD OF DIRECTORS

Committees of the Board of Directors make a preliminary study of issues before they are submitted to the meeting of the Board of Directors. The committee members make a thorough study of an issue and propose elaborated alternative decisions to the members of the Board of Directors, making it possible for them to join the discussion of the issue more promptly.

Powers of and requirements for compositions of the committees shall be determined by Regulations on the Committees approved by the Board of Directors. The committees may involve third party experts and advisors in order to fulfill their tasks. The results of reviews of agenda items by the committees are communicated to the Board of Directors members before every meeting of the Board of Directors.

Each member of the Board of Directors is also a member of one to nine committees. Representation of the Company's managers in the committees permits a meaningful dialog during committee meetings.

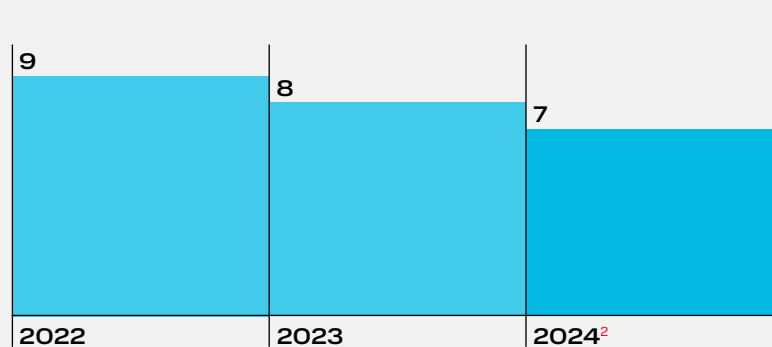
Committees of the Board of Directors

- Remuneration & Nomination Committee
- Audit Committee
- ESG-Committee (Committee for Corporate Governance and Environmental & Social Responsibility)
- Strategy Committee
- Special Committee for Compliance Matters¹
- Special Committee for Cloud & Infrastructure Asset Development
- Special Committee for Transformation²
- Special Committee

¹ Powers terminated on 27.06.2024

² From 19.12.2024.

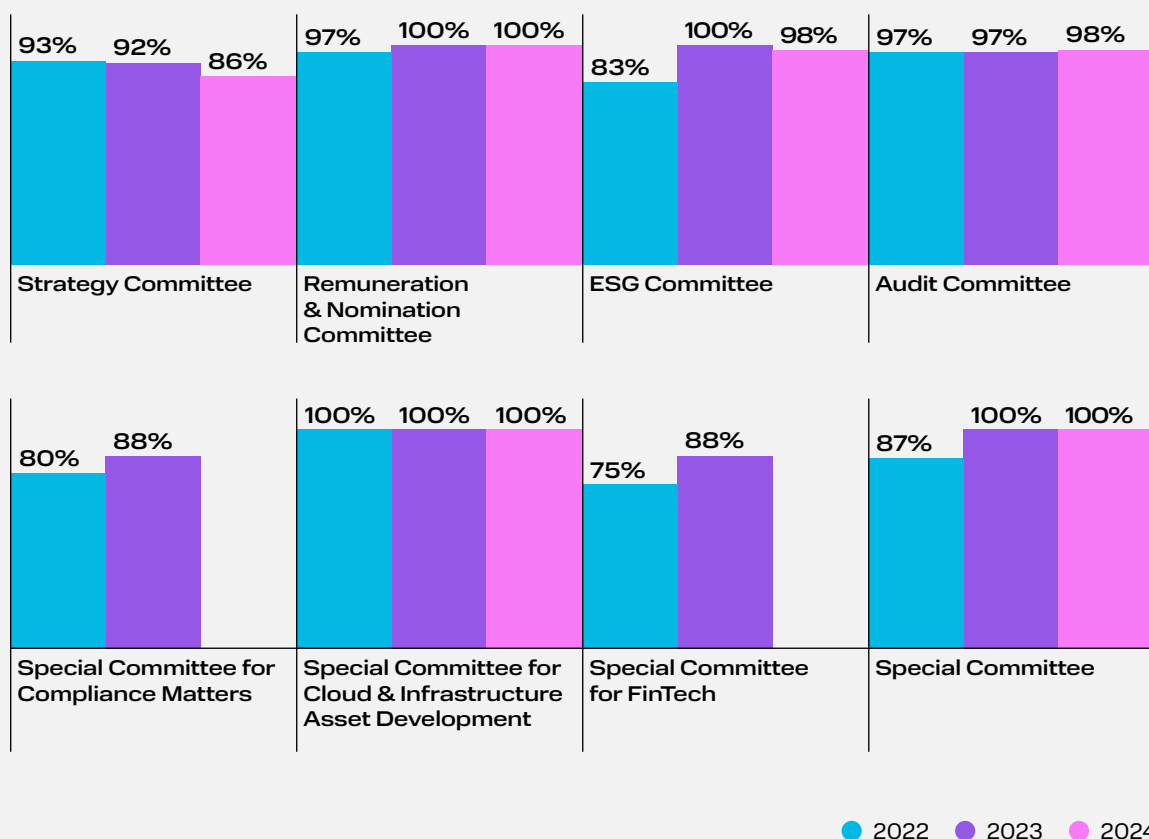
Number of Committees of the Board of Directors¹



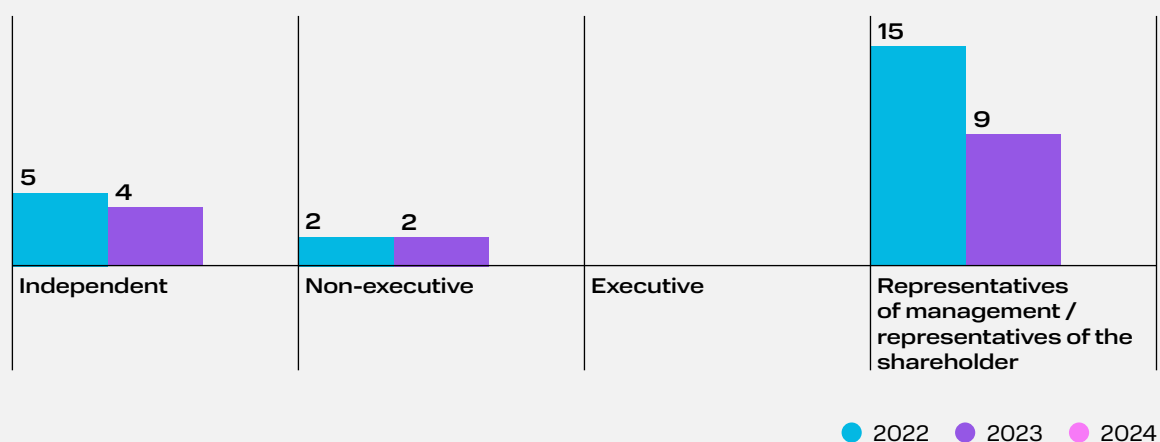
¹ The Special Committee for Compliance Matters and the Special Committee for FinTech have been abolished.

² Data as of December 31, 2024.

Average level of attendance of the meetings of the Committees¹



Structure of Composition of the Committees of the Board of Directors¹



¹ Data as of December 31, 2024.

Audit Committee

The Audit Committee assists in efficient implementation of functions of the Board of Directors in terms of control over the Company's financial and economic activities.

In their activities, the Committee members are guided by prevailing legislation, the Charter and the internal documents of the Company, the Corporate Governance Code¹, the Code of Business Conduct and Ethics of MTS PJSC, decisions by the Company's management bodies, as well as the Regulations on the Audit Committee².

Key functions of the Committee:

- monitoring completeness, accuracy, and objectivity of the MTS Group's financial reporting;
- review and analysis, together with management and an external auditor, of the Group's annual financial reporting, interim financial information and relevant documents submitted to the Bank of the Russia and other regulatory authorities;
- review of reports on financial and operational performance of MTS Group before issuing press releases;
- control over the reliability and efficiency of the risk management system, internal control and corporate governance of the MTS Group;
- assessment of the execution of procedures used by MTS Group to identify the principal risks and relevant control procedures in order to determine their adequacy and efficacy;
- review of reports on assessing the effectiveness of the internal control system, risk management and corporate governance of the MTS Group;
- preliminary review of interested-party transactions;
- review, together with the management, internal auditor and external auditor, of any cases of law violation, fraud and significant deficiencies in internal control and risk management procedures;
- supervision of the efficacy of the reporting system on potential fraud cases committed by the Group's employees (including violation of anti-corruption policy, unfair use of insider and confidential information) and by third parties, as well as on other violations in the Group;
- review of the results of inspections and investigations made and reports on the work of the MTS Group Unified Hotline;
- supervision of updating, bringing the Code of Business Conduct and Ethics of MTS PJSC (hereinafter the "Code") to the persons covered by the Code;
- review of the measures taken by the management of MTS PJSC to increase the level of corporate, compliance and risk culture, awareness of those covered by the Code about the Code requirements and the consequences of its violation;
- review of proposed measures to resolve the conflict of interests by MTS PJSC management bodies members;
- ensuring independence and objectivity of the internal audit function;
- review and approval of the internal audit policy, internal audit strategy, annual audit plan and the main changes made to the plan during the calendar year;
- review, together with the Internal Audit Director, and approval of the internal audit resource plan, budget and KPIs;
- assessment of efficacy of internal audit activities and the fulfillment of KPIs;
- assessment of the Group's external auditors' independence, objectivity, and lack of conflict of interest, including the assessment of candidates for the Group auditors, submission of recommendations on the appointment, re-appointment and discharge of the external auditors of the Group, remuneration for their services and contractual terms;
- supervision of the external audit, assessment of the quality of the audit and review of audit reports proving the reliability of the consolidated financial statements of the MTS Group prepared in accordance with International Financial Reporting Standards and the financial statements of MTS PJSC prepared in accordance with Russian Accounting and Reporting Standards;

¹ The Corporate Governance Code recommended for use by the Bank of Russia (Letter No. 06-52/2463 dd. April 10, 2014).

² <https://storage.ir.mts.ru/mts-ir/images/documents/Regulations%20on%20the%20Audit%20Committee%202024-eng.pdf>.

- supervision of compliance with the Group's procedures setting the principles for the provision and combination of audit and non-audit services by the auditor, and the preliminary approval of non-audit services.

Number of Members

There were no changes to the composition of the Committee during the reporting year.

The composition of the Committee was approved at the meeting of the Board of Directors on June 27, 2024.

Meetings

In the reporting year, 19 Committee meetings were held: 14 in-person meetings and 5 meetings in the form of absentee voting. In addition, 3 joint meetings were held with other committees of the Board of Directors.

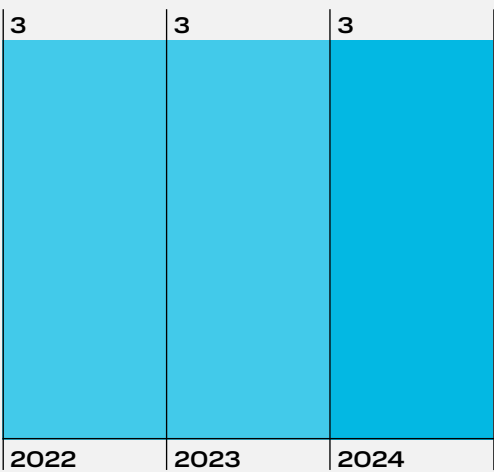
Additionally, the Committee members held meetings with financial executives of the Company and managers responsible for risk management, internal control system, internal audit, business ethics and compliance, as well as with Company external consultants on a number of issues.

Recommendations to the Board of Directors on the issues considered

The Audit Committee provided recommendations to the Board of Directors regarding the review and approval of the following issues:

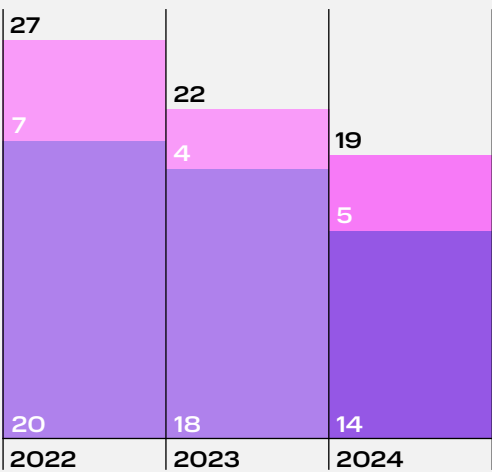
- Restated regulations on the Audit Committee under the MTS PJSC Board of Directors;
- Restated regulations on the MTS PJSC internal control system;
- Restated policy “Internal Audit of MTS PJSC”;
- MTS PJSC annual report and annual accounting statements for 2023, prepared in accordance with Russian accounting standards;
- Opinion of the third-party auditor and conclusions of the Auditing Commission based on the results of the audit of the MTS PJSC annual accounting statements for 2023, as well as the conclusions of the MTS PJSC internal audit;
- MTS PJSC risk management and key risk dashboard reports for the first six months and for 2024 and assess-

Composition of the Audit Committee



● Independent

Meetings of the Audit Committee



● In absentia
● In-person

ment of the MTS Group risk management performance in 2024;

- Report on developing the corporate anti-corruption compliance program of MTS PJSC and its subsidiaries for 2024;
- Results of the MTS Group compliance culture study for 2024, improvement plans for 2025, as well as the results of the improvement implementation plan for 2024;
- Report on the performance results of the internal audit of MTS PJSC and its subsidiaries for 2024, assessment of the work and fulfillment of key effectiveness indicators of the internal audit for 2024;
- Internal audit strategy for 2025–2027, audit plan, key effectiveness indicators and budget of the Internal Audit Block of MTS PJSC for 2025;
- Nominations of the auditor and remuneration of Business Solutions and Technologies JSC for audit services in 2024;
- major interested-party transactions falling within the competences of review by the Board of Directors.

Key areas of the Audit Committee activities and issues reviewed in 2024

In the field of financial reporting

During 2024, the Audit Committee reviewed the interim financial information of the MTS Group for Q1, Q2, Q3 of 2024 in order to determine the completeness, consistency of

information and presentation of reasonable assessment of financial standing, performance indicators and prospects of the MTS Group.

The MTS Group consolidated financial statements for 2024 prepared in accordance with the International financial reporting standards and the accounting statements of MTS PJSC for 2024 prepared in accordance with the Russian accounting and reporting standards were reviewed; an analysis of the audit results was made together with the management and the external auditor.

The reports on the financial and operating performance of the MTS Group for Q1, Q2, Q3, Q4 and 2024 as a whole were reviewed and recommended for subsequent disclosure by the Committee.

In the field of risk management, internal control and corporate governance system

In December 2024, the Audit Committee reviewed and recommended to the Board of Directors to approve the restated Regulation on Internal Control System of MTS PJSC.

During 2024, the Committee reviewed the reports on risk management at MTS PJSC and dashboards for key strategic risks of the MTS Group for the first six months of the year and for 2024. The Audit Committee gave a positive assessment of the work of the MTS Group in the field of risk management in 2024.

The Committee reviewed the plans and performance results of the unit for the development and support of the internal control system for the first and second half of 2024, including the results of testing and assessing the efficacy of the internal control system over the reliability of MTS Group

2024 Performance

In the reporting year, the Audit Committee continued its work to monitor the reliability and effectiveness of the risk management system, internal control and corporate governance system, as well as to ensure the completeness and reliability of MTS Group financial reporting.

The Committee continues to focus on compliance issues, adherence to business conduct and ethics standards, and measures taken by the Company's management to improve the level of corporate, compliance and risk culture.

The Committee continuously pays attention to ensuring the independence and fairness of the activities of the internal and external audit functions, monitoring the quality of their work and effective interaction.

Chairman of the Audit Committee

financial statements. The Committee gave a positive assessment of the unit performance results.

The Committee reviewed and took note of the results of assessing the internal control system efficiency, risk management processes and corporate governance of the MTS Group as of December 31, 2024, carried out by internal audit.

During 2024, the Committee conducted a preliminary review of MTS PJSC interested-party transactions, in accordance with the interest criteria provided for by the Federal Law "On Joint-Stock Companies", and a number of transactions with related parties in accordance with the procedure described in the Regulation on the Audit Committee. The results of the analysis of economic feasibility and compliance with the requirements of regulations when making such transactions were discussed and taken into account.

In 2024, the Audit Committee carried out follow-up quarterly reviews of transactions related to investing in startups (including purchase, sale and change in ownership interest) made during the reporting quarter.

In the field of compliance and observance of the standards of business conduct and ethics

The Audit Committee reviewed the report on developing the MTS PJSC Unified Compliance System for 2024 and gave a positive assessment to the performance results of the Ethics & Compliance Department in terms of developing the Unified Compliance System for 2024 and assisting compliance program owners in maintaining it.

The Committee reviewed reports on developing the corporate anti-corruption compliance program of MTS PJSC and its subsidiaries based on the results of the first half of the year and for 2024 as a whole, as well as the results of studying the MTS Group compliance culture for 2024, including the improvement plan for 2025 and the report on implementing the improvement plan for 2024.

The Audit Committee gave a positive assessment to the activities in the area of business ethics and compliance, noting that the activities of the Ethics & Compliance Department are effective, key performance indicators and goals in the area of business ethics and compliance for 2024 have been achieved according with the expected results.

During the year, the Committee reviewed information on the status of conflict of interest management of members of the MTS PJSC management bodies, the results of internal investigations and reports on the work of the Unified Hotline of the MTS Group of Companies, as well as a number of other issues in the area of compliance, adherence to business conduct standards and ethics of MTS PJSC and its subsidiaries in accordance with the Regulation on the Audit Committee.

In December 2024, the Committee reviewed plans for 2025, the strategy for developing the corporate anti-corruption compliance program of MTS PJSC and its subsidiaries until 2026.

In the field of internal audit

In December 2024, the Audit Committee reviewed and recommended to the Board of Directors to approve the restated Policy "Internal Audit of MTS PJSC".

In 2024, the Committee reviewed quarterly reports on the performance results of the internal audit of MTS PJSC and its subsidiaries, including information on the status of the introducing audit recommendations and eliminating deficiencies identified by the internal audit, and amendments made to the annual audit plan.

The Audit Committee positively assessed the work of the Internal Audit and believes that the internal audit function is efficient and that key performance indicators and internal audit goals for 2024 have been fully achieved.

In December 2024, the Committee reviewed, pre-approved and recommended to the Board of Directors to approve the internal audit strategy for 2025–2027, the audit plan, key performance indicators and budget of the MTS PJSC Internal Audit Block for 2025, and also took note of the audit plans for 2025 in the MTS PJSC subsidiaries with a decentralized internal audit function.

In the field of external audit

The Audit Committee recommended Business Solutions and Technologies JSC as the auditor of MTS PJSC financial reporting for 2024, which was confirmed by the recommendation by the Board of Directors and by the Company shareholders at the Annual General Meeting of Shareholders in June 2024. The Committee pre-approved and recommended that the Board of Directors approve remuneration for the auditor.

The Audit Committee discussed and took note of the results and conclusions of the external auditor based on the results of reviewing the quarterly financial information overviews of MTS Group for Q1, Q2 and Q3 2024 and the annual audit.

At year-end 2024, the Committee gave a positive assessment to the quality of the audit and the auditor's conclusions based on the results of the audit of MTS PJSC accounting statements for 2024 prepared in accordance with the Russian accounting standards, and consolidated financial reporting of MTS Group for 2024 prepared in accordance with the International financial reporting standards.

The Committee supervised the external auditor's compliance with the principles of independence and the execution of the Group's procedures defining the principles for providing and combining audit and non-audit services by the auditor. During 2024, the Committee considered information on permissible non-audit services, which was provided by the external auditor, and discussed with the auditor the possible impact

of the services on the auditor's independence. Permissible non-audit services were pre-approved by the Committee in accordance with the procedure described in the Regulation on the Audit Committee.

In December 2024, the Audit Committee approved the work plan for the calendar year 2025.

Remuneration & Nomination Committee

The Remuneration & Nomination Committee is an auxiliary collective deliberative body under the Board of Directors. The primary goals of the Committee: formulate the Company's HR policy, determine the system for remunerating the Company's chief officers, generate a strategy for developing corporate culture at the MTS Group.

The Committee members follow the leading global practices and trends in generating efficient solutions within the area of their competence.

In its activities, the Committee follows the recommendations and requirements of the prevailing legislation, the Charter and internal documents of the Company, the Code of Ethics and Business Conduct, decisions by Company management bodies, as well as the Regulation on the Committee¹.

Main Areas of Activities of the Remuneration & Nomination Committee in 2024

1. Issues in the field of appointment to the MTS management and management bodies. Recommendations to the Board of Directors regarding candidates for the positions of members of the Management Board, CEO and other key Company employees. Elaboration of proposals on the essential terms of employment agreements entered into with key Company employees.

¹ <https://storage.ir.mts.ru/mts-ir/images/documents/Regulations%20on%20the%20Remuneration%20and%20Nomination%20Committee.pdf>.

2024 Performance

In 2024, the Remuneration & Nomination Committee performed its assigned function as a consultant to the MTS PJSC Board of Directors in priority areas of HR management relying on the international experience of corporate governance and the best professional practices in its work.

The task of the Committee is to help ensure that the MTS HR management policy and corporate culture serve as important factors retaining and attracting the best market professionals to the Company. In this regard, the Committee monitors the implementation of all strategic MTS development initiatives aimed at meeting this objective and makes recommendations to MTS management and the Board of Directors based on the extensive expertise and practical experience of the Committee members.

Key tasks of the Committee in the past reporting year:

- ensuring the implementation of succession policy of the CEO and key managers, as well as improving the succession policy of the MTS PJSC Board of Directors members;
- updating the program for long-term financial incentives and key performance indicators of management;
- supporting the transformation of MTS corporate culture as a digital ecosystem;
- ensuring efficient membership of the Boards of Directors of MTS subsidiary businesses and engaging third-party experts — recommending and considering nominations of independent candidates;
- ensuring meeting the compliance requirements in HR management processes, including measures to stimulate compliance behavior at all levels of the organization.

I express my gratitude to the Committee members and the management of MTS PJSC for their efficient collaboration in 2024.

Chairman of the Remuneration & Nomination Committee

- 2. Issues in the field of organizational structure, system of motivation and remuneration of the Company employees and members of the management and management bodies of the Company. Preparation of recommendations to the Board of Directors on approving the Company organizational structure. Preliminary review of provisions on short-term and long-term motivating members of the Company executive bodies. Preliminary review of internal documents related to implementing the Company option program.
- 3. Issues related to the Company HR Policy and remuneration strategy. Consideration of a set of measures aimed at implementing the HR Policy at MTS PJSC and providing relevant recommendations to the Board of Directors. Discussion of ecosystem issues affecting the Company's personnel development strategy.
- 4. Assessment of the Board of Directors and Committees of the Board of Directors. Preliminary consideration of the report on the annual assessment of performance by the Board of Directors and Committees of the Board of Directors.
- 5. Succession planning for the members of the Board of Directors and key employees of the Company. Review of organizing the succession planning process for members of the Board of Directors and key Company employees, including the annual analysis of the com-

position of the Board of Directors in terms of Company needs, updating the succession plan, participating in the selection of candidates for members of the Board of Directors.

Number of Members

The composition of the Committee was changed during the reporting year.

The composition of the Committee was approved at the meeting of the Board of Directors on June 27, 2024.

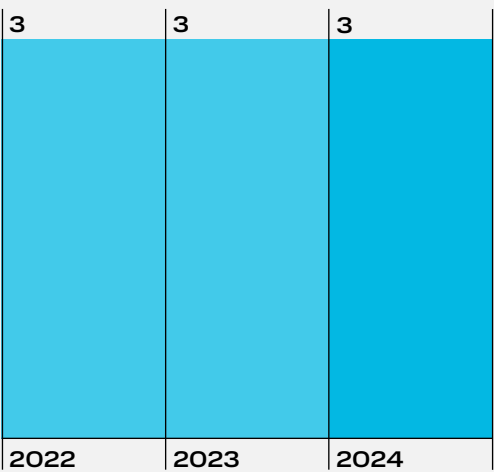
Meetings

In the reporting year, 15 committee meetings were held: 12 in-person meetings and 3 meetings in the form of absentee voting.

Issues Reviewed

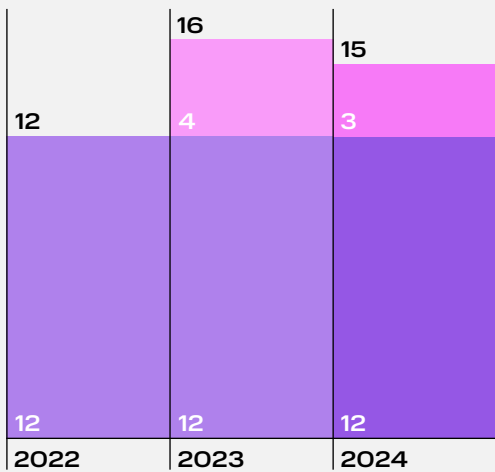
Concerning all of the issues reviewed, the Committee provided recommendations for appropriate decisions in accordance with the best global practices, the current business environment and the development strategy of the Company.

Composition of the Remuneration & Nomination Committee



● Independent

Meetings of the Remuneration & Nomination Committee



● In absentia

● In-person

ESG Committee (Committee for Corporate Governance and Environmental & Social Responsibility)

The ESG Committee was established to improve the system and corporate governance practices in the Company, as well as to form the Company's initiatives and policies in the field of sustainable development.

Within the scope of its competence, the Committee determines priority areas and monitors the Company's activities in developing and introducing corporate governance and sustainable development standards that contribute to the formation of a high assessment of the quality (level) of corporate governance, environmental and social responsibility of the Company. The Committee makes a preliminary review of the most important issues in the field of corporate governance and sustainable development falling within the competence of the Board of Directors and prepares rec-

ommendations to the Board of Directors to make relevant decisions.

The Committee follows in its activities the recommendations and requirements of the prevailing legislation, the Regulation on the Committee¹, the Charter and internal documents of the Company, the Code of Ethics and Business Conduct, decisions of the Company management bodies, and the best practices of ESG agenda management.

¹ <https://storage.ir.mts.ru/mts-ir/images/documents/Regulations%20on%20ESG%20Committee.pdf>.

2024 Performance

Against the background of rapid changes, business sustainability and its impact on the development and well-being of society are becoming especially relevant for everyone, irrespective of profession, stage of life or social status.

In MTS, the ESG Committee plays an important role in shaping the Company's strategy for interaction with society, as well as in practical implementation of ESG principles within the business strategy of the MTS Group.

In 2024, the ESG Committee in the MTS Group was focused on harmonizing management of social, economic and environmental resources of the digital ecosystem.

The updating of the ESG strategy allowed us to determine the priorities for sustainable business development in the midterm in a better way. These include innovation, development of human resources in digital industries, shaping of a brand of a socially responsible employer and an inclusive corporate culture, and boosting of our subsidiaries to develop own unique ESG initiatives in their activities. The ESG Committee also considered a roadmap for the MTS Greenhouse Gas Emissions Management Strategy and a set of measures to improve the energy efficiency of the Company's facilities.

Late in 2024, the MTS Group started a large-scale transformation to effectively respond to new market opportunities and challenges. We are committed to our social mission to form potential for the society well-being and development on the basis of MTS digital technology and products.

The MTS Group continues realizing the ESG strategy with an emphasis on the ethical and safe development, implementation of future technology and creation of a comfortable environment for people and business.

We believe that our ESG activity and achievements help support the long-term sustainability of ecosystem businesses of the MTS Group and contribute to positive social change in whole.

Chairman of the ESG Committee

Number of Members

The composition of the Committee was changed during the reporting year.

The new composition of the Committee was approved at the meeting of the Board of Directors dated June 27, 2024.

Meetings

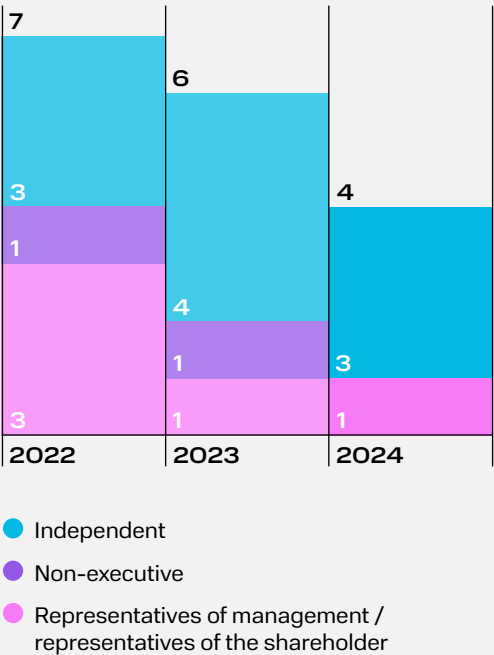
During the reporting year, 16 in-person meetings were held and 3 meetings were held in absentia, including joint meetings of the ESG Committee, the Audit Committee and the Remuneration & Nomination Committee of the Board of Directors.

Key areas and issues in focus of the ESG Committee in 2024

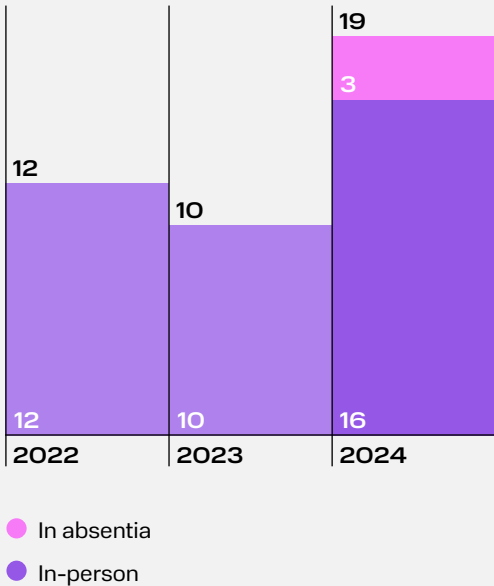
- Status of Implementing the MTS Group ESG Strategy.
- Review of the roadmap to the MTS Greenhouse Gas Emissions Management Strategy.

- Status and measures for energy efficiency management at MTS facilities.
- Conducting and results of the annual assessment of the work by the MTS Board of Directors.
- Efficiency of information exchange between MTS, shareholders, investors and other stakeholders.
- Efficiency of corporate governance and activities of the MTS corporate secretary.
- Status of implementing ESG initiatives in MTS subsidiaries and affiliates.
- Implementation of initiatives in the area of social support for inclusive groups of employees of the MTS Ecosystem and their place in forming corporate culture and the brand of a socially responsible employer of MTS.
- Results of assessing the level of compliance culture at the MTS Group.
- ESG-reporting: sustainability report.

Composition of the ESG Committee



Meetings of the ESG Committee



Strategy Committee

The Committee¹ prepares recommendations to the Board of Directors upon review of the general strategy issues of the MTS Group, strategic development of key functions, projects and the Company in general, as well as the implementation of M&A transactions and investment projects.

Number of Members

The composition of the Committee was changed during the reporting year.

The new composition of the Committee was approved on June 27, 2024.

Meetings

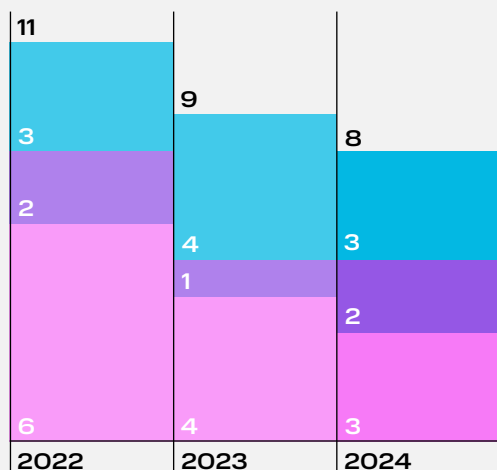
In the reporting year, 14 Committee meetings were held: 13 in-person meetings and 1 meeting in the form of absentee voting.

Issues reviewed

- MTS Group Strategy for 2024–2026 and 2025–2027.
- Strategies for business verticals and key functional horizontals.
- Distribution of profits (dividend payment) of MTS PJSC.
- Approval of the MTS Group budget for 2025.
- Current budget execution and debt management reports.

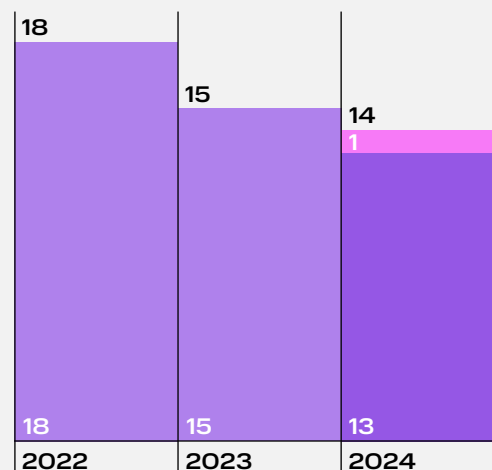
¹ <https://storage.ir.mts.ru/mts-ir/images/documents/Regulations%20on%20Strategy%20Committee.pdf>.

Composition of the Strategy Committee



- Independent
- Non-executive
- Representatives of management / representatives of the shareholder

Meetings of the Strategy Committee



- In absentia
- In-person

- On acquisition/sale and reorganization of assets.
 - On reorganization of MTS PJSC in the form of acquisition and spin-off of its subsidiaries.
 - finalizing business vertical strategies;
 - dividend payment by MTS PJSC;
 - approving transactions;
 - approving the MTS Group budget for 2025.
- The Committee gave the following recommendations to the Board of Directors and management of the Company regarding:**
- finalizing the MTS Group strategies for 2024–2026 and 2025–2027;

2024 Performance

At the meetings of the Strategy Committee of the MTS Board of Directors in 2024, decisions were discussed and made on key projects that shape the development and status of implementing the MTS Group ecosystem strategy.

In particular, the 3-year strategy of the MTS Group ecosystem until 2027 and the relevant budget for 2025 were reviewed, and discussions of the strategies and budgets of the Company's key functional and business areas were held.

A lot of attention in the work of the Strategy Committee was paid to issues of reorganizing and developing the MTS Group subsidiaries, as well as corporate changes and optimizations aimed at the effective implementation of the MTS Group strategy.

Traditionally, a significant part of the Strategy Committee meetings agenda was aimed at solving issues of potential M&A transactions and the status of implementing previously closed transactions. In light of tightening the monetary policy in the Russian market in 2024, the Strategy Committee members focused especial attention on investment planning and debt management issues of the MTS Group.

Chairman of the Strategy Committee

Special Committee for Cloud & Infrastructure Asset Development

The Committee was established to develop recommendations for developing cloud and infrastructure assets transferred to MWS JSC within the reorganization of MTS PJSC.

Number of Members

The composition of the Committee was changed during the reporting year.

The composition of the Committee was approved at the meeting of the Board of Directors on June 27, 2024.

Meetings

The reporting year saw 7 in-person meetings of the Committee.

Issues reviewed

In 2024, the work of the Special Committee for Cloud & Infrastructure Asset Development was focused on ensuring the growth in the efficiency of the technological and IT infra-

structure of MWS, assistance in building the Company as a leading provider of digital infrastructure technologies and cloud solutions in the market of cloud and IT infrastructure services.

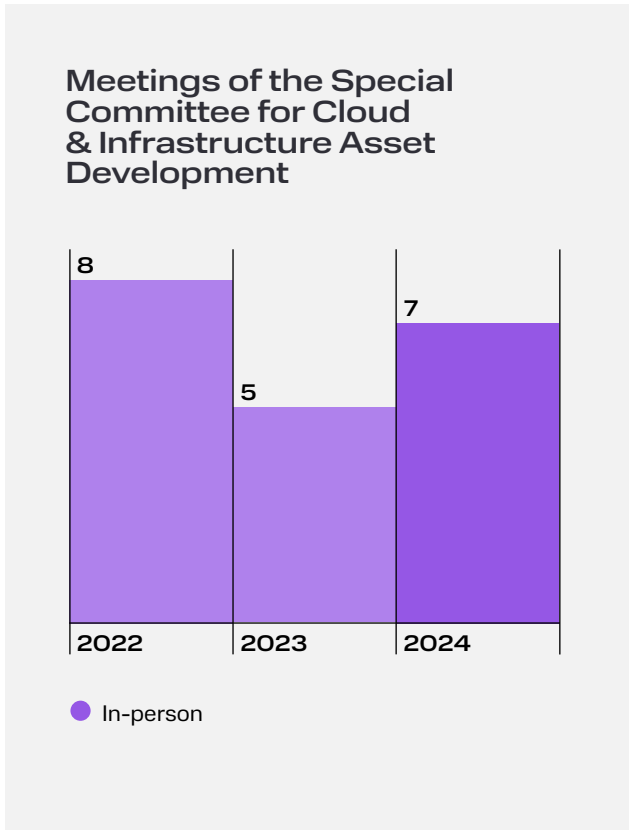
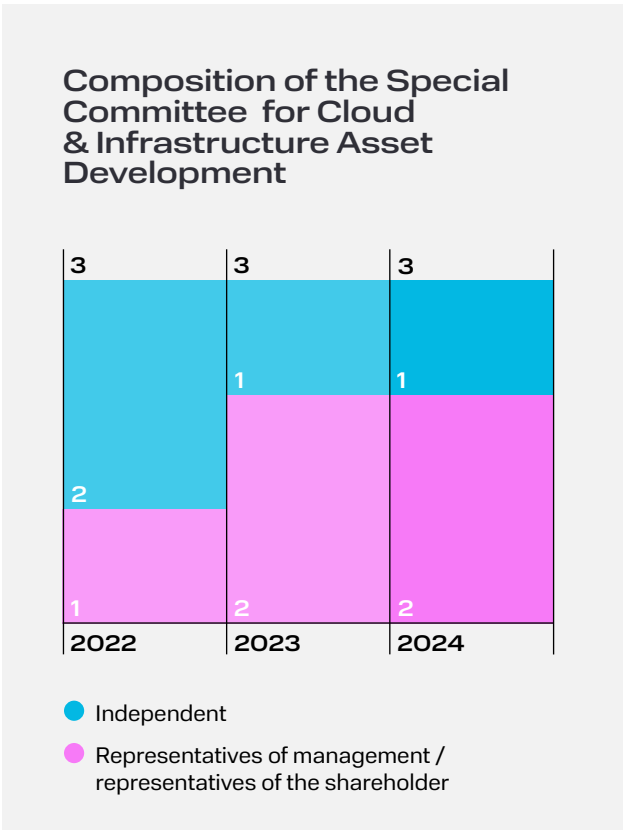
In particular, the results of MWS development for 2023, MWS strategy, AI Cloud Strategy, B2G Potential Development and other issues were discussed.

Recommendations to the Board of Directors of the Company

The Committee gave recommendations within the current competence.

2024 Performance

In the reporting year, the Committee reviewed the issues related to cloud and infrastructure asset development measures implemented by the Company.



Special Committee

The Committee was established to ensure compliance with the conditions of the planned major material transactions that potentially affect the activities of the MTS Group and ecosystem development.

Number of Members

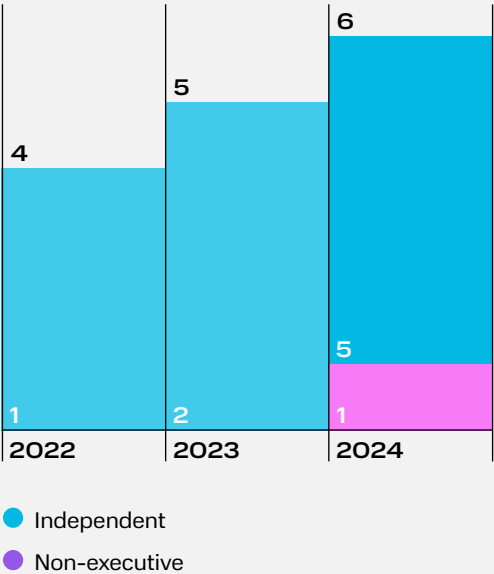
The composition of the Committee was changed during the reporting year.

The composition of the Committee was approved at the meeting of the Board of Directors on June 27, 2024.

Meetings

No meetings of the Committee were held during the reporting year.

Composition of the Special Committee



Special Committee for Transformation

The Committee was established at the end of 2024 to discuss issues related to the transformation of the MTS Group management system, as well as to develop recommendations to the Board of Directors of MTS PJSC on transformation issues.

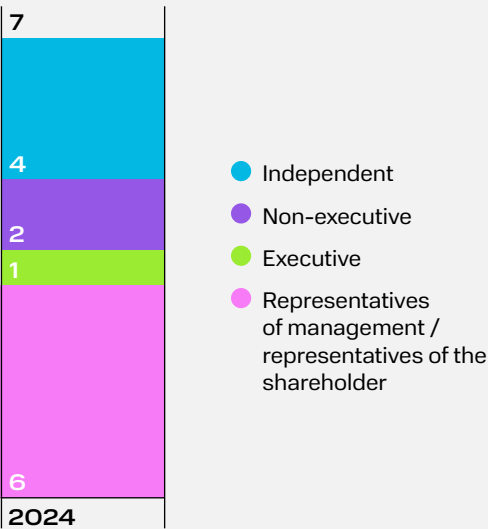
Number of Members

The composition of the Committee was approved at the meeting of the Board of Directors on December 19, 2024.

Meetings

No meetings of the Committee were held during the reporting year.

Composition of Special Committee for Transformation



REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS

The procedure and terms for paying remuneration to the members of the MTS PJSC Board of Directors are determined in accordance with the Regulations on Remunerations and Compensations Payable to the MTS PJSC Board of Directors Members¹.

MTS pays remuneration to independent directors, as well as to directors, who are not employees or members of the management bodies of the MTS Group companies. Over-

heads are compensated to all directors in accordance with the target expenses actually incurred and documented.

The remuneration system applicable to the members of the Board of Directors provides for alignment of the financial interests of directors with the long-term financial interests of the shareholders².

Remuneration Paid to the Board of Directors Members in 2024

Indicator name	Amount, RUB
Remuneration for participation in operations of the management body	267,773,187.58
Reimbursement of expenses	0
Total	267,773,187.58

¹ https://storage.ir.mts.ru/mts-ir/images/documents/MTS-BOD_Remuneration_Policy_eng.pdf.

² Refer to cl. 4.2.1 of the Report on Fulfilment of the Principles and Recommendations of the Corporate Governance Code for details.

Remuneration components:



¹ Mandatory Committees: Audit Committee, Remuneration & Nomination Committee, ESG Committee, Strategy Committee.

² Special Committees: Special Committee for Compliance, Special Project Committee for Co-Locating Employees, Special Committee for Cloud & Infrastructure Asset Development, Special Committee.

³ In this case, should any restrictions on operations (transactions) with shares/ADRs be introduced in accordance with the Russian Federation law or the applicable law of a foreign country or international instruments, the specified remuneration shall be replaced by remuneration in cash. The amount of the specified remuneration is USD100,000 or the equivalent of the specified amount in another currency, see cl. 6.10, 7.1 of the Regulations on Remunerations and Compensations Payable to Members of the MTS PJSC Board of Directors for details.

⁴ Regulations on Remunerations and Compensations Payable to Members of the MTS PJSC Board of Directors.

⁵ A director may dispose of the shares/ADR received starting from the fourth year after receipt of the first stock of shares.

CEO¹ AND MTS MANAGEMENT BOARD

A key role in pursuing the selected strategy, organizing efficient implementation of decisions of the Board of Directors and managing current activities of the Company is played by the Company's executive bodies: The CEO (sole executive body) and the Management Board (collective executive body).

The executive bodies are accountable to the Board of Directors and the General Meeting of Shareholders.

The executive bodies of the Company shall be established by the Board of Directors.

The CEO and the Management Board act on the basis of the MTS PJSC Charter, the Regulations on the CEO of MTS PJSC² and the Regulations on the MTS PJSC Management Board³.

Powers of the executive bodies:

- organize the Company's activities and bear liability for the results of these activities, ensure the enforcement of decisions made by the General Meetings of Shareholders and by the Board of Directors;
- assure establishment and maintenance of operation of the efficient risk management and internal control system at the Company, be responsible for executing the decisions made by the Board of Directors in terms of setting up the risk management and internal control system;
- be responsible for the efficacious economic, financial, scientific and technical and social policies of the Company.

The Board of Directors is entitled at any time to decide on the early termination of the CEO's powers, as well as on the termination of the powers of an individual member of the Management Board or all members of the Management Board, as well as on establishment of new executive bodies.

Meetings of the Management Board

In 2024, 35 in-person meetings were held. The average participation rate was 91%.

Remuneration for Members of the Management Board and Senior Executive Officers Based on 2024 Results

Principles of Remuneration for Members of the Management Board and Senior Executive Officers

A contract is entered into with every Management Board member, which defines labor terms, procedure for defining the amount of remuneration, terms of reimbursement for expenses connected with execution of duties of the Management Board member and contract termination procedure. The contract shall be signed on behalf of the Company by the Chairman of the Board of Directors of the Company or by a person authorized by the Board of Directors. The Board of Directors is entitled at any time to terminate the contract with a member of the Company's Management Board. Terms and conditions of the contract shall be approved by the Company's Board of Directors.

Remuneration of senior executive officers is fixed and calculated based on the Policy for Payment of Labor of Employees at MTS PJSC and meets the following principles:

- observation of fairness and competitiveness of remuneration;
- connection of remuneration with personal contribution and final Company performance in general;
- motivation for achieving target business development parameters in accordance with strategic development guidelines approved by the Board of Directors.

¹ 26.02.2025 a record was made about changing information about a legal entity in the Unified State Register of Legal Entities: Inesa Galaktionova — CEO of MTS PJSC.

² <https://storage.ir.mts.ru/mts-ir/images/documents/statements/MTS%20CEO%20Regulations%202025%20ENG.pdf>.

³ <https://storage.ir.mts.ru/mts-ir/images/documents/statements/MTS%20Management%20Board%20Regulations%202025%20ENG.pdf>.

Duration of Work in the Management Board

73%

1–2 years

27%

3–5 years



Gender Composition of the Management Board

64%

men

36%

women



Age Composition of the Management Board Members

45%

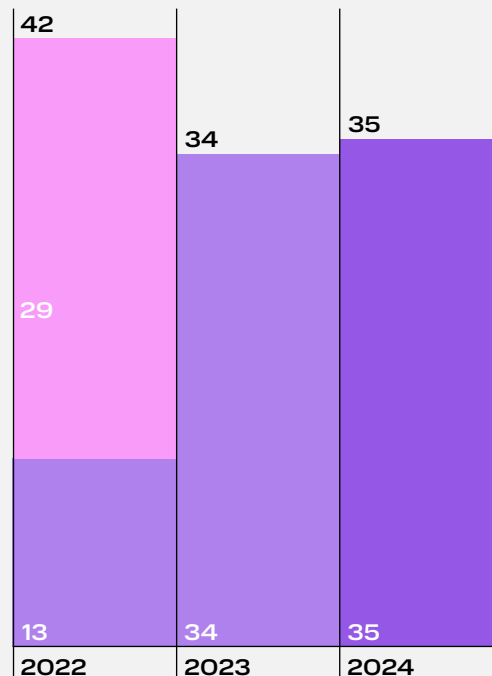
30–40 years

55%

40–50 years



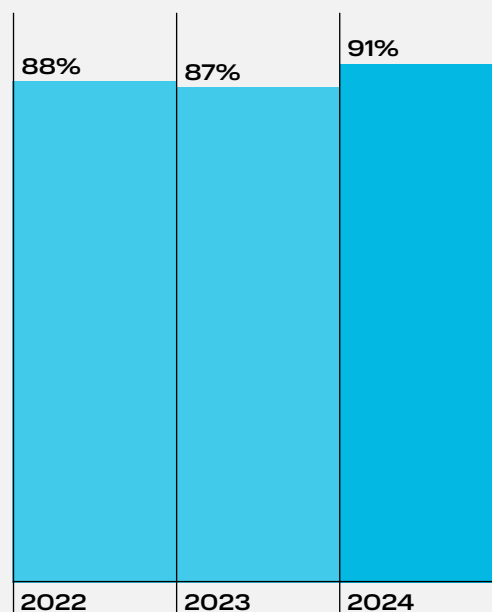
Statistics of performance of the Management Board



● In absentia

● In-person

Average % of participation in meetings



MTS PJSC Business Key Performance Indicators System

The list of indicators for the Company's directors is approved by the Board of Directors of the Company with preliminary discussion at the relevant committees on an annual basis.

The list of corporate performance indicators of the MTS PJSC CEO includes such indicators as:

- revenue;
- Ecosystem indicators;
- integral assessment of the implementation of strategic projects and business development;
- transformation indicators.

Achievement of the established KPIs is the basis for being entitled to receive a variable payment, as it pertains to long-term payments, including an increase in the shareholder value of the Company and growth in its capitalization.

Evaluation of Performance of the CEO and Members of the Management Board

One of the tasks of the Board of Directors is to ensure control over the work of the CEO and members of the Management Board, as well as to assess their performance, which is carried out based on the materials approved by the Remuneration & Nomination Committee.

The assessment of the CEO and members of the Management Board for 2024 was made in accordance with the existing method based on fulfilment of key performance indicators of the Company in general and functional KPIs.

Structure of Remuneration for Top Management in 2024

The remuneration structure consists of basic and variable payments and depends on the position level in the Company structure.

Remuneration System for Senior Executive Officers

Basic Remuneration	Variable Part of Remuneration	
	Short-term Incentive System	Program of Long-Term Material Incentives
Monthly salary.	is determined by the results of the Company's business in the reporting period in accordance with the Company's internal regulations and approved by the Company's Board of Directors.	
	Annual bonus paid for achieving ecosystem and functional key performance indicators (KPIs) determined by the Board of Directors for the relevant reporting period. The corporate governance trigger also applies to the bonus	Is aimed at increasing the Company's shareholder value, accelerating its capitalization growth, as well as preserving long-term labor and corporate relations between the Company and its management

MTS PJSC Business Key Performance Indicators System

Ecosystem Indicators	Formed based on the Company's business plan. Reflect the general corporate responsibility for the results of the MTS Group business and make it possible to track the generalized results of the Company's business and adjust the strategy.	Financial and economic
		Industry
		Strategic
Functional indicators	are formed on the basis of business blocks strategies and strategic objectives of a specific director of the Company.	

Remuneration Paid to Members of the Management Board in 2024

Indicator name	Amount, RUB
Salary	373,586,514
Bonuses	3,402,503,993
Reimbursement of expenses	136,383,605
Other remuneration types	3,623,685
Total	3,916,097,798

Remuneration Paid to Senior Executive Officers in 2024¹

Indicator name	Amount, RUB
Salary	476,830,466
Bonuses	3,893,999,015
Reimbursement of expenses	167,672,548
Other remuneration types	4,346,917
Total	4,542,848,946

¹ Includes information on remuneration of 30 senior executive officers of the Company (including members of the Management Board).

CONTROL AND AUDIT

Internal Control System

The MTS PJSC internal control system is implemented at all management levels on the basis of internal policies, regulations, procedures and methods of internal control and risk management. Operation of the internal control system is aimed at ensuring reasonable confidence in achieving the objectives facing the Company and allows proper control over financial and economic activities of the Company, its efficiency and accuracy of financial reporting.

The MTS PJSC Board of Directors approves the regulation on the internal control system and the policy regarding the internal audit of the Company and twice a year reviews the report of the Audit Committee on the results of work of the internal audit, business ethics and compliance, risk management and internal control system departments of MTS PJSC with an analysis of the current control procedures and detected violations.

The Report of the Auditing Commission is attached annually to the materials of the annual MTS PJSC General Meeting of Shareholders.

The Internal Audit Block contributes to improving the Company's management processes, risk management and internal control. The Internal Audit Block is an individual structural unit of MTS PJSC functionally subordinate to the Board of Directors and administratively — directly to the MTS PJSC CEO.

For a systematic independent assessment of the reliability and effectiveness of the internal control system, risk management processes and corporate governance, the Internal Audit Block uses the results of the audits conducted to generate an opinion on the maturity level for the Company as a whole.

The Company's internal control system is a set of interconnected components, the structure of which corresponds to the generally accepted COSO concept "Internal Control. Integrated Framework 2013". The Company is creating a control environment, has a risk assessment system in place; the Department for Development and Support of Internal

Control System ensures introduction of control procedures and assesses their efficiency and fulfilment, and changes in the organizational structure and business processes are monitored.

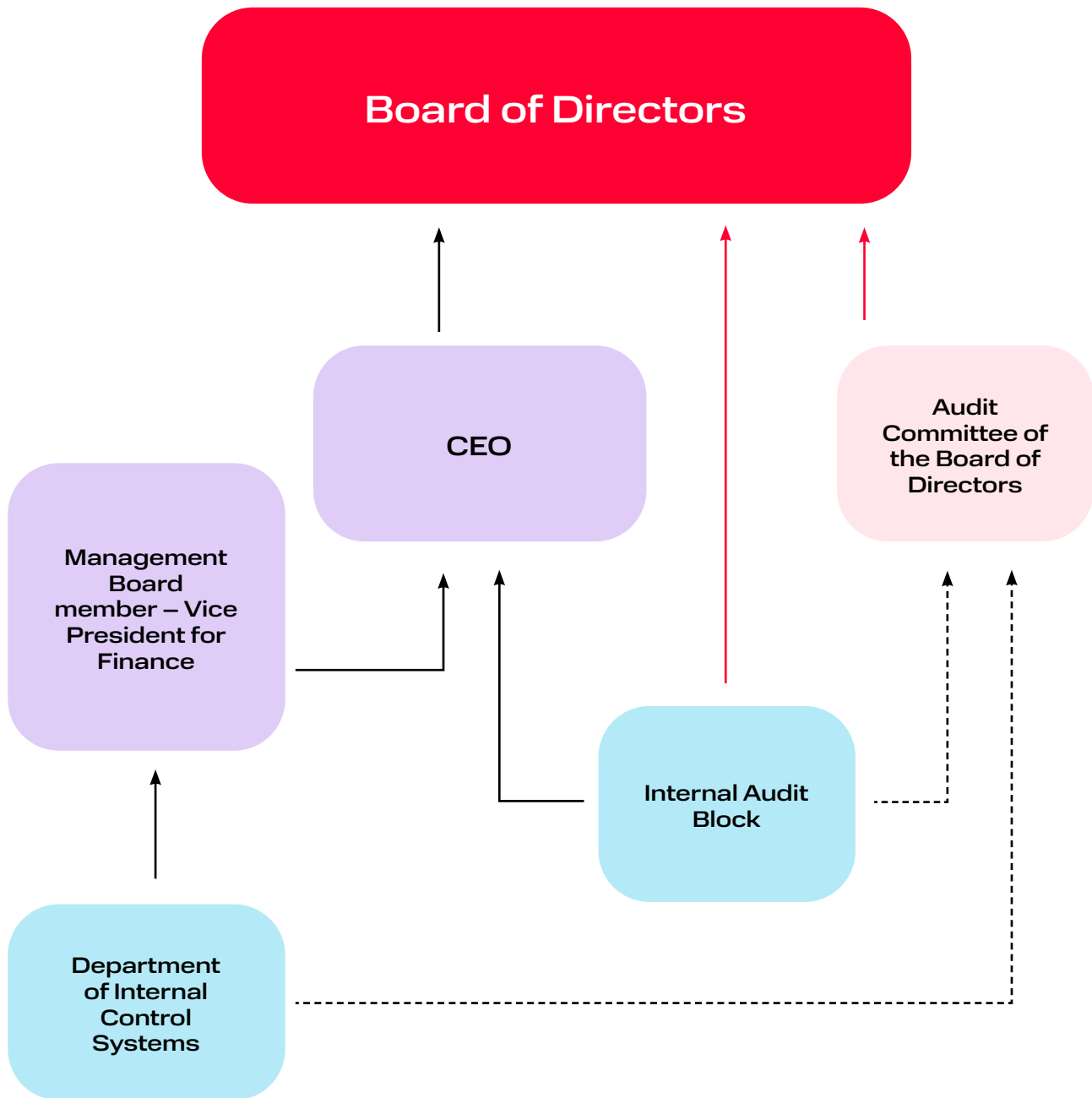
MTS PJSC approved the Policy for Complying with Anti-Corruption Legislation defining the measures aimed at establishing elements of the corporate culture, organizational structure, rules and procedures ensuring non-admission of corruption.¹

The internal control system provides for a range of anti-corruption measures, mitigating reputational risks and risks of sanctions for bribery of officials imposed on MTS PJSC. For the purposes of counteracting abuses, authorization of transactions and operations, distinction of powers and rotation of duties, control over the actual availability and condition of facilities is implemented.

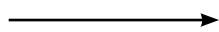
The Audit Committee of the MTS PJSC Board of Directors reviews reports on the performance of the Internal Audit Block on a quarterly basis and twice a year — reports on the work of the Department for Development and Support of the Internal Control System, Ethics & Compliance Department and the Risk Management Group. The Audit Committee evaluates the performance and draws conclusions on the efficacy of the internal audit, business ethics and compliance, risk management and internal control system departments of MTS PJSC.

The Audit Committee reviews quarterly the reports of the external auditor Business Solutions and Technologies JSC and draws conclusions about the quality of their work.

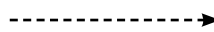
¹ See "Unified Compliance System" section for details.



Functional
subordination



Administrative (direct)
reporting relationship



Accountability

Audit Committee of the Board of Directors

The Audit Committee is a collective deliberative body under the Board of Directors. The Committee was established to assist in efficient implementation of functions of the Board of Directors in terms of control over financial and economic activities of the Company.

See “Committees of the Board of Directors” section for details about the Audit Committee’s performance in the reporting year.

The results of assessment by the Audit Committee of the external and internal audit process efficacy are specified in the section “Report on the Work of the Audit Committee”.

In 2024, the Audit Committee:

- positively assesses the work of the Internal Audit Block and believes that the internal audit function is efficient and that key performance indicators and internal audit goals for 2024 have been fully achieved;
- gives a positive assessment to the activities in the area of business ethics and compliance, noting that the activities of the Ethics & Compliance Department are effective, key performance indicators and goals in the area of business ethics and compliance for 2024 have been achieved with the expected results;
- positively evaluates the work of the Department for Development and Support of Internal Control System with regard to the creation, introduction and development of an efficient system of internal control over the reliability of generating financial reporting for the MTS Group, including in new businesses, for 2024;
- positively assesses performance of the risk management function as efficient and fit for its purposes at the moment.

Auditing Commission

On June 26, 2024, the Auditing Commission was elected at the MTS PJSC annual General Meeting of Shareholders.

Report on Operation of the Auditing Commission

In April 2024, the Auditing Commission audited financial and economic activity of the Company for 2023. The Auditing Commission did not record any material facts of violation of the procedures for accounting and submission of financial reporting while conducting financial and economic activities of the Company.

The Auditing Commission confirmed that the accounting statements of the Company for 2023 and the Annual Report on the Company’s activities for 2023, in terms of the Company’s accounting statements, are true.

In April 2025, the Auditing Commission plans an audit of financial and economic activities of the Company for 2024. The opinion of the Auditing Commission will be submitted for approval to the MTS annual General Meeting of Shareholders in June 2025.

Internal Audit Block

The MTS Internal Audit Block occupies a leading position in Russia in terms of organizing the work and status of the service, setting goals and completing tasks, building communications with stakeholders based on openness and support principles.

The Internal Audit group is structured effectively, has strong technical skills and is ready for further professional growth.

Advanced analytics tools are used widely in auditor projects, which helps to increase their efficacy and performance for the Company.

Approaches to the conducting and quality of audits are based on a unified methodology applied throughout the MTS Group.

The Internal Audit Block conducts its activities in compliance with the mandatory elements of the International Framework for Professional Practice of the International Institute of Internal Auditors (The IIA).

The Internal Audit Block is an independent structural unit headed by the Director for Internal Audit. The Internal Audit Block performs the following functions:

- assessing the efficiency of the internal control system, risk management and corporate governance processes by analyzing the Company’s business operations and its information systems, achieving the Company’s strategic goals, the efficacy and performance of projects and products, the reliability and integrity of information on the Company’s operation, the protection of assets, compliance with internal regulations and external requirements;
- developing recommendations for improving internal control, risk management and corporate governance processes.

dures, as well as assisting management in developing corrective measures based on the conducted audits;

- monitoring execution of recommendations for eliminating violations and deficiencies discovered based on audit results;
- developing and introducing IT analytics and digital data analysis tools for the purpose of continuous monitoring of risk indicators based on business process, project and product indicators, and improving the efficacy of audit procedures;
- providing consulting services (advice, recommendations, etc.) to the management, Board of Directors, Audit Committee and shareholders of the Company in order to assist and improve the processes of internal control, risk management and corporate governance in the Company;
- coordinating activities, planning issues, preparing reports and methodological support for an internal audit in MTS subsidiaries.

Report on Operation of the Internal Audit Block

The strategic goals of the Internal Audit Block include a focus on auditor projects that provide maximum value to the Company, addressing current risks, on the quality of interaction with management and other stakeholders based on openness and support, and promote the further development of a strong professional audit team. The internal audit achieves strategic goals through key initiatives carried out on a regular basis and a number of optimization and transformation initiatives.

The strategic goals and key performance indicators set by the internal audit for 2024 have been achieved completely. In 2024, all planned key initiatives, including those aimed at improving the efficacy of internal audit activities have been completed as scheduled.

The audit plan of MTS PJSC and its subsidiaries for 2024 has been fulfilled and contributed to the implementation of the internal audit strategy. Scheduled and unscheduled audits provided sufficient coverage of processes and areas with a high level of risk both in MTS PJSC and in the MTS Group as a whole. An improved process for monitoring the implementation of corrective actions based on audit results has resulted in improved statistics for introducing internal audit recommendations.

Internal Audit Block continues to introduce and apply digital technologies, advanced analytics tools, and artificial intelligence in its projects, improving their efficacy and performance for the Company.

The Internal Audit Block has created a competence center for analytics for auditors and other divisions and companies of the MTS Group. As part of analytical projects, dashboards and automated solutions are developed for customer departments and the internal needs of the Internal Audit Block.

In 2024, the Internal Audit Block combined the model for assessing the competences of its employees with the corporate-wide one; individual employee development plans for 2024 were formed within the framework of the Company's unified Talent Review process (360-degree assessment). In order to develop competences and expertise, internal and external training was planned and conducted.

Employees of the MTS PJSC Internal Audit Block participate actively in community events organized by the internal auditors and arrange their own events to exchange experience and training in the field of internal audit, the use of new analytical tools in the work of auditors.

The Internal Audit Block activities for 2024 were recognized as conforming to the International Professional Standards of Internal Audit and the Code of Ethics of the Institute of Internal Auditors.¹

The Audit Committee of the MTS PJSC Board of Directors reviews reports on the results of activities of the Internal Audit Block on a quarterly basis and forms conclusions about the effectiveness of the internal audit function.

The Audit Committee assesses positively the work of the Internal Audit Block and believes that the internal audit function is efficacious and that key performance indicators and internal audit goals for 2024 have been achieved completely.

In December 2024, the Audit Committee pre-approved and the Board of Directors approved the internal audit strategy for 2025–2027, the audit plan, key performance indicators and budget of the MTS PJSC Internal Audit Block for 2025, and also reviewed and took note of the audit plans for 2025 in the MTS PJSC subsidiaries with a decentralized internal audit function.

¹ Based on the results of the internal assessment of the quality of activities

Department of Development and Support of Internal Control Systems (ICSD)

The Internal Control System (hereinafter “ICS”) function in subsidiaries is managed in the Corporate Center. This approach has proven its efficacy and has made it possible to optimize the time required to support the internal control system in subsidiaries, while maintaining the proper level of quality of the ICS.

In 2024, an assessment was made of the coverage of significant and material items of financial statements by ICS processes and the scope of key processes and control procedures was confirmed. Based on the results of this analysis, the reengineering of the ICS processes was carried out taking into account the requirements of the applicable Russian legislation.

As part of developing the internal control system, work has been done to update and introduce control procedures aimed at covering significant risks.

The MTS Group has completed full testing of key control procedures. The internal control system for the purposes of 2024 financial reporting reliability for MTS Group was

recognized as efficient, no material or significant deficiencies were detected.

Based on the results of testing control procedures and assessing processes, an assessment was made of the efficacy of the internal control system over financial reporting in relation to business processes of functions and Subsidiaries of the MTS Group of Companies.

Significant events/projects of ICSD carried out in 2024 include the following.

- In 2024, employee access rights were revised for seven significant information systems and three business units of the MTS Group of Companies.
- Procedures for analyzing and mitigating SOD risks for MTS were completed. Based on the performance, SOD conflicts were compensated by the existing ICS procedures.

Based on the results of the internal assessment and external audit report, the Internal Control System for proving the accuracy of preparing financial reporting of the MTS Group as of December 31, 2024 was found to be efficacious and to have no material or significant deficiencies.

External Audit

At the MTS PJSC Annual General Meeting of shareholders¹, Business Solutions and Technologies Joint Stock Company was approved as the auditor² (hereinafter the “Auditor”).

Business Solutions and Technologies JSC is one of the leading auditing and consulting companies providing services in the field of auditing, management and financial consulting, risk management, taxation and accompanying services. Since May 24, 2022, the Russian company, formerly part of the Deloitte international network, has continued to work in Russia under its own brand.

In the reporting year, the Auditor performed:

- an audit of annual accounting statements of MTS PJSC for 2024 prepared in accordance with the Russian Accounting Standards as per the International Audit Standards (IAS);
- an audit of consolidated financial reporting of MTS PJSC and its subsidiaries prepared in accordance with the

International Financial Reporting Standards (IFRS) for 2024, as per the IAS.

At the beginning of 2025, the Audit Committee reviewed the results of the external auditor's audits for 2024 .

Following the audits performed, the MTS PJSC Auditor expressed opinions on the reliability of the accounting statements of MTS PJSC for 2024 prepared in accordance with Russian Accounting Standards, and the consolidated financial reporting by MTS PJSC and its subsidiaries for 2024 prepared in compliance with the IFRS.

Procedure for Selecting the Issuer’s Auditor

A tender for selecting an external auditor for MTS PJSC is conducted at least once every five years. To conduct the tender, MTS PJSC establishes a tender commission. Based on the tender results, the tender commission generates recommendations for selecting the external auditor that are

¹ The Annual General Meeting took place on June 26, 2024.

² Location: 5 Lesnaya St., Moscow, 125047, Russian Federation, OGRN [Primary State Registration Number] 1027700425444, certificate of membership in the Self-Regulatory Organization of Auditors of the Association Sodruzhestvo (Association) of January 31, 2020, ORNZ [Principal Number of Registration Entry] 12006020384.

submitted for approval to members of the Audit Committee of the MTS PJSC Board of Directors.

If the auditor's candidacy is approved by the Audit Committee, Board of Directors and the General Meeting of Shareholders of the Company, a contract for the services for auditing the accounting statements is signed with the auditing company.

Remuneration of the Auditor

The amount of the auditor's remuneration for the audit and other services of MTS PJSC and its subsidiaries for 2024 is approved by the Board of Directors of MTS PJSC and, according to the results of 2024, was RUB193,655,000, excluding VAT and overhead expenses, including the audit of statements of MTS PJSC in the amount of RUB15,900,000.

Settlement of potential conflict of interest

When managing a conflict of interests, the Company is guided by the principles of lawfulness, confidentiality, impartiality, objectiveness and reasonable sufficiency, obligatory immediate disclosure of information by Company's employees, as well as directors, about an actual or potential conflict of interests.

Members of the Management Board, the Board of Directors and employees are not entitled to participate in approval, agreement, other decision-making with respect to transactions entered into by the Company if they are or may be under the influence of a conflict of interests.

For the purposes of non-admission of conflicts of interests, the Company holds an annual knowledge testing and certification of compliance with the standards of the Code

of Business Conduct and Ethics for executives and top management. The testing results are reviewed by the Audit Committee of the MTS PJSC Board of Directors.

The Company has also created procedures to minimize the risk of making decisions in situations of conflict of interests of directors. Members of the Board of Directors must refrain from any actions that could result in the appearance of a conflict of interests and, if such a situation exists or arises, disclose information about it to the Board of Directors and not participate in voting on the conflict agenda items.

Members of the Board of Directors, who have an interest in agenda items of the Board of Directors, do not take part in discussing and voting on the specified agenda items.

RISK MANAGEMENT

Risk Management System

Risk management is conducted at MTS Group in compliance with the generally accepted conceptual risk management framework¹. The risk management activity aims to minimize unexpected losses from risks and to maximize capitalization, taking into account the relationship between risk and return on investments acceptable to the shareholders and the management of the MTS Group.

¹ "Enterprise Risk Management, Integrated Model" of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The basic principles of the risk management process

Integration principle

provides for a systemic approach to management of all types of risks inherent in MTS business, across the entire organizational structure and geography of the MTS Group operation;

cross-functional collaboration and coordination of structural divisions is maintained to manage risks outside the framework of their specialization, as well as accounting for the mutual effect of risks from various units;

a single Company management notification channel is provided for the entire risk spectrum to guarantee the completeness, quality and comparability of the information provided for each level of decision-making.

Continuity principle

consists of implementing a set of ordered risk management procedures on a regular basis.

Justification principle

provides for an analysis of the ratio between the costs for risk assessment reduction and potential damage from their occurrence

The Integrated Risk Management Policy is approved in the MTS Group¹. Integrated risk management is aimed at ensuring a reasonable guarantee of achieving the strategic goals of the Company and maintaining the MTS Group risk level within the limits acceptable to Company management.

The system of integrated risk management makes it possible to resolve the following tasks:

- Identification and systematic analysis of the risks faced by the Company;
- Obligatory consideration of significant risks when making management decisions;
- Distribution of responsibility for risk management;
- Development of additional measures and plans for responding to significant risks and monitoring their execution;
- Monitoring risks and their management effectiveness;
- Accumulation of knowledge in the field of integrated risk management.

The Risk Management Team of the Corporate Center² assesses the most significant risks on the basis of a long-term financial model and conducts regular imitation modeling to obtain key financial figures considering the risk and probability distributions of these indicators. The RMT CC applies econometric method to analyze individual risks.

A report on the status of the MTS Group risks is reviewed regularly by the Risk Committee, which discusses the key Company risks and makes collective decisions about generating mitigation measures. The Chairman of the Risk Committee is the CEO of MTS. The Committee includes members of the Management Board, the Vice President and other senior executives. The Committee's powers and responsibilities include the review and approval of the following:

- the objectives of developing the MTS integrated risk management process;
- risk management methodologies;
- MTS risk portfolio and priorities of risk management measures taking into account the feasibility of their costs and limited resources;
- MTS risk portfolio management strategies, etc.

The MTS Group management is notified about the entire risk spectrum to ensure the completeness, quality and comparability of the information provided for each level of decision-making.

Based on the results of assessing the efficiency of the MTS Group's internal control systems in 2024, the risk management process was deemed efficient.

Organizational Risk Management Support

The **Board of Directors** operates directly or through its committees within its competences and resolves the issues of assessing the political, financial and other risks affecting the Company's operation. The MTS Board of Directors delegates monitoring of risk management efficiency to the MTS Audit Committee, and also reviews the reports submitted by the Audit Committee.

The **Audit Committee** monitors the risk management efficacy, as well as the assessment of procedures used by the MTS Group to identify the principal risks and evaluation of relevant control procedures (including the procedures for loss control and risk insurance) in order to determine their adequacy and efficacy.

The **Risk Committee** makes collective decisions in the field of integrated risk management.

The efficacy of the risk management process is assessed by the Internal Control Block; this information is also presented to the Audit Committee for review.

Risk Management Team of the Corporate Center is responsible for developing a risk assessment methodology, regular collection of information and reporting the results of this assessment to the Risk Committee and the Company management. The Team also conducts operational control of the process and provides cross-functional interaction between the units within integrated risk management in the Company. Cross-functional interaction with the risk owners

¹ Approved by the resolution of the Board of Directors of MTS PJSC on December 15, 2017, Minutes No. 265; https://static.ssl.mts.ru/mts_rf/contents/537/Conflict_of_Interest_Management_Policy_rus.pdf.

² CC/Finance Block / Department of Financial Planning and Analysis / Management Reporting Center / Risk Management Group

in subsidiaries is provided by the risk coordinators in such subsidiaries.

Risk owners are the heads of functional units, whose achievement of goals is affected by the risks. The owners are

responsible for the analysis, assessment, execution of risk management measures and reporting on the activity within the process of integrated risk management.

Risk Management Integration into Decision-Making Processes

Risk management is an integral part of all processes of the Company: policy development, strategic, business, budget and investment planning, change management and purchasing procedures.

Strategic Planning:

- Identification of risks related to various environmental conditions.
- Analysis and accounting of key risks within the framework of the selected macro-scenario.
- Determination of substantial risks influencing strategic goals, but not resulting in their revision, and development of actions to manage such risks.

Business Planning and Budgeting:

- Analysis and accounting of risks related to failure to achieve the main financial KPIs.

Purchasing Procedures:

- Analysis and accounting of risks when selecting suppliers.

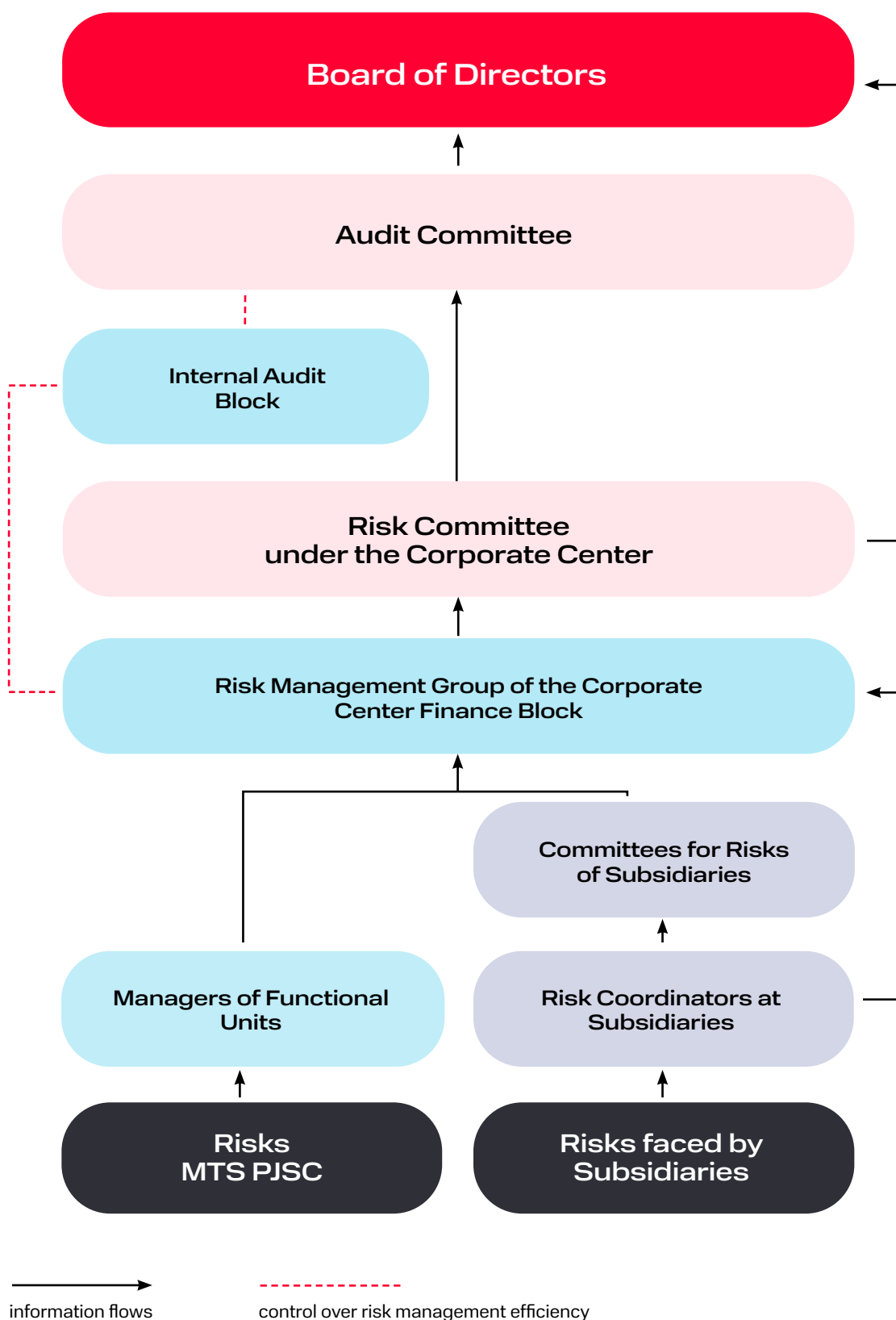
The risk management process passed all stages of introduction, automation and integration into the Company's business processes (into strategic and investment planning, as well as into the cross-functional projects and the preparation of external reporting), which now makes it possible to identify and consider the risks when making key decisions for the guaranteed achievement of set goals and strengthening of business leadership.

2024 Key Activities

- Risk Committees of MTS, MGTS and RTK CCs were held based on the risk monitoring results in 2024. The risk reports for the first six months of 2024 and for 2024 were also submitted for consideration by the Audit Committee and the Board of Directors.
- An additional report was developed for the Audit Committee and the MTS Board of Directors reflecting the company's exposure to the most significant risks. Monitoring and assessment of risks related to the geopolitical situation were carried out.

In 2025, there are plans to update the risk section for external reporting (Reports of the issuer for the Central Bank of the Russian Federation) and hold regular Risk Committee meetings. Continuous monitoring of the situation related to the geopolitical situation is also planned in order to identify, assess and further mitigate the risks.

Organizational Risk Management Support



Key Risk Factors

The most significant risk factors that may potentially impact MTS PJSC business results are provided below. See more detailed information about these and other risks in the MTS PJSC Reports¹.

Strategic risks

The category of strategic risks includes risks that, if realized, may threaten the sustainability of the company's business and operations and that may affect the company's ability to achieve its long-term goals. These risks depend on many

internal and external factors and, due to the serious potential damage if they occur, are taken into account when compiling the company's strategic plan.

Risk description	Probability of risk occurrence		Activities
	2023	2024	
Risks of failure to fulfill infrastructure development plans	Very low	Very low	- We adapt previously approved rules for prioritizing building and distributing critical facilities, taking into account the quantity and rates of warehouse stock balances - An in-house Technical Support Center is used and local suppliers were found to maintain the network performance - MTS continues to make scarce equipment available by replacing it with equipment that is available for purchase - Purchases are being made from domestic suppliers - Core — search for domestic suppliers or technical solutions (virtualization) - Discussions of industry support measures for carriers with the Ministry for Digital Technology, Communication and Mass Media of the Russian Federation
The risk of increasing sanctions pressure, as well as strengthening counter-special economic measures	Partially occurred	Partially occurred	- Support for risk management processes (KYC, verification of the subject matter and conditions of transactions, transferred goods, software, technologies, etc.) - Risk assessment and development of measures for their mitigation - Obtaining the required permits - Raising awareness among management and employees regarding applicable restrictions
Risk of business loss / business suspension for MTS in other countries	Low	Low	MTS is monitoring the political situation in the markets of operation of the Group of Companies and strives to respond promptly to changing conditions in the markets

¹ <https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/raskritie-informacii/otchety-emitenta-emissionnyh-cennyh-bumag>.

Environmental Risks

Environmental Risks include those that are caused by factors such as exchange rate fluctuations or trade restrictions. Such risks are not related directly to the company's activities

or its deliverables, however, if they occur, they can have significant consequences for any enterprise, including affecting its internal processes.

Risk description	Probability of risk occurrence		Activities
	2023	2024	
Risks of increased costs, including capital expenditures, may be denominated in rubles, US dollars, euros and/or yuan	High	High	A number of portfolio structuring measures have been taken in order to reduce dependence on exchange rate fluctuations, including there is a currency risk hedging program using swaps as instruments
Growth in the cost of debt due to the key rate growth	Medium	High	- Reinvestment of part of free liquidity and attraction of new liquidity into instruments with higher yield for replacement - Participation in concessional lending programs - Use of current assets as a liquidity instrument (trust management, derivatives) - Consolidation of cash in the parent company for effective liquidity management of the MTS Group - Taking cost optimization measures (rejecting some unprofitable businesses in favor of areas with quick returns)
Rising costs due to high inflation	Medium	Medium	- Cost control. - Adjustment of rates to compensate for increased costs.
Risk of increased costs due to shutdown of CDN caching servers of global platforms and potential difficulties in interaction with international partners	High	High	- Compensation for reduced traffic volumes - Setting up procurement of Internet access services to maintain access to the international segment of the Internet through alternative providers
Blocking foreign licenses and software	High	High	- Entering into framework agreements with alternative providers - Finding temporary solutions - Development of alternative software including in-house

Operational Risks

The category of operational risks includes risks arising as a result of erroneous or imperfect internal processes of the company, low reliability of controls, technical failures, errors by company employees and other factors. The consequenc-

es of occurrence of such risks may be a decrease in the efficacy of business operations, an impairment in the quality of services provided, or lag in technology as compared to the demand.

Risk description	Probability of risk implementation		Measures
	2023	2024	
Risk of revenue loss due to downtime of base stations	Very high	Very high	Organizing incident management on a mobile network
Risk of technological failures on the network and information resources	High	High	- Redistribution of capacity and power used by the base stations to maintain network continuity - Use of backup telecommunications equipment - Use on a continuous basis of quality assurance processes and systems for monitoring, change management, etc.
Risk of damage due to a restricted-access information security breach in the information systems	Very high	Very high	- Conducting scheduled and unscheduled audits (analyses of security of ICT1 infrastructure and access to corporate information systems) - In order to implement the Decree of the CEO dated 01.05.2022 No. 250, import substitution of the following systems was arranged in the Russian Federation: - Monitoring and managing information security events and incidents; - Mirroring and managing traffic copies; - Filtering signal traffic on the MTS technological network
Disruption in system continuity due to lack or insufficient geographic redundancy	-	High	Geographic redundancy of a product in another region.

¹ ICT — information and communication technologies

Compliance with regulatory requirements

Compliance Risks

The compliance risk category includes risks arising from the failure of the company or its employees to comply with the legislation or to meet regulatory requirements, which may result in imposition of significant fixed or turnover-based fines, or restrictive impacts on individual business processes of the company or its activities as a whole.

Such risks, inter alia, shall be managed within the framework of the Unified Compliance System that includes risk management programs in the areas of corruption, insider trading, protecting intellectual property, violating antitrust laws, CML/TF, protecting personal data, labor protection, observing human rights, and the environment.

Risk description	Probability of risk implementation		Measures
	2023	2024	
Portfolio of risks of violating antitrust legislation	Very high	Very high	Antitrust risk management in accordance with the company's internal policies, including: - Participation of antitrust compliance in developing commercial initiatives; - Interaction with FAS in terms of preparing positions and preventing injunctions
Risks associated with amendments made to the RF Federal Law "On Communications" (533-FZ, 303-FZ)	Very high	Very high	Daily automated upload of the B2B and B2C database to Roskomnadzor¹, request and correction of inaccurate client data, reconfiguration of processes for entering into contracts to provide communication services, as a result of which, before entering into the contract, the accuracy of the subscriber/user data is verified through the Unified System of Identification and Authentication (USIA), the State Information System for Monitoring the Verification of the Accuracy of Subscriber Information (SIS IMSMS), the Unified Biometric System (SIS UBS), including for the purpose of checking the limits of issued SIM cards per individual. B2C events: - Communication to subscribers about the need to confirm data; - Measures to encourage verification of personal data Validation via T-ID and Alfa ID has been introduced; a launch via Sber ID and Mos ID is planned, for foreign persons and stateless persons — via the SIS UBS; - Verification by passport and recognition using a commercial bio-platform for which accreditation has been received. B2B events: - Personal communication with non-validated clients.

¹ Roskomnadzor — Service for Supervision of Communications, Information Technology and Mass Media

Violation of requirements of the law and state regulation (SORM)	High	High	- Timely and sufficient allocation of funding for the purchase of SORM equipment - Timely commissioning of a number of data centers in 2025 - Strengthening control over deadlines and quality of work performed by contractors, increasing the liability of contractors for project interruptions - Updating and correcting the personal data of the MTS PJSC subscriber base, strengthening sanctions imposed on dealers if incorrect data is provided - Modernization of traffic aggregation systems in order to prevent information loss in SORM systems
Risk of losses due to the Federal Anti-Monopoly Service (FAS) order to increase subscriber rates	Low	Occurred	- Participating in meetings of the FAS of Russia, providing evidence on the validity of the price for subscriber rates - MTS is in the process of court action against the FAS decision. The preliminary hearing is scheduled for December 2024
Violation of legal requirements for personal data storage	-	Medium	- Reengineering of business processes with personal data processing - Control over the amount of annual expenses of the operator for information security measures (not less than 0.1% of the annual total amount of revenue received from the sale of all goods (work, services))

Risks associated with violations in the field of OH&S

Risks associated with violations in the field of OSH include risks related to non-compliance with the provisions of the legislation, regulations and internal rules on OSH, which can lead to serious consequences for the company, including

financial losses, damage to reputation and legal liability, as well as pose a threat to the health of the company's employees.

Risk description	Probability of risk implementation		Measures
	2023	2024	
Possible risks of violations in the OSH field associated with training employees, medical examination, providing personal protective equipment, compliance with sanitary and epidemiological requirements, special assessment of working conditions, etc.	High	High	- The functioning OSH management system¹ includes the following: organizational structure; planning; distribution of responsibility; procedures; processes and resources for developing, implementing goals, analyzing the efficiency of OSH policies and measures - A number of local regulatory documents have been developed and are being implemented that regulate the main issues in the field of OSH and employee health. The procedure for conducting internal control over the state of working conditions is being established - MTS has introduced a program to automate routine OSH processes. The goal of the program is to increase the transparency of OSH processes, reduce the burden on employees in terms of paperwork and bureaucracy, and switch to processing documents in EDM

¹ Certified according to GOST R ISO 45001-2020 (ISO 45001:2018).

Risks of human rights violations

The human rights violation risk category includes risks arising from actions by the company or its employees that may result in violations of regulatory standards relating to human rights. The occurrence of these risks may entail significant

legal and reputational consequences, and therefore, the organization needs to adhere to policies aimed at preventing violations in this area.

Risk description	Probability of risk implementation		Measures
	2023	2024	
Possible risks of human rights violation related to compliance with labor legislation, non-discriminatory and ethical conduct, public statements, insurance deductions, observance of the rights of socially vulnerable groups, etc.	Low	Low	- During the year, the ESG Committee regularly discussed issues related to developing the corporate inclusion culture and its significance for the company's future - Educational programs on diversity, equity, inclusion, including observance of human rights, were conducted. 1050 MTS executives and HR attended the educational programs - On the Pulse portal, an educational campaign on various aspects of inclusive culture and human rights was arranged for MTS ecosystem employees — reaching 20,000 people - Research and surveys on diversity and inclusion were conducted among ecosystem employees; - Tools have been created to develop an inclusive culture within the ecosystem: the test “Inclusivity — a Fashionable Trend or New Business Ethics” makes it possible to determine the level of tolerant attitude towards representatives of inclusive groups, the “Bullying in the Workplace” test makes it possible to identify bullying in the corporate environment - The Abilympics MTS National Championship of Professional Skills among People with Disabilities and Special Needs became one of the leaders in employing people with disabilities — 50 championship participants became members of the 2024 ecosystem team.

Risks of environmental violations

Risks of environmental violations include the risks of the company's failure to comply with environmental regulations, standards and legislation, which may lead to a negative

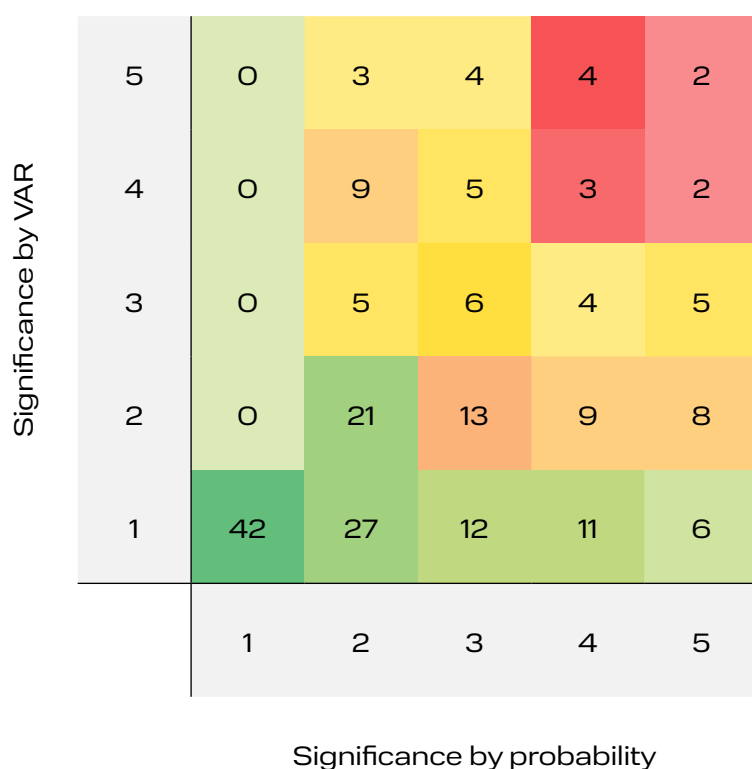
impact on the environment and human health, as well as a range of negative consequences for the company, including reputational, financial and legal risks.

Risk description	Probability of risk implementation		Measures
	2023	2024	
Failure to meet the requirements for providing environmental reporting	High	High	▪ Ongoing monitoring of changes in environmental legislation requirements is conducted ▪ MTS regularly makes the payment stipulated by the legislation for adverse impact on the environment, bears the costs associated with waste management and atmospheric air protection, as well as with the reduction of risks associated with government regulation in the field of environmental protection and maintaining the image of the company's environmental sustainability ▪ MTS regularly reports according to state reporting forms and also prepares non-financial reports on the activities of the MTS Group of Companies in the area of environmental responsibility and safety

Heat map

See below a heat map of all risks of MTS PJSC. All risks were divided into 25 groups.

Our risk allocation methodology includes 2 parameters: 5 groups of significance by probability (1 — very low probability, 2 — low, 3 — medium, 4 — high, 5 — very high probability) and 5 groups of significance by VAR¹ (1 — very low damage, 2 — low, 3 — medium, 4 — high, 5 — very high damage).



The heat map shows that the main risks are concentrated in a non-hazardous area for the company with low significance; whereas 42 risks have a very low probability of occurrence and, accordingly, an insignificant cost estimate. The company has only 11 risks with high probability and high potential damage in the “red zone” that are given increased attention.

¹ VaR (Value at Risk) — the cost estimate of risk that losses will not exceed in 95% of cases of risk occurrence.

CAPITAL AND SECURITIES

SHAREHOLDER CAPITAL

The authorized capital of MTS PJSC totals

RUB

199,838,157.50

and is divided into 1,998,381,575 ordinary shares with par value of RUB 0.1 each.

No preferred shares were placed.

Placed and Declared Shares of MTS PJSC as of December 31, 2024

Share categories (types)	Quantity (pcs.)	Par value per share (RUB)
Placed shares		
Ordinary shares	1,998,381,575	0.1
Voting shares	1,998,381,575	0.1
Preferred shares	0	0
Declared shares		
Ordinary shares	100,000,000	0.1

Information about the Persons Owning Shares, Disposing of Votes by Shares, as Beneficiaries by Shares in MTS PJSC as of December 31, 2024

	Number of ordinary shares	Share of authorized capital
Sistema PJSC ¹	841,019,563	42.09%.
MGTS PJSC ²	5,452,327	0.27%.
MTS Ecosystem LLC ²	111,145,664	5.56%.
Bastion LLC ²	2,348,947	0.12%.
MTS PJSC	38,645,191	1.93%.
Shares in free circulation	999,769,883	50.03%.
Total	1,998,381,575	100%.

¹ Share of Sistema PJSC also includes the share of its subsidiary Sistema Telecom Assets LLC (11.03% shares in MTS PJSC).

² MGTS PJSC, Ecosystem MTS LLC (formerly Stream Digital LLC) and Bastion LLC are subsidiaries of MTS PJSC.

Information on the Number of Shareholders

Total number of persons registered in the shareholder register of the issuer as of the end of Q4 2024: 1,093.

Total number of persons included in the list of those entitled to exercise (implement) their rights to shares in MTS PJSC compiled last (as of June 3, 2024) and for compilation of which nominal shareholders of the issuer presented data on

the persons, to the benefit of whom they owned (own) the shares in MTS PJSC: 584,083.

The MTS PJSC management has no information about existing ownership percentage of shares exceeding 5% of the MTS PJSC authorized capital apart from the aforementioned.

For updated information about the shareholder capital structure visit the Company's website



Structure of Share Capital in MTS PJSC —
Moscow (mts.ru)

INFORMATION ABOUT SECURITIES

Shares

The shares in MTS PJSC are circulated on the leading Russian platform — Moscow Stock Exchange (MOEX: MTSS).

The Company’s issued and placed shares are ordinary shares of the same par value.

An ordinary share in MTS PJSC secures for its owner (shareholder) a given amount of property rights, including the right to participate in the Company’s management, the right to obtain a portion of Company’s profits in the form of a dividend as well as the right to obtain a portion of the property left after the Company’s liquidation.

Previously, MTS ADRs were in circulation on the New York Stock Exchange. Federal Law No. 114-FZ dated April 16, 2022 obliged Russian companies to terminate their foreign depositary receipt programs, except for the cases when the company obtained permission to continue the program from the Government Commission for Control of Foreign Investments in the Russian Federation. In May 2022, MTS applied for permission to the Government Commission, which allowed MTS ADRs to continue circulation outside of Russia until July

12, 2022 inclusively. Against the background of the ADR program closure, MTS depositary receipts have been delisted from the New York Stock Exchange since August 8, 2022.

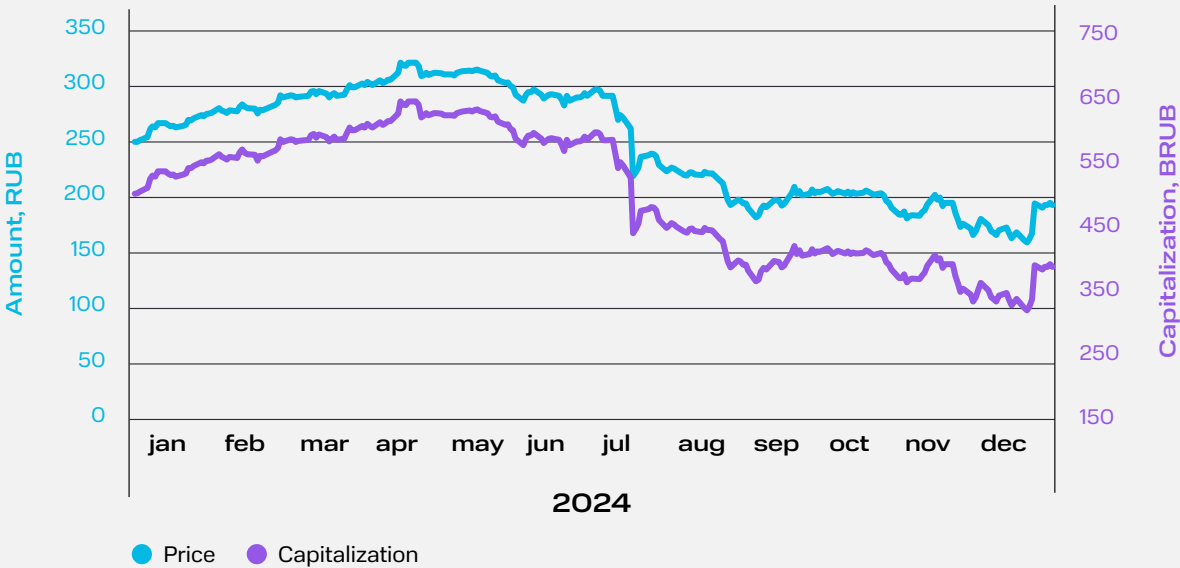
Information about the current quotation lists and transaction prices: <https://www.moex.com>.

Price and volume of shares in MTS PJSC (RUB), 2024

MOEX	Price (RUB)
Minimum share price	162.0
Maximum share price	322.6
Average daily trade volume (mln units)	4.3
Price as of December 31, 2024	210.3

MTS PJSC Price and Capitalization Dynamics

Trading Platform: MOEX (Moscow), Issuer Code: MTSS



DIVIDENDS AND SHARE REPURCHASE PROGRAM

Dividend Payments in 2024

In April 2024, the MTS Board of Directors approved a new dividend policy that will be in effect in 2024, 2025 and 2026. The MTS PJSC dividend policy provides for dividend payment in the amount of at least 35 rubles per ordinary share during the calendar year.

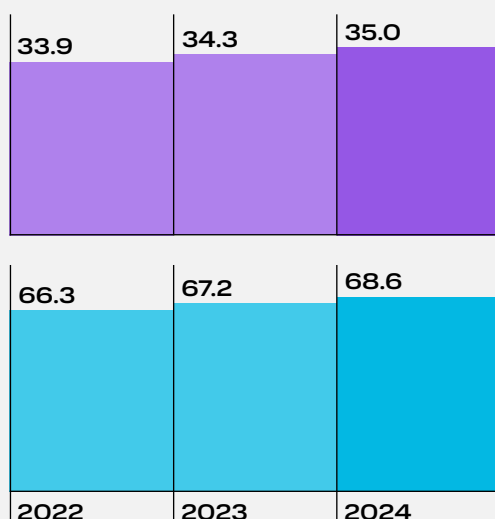
The new dividend policy stipulates dividend payment once a year with the possibility of changing the frequency of dividend payments during the calendar year upon the recommendation of the Board of Directors. The Board of Directors determines the amount of dividend payments, considering a number of factors, which include cash flows from business operations, capital expenditures and debt position.

In April 2024, the MTS Board of Directors recommended that the annual General Meeting of Shareholders approve the

payment of dividends in the amount of 35 rubles per share or a total of 68.6 billion rubles* based on the company's 2023 financial results, in June 2024, the relevant decision was made by the shareholders. The date on which persons entitled to receive dividends for 2023 were determined was July 16, 2024.

In accordance with the prevailing Russian legislation, ADR holders get the right to dividends payment only upon conversion of depository receipts into ordinary shares in MTS PJSC. Under the Depository Agreement, the guaranteed period for converting ADRs into ordinary shares in MTS PJSC ended on January 12, 2023 (inclusively).

Dividends



- Dividends, RUB billion
- Dividend per share, RUB

68.6 BRUB

Total declared dividends in 2024¹

See details on dividend payment on the MTS website at:



[Dividends – MTS.IR](https://dividends.mts.ir)

¹ The total calculated amount includes dividends on quasi-treasury shares held by MTS subsidiaries and may differ from the net annual cash flow for dividend payments stated in the Company's financial reporting.

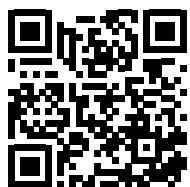
BONDS

MTS PJSC is one of the largest issuers of corporate bonds in Russia, regularly placing its bond issues on the debt market. The Company uses the funds from bond placement for debt portfolio refinancing and implementation of its investment program.

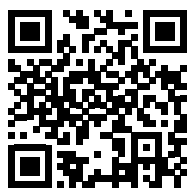
Issues/Redemptions of Bonds in 2024

RUB10 billion	Issue of 001R-27 exchange-traded bonds with the circulation period of 1.5 years
RUB50 billion	Issue of 002R-03 exchange-traded bonds with the circulation period of 3 years
RUB17 billion	Issue of 002R-04 exchange-traded bonds with the circulation period of 3.5 years
RUB25 billion	Issue of 002R-05 exchange-traded bonds with the circulation period of 3.5 years
RUB17 billion	Issue of 002R-06 exchange-traded bonds with the circulation period of 4 years
38 mil. AED	Issue of KO-P02 exchange-traded bonds with the circulation period of 3 years
RUB5 billion	Issue of Digital People's Bonds with the circulation period of 3 years
RUB10 billion	Bonds of series 001R-07 were fully redeemed
RUB7.5 billion	Bonds of series 001R-09 were fully redeemed
RUB4.5 billion	Bonds of series 001R-18 were fully redeemed
RUB20 billion	Bonds of series 001R-22 were fully redeemed
RUB15 billion	Bonds of series 001R-23 were fully redeemed

Detailed information on previous bond issues can be found on the websites



<https://ir.mts.ru/en/investors/debt/bond>



<http://www.disclosure.ru/issuer/7740000076/>

Issue of Bonds in 2024

Issuer	Mobile TeleSystems Public Joint Stock Company
Securities type	Exchange-traded bonds, interest-bearing, non-convertible, uncertificated, series 001R-27
Coupon	1–6 coupons — 19.65% p.a.
Placement price	100%
Issue currency	Ruble
Issue amount	10,000,000,000
Placement date	14.10.2024
Redemption date	13.04.2026
ISIN Reg No	RU000A109SK6
Offer	-

Issuer	Mobile TeleSystems Public Joint Stock Company
Securities type	Exchange-traded bonds, interest-bearing, non-convertible, uncertificated, series 002R-03
Coupon	1–6 coupons: $RD_{ij} = R + S$, where R — value of the RUONIA rate for the 7th day preceding the Dij date, published on the official website of the Bank of Russia on the Internet; D_{ij} — calendar date falling on the j-th day of the i-th coupon period, for which the income is calculated; S — spread, in percent per annum ($S = 2\%$)
Placement price	100%.
Issue currency	Ruble
Issue amount	50,000,000,000
Placement date	20.12.2024
Redemption date	17.12.2027
ISIN Reg No	RU000A10AF49
Offer	-

Issuer	Mobile TeleSystems Public Joint Stock Company
Securities type	Exchange-traded bonds, interest-bearing, non-convertible, uncertificated, series 002R-04
Coupon	1–42 coupons — the arithmetic mean of RUONIA rates for the period starting 7 days before the start date and ending 7 days before the end date of the current coupon period + spread. Spread = 1.4%
Placement price	100%
Issue currency	Ruble
Issue amount	17,000,000,000
Placement date	28.03.2024
Redemption date	23.09.2027
ISIN Reg No	RU000A1083U4
Offer	-

Issuer	Mobile TeleSystems Public Joint Stock Company
Securities type	Exchange-traded bonds, interest-bearing, non-convertible, uncertificated, series 002R-05
Coupon	1–14 coupons: $RD_{ij} = R + S$, where R — value of the key rate of the Bank of Russia for the 7th day preceding the Dij date, published on the official website of the Bank of Russia on the Internet; D_{ij} — calendar date falling on each (except the first) j-th day of the i-th coupon period, for which the income is calculated; S — spread, in percent per annum ($S = 1.3\%$)
Placement price	100%.
Issue currency	Ruble
Issue amount	25,000,000,000
Placement date	28.03.2024
Redemption date	23.09.2027
ISIN Reg No	RU000A1083W0
Offer	-

Issuer	Mobile TeleSystems Public Joint Stock Company
Securities type	Exchange-traded bonds, interest-bearing, non-convertible, uncertificated, series 002R-06
Coupon	1–16 coupons: $RD_{ij} = R + S$, where R — value of the key rate of the Bank of Russia for the 7th day preceding the D_{ij} date, published on the official website of the Bank of Russia on the Internet; D_{ij} — calendar date falling on each (except the first) j -th day of the i -th coupon period, for which the income is calculated; S — spread, in percent per annum ($S = 1.3\%$)
Placement price	100%
Issue currency	Ruble
Issue amount	17,000,000,000
Placement date	25.07.2024
Redemption date	20.07.2028
ISIN Reg No	RU000A109312
Offer	-

Issuer	Mobile TeleSystems Public Joint Stock Company
Securities type	Commercial bonds, uncertificated, series KO-P02, non-convertible interest-bearing
Coupon	5.50%
Placement price	100%
Issue currency	AED
Issue amount	38,000,000
Placement date	25.12.2024
Redemption date	22.12.2027
ISIN Reg No	RU000A10AHF2
Offer	-

Issuer	Mobile TeleSystems Public Joint Stock Company
Securities type	Interest-bearing bonds, uncertificated, series 001-02
Coupon	1–36 coupons: $RD_i = R + S$, where RD_i — the interest rate on each date D_i , in percent per annum; R — value of the key rate of the Bank of Russia for the 7th day preceding the D_i date, published on the official website of the Bank of Russia on the Internet; D_i — calendar date of the i -th coupon period for which the income is calculated; S — spread, in percent per annum ($S = 0\%$)
Placement price	100%.
Issue currency	Ruble
Issue amount	5,000,000,000
Placement date	26.08.2024
Redemption date	11.08.2027
ISIN Reg No	RU000A109A00
Offer	-

INTERACTION WITH SHAREHOLDERS AND INVESTORS

One of the key objectives of MTS is to maintain strong and trust-based relations with shareholders and investors, based on direct dialogue in accordance with prevailing legislation and best practices.

The Company has an efficient information disclosure system that complies with the requirements of listing rules on the Moscow Stock Exchange. Following the principle of general availability, the Company publishes notices of material events on various platforms, including the Russian Information Agency (news feed)¹, as well as on its official website in Russian² and in English³. The “For Investors and Shareholders” section as well as the MTS website for investors⁴ includes internal corporate documents, annual reports, sustainability reports, materials for shareholder meetings, information on the registrar and auditor, information on dividend policy, financial reporting for IFRS and RAS, quarterly disclosures of MTS Group results in the form of a press release and presentation, instructions on the ADR program completion and conversion of depositary receipts into ordinary shares.

In 2024, the MTS IR team issued more than 20 press releases and blog posts, took part in conferences organized by investment banks, as well as analytical communities for retail investors.

Interaction with shareholders and investors is being improved constantly by the company’s management and investor relations team. The company analyzes the best practices of other organizations continually and monitors changes in legislation in the field of corporate governance.

If any questions related to MTS activities arise, investors may contact the services for interaction with shareholders and investor relations.

Contact Information for Investors and Shareholders

MTS PJSC Corporate Governance Department:

Phone: +7 (495) 911 6555.
Fax: +7 (495) 911 6569.
E-mail: shareholder@mts.ru

MTS PJSC Investor Relations and Capital Markets Center:

Phone: +7 (495) 223 2025.
E-mail: ir@mts.ru

¹ <http://www.disclosure.ru/index.shtml>

² <https://moskva.mts.ru/about>, <https://ir.mts.ru/home>

³ https://ir.mts.ru/en/news_and_events/corporate_releases

⁴ https://ir.mts.ru/en/about_mts/corporate_governance

Investor's Calendar for 2025

The investor calendar is posted on the MTS website at:



https://ir.mts.ru/investors/financial_center/kalendar-investora

Issues of Interest for Investors in 2024

Macroeconomic issues:

- main macroeconomic parameters and their impact on the Company's business;
- impact of monetary policy on the Company's performance.

Industry-specific issues:

- competitive environment;
- rate policy;
- telecom industry support measures;
- equipment procurement.

Issues related directly to the company's business and performance:

- dividend policy and dividend payments;
- management of treasury shares;
- drivers of the Company's growth and results of the Group's Companies, including Telecom, Fintech, Media Holding, Retail, Adtech, etc.;
- debt load of the Company;
- new product and service development;
- ecosystem development strategy;
- allocation of tower assets and their potential sale;
- sale of subsidiary business in Armenia;
- capital investment in the development of the network and digital ecosystem;
- closure of the ADR program and conversion of depositary receipts into ordinary shares in MTS.

INTERACTION WITH RETAIL INVESTORS

In December 2024, the company held a large online meeting with investors “MTS in the Long Run”, at which a new stage of business transformation was announced. More than 2,000 people watched the online broadcast.

Interaction with shareholders and investors is being improved constantly by the company’s management and investor relations team. The company analyzes the best practices of other organizations continually and monitors changes in legislation in the field of corporate governance.

The number of individual shareholders increased by 11.8% to 593.7 thousand people, the average shareholding of individual shareholders increased by 22% to 321.7 shares.

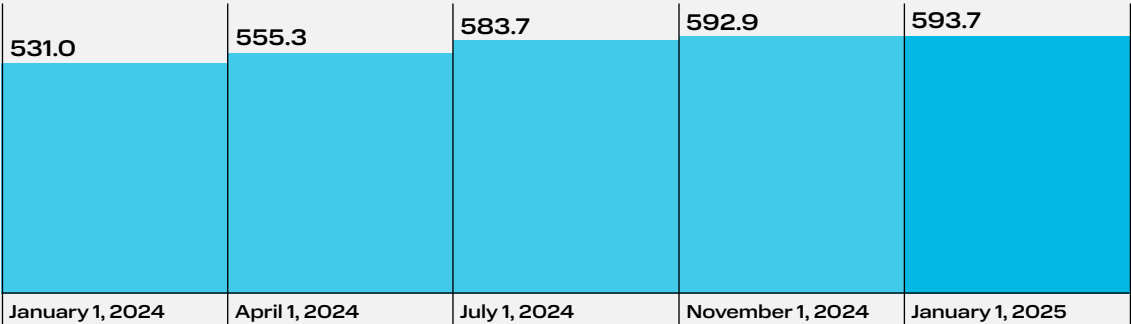
11.8%

an increase in the number of individual shareholders in 2024

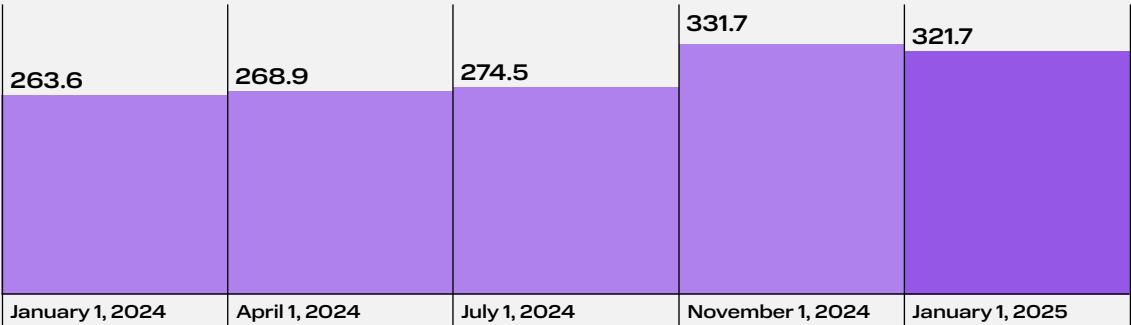
22%

an increase in the average stake of individual shareholders in 2024

Dynamics of the number of individual shareholders thousand



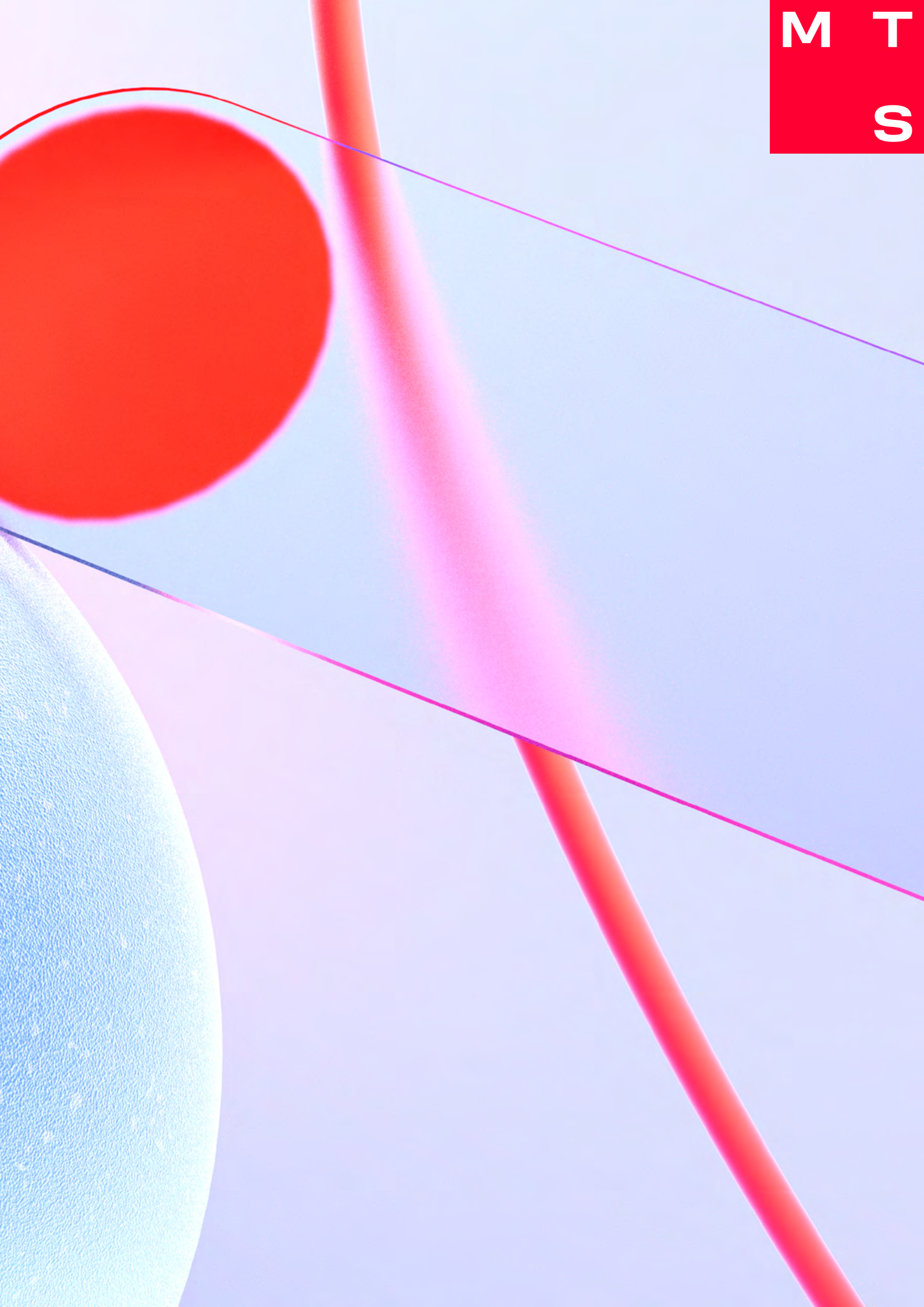
Dynamics of the average shareholding of individual shareholders shares





ESG AND SUSTAINABILITY

- 150 Sustainability Management System**
- 156 Compliance and culture of business ethics**
- 168 Responsible HR management**
- 183 Social Investments**
- 190 Environmental Concern**



SUSTAINABILITY MANAGEMENT SYSTEM

Key areas and parameters in the field of sustainability

Thorough realization mechanics

- ESG-compliance and business ethics
- Accounting for ESG-aspects in products, services and projects
- Education and awareness

Environmental concern

- Responsible resource use
- E-waste management
- Carbon management

Digital society development

- Provision of accessible products and services for everyone
- Support for digital development of the communities

Responsibility to employees

- Respect for human rights, inclusivity and diversity
- Fair and safe working conditions
- Volunteering and social realization of employees

Responsible business management

- Effective corporate governance
- Responsible supply chain
- Ensuring information security

In 2024, MTS focused on further integration of sustainability principles into their business processes. Taking into account the key national trends, the Company emphasized social responsibility, which is reflected in the structuring of two areas of the ESG-strategy. “Digital Society Development” area unites all socially significant projects, while “Responsibility to Employees” highlights the importance of a caring approach to the support and professional development of human resources.

For more complete integration of the ESG-approach into operations, thorough mechanics of the strategy realization are identified, which are equally important for all ESG areas:

- **Compliance and Business Ethics** as the basic principle of the company provide for the transparency of the processes and a high level of corporate responsibility.
- **Education and Awareness** improve the level of stakeholders’ inclusion and understanding of the importance of complying with the sustainability principles.
- **Accounting for ESG-aspects** regardless of the field of projects, products and services implementation improves the company’s ability to influence the solution to environmental and social problems of the company.

In 2024, the Company worked on identifying certain focus topics from the total list of the strategy, with the purpose of metrics development for their assessment.

ESG-strategy of MTS is built on the principle of a common group approach, which enables the subsidiaries to adapt harmoniously to the general strategy of the Group, detailing

ESG-areas with account for the unique features of its business and level of ESG-maturity. This creates a dynamic and flexible system capable of meeting the challenges of time. The Company systemically manages all types of risks associated with the diversified business, including ESG-risks, in the process of making decisions at various management levels. In 2024, the interaction with the subsidiaries increase significantly, horizontal connections and collaboration strengthened. So, at the end of 2024, the ESG Center held the ESG-Day, when the employees of the MTS Group companies exchanged their valuable experience and discussed the plans for further cooperation.

The basic principles of MTS are openness, transparency, significance and high quality of significant ESG information disclosure for a wide audience of stakeholders in the Annual Report and the Sustainability Report.

In 2024, the company developed education and awareness areas actively, introducing elements of inclusive culture both into daily practice and at the digital level. The aspiration to integrate charitable programs into the company products helps to harmoniously combine social responsibility and innovations. The objectives of the ESG Center in 2024 included developing the concept of a complex internal environmental awareness program aimed at improving the employees’ awareness of the importance of sustainability and caring attitude towards the environment¹.

The Company provides continuous access to state-of-the-art digital services and high quality communication services for all categories of the public, regardless of geographical location, national origin, age and health, and improves the level of information and cybersecurity.

¹ See more details on all environmental initiatives in the Ecology section.

Detailed information is set out in the “ESG and Sustainability” section, as well as in the 2024 MTS Sustainability Report Report for 2024



[Sustainability Report](#)

2024



Environmental concern

Printing of **133.6 million** paper sheets was prevented, and the number of envelopes used was reduced by **66,558**

The Strategy was approved for managing greenhouse gas emissions and achieving carbon footprint reduction goals

333.4 thousand electronic devices were recycled under the customer equipment refurbishment program

46,843 kg of plastic and **26,505 kg** of electronic components were transferred for responsible recycling under the refurbishment program

> 2 million people were covered by MTS educational and awareness content on the environmental topic

7124 kg of small electronic equipment; **67.3 kg** of telephones and more than **33.5 tons** of broken computer equipment and communication equipment were sent for reprocessing and responsible recycling



Responsible business management

In 2024, MTS successfully confirmed its compliance with the following standards:

- ISO 37001:2016 “Anti-bribery management system”
- ISO 37301:2021 “Compliance management system”.

MTS won two compliance awards:

- Russian Compliance Award 2024 in the category “Best Innovations in Compliance Sphere”
- “Compliance 2024” in the category “For use of state-of-the-art technology in developing methods and tools to control the compliance management system”

100% members of the Board of Directors, the Management Board and members of the Committees of the Board of Directors completed training on the anti-corruption compliance system

> 30,000 employees completed the updated course “Confidential information and personal data handling rules”

85.2 points was the total level of MTS compliance culture

3.06 million facts of fraud were identified
RUB 817.5 million — amount of prevented losses
2.7 billion calls were blocked in the MTS network by anti-fraud systems



Responsibility to employees

The average salary in the Company is **6.8%** higher than in general throughout the country

Platinum status in the rating of best employers in Russia according to Forbes
1st place among telecom companies in the Best Company Award rating

Around **72%** manager and **48%** other vacancies are filled from internal candidates

>7500 courses are available in the MTS Corporate University

11,430 people completed external and internal health and safety training

The special assessment of labor conditions was completed for **94%** workplaces in the Corporate Center of MTS Group and MTS PJSC branches

~1500 interns in the entire MTS ecosystem were accepted for internship
~50% of those who completed the internship were employed full-time

1,900 active volunteers of MTS are ready to participate in social projects

1,050 managers of MTS completed educational programs on diversity, equality, inclusion, including in the field of respect for human rights

20 thousand employees are covered by the educational campaign on various aspects of inclusive culture and human rights on the Pulse portal



Digital society development

30 IT-events were held under the MTS True Tech Community initiative

18 socially useful digital products (VR-films, audio guides, educational materials, etc.) were created within the "Place of Power" project

84 tourist audio guides in the regions of the country were created by MTS, and used by more than a million people

10 million views of educational courses on the "Generation M" platform
>10 thousand people received training completion certificates

Relationship between the ESG-agenda and the Company strategy

In 2024, MTS continues to position itself as a digital ecosystem, which is based on developing innovative digital technology promoting creation of the maximum value for the customers and all stakeholders.

Inclusion of sustainability values into the MTS business strategy provides for a deeper understanding of the customers' and all stakeholders' needs. Accounting for social and environmental aspects enables the Company to build long-term relationships with the customers, improving their products and services in accordance with the consumers' expectations, which, in turn, helps to strengthen MTS competitiveness in the market.

Additionally, the sustainability agenda helps MTS to minimize risks and manage them. Adoption of environmental norms and standards, active participation in the environmental protection initiatives and compliance with the high standards of

corporate governance build trust by the investors, partners and customers. This is the foundation for stable growth and improves the long-term value of the Company, which meets the MTS strategic objectives.

Integration of ESG-initiatives helps to improve the level of employee involvement and corporate culture. Training and development of the personnel in the field of sustainability form a team oriented on environmental and social responsibility, which in turn improves the overall efficiency and image of the Company.

As a representative of the AFC Group, MTS continued to participate in meetings of the Alliance's ESG profile committees in 2024, thereby contributing to the increased effectiveness of the national ESG agenda and further refinement of national rating methodologies and other initiatives.

Internal documents in the top level sustainability area

At the level of internal documents in the sustainability area, MTS developed and actively uses the code of regulations that promote introduction of sustainability principles into operations. In particular, respect for human rights is secured in the "Diversity, Equality and Inclusion" policy, and there is a

set of documents in effect that ensure information security and personal data protection. The suppliers must review the Counterparty's Business Conduct Code, which reflects the approaches of the company to environmental and social responsibility.

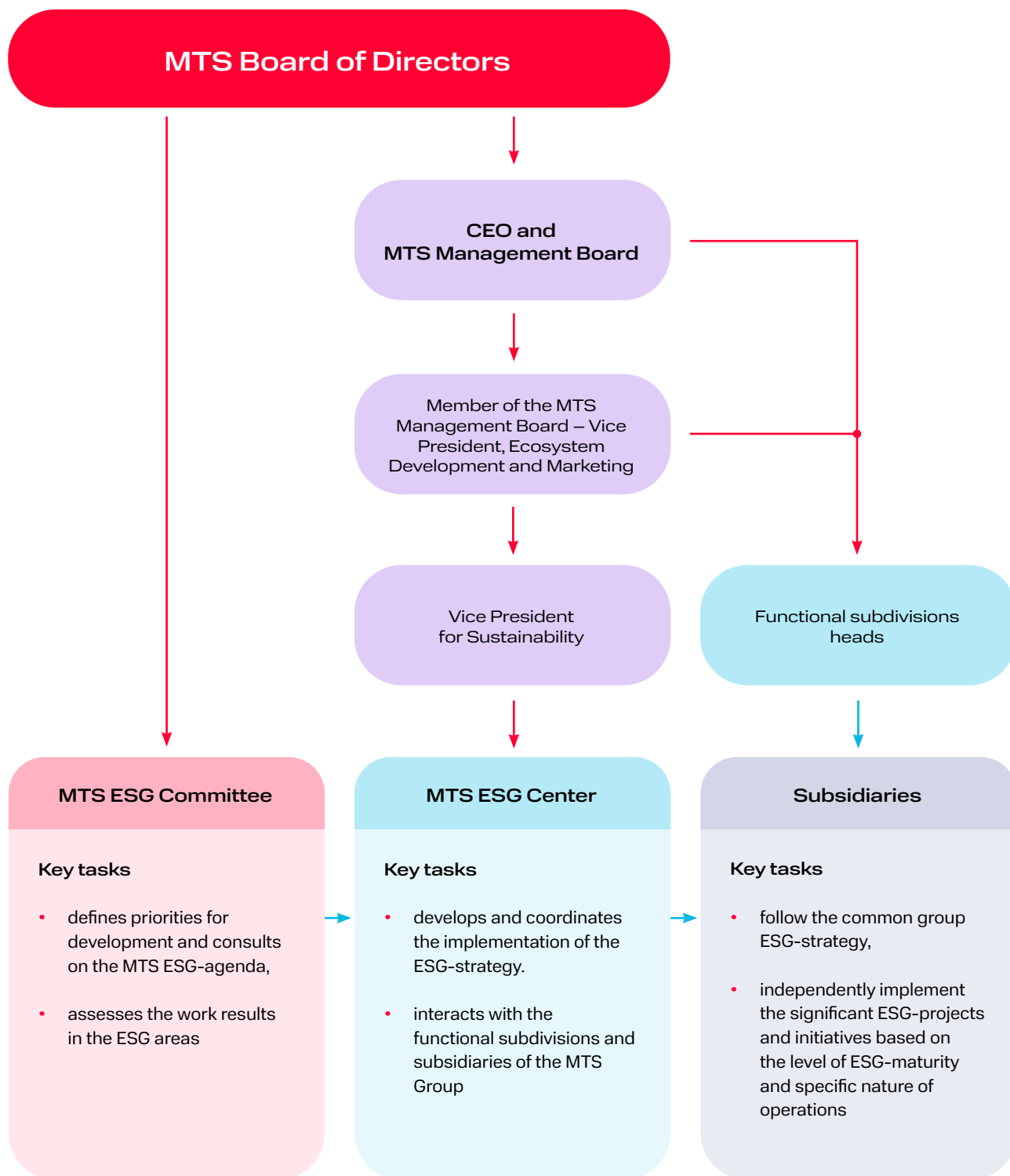
ESG governance structure

The ESG Committee of the Board of Directors defines the priorities for development and consults on the MTS ESG-agenda, assesses the results of work in the ESG areas. In 2024, the ESG Committee held 19 meetings, including 6 joint (3 jointly with the Remunerations and Appointments Committee, 2 jointly with the Audit Committee, 1 with the Audit Committee and Special Compliance Committee). Some subsidiaries presented materials on their ESG initiatives at the meetings of the Committee.

The MTS ESG Center is responsible for the development and effective implementation of the ESG-strategy, coordinates implementation of the key ESG-areas, promotes introduction of the ESG-aspects into the Company's business processes and support for the sustainability agenda in the MTS Group.

The business areas and Subsidiaries involved in the ESG-agenda are responsible for implementing the events on the key ESG-areas, and also collecting ESG-data for further consolidation in the ESG Center.

Management of ESG-operations in MTS and subsidiaries



→ Functional subordination
→ Goal-setting in the ESG sphere

COMPLIANCE AND CULTURE OF BUSINESS ETHICS¹

MTS PJSC Code of Business Conduct and Ethics

The MTS Group Code of Business Conduct and Ethics² contains the key principles, the set of standards and requirements adopted in the Company to promote the fair and ethical business practices of the MTS Group and prevention of abuse. The Code provisions were updated in 2024. In 2024, the updated electronic training “Code of Business Conduct and Compliance” was completed by more than 96% of MTS PJSC employees hired in 2024.

>96% of employees

of employees completed the updated electronic training “Code of Business Conduct and Compliance” in 2024

MTS PJSC Contractor’s Code of Business Conduct

In accordance with the best global practices, the Company approved the MTS PJSC Contractor’s Code of Business Conduct³, which contains basic requirements and ethical norms, the compliance with which is expected from the MTS contractors. The Code provisions cover all MTS contractors, and also any third parties employed by the contractor to act on behalf of and/or for the MTS Group. The mandatory review of the Code and acceptance of its obligations are an integral part of the contractual relations with the Company, and electronic training is integrated into the procurement process (<https://education.mts.ru>) and is conducted in accordance with the risk-oriented approach to working with

the counterparties as specified in the company. Taking into account the mass training of counterparties in the previous years when electronic format of training was launched, the number of the trainees dropped in 2024.

**>2400
contractors**

completed the training in 2024

Unified compliance system that supports the ESG-strategy

Since 2016, the Company has been actively developing the Unified Compliance System (UCS), relying on the norms of applicable laws, recommendations of the regulatory bodies, specific nature of the industry and best practices in this sphere.

The Company’s compliance programs that support the ESG-strategy make it possible to develop the MTS ecosystem on the basis of the business ethics principles, strictly comply with the requirements of the regulators, contribute

¹ See information on compliance and business ethics on the Company’s website https://ir.mts.ru/en/about_mts/compliance_and_business_ethics

² <https://storage.ir.mts.ru/mts-ir/images/documents/Code%20of%20Business%20Conduct%20&%20Ethics%202024.09.30.pdf>

³ <https://storage.ir.mts.ru/mts-ir/images/documents/Code%20of%20Business%20Conduct%20&%20Ethics%202024.09.30.pdf>

to the sustainability of the society, observing the balance of stakeholders' interests.

MTS makes a significant contribution to the processes of digitization and improvement in transparency of the information flows. Therefore, it is especially important for the

Company at all levels, in all businesses and in all territories of presence to build an effective system of compliance risk management. UCS for the entire digital holding of MTS relies on the general principles of sustainability and ethical conduct, forms the foundation for its responsible management (G-part of the ESG-strategy).

Key areas of the MTS Unified Compliance System

Since 2016, the Company has been actively developing the Unified Compliance System (UCS), relying on the norms of applicable laws, recommendations of the regulatory bodies, specific nature of the industry and best practices in this sphere.

The Company's compliance programs that support the ESG-strategy make it possible to develop the MTS ecosystem on the basis of the business ethics principles, strictly comply with the requirements of the regulators, contribute to the sustainability of the society, observing the balance of stakeholders' interests.

MTS makes a significant contribution to the processes of digitization and improvement in transparency of the information flows. Therefore, it is especially important for the Company at all levels, in all businesses and in all territories of presence to build an effective system of compliance risk management. UCS for the entire digital holding of MTS relies on the general principles of sustainability and ethical conduct, forms the foundation for its responsible management (G-part of the ESG-strategy).

In 2024, MTS successfully confirmed its compliance with the following standards:

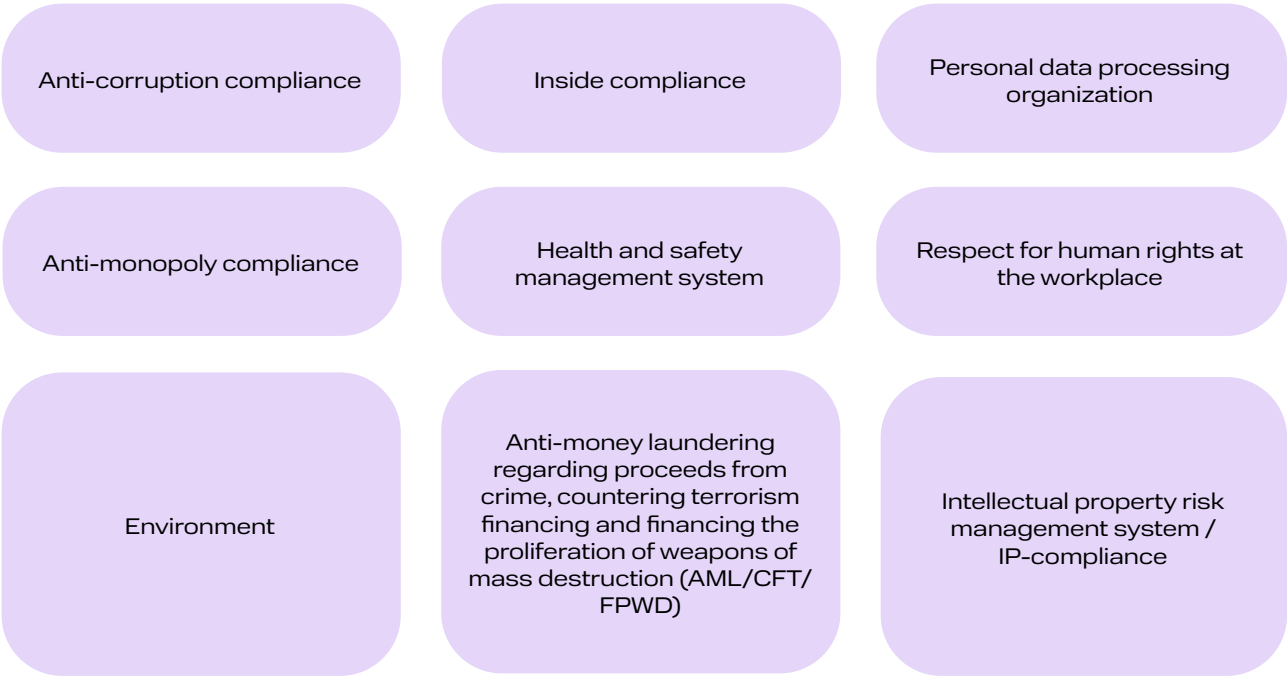
- ISO 37001:2016 "Anti-bribery management system".
- ISO 37301:2021 "Compliance management system".

Great attention was paid to the events aimed at improving the level of employees' compliance culture. The corporate portal of the UCS blog regularly posted publications on the most significant events of the program.

7 subsidiaries

were inspected within the annual supervision of the compliance program implementation in 2024

Key areas of the MTS Unified Compliance System



Day of Ethics and Compliance

In 2024, the Day of Ethics was held under the slogan “Ethics begins with each of us”. A message was published from the Vice President for Business Ethics and Compliance on the role of every employee in building the compliance culture. Also, interactive events were held: a quiz game “Compliance Cup” among the MTS Group employees, creative competitions, video messages-lifhacks of employees and managers, communication on the role of everyone in creating an ethical work environment, and other events prepared by the supervisors of the compliance programs in the MTS Unified Compliance System.

Unified Hot Line

Information on the failure to comply with the business ethics codes and compliance by the MTS employees may be sent to the Unified Hot Line (UHL)¹.

The Company ensures independent and comprehensive review of all reports. The investigations on all reports to the

UHL are made in accordance with the local regulation that defines the procedure for reviewing such reports.

UHL receives proposals to improve the anti-corruption procedures and other internal control procedures.

A person who provided relevant information is protected from any forms of pressure (including dismissal, retaliation or any forms of discrimination). MTS PJSC supports the policy against retaliation and prohibits any forms of adverse impact regarding the report authors. In addition, the Company has developed and uses compliance KPIs and compliance triggers, which support the commitment of all employees to the norms of business ethics and compliance.

Releases on the UHL operation are published on a quarterly basis on the MTS corporate information portal to brief the MTS Group employees on the results of its work.

In April 2024, the UHL management and administration process was transferred to the Department of Business Ethics and Compliance.

¹ <https://hotline-mts.b1.ru/>

MTS won two compliance awards

Russian Compliance Award 2024
in the category “Best Innovations in Compliance Sphere”

«Compliance 2024»
in the category “For use of state-of-the-art technology in developing methods and tools to control the compliance management system”



Unified Hot Line is a critical aspect in preventing failures to comply with the Code of Business Conduct and Ethics and other local regulations of the Company. Additionally, the Unified Hot Line is one of the bridges in the communication of the employees, which stimulates development of a trusting and comfortable internal atmosphere. The culture of open dialog in MTS is an important element in the system of values and principles of ethical business.

Vice President for Business Ethics and Compliance

Number of reports received by MTS Group UHL

MTS Group Companies	2022	Share, %	2023	Share, %	2024	Share, %
RTC JSC	462	51%.	439	48%.	389	42%.
MTS PJSC	307	34%.	324	35%.	373	40%.
MGTS PJSC	34	4%.	43	5%.	22	2%.
MTS Digital LLC	31	3%.	36	4%.	32	3%.
MTS-Bank PJSC	17	2%.	18	2%.	39	4%.
MTS Armenia CJSC	15	2%.	11	1%.	0	0%.
Mobile TeleSystems JLLC	14	2%.	8	1%.	26	3%.
Other	27	3%.	39	4%.	51	5%.
Total	907	100%.	918	100%.	932	100%.

All situations of the conflict of interest, failure to comply with the provisions of the Code of Business Conduct and Ethics, risks of failure to comply with the anti-corruption laws are settled in accordance with the Company-approved Code of Business Conduct and Ethics, Policies on Management of the Conflict of Interest and Compliance with Anti-Corruption Laws with participation by the Department of Business Ethics and Compliance.

Discipline Committee

MTS operates the MTS Discipline Committee constantly, which considers cases of failures to comply with the compliance requirements and other substantial violations, ensuring compliance with the principles of legality, justice, uniformity and substantiation when making the decisions to apply disciplinary sanctions to employees, and develops sustainable corrective actions.

Employees who allowed violations of internal Company regulations were briefed on the elimination of violations and prevention of such situations in the future in accordance with the laws.

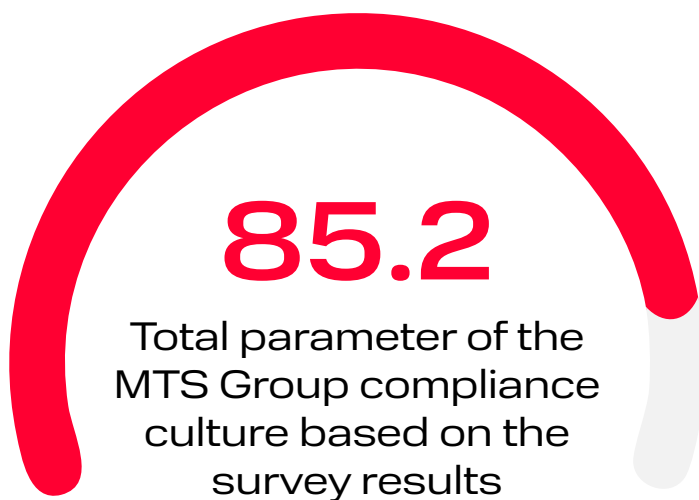
Anti-corruption compliance

The anti-corruption compliance program in MTS PJSC specifies measures aimed at managing regulatory risks, protecting the Company from any manifestations of corruption (both inside the Company and the attempts to involve the Company in corruption activities from outside), improving the corporate culture, introducing and developing the best corporate governance practices in the Company, as well as the standards of responsible and ethical conduct.

Results of investigating MTS Group compliance culture in 2024

The annual investigation of the compliance culture was made using an updated method, the overall level of the compliance culture was 85.2 points. The highest level was demonstrated by the parameter “Culture of Compliance with Norms and Rules in the Company” – 94.2 points.

Results of investigating MTS Group compliance culture in 2024



International benchmark by industries

≈ **81**

Telecom and media

≈ **85**

IT

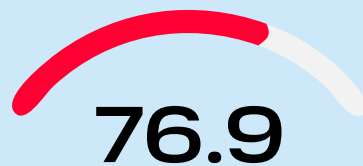
≈ **83**

Finance and insurance

Results of survey for each principle



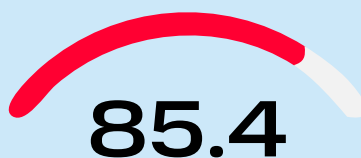
Culture of compliance with norms and rules in the company



Ethics of business conduct



Perception of top management



Perception of immediate supervisor



Perception of work environment in the team

Projects and initiatives within development of anti-corruption compliance program and compliance culture strengthening in 2024

In 2024, several initiatives were implemented to improve the compliance culture:

- All local regulations that contained compliance controls were revised and updated with account for the detected risks. The Code of Business Conduct and Ethics and Policy "Compliance with Anti-Corruption Laws" were unified and transferred to ecosystem format for uniform use in the entire MTS Group.
- The methodology base for the MTS Group was updated to solve the operational problems in accordance with the best anti-corruption practices.
- The successful use was continued of the existing and development of new tools for automation and digitization of the compliance controls to ensure transparency, cut the time and costs to perform the control procedures, and to improve the quality of ecosystem business processes as a whole.
- The chat bot was updated with respect to the scripts it uses.
- Within the digitization of the compliance function, the unification of the existing program and procedural solutions continued for management of risks on the basis of a single technological platform. During 2024, the incident management system development was supported – the program complex for effective management of the risks of corruption and corporate fraud in the group of companies. The system united several information systems, including the UHL base, developed on the same technological basis, using automation and new technology. The development of the above system helps to maintain unified standards for incident investigation, evidence recording, development of mitigating measures in the entire MTS group of companies.
- The process of anti-corruption inspection of counterparties using Big Data was updated to detect and respond on a timely basis to the risks in the transactions with counterparties.
- The process of anti-corruption covenants analysis in contracts was partially automated.
- An automated service was introduced to approve and record the signs of business hospitality.
- Most developed IT-solutions on compliance have the potential to be scaled to the MTS Group, which makes it possible to spread the useful effects from automation to the entire MTS ecosystem.
- The regional development directors and branch directors demonstrated their "ethical leadership" to the employees, explaining the principles of ethics, compliance controls

etc. In 2024, more than 300 "tone in the middle" events were held.

- More than 60 managers saw the video lesson on the subject "Ethical Conflict Management" under the Manager's Skill Factor program for development of the managers.
- A mandatory training program was developed for the new employees "MTS Security and Protection", which includes "Code of Business Conduct and Compliance" courses. More than 96% employees of MTS PJSC employed in 2024 completed the course.
- Interaction with the external partners was strengthened: participation in conferences, membership in associations and unions, partnership with universities (Higher School of Economics, Moscow State Law Academy) and organizations (MDTO)
- Communications are of an interactive nature: memos, quiz, game, use of associations etc.

>300

"tone in the middle" events were held by the managers in 2024

>60 managers

managers completed "Management of Ethical Conflicts" in 2024

Inside compliance

MTS PJSC as a company whose financial instruments trade on the Moscow Stock Exchange pays great attention to maintaining an efficient system to prevent illegal use of insider information and market manipulation.

The system for preventing breaches of legislation on use of insider information that is built considering the best Russian and international practices and based on the two underlying documents: Regulation on Principles and Procedures for Preventing Transactions using MTS Insider Information, Policy "On Countering the Misuse of Insider Information and Market Manipulation", and "Conditions for Transactions with Financial Instruments of the MTS Group Companies by Individuals Specified in clauses 7 and 13 of Article 4 of the Law on Insider Information¹, who are included in the list of MTS insiders, and persons associated with them."

¹ Federal Law dated 07.27.2010 No. 224-FZ "On Countering the Misuse of Insider Information and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation."

MTS PJSC local regulatory acts define the procedure for using insider information, rules for protecting its confidentiality and control over compliance with the legal requirements on the use of insider information. Control procedures ensure fair price setting of financial instruments, protection of the rights and property interests of all MTS shareholders and equality of other investors in terms of the timing and volume of information received, strengthening investor confidence, and curbing abuse in the form of misuse of insider information and market manipulation.

The Company maintains a list of its insiders. It includes individuals and legal entities. Since 2014, the Company has operated a training system for all insiders who are the Company's employees. Upon hiring, each employee reads the Company's regulations aimed at preventing violations of insider laws. An interactive course dedicated to the basics of insider law is held for all employees of the Company.

Risks related to the violation of insider legislation are recorded in a specialized automated system and reassessed every six months.

Pursuant to the requirements of the Law on Insider Information, MTS approved Internal Control Rules to prevent, identify and suppress the misuse of insider information and/or market manipulation. The Internal Control Rules establish the goals, objectives and methods for internal control over compliance by MTS with the requirements of the insider information law, the procedure and timing of disclosure of MTS insider information, the procedure for access to insider information and the rules for protecting its confidentiality. Control over MTS compliance with the requirements of insider information law is part of the official duties of the Vice President for Corporate and Legal Affairs of the MTS Group CC (Management Board Member), who is accountable to the President of MTS.¹

In order to maintain an effective insider compliance program, the Company audits the program controls as necessary (using the risk-based approach) – by the internal audit unit headed by an individual accountable to the Board of Directors.

Personal data processing organization

In 2024, the Information Security Department continued its activities within the pre-defined areas – Customer-Oriented Approach (Customer Centricity), Continuous Involvement, Assistance to Product Teams, Simplicity and Speed, Interaction with Product Teams at All Stages of Product Life Cycle.

As part of adhering to the principles of transparency and accountability when processing personal data, a new version of the MTS PJSC Personal Data Processing Policy was developed and approved (PT-010-8), which is subject to mandatory publication and takes into account the relevant legal requirements. To reduce the deviations that are not breaches of the mandatory legal requirements, but are taken into account by the supervisory authorities when making a decision to hold unplanned inspections (risk indicators), the information contained in the "Register of Personal Data Processing Operators" is maintained in up-to-date condition. The issue of notifying the authority that protects the personal data subjects' rights on transborder transfer of personal data is controlled separately.

Risks associated with violating personal data legislation are taken into account in the Company's risk management system and are reassessed on a regular basis.

In order to increase the level of awareness by the Company's employees on the issues of organizing personal data processing and data privacy, an updated course "Confidential Information and Personal Data Handling Rules" was prepared, under which in 2024 MTS PJSC trained more than 30,000 employees of the Company.

>30,000
MTS employees

completed the updated course "Confidential Information and Personal Data Handling Rules" in 2024

Anti-monopoly compliance

In 2024, during the anti-monopoly training of MTS PJSC and subsidiaries' employees the focus was on preventing trading collusion. The main purpose of the training was to provide for timely detection and suppression of anti-competitive agreements in connection with stiffening of criminal liability and special attention of regulators to such breaches.

>1,500 people

were trained on anti-monopoly practices in 2024

¹ On February 26, 2025, an entry was made about the change in information about the legal entity to the Unified State Register of Legal Entities: Inesa Galaktionova – CEO of MTS PJSC.

Occupational safety and health management system¹

The Company operates a two-tier OSH management system focused on creating a safe working environment, preventing occupational injuries and personnel training in occupational safety rules.

In 2024, as part of the compliance program, the following activities were carried out:

- special assessment of working conditions and production control;
- procedures for identification, assessment, and management of professional risks;
- medical examinations;
- training of employees and experts in occupational health and safety;
- provision of the employees with safety clothing, safety shoes, and other personal protective equipment;
- various events and communications in order to increase employee awareness of occupational health and safety;
- control procedures of various levels;
- interaction with regulatory authorities.

- On the Pulse portal, an educational campaign on various aspects of inclusive culture and human rights was arranged for the MTS ecosystem employees, reaching 20,000 employees;
- Research and surveys on diversity and inclusion were conducted among the ecosystem employees;
- Tools were developed that enable growth of the inclusive culture within the ecosystem: “Inclusion – A Trend in Fashion or New Business Ethics” test makes it possible to define the level of a tolerant attitude towards the representatives of inclusive groups, and “Bullying at the Workplace” test makes it possible to define the presence of bullying in the corporate environment.
- In the opinion of the National Championship for Professional Skills among Disabled People and People with Disabilities “Abilymptics”, MTS was one of the leaders in employing people with disabilities – 50 graduates of the championship have become a part of the ecosystem team as of 2024.

Human rights at the workplace²

MTS recognizes that a person, their life and health are the highest value. MTS services assist in providing equal opportunities for education, development, and self-realization of each stakeholder, regardless of individual features and needs.

MTS does not accept discrimination in any form or manifestation, it creates an inclusive and diverse environment and adheres to the best global practices (diversity, equity, and inclusion).

Therefore, in 2024:

- During the year, the ESG Committee regularly discussed issues related to the development of the corporate inclusion culture and its significance for the Company's future;
- Educational programs on diversity, equity, inclusion, including in observance of human rights, were held. Educational programs were attended by 1,050 MTS managers and HR;

1050

managers and HR of MTS completed educational programs on diversity, equality and inclusion in 2024

>20,000 employees

were covered by the communication campaign on the aspects of inclusive culture and human rights

50

graduates of Abilymptics Championship were employed in MTS in 2024

In 2024, the MTS Group Unified Hot Line received 202 messages containing signs of violating the Code of Business Conduct and Ethics. However, only one message concerned discrimination. A check was made of message that confirmed the fact of discrimination. The requisite corrective measures were taken for the detected case.

¹ Detailed information on the program is presented in the “Our Employees” section.

² Detailed information is provided in the “ESG and Sustainability” section, and in the [MTS Sustainability Report](#).

Risks in inclusive culture and observance of human rights are digitized regularly according to the recommendations from the external annual audit of compliance programs and assessment of compliance risks at the level of business processes.

MTS adopted local regulations governing the main issues of observance of human rights regarding diversity, equity, and inclusion. The documents consolidate key principles of respect for human rights and conduct of the Company's employees.

Environmental Studies¹

The MTS approach is based on efficient management of regulatory environmental and climate risks. In 2023, the Company continued implementing the program to ensure environmental safety at MTS facilities, strategic projects on environmental responsibility aimed at the widespread introduction of cyclic economy principles into the MTS Group business processes. ESG Strategy of the MTS Group was approved.

Employees are notified regularly about legal requirements in environmental safety and protection on the MTS Blog platform.

Anti-money legalization (laundering) regarding proceeds from crime, countering financing of terrorism and financing the proliferation of weapons of mass destruction (AML/CFT/FPWMD)

The AML/CFT/FPWMD program has been developed pursuant to the requirements of applicable law, with its changes monitored on a regular basis. The Center for Comprehensive Security Development conducts a daily audit of all MTS subscribers to check whether all the subscribers are included in the list of Rosfinmonitoring (Federal Financial Monitoring Service of the Russian Federation). When the Company's subscribers carry out high-risk transactions on personal accounts, an additional check is initiated against the database of invalid passports. The Company also makes a daily check of contract termination for providing communication services with the return of the advance balance, as well as other transactions of subscribers.

In 2024, in the Company:

- the signs of unusual transactions were updated;
- top-management scheduled training in the form of targeted briefing/raising the level of knowledge for the purpose of AML/FT/FPWMD was conducted.

Intellectual property risk management system

In 2024, in order to manage and assess risks related to intellectual property, jointly with the Risk Management Department, an improved model was developed for assessing IP-risks in MTS Group of Companies, which revised the approach to high quality and financial assessment of the IP-risks in the entire IP risk map, implemented the relevant criteria for assessing IP risks, their value and probability of occurrence from the point of view of the processes in the MTS Group of Companies and judicial practice in Russia, adjusted the financial model of risk assessment, improved the formulas for calculating the IP risk assessment.

To mitigate risks in terms of violating third parties' rights and protecting their trademarks, the module "Monitoring of Infringement of Exclusive Rights to Trademarks" was put into operation, which automatically finds, sends claims and controls elimination of the breach of exclusive rights to trademarks, and the "Naming" module interface was improved using user feedback.

To simplify paperwork and accounting of trademarks of the MTS Group of Companies, the "Register of Trademarks" module was improved, where an option appeared to record using international trademarks of the MTS Group of Companies.

To manage risks in terms of infringing third parties' rights to computer software, a survey was developed for inspecting the software license components with an open code (OSS licenses).

In 2024, the mandatory remote course "Intellectual Property Usage Rules" was updated.

A training event was held on the issues of patenting the developments in MTS Group, under which the need for testing the technologies for patent purity was considered, as well as the patentability and technology patenting procedure, and a webinar was also held, dedicated to the International Day of Intellectual Property, where the intellectual property items were considered, which are produced when the MTS Group products are designed.

Compliance training of MTS PJSC Board of Directors members

In 2024, training was held on the anti-corruption compliance system for the members of the MTS Board of Directors, the Management Board and members of the Committees of the Board of Directors. The training was attended by 100% members of the Board of Directors, the Management Board and members of the Committees of the Board of Directors.

¹ Detailed information about the Company's approaches to managing its own environmental impact is provided in the "Caring for the Environment" section of this report, as well as in the [MTS Sustainability Report](#).

Comprehensive security system

In 2024, activities to ensure corporate security and access control were conducted in accordance with the Security Block Development Strategy for 2024–2026.

Within the implementation of the requirements of Federal Law No. 115-FZ dated August 07, 2001, “On Combating the Legalization (Laundering) of Criminal Proceeds and Financing of Terrorism”, the Security Block employees set up and are operating a system for detecting and blocking personal accounts registered in the names of persons on the List of Terrorists/Extremists. Dozens of such personal accounts are detected and blocked weekly.

Compliance with licensing requirements regarding the operation of CIPF, technical protection for confidential information and monitoring the state of information security of information technology tools and computer systems was ensured. There were no comments from regulatory authorities.

11 million incidents

of information security were recorded and addressed in 2024

Information Security

The architecture of the corporate information security system was developed considering the recommendations of regulators and best global practices, based on national and applicable international standards. The continuity of functioning of all corporate processes and information security tools is ensured. The level of maturity of the information security management and assurance system complies with the target and guarantees sustainable operation and development of the business and product ecosystem, as well as the achievement of the MTS Group strategic goals.

In 2024, the MTS PJSC information security management system was subjected to supervisory audit for compliance with ISO/IEC 27001:2022 Information security, cybersecurity and privacy protection – Information security management systems – Requirements. An international certification body issued a positive opinion and decided to extend the conformity certificate for 2025.

The work was continued on improving all processes for managing and providing information security and implementing the policy for import substitution of the information security tools from unfriendly countries, which required reengineering certain elements in the corporate architecture of the system of critical information infrastructure protection.

Projects were implemented to introduce and improve the information protection systems, in particular, for monitoring/managing events and incidents of information security, mirroring and managing network traffic copy, collecting and analyzing configurations/log files of firewalls and others, the cluster of servers for “KZKS Continent TLS” information system was expanded. Technical support and continuity of functioning of all information security tools were provided.

Conflict of interest management

The Policy “Conflict of Interest Management”, as well as the memo on the conflict of interest management in the Company was updated in 2024 and posted on the MTS external website¹, the corporate portal, and also in the My MTS mobile app. All new employees familiarize themselves with this Policy, and fill out the form “Disclosure of Information about Conflict of Interests”. A survey is conducted twice a year for members of MTS PJSC management bodies. In 2024, data were checked on 1,239 situations for the presence of a conflict of interest, where: 749 – potential conflicts of interest that do not require settlement, 19 – settled conflicts of interest, 471 – conflicts of interest, the information on which was not confirmed.

100%

new employees read the “Conflict of Interest Management” Policy

LESS (Law Enforcement Support System)

In order to ensure the failure-proof operation of special complexes installed on the MTS PJSC network, events were organized and held on a permanent basis to maintain and support the equipment and software.

Special complexes were installed on the MTS PJSC communication networks, the presence of which makes it possible to provide communication services using 2G/3G/4G/5G, IMS (VoLTE, Wi-Fi Calling, “My MTS”), eSIM, RCS, NB IoT technologies, M2M, Wi-Fi, BBA, as well as convergent services “Virtual PBX”, “Membrane”, “Single Number” and MVNO services (“Tinkoff Mobile”). Work on modernizing special complexes supporting the activities of authorized state bod-

¹ https://static.ssl.mts.ru/mts_rf/contents/537/Conflict_of_Interest_Management_Policy_rus.pdf

ies was done on a scheduled basis, in accordance with the approved investment program and the requirements of L&R (laws and regulations). Scheduled events were held in full.

Economic security and anti-corruption

Primary attention was paid to mitigating financial and economic risks and preventing substantive damage to the Company. In 2024, 69 internal inspections/investigations were carried out, more than 14.4 thousand procurement procedures were reviewed, more than 44.5 thousand inspections of counterparties, as well as inspections of 67 thousand candidates and employees of the MTS Group of Companies, were made. Based on annual results, the economic effect from the activities of the Economic Security and Anti-Corruption Department, including reimbursed and prevented damage, amounted to RUB 1.8 billion. HR issues were addressed systematically. Within the framework of performing primary functions and authorities, the system of counterparties' inspection using BigData tools was further improved:

- the functionality of automatic inspection of counterparties – individuals was implemented;
- the method to estimate credit limits for the customers was automated for selling equipment with deferred payment in the B2B segment;
- the functionality of annual inspection of counterparties under the existing technological lease contracts was automated;
- the service of preliminary inspection of counterparties using INN (Taxpayer ID) available on the Pulse internal corporate portal was updated.

1.8 BRUB

was the economic effect (including reimbursed and prevented damage) from the Economic Security Department in 2024

Security of personnel and facilities

Anti-terrorist protection and facility security was provided in accordance with the MTS Group Strategy for the integrated security support for 2023–2024.

In 2024, fire-fighting and anti-terrorist training were conducted on a regular basis. In order to increase the level of

anti-terrorist security, persons who are admitted to critical information infrastructure facilities are checked.

During the preparation and holding of significant socio-political events and public holidays, enhanced measures were taken to protect the Company's facilities, ensure intra-facility and access control. No incidents or violations at facilities were allowed.

O

incidents and violations recorded at the MTS facilities in 2024

Antifraud

The Antifraud Department¹ carried out work to connect to the Unified Call Verification System, operated by the Main Radio-Frequency Center, in accordance with current technical conditions, verification is performed in real time with all participants connected to the System. In 2024, MTS PJSC reached 100% parameter of call verification for mobile and fixed communication subscribers. Calls of 1,163 communication providers are verified, including 103 transit operators. In 2024, the verification hub of MTS PJSC blocked 134.7 million calls.

In 2024, 3.06 million facts of fraud were detected; the amount of prevented losses was RUB 817.5 million. In 2024, 104.1 billion calls were processed by antifraud systems on the MTS PJSC network, of which 2.7 billion were blocked.

2.7 billion calls

were blocked by MTS antifraud systems in 2024

817.5 million RUB

was the amount of prevented losses in 2024

Regional management

In 2024, regional security units continuously ensured the implementation of measures in terms of security of personnel and facilities, information and economic security in accordance with the Security Block Development Strategy.

¹ Under the Decree of the Government of the Russian Federation dated November 3, 2022 No. 1978, No. 1979

In order to comply with Russian Federation Legislation, MTS PJSC duly organized and carries out interaction with law enforcement agencies, courts, and supervisory authorities.

In order to ensure the Company's assets safety, as well as considering the current geopolitical situation and the position of vendors regarding equipment supply to the territory of the Russian Federation, regional security services on a

regular basis monitor the safety and return of MTS PJSC equipment dismantled by contractors.

In order to identify and prevent economic risks for MTS PJSC, employees of the security unit centrally inspected in 2024 the reliability of 16 thousand new counterparties, with which MTS PJSC entered into agreements within its operating activities, as well as 32 thousand counterparties under existing contracts.

Responsible supply chain

The Company's purchases are made in accordance with the MTS Procurement Rules¹ developed in accordance with legal requirements. The MTS PJSC Counterparty's Code of Business Conduct² contains recommended standards, compliance with which is expected from counterparties, and applies in all subsidiaries and affiliates of MTS PJSC. In addition to good faith and honesty, the Code notes the importance of compliance by vendors with environmental laws and human rights. Equal access to procurement procedures is ensured by establishing equal competitive opportunities and uniform rules for all participants of the procurement procedure prior to its implementation.

In 2024, procedures aimed at increasing the transparency of procurement activities were maintained, namely:

- mandatory anti-corruption verification of counterparties and third parties is carried out within the procurement procedure;
- anti-corruption training for counterparties on a risk-oriented basis was conducted;
- controls were established to interact with sub-counterparties, including with anti-corruption inspection;
- a set of measures was implemented to consolidate purchasing procedures for companies included in the MTS Group, and also the process of intragroup transactions was structured.

In 2024, the Procurement Management Block strategy was successfully defended for 2024–2025.

The key initiative of the strategy was introducing a single corporate procurement management system (SRM-system), which will ensure centralized management of procurement procedures and interaction with the vendors and internal customers.

The SRM-system covers the entire Source-to-Contract process and is aimed at increasing the transparency of the procurement process, automating key stages, improving quality and detail of the digital footprint – from assessment and selection of contractors to contract award, and further monitoring of their performance. The solution will help to change to state-of-the-art technologies and reduce dependence on the Oracle platform.

Increasing the transparency of procurement procedures

In order to comply with the requirements of applicable anti-corruption legislation, a risk-based approach is used to conduct an anti-corruption audit of counterparties and third parties. The risk-oriented approach suggests the involvement of employees from procurement departments and business customers at the stage of the procurement procedure or entering into a contract and providing relevant information about the counterparty and the third parties involved thereby for the compliance subdivision to verify their reliability.

In 2024, anti-corruption inspection of sub-counterparties was made.

100%

procurement procedures are performed by the company electronically³

¹ <https://tenders.mts.ru>

² <https://profile.mts.ru/documents/contracts/offers/kodeks-kontragenta>

³ MTS procurement procedures are performed in electronic form in ERP-system Oracle Sourcing using EDF (electronic document flow) module.

RESPONSIBLE HR MANAGEMENT



HR management is a strategically important area built on a professional level and contributing to the achievement of MTS business goals. Investment in creating an efficient and successful MTS team is aligned with business needs, building a corporate culture and HR ecosystem that allows the Company to grow and develop together with its employees. The MTS HR policy efficacy is confirmed by HR high ratings and awards.

**>64 thousand
people**

number of MTS Group personnel as of the end of 2024 (including freelance personnel)

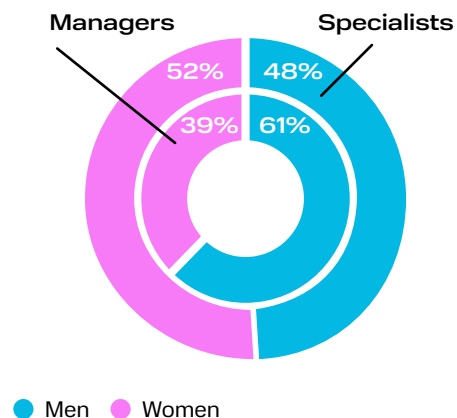
**79
regions of Russia**

geography of presence of MTS Group employees

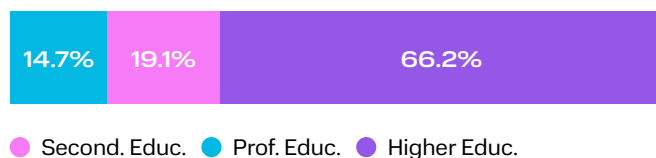
Portrait of average company employee



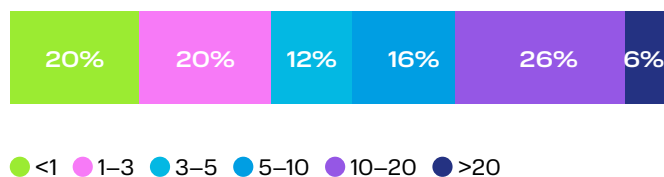
Gender composition



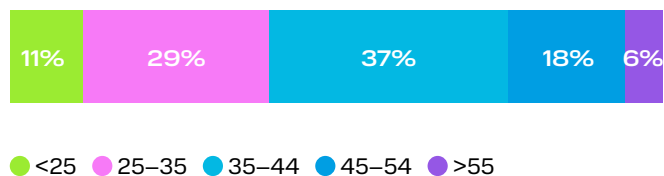
Personnel structure by education



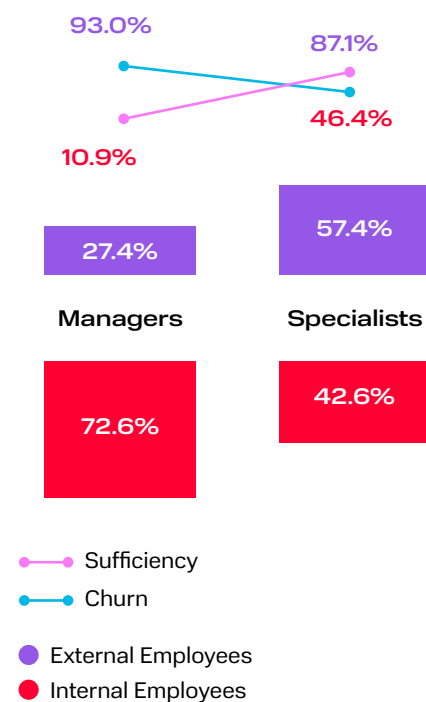
Personnel structure by experience



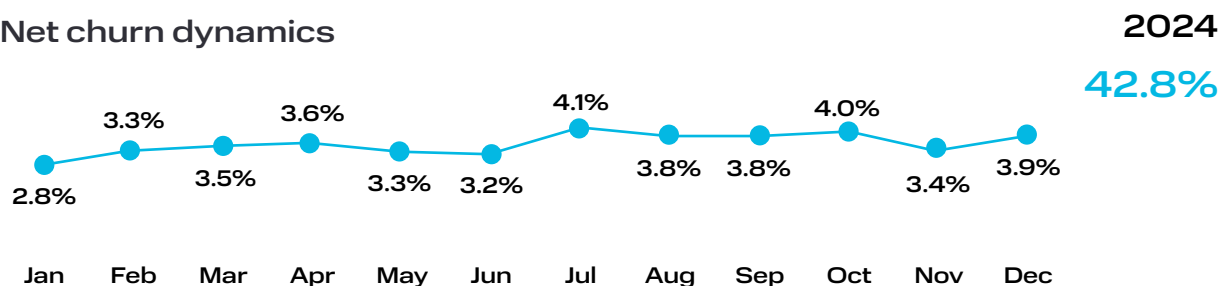
Personnel structure by age



Filling vacancies



Net churn dynamics



Ratings and awards

Ratings

Rating Best Company Award from Changellenge company	Ranked 1st among telecom companies Ranked 15th among business jobs (+5 places) among IT-jobs – ranked 9th (+2 places), first time in TOP-10 Ranked 14th–15th among technical jobs (+1 place).
Rating of employers Future Today among students	General rating – ranked 18th (+5 places) among its target audience ranked 18th (+1 place) among highly-sought universities – ranked 12th (+4 places)
Rating of best employers in Russia according to Forbes	MTS received platinum status of the best employers in Russia
Rating of best Russian employers from RBC	MTS was included in the second group of Rating of Best Russian Employers
Rating of IT-brands of employers 2024 Ecopsy/Habr	MTS went up 2 positions and ranked 12th

Awards

HR IMPACT 2024 award	“MTS Birthday “30 years is more than a number” – ranked 3rd in the category CULTURE&COMMUNITY.
“Event of the Year” award	“MTS Birthday “30 years is more than a number” – ranked 2nd in the category “Corporate Event”. True Tech Day – ranked 2nd in the category “Educational and Awareness Event of the Year”.
Digital Communication AWARDS 2024	3 laureate diplomas with projects MTS League, mini game “Charmed Figure”, MTS Design Bot
GRADUATE AWARDS 2024	True Tech Day – ranked 2nd in the category “Contribution to the Future”
National business award and conference WOWBIZ	Championship of digital literacy from MTS “Silver Digit” became the best social project of Russia in the category “Corporate Projects” IT-community True Tech received gold in the category “CREATIVE SOLUTION OF THE YEAR”
Crystal Pyramid award	Larisa Bodyagina, Member of the Management Board and Vice President for HR Management, became the HR-manager of the year. Liya Korolyova, HR Director, won in the category “HR-Manager of the Year” MTS received the grand prix in the category “Transformation of Organization and Corporate Culture” True Tech Community – ranked 2nd in the category “HR Project of the Year” Platform of remote employment and onboarding MTS Hello – ranked 3rd in the category “Technological Solution of the Year”
ESG Excellence Award 2024	Inclusive festival of MTS for hearing-impaired people “We will hear you” – ranked 3rd in the category “CSR Project of the Year” IT Olympic Games and MTS True Tech Champ Festival – ranked 2nd in the category “Best Young Talent Development Practice”
Eventiada Awards	MTS Summer Sparkatiad became the best project in the field of communications with personnel
Forum of Donors	Festival “We will hear you” – ranked 1st in the competition “Corporate Charity Leaders”
Nationwide competition “Creating the Future”	The Silver Digit Digital Literacy Championship took first place in the Digital Transformation nomination, and the educational volunteer project “To School with MTS” took second place in the Leaders of the Future nomination

Recruitment and adaptation

MTS maintains focus on recruiting qualified personnel and adapting new employees for MTS by increasing the efficacy of the processes and candidate path quality, which remains the key priority for the company's HR policy. Moreover, an important component in personnel selection for MTS as a digital ecosystem company is the recruitment of IT experts.

It was possible to maintain the selection quality with increased hiring volume due to introduction of tools to automate the processes, development of skills of the recruitment team and hiring managers.

Level of vacancy filling, thousand people

	2022	2023	2024
Mass and professional recruitment	23	20	22.4
IT-recruitment	2.2	2.2	2.6
Total	25.3	21.9	25

In 2024, the Company was able to keep the recruiting efficiency (amount of hires per recruiter) at a level above the market average (market benchmark is 6 for professional recruitment, 3 for IT), but below the previous period by 10% and more, which is due to the geopolitical and economic situation in the country, high competition for a candidate and general trend in IT: shortage of experts.

Efficiency of professional recruitment (number of vacancies filled per one recruiter)

	2022	2023	2024
Professional recruitment	10	10	9
IT-recruitment	6	7	6

The market challenges had impact on the reduction in recruitment speed by 2.5% in professional recruitment, but it remains at the 2023 level for IT-recruitment. This impacted on the share of timely fillings in professional recruitment that decreased slightly, but demonstrated substantial growth in IT recruitment, including by unification of the technical interview process that is confirmed by outside research.

Rate of recruitment, calendar days

	2022	2023	2024
Professional recruitment	45	40	41
IT-recruitment	56	55	55

Share of fillings in time (% vacancies filled in time vs all fillings)

	2022	2023	2024
Professional recruitment	73%	79%	77.5%
IT-recruitment	75%	78%	89%

New employees are immersed in work and corporate culture before the first working day. After receiving an offer, the candidates receive a link to the resource with information about the MTS ecosystem and actions before starting work. In 2024, the mentorship program was launched, making it possible to assign mentors before the start of work. Updated Welcome-mailings inform about the important stages of adaptation and contain an interactive plan. Also, a remote course "How to Adapt at New Job", which helps the novices to assimilate. During adaptation, new employees participate in the Welcome Day updated in 2024, where they familiarize themselves with the MTS ecosystem, possibilities for professional growth and the corporate portal. The portal also includes "To New Employee" section with the necessary information that provides for a high level of satisfaction with the adaptation process.

Level of satisfaction with adaptation processes

	2023	2024
Professional recruitment	87%	97%
IT-recruitment	Н/Д	89%

Therefore, in 2024 MTS maintains leadership positions in the field of personnel recruitment and adaptation, providing for business stability and development of the digital ecosystem even with external challenges.

Working with institutions of higher education

The MTS Group cooperates actively with the leading institutions of higher education, including the National Research University Higher School of Economics, MTUCI, Bonch-Bruевич Saint Petersburg State University of Telecommunications, Tomsk State University and many others. The Company has a basic department on deep-machine training, master's degree program on artificial intelligence, participates in special courses and holds educational projects, career events and lectures from experts of institutions of higher education from the entire Russian Federation.

Work with students and schoolchildren

The MTS Group has internship programs for students and graduates in business and IT areas, and also mass media jobs. In 2024, more than 1,000 interns in total were accepted for internship in the MTS Group. Almost 50% of those who completed the internship were transferred to regular staff. The Company also interacts actively with schoolchildren, arranges special projects for them and conducts introductory and adaptation events for various educational organizations. For organized groups of schoolchildren and students, regular excursions are organized the Company's offices.

Number of students who completed internship in MTS¹, persons

2022	2023	2024
716	1,039	1,467

~50% interns

were employed full time in MTS in 2024

Educational and special projects

The MTS Group develops its own educational projects, such as the School of Data Analysts and FinTech Academy, holds its own championships and hackathons, as well as supports special projects at institutions of higher education and partner organizations.

Diagnostics of skills

The MTS group introduced the corporate skill model into the process of activity efficiency for CEO-1, CEO-2, CEO-3 levels. The target audience in 2024 was 1,138 people.

¹ The data of the previous periods changed vs the previous Report due to the correction of the data collection perimeter

FinTech.Academy

Your guide to the IT world

Courses:

- QA Engineer-Tester
- System Analyst

After training, it is possible to get an internship in MTS Fintech and then be employed full time

11 million users

of financial and banking services

1500 experts

in the sphere of financial technology with many years of experience

37 graduates

completed internship in the last batch of FinTech.Academy

Remuneration and social package

MTS has a competitive remuneration system. According to the data for 2024, the average salary at the Company is 6.8% higher than in the country as a whole.

Moreover, MTS provides their employees with a broad package of compensations and benefits for several areas of wellbeing:

- physical (health insurance, sports);
- professional (corporate university, library and foreign languages study);

- financial (cafeteria benefits, discounts, reduced mobile rate);
- emotional (psychological support, interest clubs);
- social (accident insurance, charity and material assistance)

Also, the Company provides a comfortable environment (official mobile communications, corporate taxi and comfortable offices) and hybrid work format. Such an approach makes it possible to cover practically all spheres of life of the employees and support them in personal affairs and certain life situations.

Performance evaluation

All the Company's employees participate annually in the performance evaluation procedure, which includes evaluation of fulfilment of key performance indicators. During the evaluation process, managers provide extended feedback based on annual work results, and, based on the evaluation results, a plan of development measures is drawn up for the employees.

In 2024, the work on developing and improving the KPI system was continued, including an increase in the number of cross-cutting team indicators, which help unite teams efficiently in order to achieve common objectives.

Thanks to a properly built personnel development system, about 72% of managerial and 48% of other vacancies in the Company are filled through the involvement of in-house candidates. Use of the advanced remote training platforms

made it possible to provide employees with opportunities for developing professional and personal skills, as well as for studying new digital directions and retraining without sacrificing quality.

72%

manager vacancies

42%

other vacancies are filled with in-house candidates

Advanced training for personnel

MTS trains personnel using the MTS Corporate University platform, which offers online courses for development of managerial, functional and corporate competencies.

In total, more than 7,500 courses are available on the platform. In 2024, more than 1,500 courses were added and updated. Most employees were trained on management and leadership, sales and negotiating skills.

The MTS Group conducts mixed-format programs to develop management skills of top managers, middle and immediate supervisors. More than 1,000 managers of the Group were trained in 2024.

In 2024, clubs were launched, the purpose of which was to create an environment to develop "soft" skills (for example, a book club, a movie club). The clubs are a joint project with KION and LINES teams. Club membership was around 3,500 people.

In 2024, four main training formats were used: webinars, online and offline trainings/workshops, lectures and master classes. More than 4,000 events were held during the year, attended by more than 16,000 Company employees.

MTS Corporate University platform coverage (remote training,%

2022	2023	2024
98%	99%	98%

>7,500 courses

are available in the MTS Corporate University

>1,000 managers

completed courses on developing management skills in 2024

>3,500 people

are members of various informal clubs in 2024

Involvement

In 2024, the involvement survey was taken by 42,852 people.

The total level of employees' involvement is in the sector among the best ones in both the telecom industry and in the IT industry. Growth vs 2023 +1.1 percentage points.

Social projects for the employees and their families

Training project timed to coincide with the Children's Day – Code Land

In May, MTS launched the Code Land platform for the children of the employees and for whomever is interested. It is a virtual city, where the children may learn about the state-of-the-art technology jobs in game form.

The platform participants played developing games and earned points to receive gadgets. Twenty children won them. And the 10 most active were able to visit the MTS headquarters and meet the company top managers.

In total, the online games on the platform were played by 3,858 children from 78 regions of Russia, they played 24,655 times.

The children were able to find out about new professions not only with the help of a digital platform, but at in-person parties, too. Those were held in 80 regions for 4,925 participants. Most participants attended the events in the Nizhny Novgorod region, Krasnodar territory, Ryazan and Ulyanovsk regions.

In Moscow, on the Children's Day, MTS held a grand festival in Ostankino Fest Park. Not only the children of the company employees were invited to participate from all regions of presence, but whoever wanted, if they managed to register.

A "City of Professions" was opened for the children under the open air with several locations. Nearly 700 children from three years old played the giant Twister and board games, created MTS advertising posters, treated themselves to free cotton candy and ice cream, and also watched the performance by the volunteer puppet theater of MTS "Mobile Fairytale Theater" on how to behave in a busy city. And the participants could also find out what they would do in the future and try themselves in different roles: from a marketing expert to a financial expert.

3,858 children

from 78 regions of Russia participated in the online games on the Code Land platform



The customer service workshop helped the children to develop their soft skills and to find out what emotional intellect and business etiquette were. Young engineers assembled and programmed robots-sumo wrestlers, and the future developers created a program using Python, which requests data from the user and returns them in the specified context.

Summer Spartakiad

For the first time, MTS held a large-scale sports program for the employees of the MTS ecosystem, which united 2,000 participants from 260+ cities of Russia. The employees competed in 8 types of sports – soccer, volleyball, track and field athletics, crossfit, ping pong, chess and practice firing.

On the online platform, 7,000 fans and 5,000 athletes took the sports quiz and did other activities. Points were awarded for the correct answers, and the points could be exchanged for a ticket to the semi-final in Moscow on August 24, to external events or charity. 1,000 sports slots were raffled off for participation in the external competitions, and

1.250 million were donated to charity. Aid was sent to foster children without parental care and various disabilities in the Ochag Children's Aid Center in Gorno-Altaysk. A major overhaul was done in the center's gymnasium, with soft floor and a new carpet for wrestling. And, sports equipment and inventory were purchased: roman chair, universal weight benches, volleyball net, stools, a set of dumbbells and barbell, volleyball and basketball balls, dumbbell, gymnastic jump ropes, and jump ropes with weights, mats

2,000 participants

from >260 cities of Russia attended the MTS sports program

1.25 million RUB

were donated to charity under the program



MTS League

People who change the old ways



MTS developed a special program allowing any employee or employee team to get recognition. A project or a person, including themselves, can be nominated through the program platform. The application should describe the participant's achievements in detail. MTS League is a multi-level approach to selecting winners: open voting of employees, expert assessment, approval by TOP managers.

Program categories:

#Take It and Go for It —
the best employee

#Together —
the best mentor

#Fast and to the Point —
the best internal project

#About the Customer —
the best external project

#Do It Cool —
the best team

#More than Work —
managers with the best engagement ratings

>1300

applications
on lending

+ 200 applications
by 2023

>8000

Employees
voted

+ 3,000 votes
by 2023

>200

experts assessed
the nominees

100 experts
by 2023

124

winners

Applications in the category

626

"Best
Employee"

283

"Best
mentor"

626

"Best External
Project"

626

"Best Internal
Project"

Cybersport tournament for MTS ecosystem employees

MTS held a grand cybertournament – MTC Cyber Cup. This is a game championship for computer game fans, and those who enjoy intellectual competitions. The competitions were held in six team and individual disciplines. They were selected by the employees themselves – Dota 2, Counter-Strike 2, World of Tanks, FIFA, quiz, own game.

3,536 participants
online

426 participants
offline

1 million
number of broadcasting views



Development of inclusive environment and digital society

The inclusive environment and digital society development program is based on the principles of inclusion, equality and diversity. The program is implemented within the framework of the Company's ESG-strategy and Policy "MTS Activities in the Field of Diversity, Equality and Inclusion"¹.

MTS inclusive culture

MTS is distinguished by many years of a comprehensive approach to developing an inclusive corporate culture within the digital ecosystem. The Company consistently implements large-scale multi-level programs to achieve sustainable changes in society based on the principles of inclusion, equality and diversity.

Since 2021, there has been a policy on inclusion in MTS. Its key idea is developing a corporate culture with tolerant attitude towards special needs of employees, customers and partners of the company.

MTS is a company for everyone, because we welcome people here, even if they are different from others because of their appearance or health features. There is no age or sex prejudice here. When an employee is hired, their professional skills matter, and not the sex, age, health condition or disability status.

Educational program

Education plays a critical role in forming an inclusive culture, because it is a set of values and practices that promote creating more tolerant and diverse teams, where everyone feels accepted and respected, regardless of their individual features, which helps to create an open and inclusive atmosphere in the company. In 2024, 1,050 employees participated in educational programs.

- line and middle-managers are the participations in the "Inclusive Leader" program, where they receive practical

¹ Approved by the Board of Directors in 2021.

skills of building diverse teams, inclusive communication, bullying and discrimination mitigation

- recruiters and HR managers are the participants in the “Inclusive Recruitment and Adaptation of Special Groups” program, during the course the participants study the best practices for inclusive groups recruiting (people with disabilities, youths without work experience, age 50+), quotas, legal issues when hiring special groups
- a video course is available for all employees to develop the skills of inclusive communication and broadens the outlook in the area of inclusion

>1000 employees
participated in educational programs in 2024

The communication program

The communication program includes regular notification of the ecosystem employees on issues of the inclusive agenda: gender equality, various-aged teams, bullying and discrimination, how to communicate with people with disability, ethnic diversity.

Inclusive videos

Inclusive videos. To attract attention to the inclusion agenda, a series of videos was made to challenge stereotypes and confirm the inclusion value in business. The videos disclose various categories of inclusive employees, such as people with disability, older people and parents with special needs (for example, single parents, families with many children, parents of children with disability), showing them as sound members of the team who perform their duties successfully.

The videos have broad coverage (more than 18,000 views) and actively promote strengthening of MTS reputation as an inclusive company oriented at creating equal conditions for everyone.

>18 thousand views
coverage of inclusive videos

Inclusive culture study

MTS makes an annual in-depth study of the ecosystem inclusive culture, this makes it possible to see strengths and areas of growth, to effectively build a road map for interaction with all stakeholders in the future period.

In 2024, MTS developed new tools for corporate inclusive culture enhancement:

- **“Inclusion – A Trend in Fashion or New Business Ethics?”** test will make it possible to determine the level of inclusive culture penetration in the team. The anonymous survey includes 15 questions. The test identifies the actual attitude of the respondent to having employees with disability, health features, without work experience or at the age of 50+ and helps to find out, how much they share the inclusion values, and to identify discrimination against different categories of employees. After testing, the participant have access to recommendations for books and movies that might improve knowledge on the topic. The testing is available not only to the ecosystem employees, but to external users on the [MTS website](#).
- **“Bullying at the Workplace”** test was developed by MTS using the team “Travli NET”, it will make it possible to identify signs of bullying in the corporate environment. After testing, the participant has access to the following recommendations: how to distinguish between bullying at the workplace and a conflict of interest, what to do to prevent bullying for the witness to the situation, the manager and the victim, and also to prevent discrimination. The testing is available to both the ecosystem employees and external users on the [MTS website](#).

97% of employees
are ready to work on the same team with representatives of inclusive groups without exception

93% of managers
believe that the inclusive environment has a direct impact on attracting talent and achieving business results



All-Russian Inclusive Festival “We will hear you”

This is a large-scale federal project of the MTS digital ecosystem aimed at searching for the best practices for further introduction into the company and expansion of the candidate pool for building diverse teams.

The following took place at the festival:

- Competition of innovative projects and ideas in the field of inclusion (search and implementation of solutions to increase accessibility of the environment, products and services for people with hearing loss);
- Roundtable “Inclusion and Business: Let’s Hear Each Other”. Key topics for discussion: Is the business ready to introduce new services and solutions for inclusive groups? Motivation of the companies when launching inclusive products?
- Public showing of a movie with translation into Russian sign language (RSL) in 11 cities and expansion of the library of movies and series in KION online cinema (15 films with simultaneous interpretation into Russian sign language: popular comedies, family movies, cult animation and fantasy)
- Tour in RSL in the MTS offices. More than 30 students with impaired hearing took a tour in the digital space

of MTS, dipped into the corporate culture, talked to the product teams.

- Job fairs for people with special needs. More than 1,000 candidates took part in the educational workshops and left their CVs.
- Online hearing testing for the employees and hearing webinars.

The results of the All-Russian Inclusive Festival “We will hear you”:

- 2,000 offline participants;
- 120 volunteers of MTS ecosystem;
- 100 applications from 24 regions of Russia, 2 winners.

National championship on professional skills between the disabled and people with disability Abilympics

MTS became one of the leaders in the employment of people with disabilities at the Abilimpix National Championship — 50 graduates of the championship became part of the ecosystem team in 2024.

Volunteering in MTS

Corporate volunteering by MTS is an integral part of the corporate culture and is distinguished by a comprehensive approach of the MTS ecosystem to volunteering and creating the image of a socially responsible employer.

Main results in 2024:

- For the first time, a census of active volunteers was taken – 1,900 active volunteers who are ready to participate in MTS social projects.
- A unified Guide on volunteering was created to hold volunteering events in social institutions.

In 2024, the theater for the first time gave three major performances in Moscow, St. Petersburg and Krasnodar at large theater sites, where the children from social institutions and children of the MTS ecosystem employees were invited. The theater became a participant in the charity film festival “Children’s Cinema May” in Voronezh, the inclusive picnic in Tsaritsyno in Moscow, the festival of inclusive theaters “Not necessary to be the same” in Cheboksary.

MTS Volunteer Puppet Theater "Mobile Fairy Tale Theater"

The corporate puppet theater has been implemented at MTS as a corporate social responsibility project since 2012. Ecosystem employees hold annual events in social centers, institutions, and hospitals.

Results of the Theater for 2024:

- 52 performances
- 3,327 spectators offline
- 63 theater actors and more than 150 volunteers, who actively participate in the performances and work of the theater



New Year ecosystem project Virtuality

In December, MTS held the first technology New Year project Virtuality, where the employees participated in the volunteering program, shared a holiday mood with their colleagues, listened to podcasts and wrote fairytales with the children. The project made it possible to introduce digital technologies to the orphans from social institutions and helped them to choose their future professions. The participants made New Year toys on the 3D printer, animated snowfall using Python programming language, drew New Year's cards in Figma and took a test on an interactive screen that helps to define a suitable profession. Using the neural network, the

participants made their creative avatars, sang their favorite songs in the equipped karaoke booth and manipulated a robotic dog with a joystick.

2024 project results:

- 21 cities
- 3,642 participants from 132 children's social institutions
- 362 volunteers
- 3,858 employees participated in the quiz and written 538 fairytales with AI.

Occupational health and labor safety

The number one priority is to preserve the life and health of the employees, to provide favorable and safe working conditions at MTS PJSC.

In 2020, MTS joined the international approach Vision Zero, or Zero Injuries. This is a qualitatively new approach to setting up prevention, combining three areas: safety, workplace hygiene and well-being of employees at all production levels.

The MTS Group Strategy for safety, health and well-being for 2021–2024 that included international practices and methods for introducing Vision Zero, was implemented in full.

MTS PJSC built a fully operable health and safety management system. It includes regulatory documentation support (the Company developed a base of internal local regulations) and a selection of measures to provide for safe working conditions for the employees, the compliance with which is organized and controlled by the health and safety service. One of the components of the health and safety management system is professional risk assessment and management. This procedure is implemented on a continual basis by the health and safety service – risk registers have been made, assessment charts have been written that the existing and newly-recruited employees review. Measures are taken to reduce current risks.

The costs for health and safety measures in MTS PJSC in 2024 were 100% of the budget.

Health and safety actions costs, RUB million

2022	2023	2024
83.9	99.8	104.9

In 2024, external and internal health and safety training was completed by 11,430 people – managers, experts, members of the health and safety commissions and other categories of employees. First-aid training to injured at work is in progress.

Special assessment of working conditions

2022	2023	2024
24,003	23,523	23,882

A special assessment of working conditions was made regarding 94% of workplaces in the MTS Group Corporate Center and MTS PJSC branches.

Detailed information on assessment results is available on the website: [Working conditions assessment – Moscow. \(mts.ru\)](https://workingconditionsassessment.moscow.mts.ru).

Personal protective equipment plays an important role in preventing employee's direct exposure to harmful and/or hazardous production factors. MTS developed and approved codes for free issue of safety clothing, safety shoes and other personal protective equipment to workers who are engaged in working with harmful and/or hazardous working conditions.

MTS employees engaged in working with harmful and/or hazardous working conditions undergo preventive (upon employment) and routine (during work) medical examina-

tions. During the reporting period, MTS PJSC conducted preventive and routine medical examinations of 1,031 and 4,585 employees, respectively. As a result of routine medical examinations, eight employees needed to be transferred to another job; health resort treatment was recommended to 139 employees (the opportunity for treatment was granted at the Company's expense).

Since 2019, the "Requirements for accident investigation" standard has been in place in the Company, and the branches use this standard to take the relevant measures. Heads of subdivisions and employee representatives participate in monitoring and in developing annual H&S Safety Plans in branches for the next year, as well as in developing a List of actions to improve working conditions and occupational health and safety and develop the safety culture.

In 2024, nine accidents occurred at MTS PJSC with nine employees injured (three of them were women). In terms of severity, all the accidents fall within the category of minor accidents. The total number of injuries increased, but their severity decreased versus 2023. No occupational diseases were found in employees in the reporting period.

Starting in 2018, the MTS employees have taken the remote training video course "Safety Culture" (the course has been taken more than 2,000 employees already).

The health and safety management system efficiency is assessed annually on the basis of quantitative parameters that make it possible to assess the degree of implementing the health and safety policy objectively.

Rate of injury

Parameter	2022	2023	2024
Accident Frequency Rate (AFR) ¹	0.20	0.15	0.31
Accident Severity Rate (ASR) ²	32.4	39.8	28.6
Accident and Lost Work Time Rate (ALWTR)	0.05	0.06	0.08
Lost Work Day Rate (LWDR)	1.57	1.38	1.41
Absentee Rate (AR)	4.53	4.37	4.34

¹ Accident Frequency Rate (AFR) defines the number of accidents for the reporting period per 1,000 workers.

² Accident severity rate (ASR) defines the number of disability days per injury.

SOCIAL INVESTMENTS

The MTS social investment strategy is complementary to the MTS ESG-strategy and is aimed at solving the social problems of society using digital technologies and MTS system opportunities.

We focus on solving both local and global issues, therefore the strategy is based on the National Development Objectives of the Russian Federation and the UN SDG. MTS is distinguished by broad use of involvement mechanics in implementing social programs, we try to attract a wide pool of representatives from the local expert and professional communities, as well as volunteers.

We continue to follow these principles of social investment, which are formed on the basis of analyzing the current society needs, including in the regions of the company presence, internal expertise, and also the best practices in the sphere of sustainability.

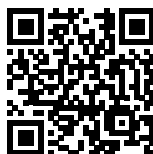
MTS social investment principles:

- **Continuity, sustainability.** The Company focuses its ESG efforts on implementing the National Goals, the UN SDGs in the areas most complementary to the business strategy
- **Performance Efficient.** solving of social problems using high-tech services and our own ecosystem expert knowledge
- **Public Involvement.** Each citizen has the opportunity to make a personal contribution, together with MTS, to solve relevant community problems thereby helping to implement long-term, targeted programs of the highest quality in synergy with society
- **Partnership.** MTS develops the practice of partnership and cross-sector interaction, thus achieving synergy of interests in solving social issues
- **Localization.** We tailor our initiatives precisely at the local level, considering the context and needs of the particular region
- **Efficacy.** We determine the system of KPIs for social programs and monitor the KPI implementation on a regular basis.

All areas of MTS social programs have a digital basis – we engineer, integrate and provide various services and solutions to develop society life areas.

- **Digital development of communities.** Solving relevant social issues by technologies
- **Education.** Children and youth intellectual and creative development
- **Digital enlightenment.** Training of the population in the correct use of modern technologies and increased level of financial literacy
- **Culture.** Preservation, promotion of unique cultural values
- **Inclusion.** Support for developing an inclusive environment
- **Health and wellness.** Support for socially vulnerable groups of the population, businesses and local communities
- **Environment.** Environmental protection due to ecotourism development and environmental enlightenment

More detailed information is available in the MTS Group Sustainability Report for 2024: chapter “Corporate Social Responsibility”, section “Local Communities”



[Sustainability Report](#)

Supporting digital development of communities

MTS considers the matters of developing the territories of operation in a comprehensive paradigm of supporting social, economic, cultural, financial and economic, investment and other areas. The MTS strategic goal in social investment is to improve the quality of life of different communities by providing a wide range of digital services and developing innovations.

Our goal is to contribute to solve public problems with the help of digital technology and capabilities of the MTS ecosystem. We involve a broad group of experts and volunteers to implement our social programs. Regional communities with their needs often contact us. If we see that a problem may be solved using MTS digital technology, we create a project and start its implementation.

Digital projects to support regional communities

Audio guides for independent travel in Russia

A project promoting the development of domestic tourism through digital services with unique content. Within the project, MTS involves the local population, that is, enthusiasts, local history experts, historians and journalists, in creating “people’s” digital audio guides. To date, MTS has created 84 guides (8 in 2024) in the regions of the country that were have already been used by over a million people. In addition to traditional walking tours, we offer unusual car and water routes; all routes are free and available on the MTS Live digital platform.

Key 2024 project results:

- A project of river tours “Volga Stories” was implemented to travel on the Volga in Astrakhan, Rybinsk and Nizhny Novgorod.
- Digital audio guides were launched: City legends of Toropets, “Merchant Sterlitamak”, City legends of Kungur, “Kazan – Bolgar” in Tatar, “Kazan – Sviyazhsk”.

“Power Place” Project

MTS helps national parks, wildlife sanctuaries and urban areas to identify opportunities for using innovative technologies (including video surveillance with elements of AI and Big Data) and MTS ecosystem products for environmental awareness, tourism development, unique flora and fauna preservation, as well as ensuring the safety of protected areas. Eighteen socially useful products were designed within

the “Power Place” Project, such as VR films, digitized content for museums, educational materials with AR elements and audio guides) were created.

Preservation of cultural identity

Digitization of cultural and historical heritage objects to share knowledge with future generations. The field is being implemented together with the residents of the regions of Russia, volunteers, partners and other participants.

In 2024, two complex projects were implemented to support the culture and heritage of small indigenous peoples – AR-books of Russian indigenous peoples’ fairytales were published and posted in the Lines app: “Living Legends of Buryatia” and “Living Legends of the North”, the book hard copies were sent by MTS to regional and school libraries of the Far Eastern Federal District, Siberian Federal District and Ural Federal District.

Small entrepreneurship support

MTS creates the necessary conditions for developing entrepreneurship in the regions by providing access to the necessary resources and support for entrepreneurs at different stages of their business. Within the area, MTS supports educational events in the regions of Russia for developing small and medium business, organizing business accelerators.

- MTS continues to support business accelerators for female entrepreneurs Lady007, which are held by JLLC Women of Business in Russian Federation regions. The educational program includes around 20 webinars from leading MTS experts and other companies, as well as group discussions with certified mentors. The female entrepreneurs receive new applied knowledge on building effective business models and marketing trends, but could also consult with famous experts and meet each other.
- MTS together with the Association “Developers and Operators of Electronic Services Systems” implements the project “EDF Culture”. This is a series of interactive workshops in online and offline format for the entrepre-

neers and representatives of companies to introduce and develop electronic document flow (EDF). In 2024, within the project “ECF Culture”, four workshops were held, with an audience of over 1,000 people. In the inter-

active workshops, the leaders of the market analyzed the successful examples of business processes digitization, and also studied the growth points for further scaling of the effective solutions in the market.

Support for IT education

We understand the importance of helping society adapt to new realities and find opportunities for development in the digital environment, therefore the creation of high-quality educational tools for various audiences is one of MTS priorities.

MTS actively implements educational projects for a wide circle of the public, and also develops the professional community – MTS True Tech Community, where the leaders of industry and beginning experts exchange experience and expertise, improve their professional level, and the broad audience familiarizes itself with the existing IT areas, learns about their use in business and science.

MTS True Tech Community

MTS True Tech Community is a large-scale initiative of MTS Digital Company, aimed at developing the IT community in Russia. For the domestic market, True Tech Community is a unique project that unites both the existing professional community and the future participants in the IT market, offering them a platform for networking, training and career development. The events of the community combine educational tracks, interactive formats and informal communication, which makes them attractive for a broad audience.

To implement the concept, MTS used various formats of the events that are related to each other on the basis of the construction set principle, from writing a program to planning sites. In 2024, the company held 30 events under the program in the capital and regions of the Russian Federation that include a technology conference, IT-Olympic Games and festival, hackathon, IT-camp, and also online and offline community containing more than 20 specialized guilds.

30 events

were held under the initiative in 2024

- The international conference True Tech Day was held in Moscow in May 2024 in online and offline formats and united more than 85 thousand participants, interested in the opportunities for development in the IT sphere.

- The Olympic Games True Tech Champ <https://truetech-champ.ru> enables schoolchildren and students to assess their level of IT expertise, and win the opportunity to have a paid internship in the company
- True Tech Hack hackathon <https://truetechday.ru/hack> provides the beginning and professional experts with the opportunity to participate in solving relevant social problems using digital technology and products.
- The summer camp True Tech Camp <https://truetech-camp.ru> is an informal summer event for networking of IT experts with spectacular educational content.

IT-festival “Sistema FEST” in Tomsk for development of IT skills

In April 2024, MTS held a sociocultural festival in Tomsk – “Sistema FEST”, supported by the Sistema Charity Foundation and Tomsk State University. The festival united more than 650 in-person participants and thousands of participants online in enlightenment, career guidance and sociocultural events. The point of attraction on the festival main day was the MTS True Tech Hub space in Tomsk State University, where the business and educational program was held, the participants studied innovative trends in the open dialogs “Contact with Technology” from the leading MTS IT experts. The participants in MTS “Clear System: Make Complicated Understandable” hackathon tried to use in practice the IT skills, where 40 teams developed a system for adapting complex or specialized bank texts into clear wordings for various inclusive audiences: people with mental peculiarities, elderly people and foreigners.

Master's program "Studies and entrepreneurship in artificial intelligence"

In September 2024, MTS launched the master's program on "Studies and entrepreneurship in artificial intelligence" at the computer science department in the Higher School of Economics. The purpose of the program is to train the experts who will create innovative products, using cutting-edge methods of machine and in-depth training. The program includes large language models, generative neural networks, and tools of computer science and natural language recognition. The program is designed for graduates of the bachelor's program/specialty of mathematical, technical and IT departments, and also for everyone who is interested in studies and start-ups in the area of artificial intelligence.

The course duration is two years, the training form is in-person. The funding by MTS covers the cost of education fully.

MTS competition, the Russian Academy of Sciences, Sistema Charity Foundation for young scientists

The competition for young scientists timed to coincide with the 300th anniversary of the Russian Academy of Sciences, is held by the Sistema Charitable Foundation and the Russian Academy of Sciences with the support of the MTS digital ecosystem, Federal Intellectual Property Service (Rospatent) and leading Russian technological companies. The competition is aimed at supporting innovative scientific developments and recent studies in the priority industries of economy: chemical industry, agriculture, pharmaceutical industry, electronics, power engineering, digital technology sphere. In 2024, the competition winners were the authors of 16 scientific developments from 9 regions of Russia selected from 347 papers representing 45 regions of the country.

The competition made it possible to both identify and support the promising young scientists and enable them to gain new knowledge in terms of intellectual property protection – the lecture hall for the competitors was set up by the Rospatent leading experts, who covered the main issues of patenting and selection of the strategy for reliable protection of developments.

16 scientific developments

won the competition in 2024

Support for the Sistema Charitable Foundation Scholarship Program

The scholarship competition "Sistema" held by MTS Digital Ecosystem and Sistema Charitable Foundation for the students of vocational education and universities is aimed at supporting the practice-oriented research, scientific and innovative activities of the motivated youth in the priority areas of scientific and technological development, assistance in its participation in developing and implementing projects aimed at developing the real sector of economy, support in employment and getting the first job. In 2024, more than 18 thousand people from 77 regions of Russia participated in the scholarship competition.. The winners of the program were 48 university students and two vocational education institution students from 28 regions of Russia. The finalists will receive financial and methodological support to carry out their projects, and also the opportunity to get their first professional experience in the program partner companies.

50 students

were program winners in 2024

Educational shift "Elevator to the Future" in Ocean All-Russian Children's Center

"Elevator to the Future" program in the Ocean All-Russian Children's Center for the third year in a row is held within the flagship project of the same name of the Sistema Charitable Foundation and MTS digital ecosystem. Educational programs, where the schoolchildren "try on" the promising professions and meet the industry leaders, have once again become the points for establishing a strong link "school – university/vocational education – employer". For the three weeks, the program participants from 28 regions of Russia tried themselves in the role of scientists, learned the most interesting things about modern professions and technology, met the representatives from leading Russian companies and built their own "City of the Future".

Digital enlightenment

Within this strategic goal, MTS implements programs using digital technology to improve access to high-quality additional education for the residents of remote regions of the country, and also the level of knowledge of the wide audience on cutting-edge technology and methods for their deliberate and safe consumption in modern society for education and self-development.

MTS is concerned about creating conditions for increasing digital and financial literacy in society. It is important for us that every society member gets access to the technologies and opportunities of the modern world. MTS implements projects to improve digital literacy for completely different age groups.

Projects for children and teenagers

"Generation M" is Russia's largest educational platform created by the MTS digital ecosystem to develop children's creativity in the digital environment. "Generation M" platform helps young experts gain experience of interaction with digital technology in a creative environment. With IT technologies, the project participants take educational courses in various creative disciplines guided by experienced teachers, experts in art, technical, IT and creative industries, as well as develop important versatile skills. "Generation M" allows gaining the first practical experience of interacting with digital technologies in a creative environment: working with real issues, trying oneself in popular creative jobs. The "Generation M" program is included among the global practices recognized by the UN as advanced in achieving Sustainable Development Goals. The total number of the views for the educational courses on the platform in 2024 was 10 million, and 10,086 people received course completion certificates.

In 2024, the "Generation M" platform launched 7 educational tracks with the help of the MTS ecosystem capabilities:

- Digital format of entry exams to the Russian University of Theatre Arts on MTS Link platform
- Web-design school with MTS Digital
- Course on digital fashion with RTC and MTS AI
- New music laboratory with MTS Label and MTS Music
- Course on Internet of Things with IoT
- Exhibition of generative art in the Russian Museum with CloudMTS
- Content-making school with NUUM

10 million views
of educational courses on the platform

>10 thousand people
received training completion certificates
in 2024

Alliance for Protecting Children in the Digital Environment

MTS, along with the largest companies operating in the field of information technology, is a co-founder of the Alliance for Protecting Children in the Digital Environment. The goal of the Alliance is to facilitate creating a safe and healthy digital space for children where they can have fun online, develop cyber literacy knowledge and communicate online without the risk of being exposed to dangerous or illegal information.

MTS media enlightenment projects

The MTS Media online platform – media.mts.ru – posts informative, educational and helpful content. The publications are primarily targeted at improving digital literacy, as well as at information and applied assistance in understanding technological transformation.

Financial literacy

MTS FinTech helps build a conscious and responsible approach to creating a personal and family budget, and also teaches digital hygiene and the use of modern online financial services. To combat digital ignorance, MTS FinTech conducts workshops, trainings, lessons and other enlightenment programs for a wide audience of all ages in online and offline formats, and also develops the enlightenment project "Financial Literacy for Everyone!".

Charitable activities

The charitable activities of the MTS Group are a continuation of the Company business strategy and social strategy and are governed by the Policy “MTS Charitable Activities”. The document establishes the basic principles for planning and implementing charitable activities of the MTS Group, as well as the rights and obligations of the Company employees and subdivisions within such activities.

Principles of MTS charitable activities

- legality and ethics
- system approach
- openness and transparency
- zero tolerance towards any manifestations of corruption
- political indifference
- control over using funds

In 2024, we continued active cooperation with charities and other non-profit organizations. A significant part of charitable activities by MTS are carried out thanks to donations to the Sistema Charity Foundation. This model promotes resource synergy and larger-scale of project implementation, including through association with other foundation philanthropists. Cooperation and expert support of MTS also contribute to developing the flagship educational project of the Sistema Charity Foundation, “Elevator to the Future,” an all-Russian career guidance platform that helps improve career opportunities for residents of all ages.

In 2024, MTS confirmed the highest category of A+ rating “Leaders of Corporate Charity” of the Association of Grant-Giving Organizations “Forum of Donors”.

734 million RUB

were spent by the MTS Group in 2024 on social and charitable initiatives.

Key charitable projects of MTS Group in 2024

MTS. IT CONCERNS US

An end-to-end product that introduces charitable practices into the Company's ecosystem and encourages users to join in solving social problems under the program of cashback write-off for charity to the non-profit organizations that implement consistent charitable programs for relevant problems. For the reporting 2024 year, the users of the MTS Cashback app made more than 165 thousand donations of cashback for charitable purposes for the total amount of more than RUB 54 million.

Also, the “MTS. It concerns us” program launched several additional initiatives:

- Launching of the complex charitable project to help the victims of spring flooding in various regions of Russia by writing off MTS cashback. RUB 3.5 million were raised for the non-profit organizations of Orenburg and Orsk (support for families who need to rebuild their homes after spring flooding)
- Launching of a complex charitable project to support the residents in the near-border territories. MTS offered to the MTS Cashback program customers to write off the cashback to charitable organizations that implement support programs for near-border territories residents. This initiative raised RUB 3.6 million.

>54 million RUB

donated in 2024

>165 thousand

donations of cashback for charitable purposes from MTS app users in 2024

MTS. TIMEOUT

In 2024, MTS Pay and charitable foundation that supports deaf-blind people “Co-unite” launched a charitable promotion “Timeout” to support families with hearing and vision impaired children. The project enables families with deaf-blind children to use a professional nanny who will take care of a child for some time, and to spend the available time for their urgent needs. Under the project, whoever donates on the charitable marketplace <https://mtspay.so-edinenie.org/> will get an individual promocode for MTS Premium subscription for 30 days. During 2024, the project raised RUB 1.7 million of donations, 40 families received help thanks to the project.

1.7 million RUB

donations raised in 2024

40 families

received support under the project in 2024

PROGRAM “GIVE GOOD!”

A program of targeted assistance to dangerously ill children that MTS implements in partnership with charitable foundations. All digital activities of users of the MTS “Generation M” digital platform are converted into money, that the Company gives annually to treat dangerously ill children.

Environment

Environmental awareness programs

Popularization of the culture of conscious consumption, ecology, development of environmental volunteering and ecotourism is also done through state-of-the-art digital technology. The coverage of the MTS educational and enlightenment content on the environmental topic in online and offline formats is more than 2 million people.

>2 million people

covered by MTS educational and environmental awareness projects

Compensatory plantings

In 2024, MTS planted more than 40,000 cedar seedlings on 13 hectares of the Altai Republic forest area as part of reforestation. In addition, MTS, with the support of the Sistema Foundation, implemented a project for compensatory planting of spruce and pine trees in the Chelyabinsk, Voronezh and Kurgan regions — a total of 14,750 trees were planted.

ENVIRONMENTAL CONCERN

MTS implements some initiatives aimed at reducing the environmental impact and is actively involved in environmental enlightenment among the stakeholders. Transition to a cyclic economy, and introduction of up-to-date digital solutions help to reduce the carbon footprint for not only the entire MTS Group, but for its employees, customers, partners and local communities.

Environmental concern is an important part of the MTS Group's ESG strategy, being one of its priority areas, and includes three focus subjects: "Responsible Resource Management", "E-Waste Management" and "Carbon Management". These strategic approaches are aimed at reducing the environmental impact and helping to create a more sustainable future both for the Company and society as a whole.

Focus subjects of ESG-strategy:

- Responsible resource use
- E-waste management
- Carbon management

MTS activities in environmental protection are based on Russian Federation legislation and are governed by the internal Environmental Policy of the Company. Designing MTS network facilities includes a "List of Actions for Environmental Protection" that is developed in accordance with GOST R 21.1101-2013 requirements.

In 2024, the "Production and Consumption Waste Management" Standard was introduced and finalized to set the requirements for the management of waste generated as a result of the Company's business and other activities at the facilities causing a negative impact on the environment.

The standard goals are the following:

- compliance with Russian Federation legislative requirements in the field of production and consumption waste management;
- desire to reduce environmental risks and ensure environmental safety at facilities causing a negative impact on human health and the environment when handling production and consumption waste;
- desire to introduce and maintain closed cycle economy approaches when managing production and consumption waste when conducting the Company's business and other activities.

The Policy "Environmental Safety and Environmental Protection at Administrative Facilities" covers MTS Group activities as well. Company subsidiaries, as they join this Policy, adapt their internal documents in a consolidated manner, taking into account the environmental principles.

The Company has built a unified environmental management system that guarantees compliance with and fulfillment of the environmental legislation codes. Issues of efficient management of environmental risks, as well as related activities and initiatives are governed by the "Ecology" compliance program that emphasizes our commitment to environmental protection and sustainable development.

Energy efficiency management

As the MTS business grows, both energy consumption and greenhouse gases (hereinafter "GG") emissions increase.

The MTS Group of Companies actively implements various programs and initiatives in the field of energy conservation, including introducing energy-efficient solutions

in their networks, use of artificial intelligence and big data logics, and also events to improve the awareness of employees on the importance of efficient energy use.

The Company develops and implements projects that help to improve energy efficiency in the offices, and also designs digital products aimed at solving problems in this

Volume of energy resources used by MTS PJSC in 2024

Resource type	Natural expression		MTS Group of Companies MTS, MTS Bank, MGTS, RTC, MTT, MTS Digital, MTS Belarus, DPC Green-Bush
	Quantity	Measurement unit	
Electricity (from the grids)	1,948,977,447.69	kW·h	2,160,583,156.9
Heat energy	46,945.59	Gcal	102,173.7
Water supply	195.4	thous. cbm	325.33
Gas supply	1,281,137.63	cbm	1,833,540.7
Gasoline	2,046.08	thousand liters	2,847.1
Diesel fuel	3,293.0	thousand liters	3,987.5
Liquefied oil gas – propane	8.07	thousand liters	8.1

area. Every year, we reduce the level of energy capacity of the business processes, upgrade the equipment and launch regional energy-saving programs in MTS branches.

To reduce energy consumption by base stations, MTS uses modern energy-saving equipment. Moreover, this segment is a driver for technological innovations and has significant potential for reducing greenhouse gas emissions.

The Company pursues the provisions of the Strategy for Energy Saving and Energy Efficiency in its business, which is an internal document aimed at restricting growth and reducing electricity specific consumption. We follow Russian and international standards strictly, such as, for example, GOST R ISO 50001-2023.

Every year, the MTS branches develop, approve and introduce regional energy-saving and energy-efficiency improvement programs. Implementation of the approved measures becomes one of the main efficiency parameters for the branch directors. To assess the performance of the program initiatives, internal audits are conducted on a regular basis. Additionally, MTS uses renewable energy sources to support reliable operation of base stations in remote and hard-to-access areas.

We pay special attention in our business to the improved efficacy of resource use. In 2024, the volume of power consumed by MTS was 1,948.98 million kW·h that is 0.8% higher compared to the previous period.

Carbon management

MTS assesses and regularly monitors greenhouse gases emissions. The methodology of estimating and analyzing GG emissions is based on methodological principles compliant with the international norms and cutting-edge practices. Understanding the relevance and importance of the carbon agenda for society, the company regularly discloses a wide range of environmentally significant data about its activities, including resource consumption, as well as volumes of direct and indirect greenhouse gas emissions.

An important 2024 event in the “Environmental Concern” area was the approval of the Greenhouse Gas Emissions Management Strategy (carbon strategy). Under the Road Map of this strategy, the Company takes a number of meas-

ures to reduce the environmental impact of the MTS Group and monitors their completion carefully.

Key goal of the Strategy – 60% reduction in carbon intensity of MTS PJSC by 2030 vs. 2021.

Within the “Carbon Management” area, MTS actively supports decarbonization and contributes to the global fight against climate change, taking into account the climate risks and taking specific steps to reduce its carbon footprint. In 2024, the company started working on a qualitative and quantitative assessment of climate risks.

These risks may be divided into two main categories:

1) Physical risks – related to physical consequences of climate changes (extreme weather conditions, temperature extremes, etc.) For the Company, these phenomena may bear the risk of infrastructural damages, complete shut-downs and temporary failures in the operation of DPCs, offices and base stations.

2) Transition risks – related to potential stiffening of carbon regulation, changes in the international and national regulatory framework, standards and initiatives, requirements of financial organizations and other stakeholders, changes in consumer preferences. For the Company, these phenomena may bear the risk of adverse financial, reputation and legal consequences.

Closed cycle economic development

Every year, MTS implements initiatives to introduce the principles of a closed cycle economy in the business processes of the Company, maintaining responsible consumption and sustainable resource management.

Since 2020, the company has been implementing the complex ecosystem project “Life Cycle Laboratory”, which promotes environmentally significant changes in different business areas of MTS, including introduction of a system for separate waste collection (hereinafter “SWC”).

The SWC project scaling in 2024 increased considerably the volumes of secondary materials sent for recycling. This was possible due to expansion of the list of separately collected recyclable materials and active involvement of the regions, where MTS does business. Introduction of the separate collection system, and then transfer of waste for responsible recycling were successfully implemented in 22 offices and encompass 11 regions of Russia.

The company pays special attention to e-waste and outdated electronic equipment, since these are industry-specific waste and contain substances that are hazardous for the environment. Electronics handling is regulated strictly in MTS in terms of the contractors having valid licenses for waste collection and recycling.

Refurbishment program

A refurbishment program is active in MTS that makes it possible to manage the life cycle of the unpopular equipment responsibly. The company tries to minimize the environmental impact and promote a more sustainable future by extending the service life, reusing, recycling and reselling.

In 2024, the MTS Group facilities assembled and transferred to responsible contractors around 1,550 tons of recyclable

materials for reprocessing and environmentally-friendly recycling. Technologies that increase the IT equipment service life were actively introduced. In partnership with SuperWave company, in 2024, under the program of customer equipment refurbishment, 333.4 thousand electronic devices were refurbished, which made it possible to prevent the appearance of 55 tons of plastic and 30 tons of electronic waste. Under the program of customer equipment refurbishment, in 2024, 46,843 kg of plastic and 26,505 kg of electronic components were transferred for responsible recycling.

The MTS Group of Companies works on the comprehensive transition to electronic document flow (hereinafter referred to as EDF), scaling best practices to subsidiaries.

Successful introduction of the EDF system to MTS makes it possible to consistently improve the efficiency of business processes, ease the employees of multiple routine operations and reduce the volume of used materials.

1550 tons

of raw materials were transferred for reprocessing and environmentally friendly recycling in 2024

333.4 thousand

electronic devices were refurbished under the program in 2024

Based on 2024 results, the Company with the subsidiaries together sent for processing and responsible recycling:

125.5 tons of waste paper	>33.5 tons of broken computer equipment and communication equipment
1,466 kg of plastic bottles	13.8 tons of office furniture
264 kg of plastic caps	4,000 kg of ABS plastic
26.3 tons of spent power components and batteries	100 kg of broken glass from kinescopes
7,124 kg of small electronic equipment;	600 kg of fiberglass waste
67.3 kg of telephones	27.3 kg of aluminum

Environmental awareness programs

One of the key components in the MTS ESG-strategy is implementing the digital environmental awareness and volunteer projects aimed both at the Company's employees and partners and the public in the regions of presence.

MTS actively emphasizes the importance of responsible consumption, environmental concern and support for environmental activities and ecotourism. Every year, the Company expands its audience of educational content users, making it available for various categories of the public. We use state-of-the-art digital technology to make environmental awareness available and transparent for everyone, inspiring society to protect nature actively.

2024 environmental awareness projects

"What is an environmental footprint and how do digital technologies help to reduce it"

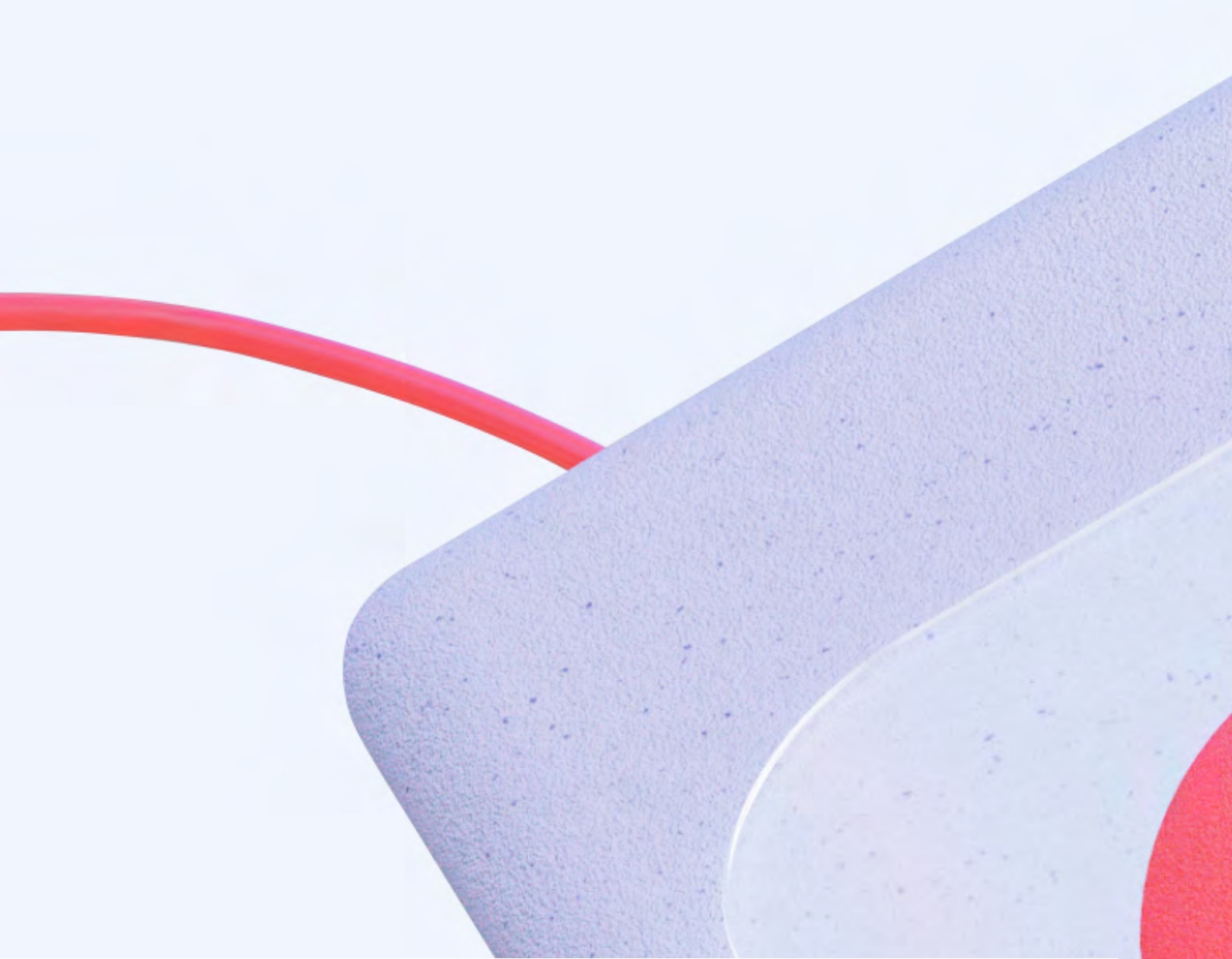
The first inclusive online lesson is available for hearing- or vision-impaired people.

"Digital footprint calculator"

The project makes it possible to find out how our actions with digital devices and services impact on the environment. The calculator will help to estimate how much carbon dioxide appears on the planet as a result of the digital life of a person in 1 year.

The environmental awareness projects of MTS combine the experience and expertise of the Company in developing innovative and technology-savvy products, large social potential of the employees, who act as minds behind and drivers of this area, and also the request from the regions of MTS presence for technology-savvy and interesting digital products, making it possible to easily master environmental patterns in nature and daily life of people. The total coverage of online and offline projects on the topic of environment is more than 2 million users from all over the country.

Additionally, the Company initiates large-scale environmental enlightenment programs annually, encompassing all MTS Group employees. In 2024, the Company started developing the internal corporate environmental enlightenment project "Inspire (Be Inspired)" that will be dedicated to environmental friendliness and preservation of resources using state-of-the-art digital technology. This project is aimed at inspiring employees to active steps, promoting sustainable development and nature protection, and to improve awareness of the importance of responsible consumption in daily life.



ADDITIONAL INFORMATION

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REPORT ON COMPLIANCE WITH THE PRINCIPLES AND RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

The Board of Directors of MTS PJSC hereby represents that the principles of corporate governance stipulated by the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014 (hereinafter referred to as the Code) are complied with by the Company, excluding certain principles and recommendations of the Code specified in the Annex to this Representation.

This report on compliance with the principles and recommendations of the Corporate Governance Code in the Company was considered by the Board of Directors of MTS PJSC at the meeting on May 22, 2025

The Board of Directors of MTS PJSC acknowledges that the data given in this report contain full and valid information on the Company's compliance with the principles and recommendations of the Corporate Governance Code for 2024.

Brief description of most substantial aspects of the model and corporate governance practices at the Company

The system (model) of corporate governance of the Company was built on the basis of the provisions of the applicable law of the Russian Federation, provisions of the Charter of the Company and principles recommended for use by the Corporate Governance Code, with account of the listing requirements of the Moscow Exchange, and also takes into account the G20 corporate governance principles adopted by the Organization for Economic Cooperation and Development. Description of most substantial aspects of the corporate governance model and practices is provided in the section "Corporate Governance" of the Annual Report of MTS PJSC.

Description of the methodology, which the joint stock company used to assess compliance with principles of corporate governance set forth in the Corporate Governance Code

Assessment of compliance with corporate governance principles set forth in the Code is implemented by the method of analysis and comparison of internal standards and procedures with the recommendations of the Code.

Planned (suggested) actions and measures of the joint stock company to improve the corporate governance model and practice

In 2025, MTS will focus on improving corporate governance practices that contribute to the Company's sustainability, as well as on implementing the best practices of MTS PJSC in MTS Group companies as part of the Transformation of the corporate structure of MTS Group.

Detailed information on compliance with the principles of the Code, as well as on actions for further implementation of the Code recommendations is provided below in the Annex to this Representation.

In 2024, the Annual General Meeting of Shareholders of MTS PJSC was convened and held in the form of absentee voting (the meeting was held on June 26, 2024), and also an Extraordinary General Meeting of Shareholders of MTS PJSC was convened in the form of absentee voting (the meeting was held on January 31, 2025).

Annex to the Representation of the Board of Directors of MTS PJSC on compliance with the principles and recommendations of the Corporate Governance Code

REPORT on Compliance with the Principles and Recommendations of the Corporate Governance Code

No.	Corporate governance principles	Criteria of assessment of compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of the deviation from criteria of assessment of compliance with the corporate governance principle, as well as other clarifications
1	2	3	4	5
1.1	The Company shall ensure an equal and fair attitude towards all shareholders who exercise their right for participation in governance of the Company			
1.1.1	The Company creates the maximum favorable conditions for the shareholders to participate in the general meeting, conditions to generate a justified position on the general meeting agenda items, to coordinate their actions, as well as the opportunity to speak their opinion on the issues considered	1. The Company provides an accessible method of communication with the Company, such as a hotline, e-mail or forum in the Internet, making it possible for shareholders to speak their opinion and send questions with respect to the agenda in the process of preparation for a general meeting. The specified communication methods were organized by the Company and provided to the shareholders when preparing for each general meeting held during the reporting period	☒ complied with ☐ partially complied with ☐ not complied with	
1.1.2	The procedure of communicating the holding of a general meeting and providing materials for the general meeting enables the shareholders to properly prepare for their participation in it.	1. In the reporting period, the notice on holding a general meeting of shareholders shall be posted (published) on the Company's official website in the Internet not later than 30 days prior to the date of the general meeting, unless the law provides for a longer period. 2. The notice on holding a general meeting specifies the documents required to be admitted into the venue. 3. Shareholders were provided with access to information on those who proposed agenda items and candidates for the Board of Directors and the Auditing Commission of the Company (if its establishment is provided for by the Company's Charter)	☐ complied with ☒ partially complied with ☐ not complied with	Criteria 1 is complied with Explanation for Criteria 2: The criteria cannot be applied as the Annual General Meeting of Shareholders of the Company on June 26, 2024, and the Extraordinary General Meeting of Shareholders of the Company on January 31, 2025, were held in the form of absentee voting Explanation for Criteria 3: The shareholders were provided with information that the initiator of consideration of all agenda items of the Annual General Meeting of Shareholders of MTS PJSC on June 26, 2024, as well as all agenda items of the Extraordinary General Meeting of Shareholders of the Company on January 31, 2025, was the Board of Directors of the Company. Shareholders were not provided with information on the persons who nominated candidates for election to the Board of Directors and the Audit Commission of MTS PJSC at the Annual General Meeting of Shareholders of MTS PJSC on June 26, 2024. The majority of candidates for election to the Board of Directors and the Audit Commission of MTS PJSC were proposed by the Board of Directors of MTS PJSC.

1	2	3	4	5
				Also, the majority of candidates for election to the Board of Directors of MTS PJSC were independent directors (and the relevant information was provided to the shareholders). In the Company's opinion, the above circumstances significantly reduced possible additional risks associated with incomplete fulfillment of this Code recommendation. The Company confirms that this inconsistency with the provisions of the Code is temporary and is related to the remaining external (geopolitical) conditions. The Company will return to full compliance with the Criteria once these conditions change.
1.1.3	In the process of preparation and holding of a general meeting, the shareholders could freely and promptly receive information on the meeting and materials to it, pose questions to the executive bodies and members of the Board of Directors of the Company, and communicate with each other	1. In the reporting period, the shareholders were given a chance to pose questions to members of the executive bodies and members of the Board of Directors of the Company when preparing for and during the annual general meeting. 2. The opinion of the Board of Directors (including special opinions (if any) entered into the minutes), on each item on the agenda of the general meetings held in the reporting period was included into the materials for the general meeting. 3. The Company provided access to entitled shareholders to the list of persons authorized to participate in the general meeting, starting from the date of its receipt by the Company, in all cases of holding general meetings in the reporting period	■ complied with ☐ partially complied with ☐ not complied with	
1.1.4	Exercise of the shareholder's right to request convocation of a general meeting, to propose candidates for the management bodies and to make proposals for inclusion into the agenda of the general meeting was not accompanied with needless complexity	1. The Charter of the Company establishes the deadline for the shareholders to submit proposals for inclusion into the agenda of the annual general meeting, which is at least 60 days after the end of the corresponding calendar year. 2. In the reporting period, the Company did not reject the inclusion of proposals for the agenda or candidates to the Company's bodies due to misprints and other minor defects in a shareholder's proposal	■ complied with ☐ partially complied with ☐ not complied with	
1.1.5	All shareholders were able to freely exercise their voting right in the way that was most simple and convenient for them	1. The Charter of the Company provides for the possibility of filling out an e-ballot on the website in the Internet, the address of which is indicated in the notice on holding a general meeting of shareholders	■ complied with ☐ partially complied with ☐ not complied with	
1.1.6	The procedure of holding a general meeting established by the Company provides an equal opportunity to all persons present at the meeting to speak their opinion and ask their questions of interest	1. During general meetings of shareholders in the form of a meeting (joint presence of shareholders) in the reporting period, sufficient time was provided for reports on agenda items, as well as time for discussion of these questions, shareholders were given the opportunity to express their opinion and ask questions of interest to them in regard of the agenda.	■ complied with ☐ partially complied with ☐ not complied with	Explanation for Criterias 1-3: Criterias 1-3 cannot be applied as the Annual General Meeting of Shareholders of the Company in 2024 was held in the form of absentee voting.

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		2. The Company invited nominees to the management and control bodies of the Company and took all the measures required to ensure their participation in the general meeting of shareholders, at which such nominations were put to vote. Nominees to the Company's management and control bodies present at the general meeting of shareholders were available to answer the questions posed by the shareholders. 3. The sole executive body, the person in charge of keeping accounting records, the chairman or other members of the Audit Committee of the Board of Directors were available to answer the questions posed by the shareholders at general meetings of shareholders held in the reporting period. 4. In the reporting period, the Company used telecommunication facilities to provide remote access for the shareholders to participate in general meetings, or the Board of Directors made a reasonable decision that there was no need (possibility) to use such facilities in the reporting period		Criteria 4 is complied with. The electronic service - Client's Personal Office "Registry-Online" is available in the Company. The Company's shareholders authorised in the Personal Office "Registry-Online" had an opportunity to vote electronically at the Annual General Meeting of Shareholders of the Company held in 2024 (to fill in the electronic form of voting ballots), as well as to submit questions to the Company using this service.
1.2	Shareholders were provided an equal and fair opportunity to participate in the profit of the Company by receiving dividends			
1.2.1	The Company developed and introduced a transparent and clear mechanism for determination of the dividend amount and their payment	1. The Regulations on the Dividend Policy of the Company were approved by the Board of Directors and disclosed on the Company's website in the Internet. 2. If the dividend policy of the Company preparing consolidated financial reporting uses the Company's reporting indicators for determination of the dividend amount, then the appropriate provisions of the dividend policy shall take into account the consolidated indicators of the financial reporting. 3. The rationale for the proposed net income distribution, including for the payment of dividends and the Company's own needs, as well as assessment of its compliance with the dividend policy adopted by the Company containing explanations and an economic rationale for the need to allocate a certain part of net income for in-house needs in the reporting period, were included in the materials to the general meeting of shareholders, the agenda of which includes the issue of profit distribution (including the payment (announcement) of dividends)	☒ complied with ☐ partially complied with ☐ not complied with	
1.2.2	The Company does not make a decision on payment of dividends if such decision, while formally not violating the limitations established by the law, is economically unjustified and may result in misrepresentation and misperception of the Company's business	1. The Regulations on the Dividend Policy of the Company, in addition to the restrictions established by law, define the financial/economic circumstances under which the Company shall not resolve to pay dividends	☒ complied with ☐ partially complied with ☐ not complied with	

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1.2.3	The Company does not allow a deterioration of the dividend rights of the existing shareholders	1. In the reporting period, the Company did not commit any actions resulting in deterioration of the dividend rights of existing shareholders	☒ complied with ☐ partially complied with ☐ not complied with	
1.2.4	The Company strives to exclude the use of other methods of gaining profit (income) by the shareholders at the expense of the Company, apart from dividends and liquidation value	1. In the reporting period, no other ways for the persons controlling the Company to receive profit (income) at the expense of the Company, other than dividends (for example, through transfer pricing, unreasonable rendering of services by the controlling person to the Company at inflated prices, through internal loans replacing dividends to the controlling person and/or his controlled persons), were used	☒ complied with ☐ partially complied with ☐ not complied with	Explanation for Criteria 1: The recommendation is complied with, while as of the date of approval of this report MTS PJSC does not possess information about the fact that there is (or was in the reporting period) a shareholder owning 50 and more percent of MTS voting shares. In accordance with the provisions of applicable law and on the basis of information disclosed by the shareholders of MTS PJSC, it is publicly known and disclosed that the shareholder, owning jointly with its subsidiary 42.09% of the authorized capital of MTS PJSC, is Sistema SISFC.
1.3	The system and practice of corporate governance provide for equal conditions for all shareholders – owners of shares of one category (type), including minority (small) shareholders and foreign shareholders, and an equal attitude to them from the Company			
1.3.1	The Company has created conditions for a fair attitude to each shareholder from the management bodies and controlling persons of the Company, including conditions preventing abuse on the part of major shareholders in respect to minority shareholders	1. During the reporting period, the persons controlling the Company did not allow any abuse of the rights in relation to the Company's shareholders, there were no conflicts between the Company's controlling persons and shareholders and, if any, the Board of Directors paid due attention to them	☒ complied with ☐ partially complied with ☐ not complied with	Explanation for Criteria 1: The recommendation is complied with, while as of the date of approval of this report MTS PJSC does not possess information about the fact that there is (or was in the reporting period) a shareholder owning 50 and more percent of MTS voting shares. Find details in the comments to clause 1.2.4. (1) of this Report.
1.3.2	The Company does not undertake actions that result or may result in factitious redistribution of corporate control	1. Quasi-treasury shares are absent or did not participate in voting during the reporting period	☐ complied with ☒ partially complied with ☐ not complied with	
1.4	The shareholders are provided with reliable and effective ways to register rights for shares, as well as the opportunity of free and unhindered alienation of shares they own			
1.4	The shareholders are provided with reliable and effective ways to register rights for shares, as well as the opportunity of free and unhindered alienation of shares they own	1. The technologies used by the Company's Registrar and the conditions for the services rendered meet the needs of the Company and its shareholders, ensure that the rights to the shares are recorded and the rights of shareholders are exercised in the most efficient way	☒ complied with ☐ partially complied with ☐ not complied with	
2.1	The Board of Directors carries out strategic management of the Company, determines the basic principles and approaches to the organization of the risk management system and internal control at the Company, monitors activity of the Company's executive bodies, and implements other key functions			
2.1.1	The Board of Directors is responsible for making decisions related to appointments to and dismissals from the executive bodies, including due to improper performance of one's job duties. The Board of Directors also checks that the executive bodies of the Company act in accordance with the approved development strategy and the principal directions of the Company's business	1. The Board of Directors has powers registered in the Charter for appointment, dismissal and determination of the agreement terms in respect to the members of the executive bodies. 2. In the reporting period, the Nomination (Appointments, HR) Committee considered the issue of conformity of the professional qualifications, skills and experience of members of the executive bodies to the current and expected needs of the Company, stipulated by the Company's approved strategy. 3. In the reporting period, the Board of Directors considered the report (reports) of the sole executive body and the collective executive body (if any on compliance with the Company's strategy	☒ complied with ☐ partially complied with ☐ not complied with	

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2.1.2	The Board of Directors establishes the main reference points for the Company's business over a long term, assesses and approves the key indicators of business and main business objectives of the Company, and assesses and approves the strategy and business plans on the main types of the Company's business	1. During the reporting period, at the meetings of the Board of Directors, the issues were considered, which were related to the progress of achievement and update of the strategy, approval of the financial and business plan (budget) of the Company, as well as consideration of criteria and indicators (including interim ones) for fulfilment of the strategy and business plans of the Company	☒ complied with ☐ partially complied with ☐ not complied with	
2.1.3	The Board of Directors defines principles and approaches for the organization of the risk management and internal control system at the Company	1. The principles and approaches to organizing the risk management and internal control system at the Company are determined by the Board of Directors and documented in the Company's internal documents defining the risk management and internal control policy. 2. In the reporting period, the Board of Directors approved (revised) the acceptable level of risks (risk appetite) of the Company, or the Audit Committee and/or Risk Committee (if any) considered the practicality of submitting the issue of revising the Company's risk appetite before the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
2.1.4	The Board of Directors determines the Company's policy on remuneration and/or recovery of costs (compensations) to members of the Board of Directors, executive bodies and other key executives of the Company	1. The Company developed and approved the policy (policies) introduced by the Board of Directors for remuneration and recovery of costs (compensations) to members of the Board of Directors, executive bodies and other key executives of the Company. 2. During the reporting period, the Board of Directors considered the issues related to the specified policy (policies)	☒ complied with ☐ partially complied with ☐ not complied with	
2.1.5	The Board of Directors plays a key role in prevention, detection and settlement of internal conflicts between the Company's bodies, shareholders and employees	1. The Board of Directors plays a key role in prevention, detection and settlement of internal conflicts. 2. The Company has created a system of identification of transactions related to a conflict of interest, and a system of actions aimed at the resolution of such conflicts	☒ complied with ☐ partially complied with ☐ not complied with	
2.1.6	The Board of Directors plays a key role in ensuring the transparency of the Company, timeliness and completeness of information disclosure by the Company, unhindered access of shareholders to the Company's documents	1. In the Company's internal documents, there are persons defined as those responsible for implementation of the Information Policy	☒ complied with ☐ partially complied with ☐ not complied with	
2.1.7	The Board of Directors monitors the corporate governance practices at the Company and plays a key role in significant corporate events of the Company	1. During the reporting period, the Board of Directors considered the results of self-assessment and/or external assessment of corporate governance practices at the Company	☒ complied with ☐ partially complied with ☐ not complied with	

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2.2	The Board of Directors reports to all shareholders of the Company			
2.2.1	Information on the activity of the Board of Directors is disclosed and provided to the shareholders	1. The Annual Report of the Company for the reporting period includes information on attendance of the meetings of the Board of Directors and committees by each member of the Board of Directors. 2. The Annual Report contains information on the main results of assessment (self-assessment) of the quality of activities of the Board of Directors carried out in the reporting period	☐ complied with ☒ partially complied with ☐ not complied with	Explanation for Criteria 1: The Company's Annual Report 2024 includes the average attendance of Directors at meetings of the Board of Directors and relevant committees. The disclosed high average attendance rates indicate high discipline of all directors of the Company, which mitigates possible additional risks associated with incomplete implementation of this recommendation of the Code The Company confirms that this inconsistency with the provisions of the Code is temporary and is related to the remaining external (geopolitical) conditions. The Company will return to full compliance with the Criteria once these conditions change. Criteria 2 is complied with.
2.2.2	The Chairman of the Board of Directors is available for communication with the Company's shareholders	1. The Company has a transparent procedure that provides shareholders with the opportunity to send messages to the Chairman of the Board of Directors (and, if applicable, to the senior independent director) and receive feedback on them	☒ complied with ☐ partially complied with ☐ not complied with	
2.3	The Board of Directors is an effective and professional management body of the Company, capable of producing objective independent judgments and making decisions to protect the interests of the Company and its shareholders			
2.3.1	Only persons with a perfect business and personal reputation and the knowledge, skills and experience required for making decisions falling within the competence of the Board of Directors, and required for effective fulfilment of its functions, are elected members of the Board of Directors	1. In the reporting period, the Board of Directors (or its Nomination Committee) conducted assessment of the nominees to the Board of Directors from the point of view of availability of the necessary experience, knowledge, business reputation, absence of conflicts of interest, etc.	☒ complied with ☐ partially complied with ☐ not complied with	
2.3.2	Members of the Board of Directors of the Company are elected through a transparent procedure, making it possible for the shareholders to receive information about candidates, which is sufficient to form a view of their personal and professional qualities	1. In all cases of holding a general meeting of shareholders in the reporting period, the agenda of which included issues on election of the Board of Directors, the Company provided to the shareholders the biographic data of all nominees to the Board of Directors, the results of assessment of compliance of the professional qualifications, experience and skills of candidates with the current and expected needs conducted by the Board of Directors (or its Nomination Committee), and also information on compliance of a nominee with the independence criteria, in accordance with Recommendations 102–107 of the Code, as well as information on the presence of a written consent of nominees to be elected members of the Board of Directors	☐ complied with ☒ partially complied with ☐ not complied with	Explanation for Criteria 1: Biographies of candidates for election to the Board of Directors of MTS PJSC at the Annual General Meeting of Shareholders of MTS PJSC held on June 26, 2024, were not provided to the shareholders taking into account the provisions of the Resolution of the Government of the Russian Federation No. 1102 dated 04.07.2023¹. At the same time, the Company also took into account that the compliance of the professional qualifications of all the above candidates with the Company's needs was confirmed by the Board of Directors of MTS PJSC, which, in the Company's opinion, reduces possible additional risks associated with incomplete fulfillment of this recommendation of the Code. The Company confirms that this inconsistency with the provisions of the Code is temporary and is related to the remaining external (geopolitical) conditions. The Company will return to full compliance with the Criteria once these conditions change.

¹ Resolution of the Government of the Russian Federation dated 04.07.2023 N 1102 "On peculiarities of disclosure and (or) provision of information subject to disclosure and (or) provision in accordance with the requirements of the Federal Law "On Joint-Stock Companies" and the Federal Law "On the Securities Market".

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2.3.3	The composition of the Board of Directors is balanced, among other things, in terms of qualification of its members, their experience, knowledge and business qualities, and is trusted by the shareholders	1. In the reporting period, the Board of Directors analyzed its own needs in terms of professional qualifications, experience and skills and determined the competencies required by the Board of Directors in the short and long run	☒ complied with ☐ partially complied with ☐ not complied with	
2.3.4	The quantitative composition of the Board of Directors of the Company makes it possible to organize the activities of the Board of Directors in the most efficient manner, including the possibility to form the committees of the Board of Directors, and also provides the substantial minority shareholders of the Company with a possibility to elect a candidate they vote for into the Board of Directors	1. In the reporting period, the Board of Directors considered the issue on compliance of the quantitative composition of the Board of Directors with the needs of the Company and interests of its shareholders	☒ complied with ☐ partially complied with ☐ not complied with	
2.4	The Board of Directors includes a sufficient number of independent directors			
2.4.1	An independent director is a person with a sufficient level of proficiency, experience and independence in order to have his/her own opinion, capable of producing objective and fair judgements independently from the influence of the executive bodies of the Company, separate groups of shareholders or other stakeholders. At the same time, it should be taken into account that, under regular conditions, a candidate (elected member of the Board of Director) may not be recognized as independent, if it is related to the Company, its major shareholder, major contractor or competitor or is related to the government	1. Within the reporting period, all independent members of the Board of Directors met all the criteria of independence specified in Recommendations 102–107 of the Code, or were recognized independent by the resolution of the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
2.4.2	Compliance of candidates to the members of the Board of Directors with the independence criteria is assessed, and regular analysis is carried out for compliance of independent members of the Board of Directors with the independence criteria. When such an assessment is conducted, the content shall prevail over the form	1. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) produced an opinion on independence of each candidate to the Board of Directors and provided a relevant report to the shareholders. 2. During the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) at least once considered the issue of independence of the existing members of the Board of Directors (upon their election). 3. The Company developed procedures that determine the necessary actions to be undertaken by a member of the Board of Directors, if they stop being independent, including obligations on timely notification of the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
2.4.3	Independent directors make up at least one third of the elected composition of the Board of Directors	1. Independent directors make up at least one third of the composition of the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	

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2.4.4	Independent directors play a key role in preventing internal conflicts at the Company and making major corporate actions by the Company	1. Independent directors (with no conflict of interest) preliminarily assessed the major corporate actions related to a potential conflict of interest in the reporting period, and the results of this assessment were provided to the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
2.5	The Chairman of the Board of Directors contributes to the most efficient performance of functions imposed upon the Board of Directors			
2.5.1	The Chairman of the Board of Directors is an independent director; or a senior independent director is chosen from among the elected independent directors, who coordinates the work of the independent directors and cooperates with the Chairman of the Board of Directors	1. The Chairman of the Board of Directors is an independent director; or a senior independent director is chosen from among the independent directors.	☐ complied with ☒ partially complied with ☐ not complied with	Explanation for Criteria 1: The Chairman of the Board of Directors of MTS PJSC is not an independent director; a senior independent director is not defined. MTS PJSC regularly (annually) conducts a benchmarking analysis of the Company's corporate governance practices as compared with other public companies. Consideration of benchmarking takes place on the site of the ESG Committee (Corporate Governance, Environmental and Social Responsibility Committee) of the Board of Directors of MTS PJSC. During the Committee's meetings, recommendations of the Code that are not adhered to by the Company are analysed and the practicability of their implementation is assessed. This recommendation of the Code has been considered by the Committee and the Board of Directors many times before. The members of the Board of Directors of MTS concluded that the level of corporate governance achieved by the Company and the created constructive discussion environment do not require implementation of this recommendation of the Code. The Independent Director was elected as one of the Deputy Chairmen of the Board of Directors of MTS PJSC. In this position, the Deputy Chairperson of the Board of Directors, in fact, replacing the senior independent director, performs all of its functions provided for by the Code — coordinating the work of independent directors and implementing (organizing) the interaction of independent directors with the Chairman of the Board of Directors of MTS PJSC. Therefore, presence of a strong professional Chairman of the Board of Directors, election of an independent director as the Deputy Chairperson of the Board of Directors of MTS PJSC (who actually acts as the senior independent director) and election of the adequate number of the independent directors to the Board of Directors shall be considered as a tool to reduce the potential risks of failure to comply with the Code recommendation. Implementing the recommendations of the Code, the Company adheres to the position that each recommendation of the Code shall be assessed for its utility and applicability to the corporate governance system of a specific company. Therefore, the Board of Directors of MTS PJSC does not see it as necessary to elect an independent director as the Chairman of the Board of Directors of MTS PJSC or to appoint a senior independent director. Criteria 2 is complied with.
		2. The role, rights and obligations of the Chairman of the Board of Directors (and, if applicable, the senior independent director) are properly defined in the internal documents of the Company		
2.5.2	The Chairman of the Board of Directors ensures a constructive atmosphere for holding meetings, free discussion of the issues included in the meeting agenda, and control over implementation of decisions made by the Board of Directors	1. Efficiency of work of the Chairman of the Board of Directors is assessed within the procedure for assessment (self-assessment) of the quality of performance of the Board of Directors in the reporting period	☒ complied with ☐ partially complied with ☐ not complied with	

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2.5.3	The Chairman of the Board of Directors takes the necessary actions for timely providing the members of the Board of Directors with information required to make decisions on the agenda issues	1. The obligation of the Chairman of the Board of Directors to take actions for ensuring timely provision of complete and reliable information to the members of the Board of Directors on the agenda issues of the meeting of the Board of Directors is recorded in the internal documents of the Company	☒ complied with ☐ partially complied with ☐ not complied with	
2.6	The members of the Board of Directors act fairly and reasonably in the interests of the Company and its shareholders on the basis of sufficient awareness, with a sufficient degree of care and diligence			
2.6.1	The members of the Board of Directors make decisions with account of all available information, in absence of conflict of interest, with account of an equal attitude to shareholders of the Company, within regular entrepreneur risk	1. Internal documents of the Company stipulate that a member of the Board of Directors shall notify the Board of Directors, if they have a conflict of interest in respect to any issue on the agenda of a meeting of the Board of Directors or a committee under the Board of Directors, prior to discussion of the relevant agenda item. 2. Internal documents of the Company assume that a member of the Board of Directors shall abstain from voting on any issue, where they have a conflict of interest. 3. There is a procedure at the Company, which makes it possible for the Board of Directors to receive professional consultation on issues that fall within its terms of reference, at the expense of the Company	☒ complied with ☐ partially complied with ☐ not complied with	
2.6.2	Rights and obligations of the members of the Board of Directors are clearly formulated and recorded in the internal documents of the Company	1. There is an internal document approved and published by the Company, which defines the rights and obligations of the members of the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
2.6.3	The members of the Board of Directors have sufficient time to perform their obligations	1. Individual attendance at the meetings of the Board and Committees, as well as sufficiency of time to work on the Board of Directors, including its Committees, was analyzed within the procedure for assessing (self-assessing) the quality of work of the Board of Directors in the reporting period. 2. In accordance with the internal documents of the Company, the members of the Board of Directors shall notify the Board of Directors about their intent to enter the management bodies of other organizations (apart from subsidiaries and affiliates of the Company), as well as about the fact of such an appointment	☒ complied with ☐ partially complied with ☐ not complied with	
2.6.4	All members of the Board of Directors are able to access the Company's documents and information to the same extent. Newly elected members of the Board of Directors are provided with sufficient information about the Company and work of the Board of Directors within the shortest time possible	1. In accordance with the internal documents of the Company, the members of the Board of Directors are entitled to receive the information and documents required for the members of the Board of Directors of the Company to fulfill their duties related to the Company and its subsidiaries, and the executive bodies of the Company shall provide the relevant information and documents. 2. There is a formalized program of induction events for newly elected members of the Board of Directors at the Company	☒ complied with ☐ partially complied with ☐ not complied with	

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2.7	Meetings of the Board of Directors, preparation for them and participation by members of the Board of Directors in them ensure the effective work of the Board of Directors			
2.7.1	Meetings of the Board of Directors are held when required, with account of the scope of activities and objectives of the Company in a certain period of time	1. The Board of Directors held at least six meetings in the reporting period	☒ complied with ☐ partially complied with ☐ not complied with	
2.7.2	The internal documents of the Company stipulate the procedure for preparing and holding meetings of the Board of Directors, providing the opportunity for the members of the Board of Directors to properly prepare for its holding	1. There is an internal document at the Company, which defines the procedure for preparing and holding meetings of the Board of Directors, where it is stipulated, among other things, that notice of a meeting shall usually be made at least five days prior to the meeting date. 2. In the reporting period, members of the Board of Directors absent from the venue of the meeting of the Board of Directors were given the opportunity to participate in discussing the agenda items and voting remotely – via conference calls and video conferencing	☒ complied with ☐ partially complied with ☐ not complied with	
2.7.3	The form of holding a meeting of the Board of Directors is determined with consideration for the significance of the agenda items. Most important issues are resolved at the meetings held with physical presence	1. The Charter or an internal document of the Company contemplates that the most important issues (according to the list set forth in Recommendation 168 of the Code) shall be considered at in-person meetings of the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
2.7.4	Decisions on the most important issues of the Company's business shall be made at the meeting of the Board of Directors by the qualified majority or the majority of votes of all elected members of the Board of Directors	1. The Charter of the Company contemplates that the decisions on the most important issues, including those specified in Recommendation 170 of the Code shall be made at the meeting of the Board of Directors by the qualified majority, with at least three quarters of votes, or by the majority of votes of all elected members of the Board of Directors	☐ complied with ☒ partially complied with ☐ not complied with	Explanation for Criteria 1: The Charter of MTS PJSC does not contemplate that the decisions on the issues specified in Recommendation 170 of the Code shall be made at a meeting of the Board of Directors by the qualified majority, with at least three fourths of votes, or by the majority of votes of all elected members of the Board of Directors. In accordance with the Charter of MTS PJSC, decisions on most issues falling within the competence of the Board of Directors, are taken by the simple majority (more than a half (1/2) of votes of the members of the Board of Directors attending the meeting). A small number of issues requires a unanimous decision by all members of the Board of Directors, except for retired members of the Board of Director. In practice, the specified recommendation of the Code is complied with: during the recent years, more than 90% of the Board of Directors' meetings have taken place with 100% participation of members of the Board of Directors. Therefore, in most cases, the simple majority of votes of the Board of Directors' members attending a meeting is comparable to the majority of votes of all elected members of the Board of Directors. After approval of the Code, the issue on implementation of the recommendation was considered by members of the Corporate Governance Committee of the Board of Directors of MTS PJSC with involvement of other members of the Board of Directors and the management. The Committee came to the conclusion on unreasonableness of introducing stricter procedures for decision-making by the Board of Directors of MTS PJSC, including due to the fact that their implementation may negatively impact urgency of decision-making. Risks related to incomplete compliance with the recommendation are levelled out by traditionally high attendance of the Board of Directors' meetings by its members, as well as by decision-making procedures adopted at the Company: decisions made by the Board of Directors are based on the consensus of all members of the Board of Directors, and key decisions are first elaborated by independent members of the Board of Directors within the framework of committees' work. In connection with the above, the Company does not plan to achieve full compliance with this recommendation of the Code in this part. At the same time, the Company will continue monitoring the compliance with this recommendation of the Code by the Russian issuers and will evaluate the opportunity of its implementation at MTS PJSC (depending on changes happening in the field of the Russian corporate governance).

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2.8	The Board of Directors sets up the committees for preliminary consideration of the most important issues of the Company's business			
2.8.1	For preliminary consideration of the issues related to control of the Company's financial and economic activities, the Audit Committee comprised of independent directors has been established	1. The Board of Directors established the Audit Committee made exclusively of independent directors. 2. The internal documents of the Company define the objectives of the Audit Committee, including those contained in Recommendation 172 of the Code. 3. At least one member of the Audit Committee being an independent director has experience and knowledge in the field of preparation, analysis, assessment and audit of the accounting (financial) statements. 4. Meetings of the Audit Committee were held at least once per quarter during the reporting period	☒ complied with ☐ partially complied with ☐ not complied with	
2.8.2	For preliminary consideration of the issues related to formation of efficient and transparent remuneration practice, the Remuneration Committee has been established, comprised of independent directors and headed by an independent director, not being the Chairman of the Board of Directors	1. The Board of Directors established the Remuneration Committee, which is only comprised of independent directors. 2. The Chairman of the Remuneration Committee is an independent director, who is not the Chairman of the Board of Directors. 3. The internal documents of the Company define the tasks of the Remuneration Committee, including, but not limited to, the tasks contained in Recommendation 180 of the Code, as well as the conditions (events) upon occurrence of which the Remuneration Committee considers the issue of revising the Company's policy on remuneration to members of the Board of Directors, executive bodies and other key executives	☒ complied with ☐ partially complied with ☐ not complied with	
2.8.3	For preliminary consideration of the issues related to HR planning (succession planning), professional composition and efficiency of work of the Board of Directors, the Nomination (Appointments, HR) Committee has been established, the majority of the members of which are independent directors	1. The Board of Directors has established the Nomination Committee (or its objectives specified in Recommendation 186 of the Code are implemented within a different committee), the majority of the members of which are independent directors. 2. The internal documents of the Company define the objectives of the Nomination Committee (or the relevant committee with the combined functions), including those contained in Recommendation 186 of the Code.	☐ complied with ☒ partially complied with ☐ not complied with	Criteria 1 is complied with. Explanation for Criteria 2: In accordance with the Regulations on the Remuneration And Nomination Committee of the Board of Directors of MTS PJSC the Committee's functions include, inter alia, all objectives listed in Recommendation 186 of the Code, excluding sub-clause 4. The task to describe the individual duties of the Directors and Chairman of the Board of Directors was not included into the list of functions of the Remuneration and Nomination Committee of the Board of Directors of MTS PJSC for two main reasons: 1) main duties of members of the Board of Directors (including the Chairman of the Board of Directors) are clearly defined in the Regulations on the Board of Directors of MTS PJSC; 2) the composition of the Company's Board of Directors is relatively stable. Therefore, the scope of individual duties of each Director has already been formed, and the Company believes that additional description of duties of Directors by the Committee would be of exclusively formal nature and would not be a catalyst for increased efficiency of the Board of Directors' work.

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				The risks related to partial compliance with this recommendation are also levelled out by implementation at the Company practice of an on boarding course for newly elected members of the Board of Directors, which also contains description of duties of Directors and the Chairman of the Board of Directors. In connection with the above, it was decided that it would be inappropriate to include the objective specified in subparagraph 4 of Recommendation 186 of the Code into the functions of the Remuneration and Nomination Committee of the Board of Directors of MTS PJSC. The Company does not plan to include this objective into the functions of the Remuneration and Nomination Committee of the Board of Directors of MTS PJSC and to achieve full compliance with this recommendation of the Code in this part.
		3. In the reporting period, the Nomination Committee, independently or jointly with other Committees of the Board of Directors, or the Company's authorized subdivision for shareholder relations, arranged interaction with shareholders, not limited to the circle of largest shareholders, in the context of the selection of candidates to the Board of Directors of the Company in order to form a Board of Directors that best meets the Company's goals and objectives		Explanation for Criteria 3: The tasks of the Remuneration and Nomination Committee of the Board of Directors of MTS PJSC also include interaction with the shareholders that should not be limited to the circle of the largest shareholders, in order to generate recommendations for the shareholders in respect to voting on the issue of candidates election to the Company's Board of Directors. in the reporting year, the majority of candidates (including a strong pool of independent candidates) for election at the Annual General Meeting of Shareholders of MTS PJSC held on June 26, 2024 were proposed by the Company's Board of Directors. As a result of the above AGM, independent directors took the majority of seats on the Board of Directors of MTS PJSC. Thus, the Company actually did not need to search for additional candidates. Inclusion of a large number of independent directors into the Board of Directors of MTS PJSC also helped to mitigate the risks that could have occurred since the Company in the reporting year did not resort to the help of shareholders when selecting candidates to the Board of Directors of the Company. In the future, MTS will strive to organize interaction with shareholders in the context of selecting candidates for the Company's Board of Directors if there is a need to strengthen the pool of candidates.
2.8.4	With account of the scope of activity and the level of risk, the Board of Directors of the Company made sure that the composition of its committees fully complies with the objectives of the Company's business. Additional committees were either formed or were not recognized necessary (Strategy Committee, Corporate Governance Committee, Ethics Committee, Risk Management Committee, Budget Committee, Health, Safety and Environment Committee, etc.)	1. In the reporting period, the Board of Directors of the Company considered the issue on compliance of the structure of the Board of Directors with the scale and nature, business objectives and needs, as well as with the risk profile of the Company. Additional committees were either formed or were not recognized necessary	■ complied with ☐ partially complied with ☐ not complied with	
2.8.5	The composition of the committees was determined so that it made it possible to perform comprehensive discussion of previously considered issues with account of different opinions	1. In the reporting period, the Audit Committee, the Remuneration Committee, the Nominations Committee (or the relevant committee with combined functions) were headed by independent directors.	■ complied with ☐ partially complied with ☐ not complied with	

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		2. The internal documents (policies) of the Company contain the provisions, in accordance with which the persons not included into the composition of the Audit Committee, Nomination Committee (or the relevant committee with combined functions) and Remuneration Committee may only visit the meetings of the committees upon the invitation of the Chairman of the relevant committee		
2.8.6	Chairmen of the committees regularly advise the Board of Directors and its Chairman of the work of their committees	1. During the reporting period, the chairmen of the committees regularly reported to the Board of Directors about the work of their committees	☒ complied with ☐ partially complied with ☐ not complied with	
2.9	The Board of Directors provides for the assessment of the quality of the Board of Directors' work, its committees and members			
2.9.1	The assessment of the quality of the Board of Directors' work is aimed at defining the degree of efficiency of the work of the Board of Directors, committees and members of the Board of Directors, compliance of their work with the needs of the Company's development, as well as at enhancing the work of the Board of Directors and detecting areas, where their activity may be improved	1. The internal documents of the Company define the procedures for assessing (self-assessing) the quality of work of the Board of Directors. 2. Assessment (self-assessment) of work of the Board of Directors performed in the reporting period included assessment of the work of the committees, individual assessment of each member of the Board of Directors and the Board of Directors in general. 3. Results of assessment (self-assessment) of the quality of the Board of Directors' work performed during the reporting period were considered at the in-person meeting of the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
2.9.2	The work of the Board of Directors, committees and members of the Board of Directors is assessed on a regular basis at least once per year. For independent assessment of the quality of the work of the Board of Directors, a third party organization (consultant) is engaged at least once in three years	1. In order to conduct an independent assessment of the quality of the work of the Board of Directors during the three recent reporting periods, the Company engaged a third party organization (consultant) at least once	☒ complied with ☐ partially complied with ☐ not complied with	
3.1	The Corporate Secretary of the Company ensures effective current interaction with the shareholders, coordinates the Company's activities aimed at protection of rights and interests of the shareholders, and supports effective work of the Board of Directors			
3.1.1	The Corporate Secretary has knowledge, experience and qualification sufficient for performance of their obligations, has an impeccable reputation and is trusted by the shareholders	1. The Company's website in the Internet and the Annual Report contain biographical information about the Corporate Secretary (including information about the age, education, qualifications, experience), as well as data about positions in the management bodies of other legal entities occupied by the Corporate Secretary over the course of not less than the last five years	☐ complied with ☐ partially complied with ☒ not complied with	Explanation for Criteria 1: The above information is not presented in the Company's Annual Report, as well as on the Company's official website in accordance with the current approach to disclosure of personal information in respect of the Company's key employees and taking into account the continuing external (geopolitical) conditions. The Remuneration and Nomination Committee of the Board of Directors, as well as the Board of Directors of the Company annually review the report on the activities of the Corporate Secretary of the Company (structural subdivision of the Company performing the functions of the Corporate Secretary of the Company, as well as its director) in order to confirm the quality of fulfillment of the duties of the Corporate Secretary. The activity of the Corporate Secretary is also one of the objects of annual assessment of the quality of work of the Board of Directors of the Company. The Company will return to full compliance with the Criteria when external (geopolitical) conditions change.

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3.1.2	The Corporate Secretary is sufficiently independent from the executive bodies of the Company and has the necessary powers and resources to perform their objectives	1. The Company adopted and disclosed an internal document – the Regulations on the Corporate Secretary. 2. The Board of Directors approves a candidate for the Corporate Secretary position and terminates their powers, as well as considers the issue of paying them additional remuneration. 3. The internal documents of the Company enshrine the right of the Corporate Secretary to request and receive the Company's documents and information from the management bodies, structural divisions and executive officers of the Company	☒ complied with ☐ partially complied with ☐ not complied with	
4.1	The level of remuneration paid by the Company is sufficient to engage, motivate and retain people that have the necessary competences and qualification for the Company. Remuneration to members of the Board of Directors, executive bodies and other key executives of the Company shall be paid in accordance with the Remuneration Policy adopted at the Company.			
4.1.1	The level of remuneration provided by the Company to the members of the Board of Directors, executive bodies and other key management employees creates sufficient motivation for their efficient work, making it possible for the Company to employ and retain competent and qualified experts. At the same time, the Company avoids higher remuneration than necessary, as well as unjustified high gap between levels of remuneration paid to the specified persons and employees of the Company	1. The remuneration paid to members of the Board of Directors, executive bodies and other key executives of the Company shall be determined taking into account the results of a comparative analysis of the remuneration level in comparable companies	☒ complied with ☐ partially complied with ☐ not complied with	
4.1.2	The Company's Remuneration Policy has been developed by the Remuneration Committee and approved by the Board of Directors of the Company. The Board of Directors, with the support of the Remuneration Committee, provides for monitoring of introduction and implementation of the Remuneration Policy at the Company – and reviews and amends it as necessary	1. During the reporting period, the Remuneration Committee considered the Remuneration Policy (policies) and/or practice of its (their) introduction, assessed their efficiency and transparency and submitted the necessary recommendations on revising this Policy (policies) to the Board of Directors, where required	☒ complied with ☐ partially complied with ☐ not complied with	
4.1.3	The Remuneration Policy of the Company contains transparent mechanisms to determine the amount of remuneration paid to members of the Board of Directors, executive bodies and other key executives of the Company, and also regulates all types of payments, benefits and privileges provided to the specified persons	1. The Remuneration Policy (policies) of the Company contains (contain) transparent mechanisms to determine the amount of remuneration paid to members of the Board of Directors, executive bodies and other key executives of the Company, and also regulates (regulate) all types of payments, benefits and privileges provided to the specified persons	☒ complied with ☐ partially complied with ☐ not complied with	
4.1.4	The Company determines the policy for recovery of expenses (compensations) that details the list of expenses subject to recovery, and the level of service that the members of the Board of Directors, executive bodies and other key management employees of the Company may claim for. Such a policy may be part of the Company's Remuneration Policy	1. The Remuneration Policy (policies) or other internal documents of the Company establish the rules for recovery of expenses incurred by members of the Board of Directors, executive bodies and other key executives of the Company	☒ complied with ☐ partially complied with ☐ not complied with	

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4.2	The remuneration system for members of the Board of Directors provides for rapprochement between financial interests of the directors with long-term financial interests of the shareholders			
4.2.1	The Company pays fixed annual remuneration to members of the Board of Directors. The Company does not pay remuneration for participation in individual meetings of the Board or committees under the Board of Directors. The Company does not use any forms of short-term motivation or additional financial incentives in respect to members of the Board of Directors	1. In the reporting period, the Company paid remuneration to the members of the Board of Directors in accordance with the Remuneration Policy of the Company. 2. In the reporting period, the Company did not apply any form of short-term motivation or additional financial incentives to the members of the Board of Directors, the payment of which depends on the Company's performance (indicators). Remuneration for participation in individual meetings of the Board or committees under the Board of Directors was not paid	☒ complied with ☐ partially complied with ☐ not complied with	
4.2.2	Long-term ownership of the Company's shares provides for rapprochement between financial interests of members of the Board of Directors and long-term interests of the shareholders to the largest extent. At the same time, the Company does not provide for the rights to sell the shares by achievement of certain indicators of activities, and the members of the Board of Directors do not participate in option programs	1. If the internal document (documents) – Remuneration Policy (policies) of the Company – contemplates (contemplate) provision of the Company's shares to members of the Board of Directors, clear rules of share ownership by members of the Board of Directors aimed at promoting long-term ownership of such shares shall be provided for and disclosed	☐ complied with ☐ partially complied with ☒ not complied with	Explanation for Criteria 1: Currently, the Regulations on Remunerations and Compensations Payable to the Members of the Board of Directors of MTS PJSC (hereinafter referred to as the Regulations) do not contain the specified rules for ownership of the Company's shares by the members of the Board of Directors aimed at promoting long-term ownership of such shares. The Company informs that the agenda of the Annual General Meeting of Shareholders of the Company on the results of 2024 includes the issue of approval of a new version of the Regulations, which excludes remuneration of members of the Board of Directors of the Company in the form of granting shares of the Company.
4.2.3	The Company does not provide for any additional payments or compensation in case of early termination of powers of members of the Board of Directors in connection with transfer of control over the Company or other circumstances	1. The Company does not provide for any additional payments or compensation in case of early termination of powers of members of the Board of Directors in connection with transfer of control over the Company or other circumstances	☒ complied with ☐ partially complied with ☐ not complied with	
4.3	The system of remuneration for members of executive bodies and other key executives of the Company provides for the dependence of remuneration on the result of the Company's operation and their personal contribution to the achievement of this result			
4.3.1	Remuneration paid to members of executive bodies and other key executives of the Company is determined so that a reasonable and justified ratio is ensured between the fixed part of remuneration and the variable part of remuneration, depending on the results of the Company's operation and personal (individual) contribution of an employee to the final result	1. During the reporting period, the annual indicators of efficiency approved by the Board of Directors were used to determine the amount of variable remuneration paid to members of executive bodies and other key executives of the Company. 2. During the last completed assessment of the remuneration system for members of executive bodies and other key executives of the Company, the Board of Directors (Remuneration Committee) made sure that the Company used an effective ratio of the fixed part of remuneration and the variable part of remuneration. 3. When determining the amount of remuneration paid to members of executive bodies and other key executives of the Company, the risks borne by the Company shall be taken into account in order to avoid creating incentives for making excessively risky managerial decisions	☒ complied with ☐ partially complied with ☐ not complied with	

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4.3.2	The Company has introduced a program for long-term motivation of members of executive bodies and other key executives of the Company, using shares of the Company (options or other derivative financial instruments, the basic assets under which are the Company's shares)	1. The program for long-term motivation for members of executive bodies and other key executives of the Company using the Company's shares (financial instruments based on the Company's shares) introduced at the Company, if any, contemplates that the right to sell such shares and other financial instruments arises not earlier than three years after the moment of their provision. At the same time, the right for their sale depends on achievement of certain indicators of the Company's activities	☒ complied with ☐ partially complied with ☐ not complied with	
4.3.3	The amount of compensation ("top-echelon parachute"), paid by the Company in case of early termination of powers to members of executive bodies or key executives at the initiative of the Company and with absence of unfair actions from their side, shall not exceed double size of the fixed part of the annual remuneration	1. The amount of compensation ("top-echelon parachute"), paid by the Company in case of early termination of powers to members of executive bodies or key executives at the initiative of the Company and with absence of unfair actions from their side, did not exceed double size of the fixed part of the annual remuneration in the reporting period	☒ complied with ☐ partially complied with ☐ not complied with	
5.1	The Company has an efficiently operating risk management and internal control system aimed at ensuring reasonable confidence in achievement of objectives set by the Company			
5.1.1	The Board of Directors of the Company has defined the principles and approaches towards organization of the risk management and internal control system in place at the Company	1. Functions of various management bodies and subdivisions of the Company within the risk management and internal control system are clearly defined by the internal documents/relevant policy of the Company approved by the Board of Directors	☒ complied with ☐ partially complied with ☐ not complied with	
5.1.2	Executive bodies of the Company ensure development and maintenance of functioning of an efficient risk management and internal control system at the Company	1. Executive bodies of the Company provided for distribution of obligations, powers and responsibilities in respect to risk management and internal control between the managers (heads) of the subdivisions and departments subordinated to them	☒ complied with ☐ partially complied with ☐ not complied with	
5.1.3	The risk management and internal control system in place at the Company provides for objective, fair and clear understanding of the current status and prospects of the Company, integrity and transparency of the Company's reporting, reasonableness and acceptability of the risks undertaken by the Company	1. The Company has adopted an Anti-Corruption Policy. 2. There is a safe, confidential and available method (hotline) at the Company for informing the Board of Directors or the Audit Committee under the Board of Directors about the facts of breaching of the law, internal procedures, or the Company's Code of Ethics	☒ complied with ☐ partially complied with ☐ not complied with	
5.1.4	The Board of Directors of the Company takes necessary actions to make sure that the Company's existing risk management and internal control system complies with the principles and approaches towards its organization determined by the Board of Directors and that it functions effectively	1. During the reporting period, the Board of Directors (the Audit Committee and/or the Risk Committee, if any) arranged the assessment of reliability and efficiency of the risk management and internal control system in place. 2. In the reporting period, the Board of Directors reviewed the results of assessing the reliability and efficiency of the Company's risk management and internal control system, and information on the review results was included in the Annual Report of the Company	☒ complied with ☐ partially complied with ☐ not complied with	

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5.2	The Company organizes an internal audit to systematically and independently assess the reliability and efficiency of the risk management and internal control system and the corporate governance practices			
5.2.1	In order to conduct an internal audit, a separate structural subdivision has been established at the Company, or an independent external entity has been engaged. Functional and administrative accountabilities of the internal audit subdivision are separated. The internal audit subdivision is functionally accountable to the Board of Directors	1. In order to conduct an internal audit, the Company has a separate structural internal audit subdivision, which is functionally accountable to the Board of Directors or an independent third-party entity with the same principle of accountability has been engaged	☒ complied with ☐ partially complied with ☐ not complied with	
5.2.2	The internal audit subdivision assesses the reliability and efficiency of the risk management and internal control system, as well as the corporate governance practices, and applies generally accepted internal audit standards	1. In the reporting period, the reliability and efficiency of the risk management and internal control system was assessed as part of an internal audit. 2. In the reporting period, as part of an internal audit, an assessment of the corporate governance practice (certain practices) was conducted, including the information interaction procedures (e.g. on the issues of internal control and risk management) at all corporate management levels, as well as stakeholder interaction	☒ complied with ☐ partially complied with ☐ not complied with	
6.1	The Company and its activities are transparent for the shareholders, investors and other stakeholders			
6.1.1	There is an Information Policy developed and introduced at the Company, which provides for effective information interaction between the Company, shareholders, investors and other stakeholders	1. The Board of Directors of the Company has approved the Information Policy of the Company developed with account of the Code's recommendations. 2. During the reporting period, the Board of Directors (or one of its committees) considered the issue of efficiency of information interaction between the Company, shareholders, investors and other stakeholders, as well as the practicality (necessity) of revising the information policy of the Company	☒ complied with ☐ partially complied with ☐ not complied with	
6.1.2	The Company discloses information on the corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code	1. The Company discloses information on the corporate governance system in place at the Company and the general principles of corporate governance used by the Company, including on the Company's website in the Internet. 2. The Company discloses information on the composition of its executive bodies and the Board of Directors, independent members of the Board and their membership in the committees under the Board of Directors (as defined by the Code).	☐ complied with ☒ partially complied with ☐ not complied with	Criteria 1 is complied with. Explanation for Criteria 2: In the current conditions and taking into account the provisions of the Resolution of the Government of the Russian Federation No. 1102 dated 04.07.2023 ¹ , the Company does not disclose the above information (discloses it in a limited scope). The Company confirms that this non-compliance with the provisions of the Code is temporary and is related to the remaining external (geopolitical) conditions. The Company will return to full compliance with the Criteria once these conditions change.

¹ Resolution of the Government of the Russian Federation dated 04.07.2023 N 1102 "On peculiarities of disclosure and (or) provision of information subject to disclosure and (or) provision in accordance with the requirements of the Federal Law "On Joint-Stock Companies" and the Federal Law "On the Securities Market".

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		3. If there is an entity that controls the Company, the latter publishes a memorandum of the controlling entity in respect to the plans of such an entity concerning the corporate governance at the Company		Explanation for Criteria 3: As of the date of approval of this Report, the Company has no information about an existing shareholder who owns 50 and more percent of the MTS PJSC voting shares. In accordance with the provisions of applicable law and on the basis of information disclosed by the shareholders of MTS PJSC, it is publicly known and disclosed that the shareholder, owning jointly with its subsidiary 42.09% of the authorized capital of MTS PJSC, is Sistema PJSC.
6.2	The Company discloses complete, relevant and valid information about the Company in a timely manner to ensure the possibility of making justified decisions by the Company's shareholders and investors			
6.2.1	The Company discloses information in compliance with the principles of regularity, consistency and promptness, as well as of availability, validity, completeness and comparability of data being disclosed	1. The Company has a procedure that ensures work coordination of all structural subdivisions and employees of the Company involved in information disclosure or those whose activities may lead to the need to disclose information. 2. Provided that foreign shareholders own a substantial quantity of the Company's shares, information was disclosed not only in Russian, but also in one of the most common foreign languages during the reporting year 3. Provided that foreign shareholders own a substantial quantity of the Company's shares, information was disclosed not only in Russian, but also in one of the most common foreign languages during the reporting year	☒ complied with ☐ partially complied with ☐ not complied with	
6.2.2	The Company avoids a formal approach when disclosing information, and it discloses substantial information about its activities, even if disclosure of such information is not provided for by the law	1. The Company's Information Policy determines the approaches to disclosing information about other events (actions) that have a significant impact on the value or quotations of its securities, the disclosure of information about which is not provided for by the law. 2. The Company discloses full information on the structure of the Company's capital in accordance with Recommendation 290 of the Code in the Annual Report and on the Company's website in the Internet. 3. The Company discloses information on controlled entities that are of significant importance to it, including on the key areas of their activities, the mechanisms ensuring the accountability of controlled entities, the powers of the Board of Directors of the Company in relation to determining the strategy and evaluating the performance of controlled entities. 4. The Company discloses a non-financial report – a report on sustainable development, an environmental report, a report on corporate social responsibility or any other report containing non-financial information, including on the factors related to the environment (including factors related to ecology and climate change), the society (social factors) and corporate governance, except for a report of the issuer of equity securities and the Annual Report of the Joint Stock Company	☐ complied with ☒ partially complied with ☐ not complied with	Criteria 1 is complied with. Criteria 2 is complied with. Explanation for Criteria 3: In the current external (geopolitical) conditions and taking into account the provisions of the Resolution of the Government of the Russian Federation No. 1102 dated 04.07.2023, the Company discloses the above information in a limited scope. The Company confirms that this inconsistency with the provisions of the Code is temporary and is related to the remaining external (geopolitical) conditions. The Company will return to full compliance with the Criteria once these conditions change. Criteria 4 is complied with.

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6.2.3	The Annual Report of the Company, being one of the most important tools for information exchange with the shareholders and other stakeholders, contains information that allows for evaluating the results of the Company's activities over the year	1. The Annual Report of the Company contains information on the results of evaluation by the Audit Committee of the external and internal audit process efficiency. 2. The Annual Report of the Company contains information about the Company's policy in the field of environmental protection and the Company's social policy	☒ complied with ☐ partially complied with ☐ not complied with	
6.3	The Company provides information and documents at the request of the shareholders in accordance with the principles of an equal and unhindered access			
6.3.1	Shareholders' exercise of the right for access to documents and information of the Company is not accompanied with needless complexity	1. The Information Policy (internal documents defining the Information Policy) of the Company determines an easy procedure for providing access to information and documents of the Company as requested upon by shareholders. 2. The Information Policy (internal documents defining the Information Policy) contains provisions assuming that in case of shareholder's request for information about entities controlled by the Company, the Company will take the necessary actions to obtain such information from the corresponding entities controlled by the Company	☒ complied with ☐ partially complied with ☐ not complied with	
6.3.2	When the Company provides information to the shareholders, a reasonable balance is maintained between the interests of specific shareholders and those of the Company itself, which is interested in preserving the confidentiality of its important commercial information capable of exerting a substantial influence on its competitiveness	1. During the reporting period, the Company did not reject requests from the shareholders for provision of information, or such rejections were justified. 2. In cases defined by the Information Policy of the Company, the shareholders are made aware of the confidential nature of the information and undertake to maintain its confidentiality	☒ complied with ☐ partially complied with ☐ not complied with	
7.1	Actions that considerably influence or may influence the structure of the joint stock capital and financial condition of the Company and, therefore, the position of the shareholders (major corporate actions) are carried out under fair conditions, providing for compliance with the rights and interests of the shareholders, as well as of other stakeholders			
7.1.1	Major corporate actions include reorganization of the Company, acquisition of 30 or more percents of the voting shares of the Company (acquisition), closing of major transactions by the Company, increase or decrease in the authorized capital of the Company, listing and delisting of the Company's shares, as well as other actions, which may lead to a substantial change in the rights of the shareholders or violation of their interests. The Company's Charter defines a list (criteria) of transactions or other actions, being major corporate actions, and such actions fall within the competence of the Board of Directors of the Company	1. The Company's Charter defines a list (criteria) of transactions or other actions, being major corporate actions. Decision-making in respect to major corporate actions falls within the competence of the Board of Directors according to the Company's Charter. In cases where implementation of these corporate actions is directly related by the law to the competence of the general meeting of shareholders, the Board of Directors provides relevant recommendations to the shareholders	☒ complied with ☐ partially complied with ☐ not complied with	

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7.1.2	The Board of Directors plays a key role in making decisions or developing recommendations in respect to major corporate actions; the Board of Directors relies on the position of the Company's independent directors	1. There is a procedure in place at the Company, in accordance with which independent directors state their position on the major corporate actions prior to their approval	■ complied with ☐ partially complied with ☐ not complied with	
7.1.3	When making major corporate actions, which affect the rights and legitimate interests of the shareholders, equal conditions are provided for all the shareholders of the Company. If the mechanisms stipulated by the law and aimed at protecting the shareholders' rights are insufficient, additional measures shall be taken to protect the rights and legitimate interests of the Company's shareholders. At the same time, the Company not only complies with the formal requirements of the law, but also adheres to the principles of corporate governance set forth in the Code.	1. Taking into account specific features of the Company's activity, its Charter attributes approval of other essential transactions, in addition to those provided for by the law, to the competence of the Board of Directors. 2. During the reporting period, all major corporate actions were approved prior to their implementation	■ complied with ☐ partially complied with ☐ not complied with	
7.2	The Company provides for such a procedure of making major corporate actions, which enables the shareholders to obtain complete information on such actions in a timely manner and to influence such actions and guarantees the observance and an adequate level of protection of their rights, when such actions are undertaken			
7.2.1	Information on making substantial corporate actions is disclosed with explanation of reasons, conditions and effects of such actions	1. In case when the Company took significant corporate actions during the reporting period, the Company disclosed information on such actions in a timely manner and in detail, including the reasons, conditions for taking such actions and their consequences for shareholders	■ complied with ☐ partially complied with ☐ not complied with	
7.2.2	Rules and procedures related to the implementation of major corporate actions by the Company are stipulated in the internal documents of the Company	1. The Company's internal documents determine the cases and the procedure of engagement of an independent appraiser to define the cost of property alienated or purchased under a major transaction or an interested-party transaction. 2. The Company's internal documents provide for the procedure of engagement of an appraiser to evaluate the cost of purchase and redemption of the Company's shares. 3. If there is no formal interest of a member of the Board of Directors, the sole executive body, a member of the collective executive body of the Company, a person being the controlling entity of the Company or a person entitled to give the Company mandatory instructions, in the transactions of the Company, and yet there is a conflict of interest or their other actual interest, the internal documents of the Company assume that such persons do not participate in voting on the approval of such a transaction	■ complied with ☐ partially complied with ☐ not complied with	

MAJOR AND INTERESTED-PARTY TRANSACTIONS

Information is provided as of December 31, 2024.

In 2024, MTS PJSC did not make any transactions recognized as major transactions in accordance with the Federal Law “On Joint Stock Companies.” The MTS PJSC Charter does not contain any requirements as to extending the procedure for approving major transactions to other transactions made by the Company.

MTS PJSC applies the procedure for making interested-party transactions provided for by Chapter XI of the Federal Law

“On Joint Stock Companies”: notifications of such planned transactions shall be sent in accordance with clause 1.1 of Article 81 of the Federal Law “On Joint Stock Companies”; a transaction shall be submitted for consideration by the management bodies (the Board of Directors / General Meeting of Shareholders) as an interested-party transaction only if the Company receives the claims stipulated in clause 1 of Article 83 of the Federal Law “On Joint-Stock Companies.” At the same time, the Company has not received any such claims regarding the transactions mentioned below.

No.	Contract Name	Parties and material terms & conditions of the transaction	Grounds for Interest
1.	Supplement Agreement No. 2 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: The interest rate on the loan is set in the amount of 75 percent of the key rate of the Central Bank of the Russian Federation. Should the key rate of the Central Bank of the Russian Federation change within the Contract duration, the amount of interest payable on the loan shall change respectively. Cost: Transaction price: not exceeding RUB3,349,000,000. VAT exempt. Term: This Supplement Agreement comes into effect upon its signing.	Member of MTS PJSC Management Board is concurrently a member of the Board of Directors of a party to the transaction
2.	Contribution to the property	Sole Member: MTS PJSC Company: subsidiary of MTS PJSC Subject matter: Contribution to the property of the Company in the amount of One billion five hundred and twenty million (1,520,000,000) rubles by the Sole Member of the Company — MTS PJSC. Cost: One billion five hundred and twenty million (1,520,000,000) rubles. VAT exempt. Term: No later than December 31, 2024. Other essential terms & conditions: Form of payment: By monetary funds.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
3.	Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: The Lender provides a loan to the Borrower on a repayment basis in total not exceeding Four billion eight hundred million (4,800,000,000) rubles (“Debt Limit”). Cost: not exceeding RUB7,338,000,000.00. VAT exempt. Term: The Borrower shall repay the loan as a lump sum or by installments by December 31, 2026. Other essential terms & conditions: Interest rate: in the amount of the key interest rate of the Central Bank of Russia +2% per annum (currently, 18% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction

4.	Supplement Agreement No. 1 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: Increase in the limit under the Loan Contract up to RUB752,000,000 (the current limit is RUB100,000,000), extension of the Loan Contract until December 31, 2026 (the current term is until December 31, 2024). Cost: not exceeding RUB1,152,000,000. VAT exempt. Term: This Supplement Agreement comes into effect upon its signing. Other essential terms & conditions: Interest rate: in the amount of the key interest rate of the Central Bank of Russia +2% per annum (currently, 18% of the loan amount per annum).	Member of MTS PJSC Management Board is concurrently a member of the Board of Directors of a party to the transaction
5.	Supplement Agreement No. 2 to the Contract	Agent: MTS PJSC Principal: subsidiary of MTS PJSC Subject matter: Extending the term of fulfillment of obligations under the Agency Contract until December 31, 2024 and determination of the cost for the new period of the Contract. Cost: not exceeding RUB522,000,000, VAT inclusive, including for the period from December 01, 2020 to December 31, 2023 — RUB378,000,000, VAT inclusive for the period from 01.01.2024 to December 31, 2024 — RUB144,000,000, VAT inclusive Term of the Contract: from December 01, 2020 to December 31, 2023 Term of SA2: from December 01, 2020 to December 31, 2024 The Supplement Agreement comes into effect as soon as signed by the parties and govern relations between the parties that have arisen since August 01, 2023.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
6.	Supplement Agreement No. 5 to Service Contract	Commercial Representative: subsidiary of MTS PJSC Customer: MTS PJSC Subject matter of the Contract: providing After-Sales Services to MTS clients in showrooms within the area of MTS activities pursuant to the Rules: — acceptance and registration of Applications filed by the clients pursuant to the Rules; — reference and information services provided to the clients in showrooms pursuant to the Rules with respect to the matters related to executing the Subscriber Contract in accordance with the current legislation of the Russian Federation governing the provision of communications services, as well as with respect to other MTS services provided to the clients; — acceptance of MTS equipment from the client in accordance with the Rules; — acceptance and signing of Addenda to Subscriber Contracts, as well as their registering pursuant to the Rules. Subject matter of SA5: changing the procedure for calculating fees. Cost: the previously approved limit is RUB6,000,000,000, VAT inclusive. Final limit — RUB12,000,000,000, VAT inclusive Term: Indefinite period	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
7.	Supplement Agreement No. 5 to the Loan Contract	Lender: subsidiary of MTS PJSC Borrower: MTS PJSC Subject matter: Increase in the limit under the Loan Contract up to RUB5,000,000,000 (the current limit is RUB 3,000,000,000), extension of the Loan Contract until December 31, 2026 (the current term is until March 31, 2024). Cost: Transaction price: not exceeding RUB8,233,000,000. VAT exempt. Term: This Supplement Agreement comes into effect upon its signing. Other essential terms & conditions: Interest rate: key interest rate of the Central Bank of Russia (currently, 16% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently the members of the Board of Directors of a party to the transaction

8.	Loan Contract	Lender: subsidiary of MTS PJSC Borrower: MTS PJSC Subject matter: The Lender loans to the Borrower, as a loan, monetary funds on a repayment basis in the total amount not exceeding Three billion (3,000,000,000.00) rubles ("Debt Limit"). Cost: Transaction price: not exceeding RUB4,389,000,000.00. VAT exempt. Term: The Borrower shall repay the loan as a lump sum or by installments by December 31, 2026. Other essential terms & conditions: Interest rate: key interest rate of the Central Bank of Russia (currently, 16% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
9.	Supplement Agreement No. 2 to the Loan Contract	Lender: subsidiary of MTS PJSC Borrower: MTS PJSC Subject matter: Increase in the limit under the Loan Contract up to RUB5,500,000,000 (the current limit is RUB 4,000,000,000), extension of the Loan Contract until December 31, 2026 (the current term is until December 31, 2024). Cost: Transaction price: not exceeding RUB8,475,000,000. VAT exempt. Term: This Supplement Agreement comes into effect upon its signing. Other essential terms & conditions: Interest rate: key interest rate of the Central Bank of Russia (currently, 16% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
10.	Supplement Agreement No. 1 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: Increase in the limit under the Loan Contract up to RUB5,438,000,000 (the current limit is RUB 438,000,000), extension of the Loan Contract until December 31, 2026 (the current term is until September 30, 2024). Interest rate: in the amount of the key interest rate of the Central Bank of Russia +2% per annum (currently, 18% of the loan amount per annum). Term: This Supplement Agreement comes into effect upon its signing. Cost: not exceeding RUB8,279,000,000. VAT exempt. The transaction price shall be calculated as follows: amount of the loan previously granted + amount of the loan newly granted + interest amount for using the loan over the period before the loan amount increase + interest amount for using the loan over the period from the loan increase date to the Contract expiration date based on the new term of the Contract.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
11.	Agreement for Rendering Advertising Services	Contractor/MTS: MTS PJSC Customer/Client: subsidiary of MTS PJSC Subject matter: MTS shall render the Client the Services for placing Advertising Materials, while the Client shall pay for the Services in accordance with the Contract terms and conditions. MTS shall render the Client the Services based on Orders. Cost: not exceeding RUB8,500,000,000 per year, VAT inclusive. Term: The Contract comes into effect as soon as signed by the authorized representatives of the Parties, cover relations of the Parties that have arisen since November 01, 2023 and remain valid for twelve (12) months, subject to auto-extension. Other essential terms & conditions: none	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
12.	Supplement Agreement No. 2 to the Donation Contract	Donor: MTS PJSC Donatee: Non-Profit Organization Subject matter: increasing the amount of the donation and extending the term of the contract, the subject of which is a voluntary donation for the statutory activities of the Fund in 2023–2024, corresponding to the priority areas of charitable activities of the Donor: — unconditional help to children having severe diseases who are unable to get necessary medical support from the state and whose families cannot afford the treatment required for them; — education; — children and adults cultural and creative development. Cost: the previously approved limit is RUB250,000,000, VAT exempt. the new limit is RUB285,200,000, VAT exempt Term: from the date of signing the contract until March 20, 2025 Does not apply to the period prior to the date of consideration of the transaction by the Audit Committee	President of MTS PJSC, member of Management Board of MTS PJSC is concurrently a member of the Board of a party to the transaction Member of MTS PJSC Management Board is concurrently a member of the Board of a party to the transaction

13.	Contract on alienation of exclusive right	Rightholder: MTS PJSC Acquirer: subsidiary of MTS PJSC Subject matter: The Rightholder shall transfer in full the exclusive right to each Software Program belonging solely to it to the Acquirer for a Fee (alienation of the exclusive right) Cost: RUB968,833,381.38, VAT inclusive, including: — for the full transfer of exclusive rights to the Client Apps in the amount of RUB611,170,202.22, VAT inclusive; — for the full transfer of the exclusive right to other software in the amount of RUB298,052,649.30, VAT inclusive. Term: The Contract comes into effect as soon as signed by the Parties and is valid until the Parties have fulfilled the contractual obligations.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
14.	Partnership Contract	Party 1: MTS PJSC Party 2: subsidiary of MTS PJSC Subject matter: The Parties have agreed to cooperate in terms of joint promotion of their services and Convergent Proposals, as well as part of Subscription by holding a Set of events agreed upon by the Parties. Cost: not exceeding RUB5,365,951,491.60, VAT inclusive. Term: The Agreement comes into effect on April 01, 2024 and is valid until March 31, 2025. The Agreement validity term shall be extended automatically for each subsequent calendar year.	Member of MTS PJSC Board of directors, members of MTS PJSC Management board are concurrently members of the Board of Directors of a party to the transaction
15.	Supplement Agreement No. 1 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: Extension of the Loan Contract validity term until December 31, 2026 (the current term is until March 23, 2024). The loan amount shall remain unchanged (the Debt Limit may not exceed RUB1,000,000,000). Cost: Transaction price: not exceeding RUB1,210,000,000. VAT exempt. Term: This Supplement Agreement comes into effect from the date of signing and covers the Parties' relations that have arisen since March 23, 2024. Other essential terms & conditions: Interest rate: 4.25 percent per annum.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction. President of MTS PJSC is concurrently a member of the Board of Directors of a party to the transaction
16.	Supplement Agreement No.6 to Supplement Agreement No. 1 to Framework Contract	Customer: MTS PJSC Contractor: subsidiary of MTS PJSC Subject matter: increase in the limit of Supplement Agreement No. 1 to the Framework Contract for 2024 Cost: The cost of SA No.1 in 2024 shall not exceed RUB2,875,914,622.80, VAT inclusive. Term: Upon signing by the Parties and until December 31, 2024. The terms and conditions shall apply to relations between the Parties that have arisen since January 01, 2024. Auto-renewal on the same terms and conditions for one calendar year, unlimited number of times.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
17.	Contribution to the property	Participant: MTS PJSC Company: subsidiary of MTS PJSC Subject matter: Contribution to the property of Stream LLC in the amount not exceeding One billion one hundred and eight million six hundred and sixty-three thousand three hundred and eighty-six (1,108,663,386.00) rubles by the participant of the Company — MTS PJSC. Transaction price: Not more than One billion one hundred and eight million six hundred and sixty-three thousand three hundred and eighty-six (1,108,663,386.00) rubles. VAT exempt. Term: Not later than within six months from the date of the relevant Decision. Form of payment: By monetary funds.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
18.	The alienation of the exclusive right to Software program	Rightholder: MTS PJSC Acquirer: subsidiary of MTS PJSC Subject matter: The alienation of the exclusive right to Software program Transaction price: RUB923,886,155, plus VAT at the rate of 20% in the amount of RUB184,777,231. The total amount is RUB1,108,663,386. Term: The Rightholder shall transfer the Objects (compiled on the basis of the source code), source code of each Object, technical and other documentation for the Objects to the Acquirer by providing the Objects on hard disk within fifteen (15) working days from the date of signing this Contract	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction

19.	Contribution to the property	Sole member: MTS PJSC Company: subsidiary of MTS PJSC Subject matter: making a contribution to the Company's property by the Sole Participant. Cost: not exceeding One billion three hundred sixty million (1,360,000,000) rubles; VAT exempt. Term: Not later than within six months from the date of the relevant Decision. Other essential terms & conditions: form of payment — monetary funds.	Members of MTS PJSC Management Board, member of MTS PJSC Board of Directors are concurrently members of the Board of Directors of a party to the transaction
20.	Contribution to the authorized capital	Participant: MTS PJSC Company: subsidiary of MTS PJSC Subject matter: making a contribution to the authorized capital of the Company by the Participant. Cost: at least One billion four hundred and fifty million (1,450,000,000) rubles. VAT exempt. Term: December 31, 2024 at the latest. Other material terms & conditions: the procedure for making a contribution and the form of payment: Part of the contribution is made in non-monetary form by contributing to the authorized capital of the Company of the following shares owned by MTS PJSC: 1) shares in the amount of 99% of the authorized capital of another company with a par value of RUB6,278,971,050; 2) shares in the amount of 99.8% of the authorized capital of another company, with a par value of RUB98,212,381.60. The monetary value of the non-monetary contribution will be determined by an independent appraiser and will be at least 1,000,000,000 rubles. Part of the contribution is made in monetary form by MTS PJSC contributing to the authorized capital of the Company in the amount of RUB450,000,000.	Member of the Board of Directors of MTS PJSC is concurrently the CEO of a party to the transaction
21.	Loan Contract	Party 1: subsidiary of MTS PJSC Party 2: Borrower: MTS PJSC Subject matter: The Lender provides the Borrower with monetary funds on a repayable basis as a loan in the total amount not exceeding One billion (1,000,000,000) rubles ("the Debt Limit"). Cost: not exceeding RUB1,402,000,000. VAT exempt. Term: The Borrower shall repay the loan as a lump sum or by installments by December 31, 2026. Other essential terms & conditions: interest rate: key rate of the Central Bank of Russia (currently, 16% of the loan amount per annum).	Member of MTS PJSC Management Board is concurrently a member of the Board of Directors of a party to the transaction
22.	Contribution to the property	Participant: MTS PJSC Company: subsidiary of MTS PJSC Subject matter: contribution to the property in the amount not exceeding Two billion two hundred and five million (2,205,000,000) rubles by the participant of the Company — MTS PJSC. Cost: not exceeding Two billion two hundred five million (2,205,000,000) rubles. VAT exempt. Term: Not later than within six months from the date of the relevant Decision. Other essential terms & conditions: form of payment — monetary funds.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction Member of MTS PJSC Management Board is concurrently the CEO and the member of the Board of Directors of a party to the transaction
23.	Loan Contract	Lender: subsidiary of MTS PJSC Borrower: MTS PJSC Subject matter: The Lender provides the Borrower with funds in the ownership in the manner and on the terms stipulated by this Contract, provided that the amount of the lump-sum debt on any day of the validity of this Contract may not exceed Six billion and 00/100 (6,000,000,000) rubles. Cost: not exceeding RUB8,871,000,000. VAT exempt. Term: The Borrower undertakes to return to the Lender the amount of the loan received under this Contract within the Debt Limit no later than June 24, 2027. Other essential terms & conditions: interest rate: key rate of the Central Bank of Russia (currently, 16% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction

24.	Contract for traffic transmission for SMS messaging services	Contractor: MTS PJSC Messaging customer: subsidiary of MTS PJSC Subject matter: advertising and other messaging to the Customer's clients about MTS PJSC services and products. A package of SMS messages is provided to the customers of messaging. The package cost also includes sending SMS messages by the messaging Customer to the network of other Operators. Cost: RUB7,320,000,000.00, VAT inclusive Term: The Contract comes into force upon its signing by the authorized representatives of the Parties, shall apply to the relations of the Parties arising from September 01, 2024, and shall remain in force until August 31, 2026. The Parties have agreed to consider this Contract as extended automatically for each subsequent calendar year, unless either Party declares in writing thirty (30) days prior to the date of its expiration.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction Member of MTS PJSC Management Board is concurrently the CEO and the member of the Board of Directors of a party to the transaction
25.	Supplement Agreement No. 6 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: extending the loan contract term until December 31, 2026 (current term — until December 31, 2024) without increasing the limit (current limit — RUB3,100,000,000). Cost: not exceeding RUB5,004,000,000.00. VAT exempt. Term: The Supplement Agreement comes into effect upon its signing. Interest rate: key interest rate of the Central Bank of Russia (currently, 18.00% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
26.	Supplement Agreement No. 6 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: extending the loan contract term until December 31, 2026 (current term — until December 31, 2024) without increasing the limit (current limit — RUB3,100,000,000). Cost: not exceeding RUB4,901,000,000. VAT exempt Term: The Supplement Agreement comes into effect upon its signing. Interest rate: key interest rate of the Central Bank of Russia (currently, 18.00% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
27.	Supplement Agreement No. 4 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: extending the loan contract term until December 31, 2026 (current term — until December 31, 2024) without increasing the limit (current limit — RUB3,100,000,000). Cost: not exceeding RUB4,791,000,000. VAT exempt. Term: The Supplement Agreement comes into effect upon its signing. Interest rate: key interest rate of the Central Bank of Russia (currently, 18.00% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
28.	Supplement Agreement No. 4 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: extending the loan contract term until December 31, 2026 (current term — until December 31, 2024) without increasing the limit (current limit — RUB3,100,000,000). Cost: not exceeding RUB4,971,000,000. VAT exempt Term: The Supplement Agreement shall become effective upon its signing. Interest rate: key interest rate of the Central Bank of Russia (currently, 18.00% of the loan amount per annum).	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
29.	Loan Contract	Lender: subsidiary of MTS PJSC Borrower: MTS PJSC Subject matter: The Lender provides the monetary funds to the Borrower's ownership under the procedure and on the terms as specified by this Contract provided that the total aggregate debt at any time within the Contract validity period shall not exceed Five billion six hundred million and 00/100 (5,600,000,000.00) rubles. Cost: not exceeding RUB8,786,000,000.00. VAT exempt. The transaction price shall be calculated as follows: loan amount + interest amount for using the loan over the entire loan period. Interest rate: key interest rate of the Central Bank of Russia (currently, 19% of the loan amount per annum). Term: The Borrower shall repay the loan not later than October 15, 2027 Other essential terms & conditions: None	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction

30.	Contribution to the property	Party 1: MTS PJSC Party 2: subsidiary of MTS PJSC Subject matter: Contribution to the property of the Company in the amount of Two billion one hundred and twenty-three million (2,123,000,000) rubles by the sole member of the Company — MTS PJSC. Cost: Two billion one hundred twenty-three million (2,123,000,000) rubles. VAT exempt. Term: Contribution to the property of the Company shall be paid not later than within six months from the date of the relevant Decision. Other essential terms & conditions: Payment of the contribution to the property of the Company shall be made in the form of remittance to the bank account of the Company.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction President of MTS PJSC is concurrently a member of the Board of Directors of a party to the transaction
31.	Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: The Lender provides a loan to the Borrower on a repayment basis in total not exceeding Four billion eight hundred million (4,800,000,000.00) rubles ("Debt Limit"). Cost: Transaction price: not exceeding RUB7,818,000,000.00. VAT exempt. Interest rate: key interest rate of the Central Bank of Russia +2% (currently, 21% of the loan amount per annum). Term: The Borrower shall repay the loan not later than October 15, 2027 Other essential terms & conditions: None	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
32.	Contribution to the property	Party 1: MTS PJSC Party 2: subsidiary of MTS PJSC Subject matter: Contribution to the property of the Company in the amount not exceeding Two billion (2,000,000,000) rubles by the participant of the Company – MTS PJSC. Cost: Not exceeding Two billion (2,000,000,000) rubles. VAT exempt. Term: Contribution to the property of the Company shall be paid not later than within six months from the date of the relevant Decision. Other essential terms & conditions: Payment of the contribution to the property of the Company shall be made in the form of remittance to the bank account of the Company.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
33.	Supplement Agreement No. 1 to Contract on the allocation of funds on a returnable basis	Lender: subsidiary of MTS PJSC Borrower: MTS PJSC Subject matter: Extending the Loan Contract term until December 31, 2027 (current term – until December 31, 2024) without increasing the limit (current limit — RUB1,000,000,000). Cost: not exceeding RUB1,611,000,000. VAT exempt. Interest rate: key interest rate of the Central Bank of Russia (currently, 19.00% of the loan amount per annum). Term: The Borrower shall repay the loan not later than December 31, 2027	Member of the Management Board of MTS PJSC is concurrently the CEO of a party to the transaction
34.	Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: The Lender provides the Borrower with monetary funds on a repayable basis as a loan in the total amount not exceeding One billion eight hundred seventeen million (1,817,000,000) rubles (the "Debt Limit"). Interest rate: key interest rate of the Central Bank of Russia +2% (currently, 21% of the loan amount per annum). Term: The Borrower shall repay the loan within the term by September 30, 2027. Transaction price: not exceeding RUB2,950,000,000.00. VAT exempt.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction

35.	Supplement Agreement No. 2 to the Contract	Customer: MTS PJSC Contractor: subsidiary of MTS PJSC Subject matter: Increase in the volume and cost of rendering comprehensive fee-based services for areas of PR services; marketing services; services regarding rates and regional policy; linear broadcasting support services; strategic media business development services. Cost: RUB1,831,596,808.61, VAT inclusive. (the previously approved cost is RUB1,413,549,959.34 VAT inclusive;) Term of the Contract: The Contract comes into effect on January 01, 2024 (provided the Parties have passed corporate procedures) and shall be valid until December 31, 2024, but in any case, until the Parties fulfill their obligations properly and in full. Validity term of SA No.2: This Supplement Agreement comes into effect upon its signing and govern relations between the Parties arising after January 01, 2024.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
36.	Supplement Agreement No. 5 to the Contract	Party 1: MTS PJSC Party 2: subsidiary of MTS PJSC Subject matter of the Contract: increase the limit under the Service Contract, where the Parties have agreed to cooperate in terms of joint promotion of their services and Convergent Proposals, as well as by holding a Set of events agreed upon by the Parties. Cost: not exceeding RUB9,278,718,404.40, VAT inclusive (previously approved limit not exceeding RUB5,365,951,491.60, VAT inclusive) Cost: not exceeding RUB5,365,951,491.60, VAT inclusive. Contract validity term: The Contract comes into effect on April 01, 2024 and is valid until March 31, 2025. The Contract validity term shall be extended automatically for each subsequent calendar year.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
37.	Supplement Agreement No. 1 to Supplement Agreement No. 21 for goods supply	Buyer: MTS PJSC Supplier: subsidiary of MTS PJSC Subject matter: changing maximum quantitative (866,000 units of goods: smart-phones, laptops, routers, etc.) and price values for certain categories of goods for the period from December 1, 2023, through December 31, 2024. Cost: RUB9,960,000,000, VAT 20% inclusive. the previously approved limit is RUB4,878,000,000, VAT inclusive Term: This Agreement comes into effect as of the date of its signing by the Parties and remain valid until the Parties perform obligations hereunder in full. The Agreement is valid for the period from December 1, 2023 through December 31, 2024.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
38.	Supplement Agreement No. 3 to the Loan Contract	Lender: MTS PJSC Borrower: subsidiary of MTS PJSC Subject matter: Increasing the limit under the Loan Contract up to RUB6,438,000,000 (the current limit is RUB 5,438,000,000). Interest rate: in the amount of the key interest rate of the Central Bank of Russia +2% per annum (currently, 23.00% of the loan amount per annum). Term: The Supplement Agreement comes into effect upon its signing. Term of the Loan Contract: until December 31, 2026. Transaction price: not exceeding RUB9,975,000,000. VAT exempt. The transaction price shall be calculated as follows: amount of the loan previously granted + amount of the loan newly granted + interest amount for using the loan over the period before the loan amount increase + interest amount for using the loan over the period from the loan increase date to the Contract expiration date.	Member of MTS PJSC Management Board is concurrently a member of the Board of Directors of a party to the transaction
39.	Supplement Agreement No. 22 to the Contract for the Supply of Goods	Buyer: MTS PJSC Supplier: subsidiary of MTS PJSC Subject matter: setting maximum quantitative (736,000 units of goods: smart-phones, laptops, routers, etc.) and price values for certain categories of goods for the period from January 1, 2025 through December 31, 2025. Cost: RUB7,800,000,000 per annum, VAT inclusive. Term: The Agreement comes into effect on January 1, 2025 and shall remain in force through December 31, 2025.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction

40.	Contract	Contractor: subsidiary of MTS PJSC Customer: MTS PJSC Subject matter: rendering comprehensive fee-based services: PR, marketing, services regarding rates and regional policy; linear broadcasting support services; strategic media business, content development services. Cost: RUB1,828,327,622.25, VAT inclusive Term: The Contract comes into effect from January 01, 2025 and shall remain in force until December 31, 2025, subject to auto-renewal.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
41.	Supplement Agreement No.7 to Supplement Agreement No.1 to Framework Contract	Buyer: MTS PJSC Seller: subsidiary of MTS PJSC Subject matter of the Framework Contract: rendering a set of services using the Seller's infrastructure for the purposes of providing communications services to MTS subscribers. The subject matter of SA No. 1 to Framework Contract: — enabling shared use of the set of technical communication facilities from OLT to the ONT port aimed at providing the Customer's subscribers with communication services; — performing maintenance on the Contractor's network technical communication facilities to be made available for use, and of the subscriber line in area of responsibility of the Customer and the subscriber; — settling the incidents related to adjusting and replacing the end equipment and the subscriber line in area of responsibility of the Customer and the subscriber; — executing the Customer's requests for activating BBA/TV and other services for subscribers-individuals, as well as making adjustments. Subject matter of SA No. 7 to SA No. 1: extending Supplement Agreement No. 1 to the Framework Contract for 2025. Cost of SA No. 1: not exceeding RUB3,999,278,572.80, VAT inclusive The previously approved cost is RUB2,875,914,622.80 VAT inclusive. Term of SA No. 1: upon signing by the Parties and until December 31, 2025. The terms and conditions shall apply to relations between the Parties that have arisen since January 01, 2025. Auto-renewal on the same terms and conditions for one calendar year, unlimited number of times.	Members of MTS PJSC Management Board are concurrently members of the Board of Directors of a party to the transaction
42.	Agreement of Purchase and Sale of a Share in the Authorized Capital of MTS PJSC Subsidiary	Buyer: MTS PJSC Seller: MTS PJSC subsidiary Subject matter: Purchase and sale of the share in the amount of 12.173% with the par value of RUB 147 291.71 in the authorized capital of other MTS PJSC subsidiary Value: Purchase Price is RUB 1 365 000 000 (one billion three hundred and sixty-five million), VAT free Term: Subject to making an entry in the Unified State Register of Legal Entities on transition of rights to the Share to the Buyer, the Buyer shall pay to the Seller the Purchase Price (as a lump sum or by installments) on or prior to December 31, 2026. Other material terms and conditions: The Purchase Price shall be paid by way of transfer of the respective monetary amount in rubles to the Seller's settlement account. The obligation of the Buyer to pay the Purchase Price shall be considered fulfilled at the time of debiting the amount (last installment) equal to the Purchase Price in rubles from the Buyer's settlement account.	The Members of the Management Board of MTS PJSC are simultaneously the Members of the Board of Directors of MTS PJSC subsidiary, which is a party to the transaction. A Member of the Management Board of MTS PJSC is simultaneously the General Director and a Member of the Board of Directors of MTS PJSC subsidiary, which is a party to the transaction.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF MTS PJSC AND SUBSIDIARIES FOR 2023



Information is available on MTS PJSC corporate website

https://storage.ir.mts.ru/mts-ir/images/documents/statements/MTS%20IFRS%20Cons%20FS%2023-24%20e%2005.03%20final_processed.pdf

MTS INFORMATION CHANNELS



About the Company

https://ir.mts.ru/about_mts/mts_at_a_glance



Corporate releases

https://ir.mts.ru/news_and_events/corporate_releases



Financial statements of MTS

https://ir.mts.ru/investors/financial_center/financial_results



To investors and shareholders

https://ir.mts.ru/about_mts/corporate_governance



Sustainable development

<https://ir.mts.ru/sustainability>

CONTACTS AND ADDITIONAL INFORMATION ABOUT MTS

About the Company

Full trade name of the Company:

- in Russian: Публичное акционерное общество «Мобильные ТелеСистемы»
- in English: Mobile TeleSystems Public Joint Stock Company

Short trade name of the Company:

- in Russian: ПАО «МТС»
- in English: MTS PJSC

Location of MTS PJSC: bldg 1, 4 Marksistskaya St., Moscow, 109147, Russian Federation

Phone: +7 (495) 911-65-55

Fax: +7 (495) 911-65-69

Correspondence address of MTS PJSC: bldg. 2, 5 Vorontsovskaya St., 109147, Moscow, Russian Federation

Email: reception@mts.ru

Website: mts.ru

Information on the Shareholder and Investor Relations Department

Location of Shareholder and Investor Relations Department

bldg 2, 5 Vorontsovskaya St., 109147, Moscow, Russian Federation

Shareholder Relations Department

Corporate Governance Development of MTS PJSC:

Phone: +7 (495) 911-65-55

Fax: +7 (495) 911-65-69

Email: shareholder@mts.ru

Investor Relations Department

MTS PJSC Investor Relations and Capital Markets Center

Phone: +7 (495) 223-20-25

Email: ir@mts.ru

Auditor

Business Solutions and Technologies Joint Stock Company

Address: 1/20 Bolshoi Balkansky Lane, 129090, Moscow

Phone: +7 (495) 787-06-00

Fax: +7 (495) 787-06-01

Website: delret.ru

Registrar

Reestr Joint Stock Company

Address: 1/20 Bolshoi Balkansky Lane, 129090, Moscow

Phone: +7 (495) 617-01-01

Email: reestr@aoreestr.ru

Website: aoreestr.ru

Depository

Non-Bank Credit Organization Closed Joint Stock Company

National Settlement Depository

Address: 12 Spartakovskaya St., 105066, Moscow

Multichannel phone: +7 (495) 234-48-27

Email: info@nsd.ru

Website: nsd.ru

FEEDBACK

Dear Reader,

We have presented for your attention the 2023 Annual Report of MTS PJSC.

It is important for us to keep the most transparent and honest dialogue with all stakeholders.

Your feedback and suggestions will help us improve the quality of future reports, their level of information and relevance.

Please send us your questions and comments to the Report:

- by e-mail at: shareholder@mts.ru
- or by mail at: MTS PJSC, bldg 2, 5 Vorontsovskaya St., 109147, Moscow.

Thank you for your feedback!

