

The MTS logo is a red diamond shape with the letters "MTS" in white, bold, sans-serif font inside it.

MTS

ACCELERATING

DIGITAL

Cautionary statement

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking statements by terms such as “expect,” “believe,” “anticipate,” “estimate,” “intend,” “will,” “could,” “may” or “might,” and the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not undertake or intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. We refer you to the documents MTS files from time to time with the U.S. Securities and Exchange Commission, specifically the Company’s most recent Annual Report on Form 20-F. These documents contain and identify important factors, including those contained in the section captioned “Risk Factors”, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the severity and duration of current economic and financial conditions, including the ongoing geopolitical situation relating to Ukraine; the expansion of sanctions and restrictive measures imposed on the Russian Federation and a number of Russian legal and natural person by the United States, European Union, United Kingdom and certain other states, including the sanctions recently imposed on MTS Bank and their potential impact on our operations, assets and liabilities; responsive regulatory, legislative and other measure[s] by Russian authorities as a reaction to foreign sanctions and restrictive measures;

volatility in interest and exchange rates (including fluctuations of the value of the Russian ruble against the U.S. dollar and the Euro); commodity and equity prices and the value of financial assets; the impact of decisions by a number of foreign suppliers of goods, works, services and software to suspend or stop providing the supply of goods, works, services and software to Russian legal and natural persons; the impact of Russian, U.S. and other foreign government programs to restore liquidity and stimulate national and global economies; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses; potential fluctuations in quarterly results; our competitive environment; our dependence on new service development and tariff structures; rapid technological and market change; risks associated with telecommunications infrastructure; and governmental regulation of the telecommunications industries; as well as other risks associated with operating in Russia and the CIS volatility of our stock price financial risk management and future growth. In addition, we may face the potential aggravation of existing risk factors or appearance of new risks that may affect our operations and financial results.

A red diamond shape with rounded corners, containing the white text '01'.

01

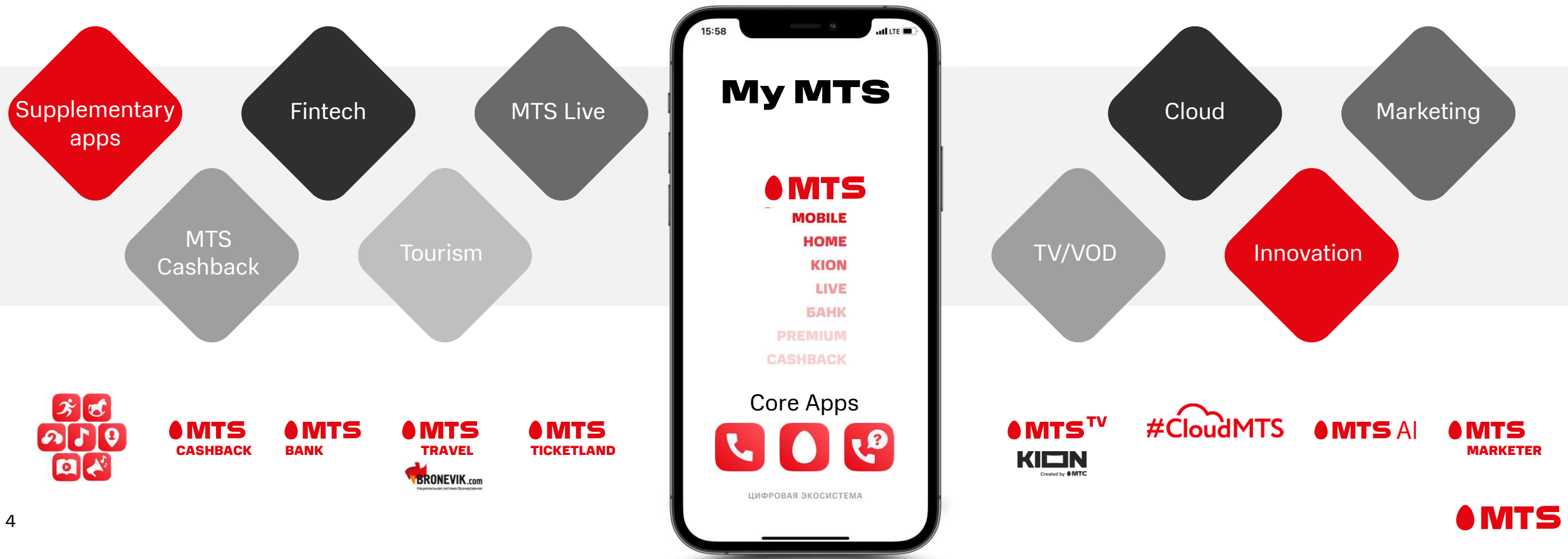
COMPANY

OVERVIEW

Delivering a Digital Lifestyle

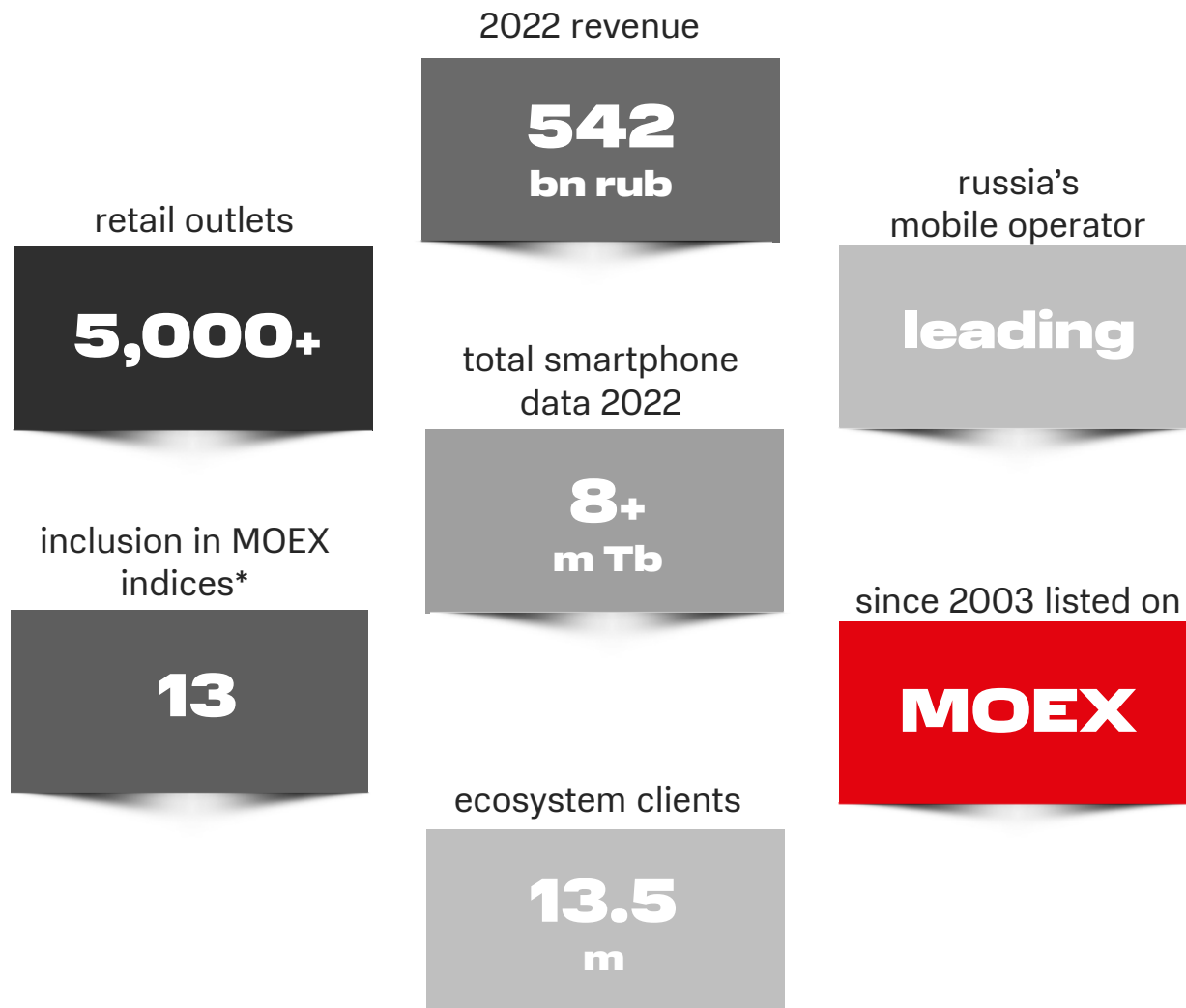
01 MTS is a Russia's digital ecosystem and largest mobile operator that provides a wide range of digital-first services to help enrich the modern 21st-century lifestyle.

02 Our strategy is aimed at building out a customer-centric digital ecosystem on the basis of a strong telecommunications foundation.

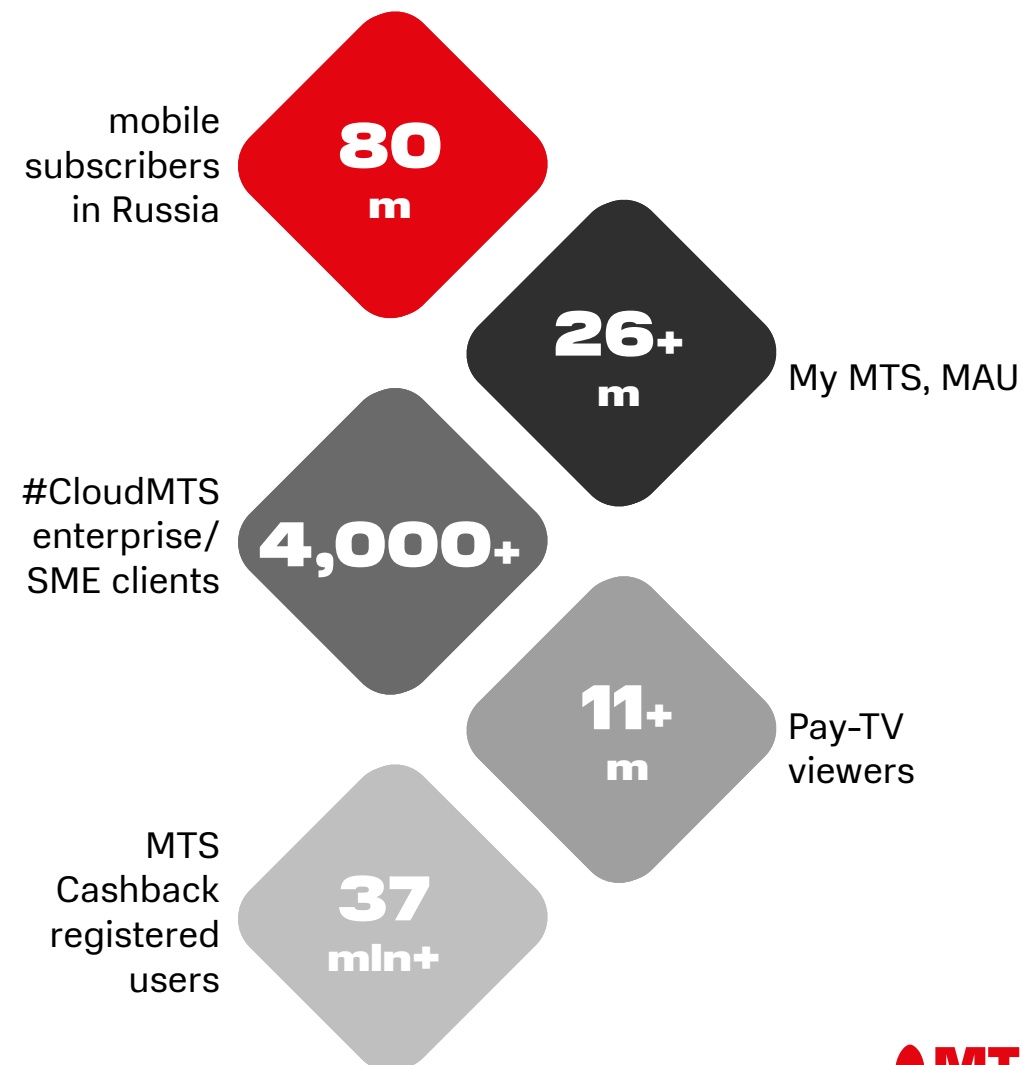


Markets and footprint

Headline facts



Key customer metrics



Strategic priorities

MEDIA

Leading streaming video service (KION) and entertainment content provider

ENTERTAINMENT

Major ticket services, concert venues, hosted events

MTS WEB SERVICES (MWS)

Leading infrastructure business-line and cloud solution provider

Edge Cloud and Edge Computing focus

FINTECH

Fast-growing digital bank with a focus on mobile applications and next-generation financial services

TELCO

The largest mobile operator in Russia and a leading digital ecosystem gateway

RETAIL

Nationwide consumer electronics & smart devices retailer (B&M + e-commerce)

TRAVEL

New business line offering services for booking hotels, other accommodation and tickets; tourist and excursion services; leasing of vehicles; organization of sports activities

Long-term focus on standalone profitability

ESG initiatives

Protecting the environment. Supporting society. Ensuring good governance.



Environmental care

- Energy efficiency management
- Carbon footprint monitoring
- Circular economy development
- Eco-education



Digital society

- Providing affordable products and services for everyone
- Digital skills training
- Development of qualified IT professionals
- Digital infrastructure development

Inclusion for all

- Respect for human rights, decent working conditions, inclusion and diversity
- Ensuring accessible environment
- Volunteering
- Support for the development of regions and communities



Responsible business

- Business ethics
- Ensuring information security
- Effective ESG-governance
- Development of the ESG-agenda at the local and international level

5/8 independent directors with extensive experience and expertise in composition of the Board

Sustainalytics (ESG Risk Rating)	29 (Medium Risk)
Sustainalytics (Ranking industry group Telecommunication Services)	131
CDP	B
Forbes E,G S	Platinum Gold
RAEX ESG ranking	11th place
AK&M (sustainable development rating)	A++

Digital-centric **focus**

IoT

- **55%** growth of NB-IoT clients in 2022
- **+64%** income from NB-IoT network in 2022

Cloud

- **+30%** new products in our portfolio in 2022
- **+15%** large-scale clients in 2022

MTS Marketer

- **+73%** new clients in 2022
- **62%** advertising campaigns growth

A World-class Big Data team

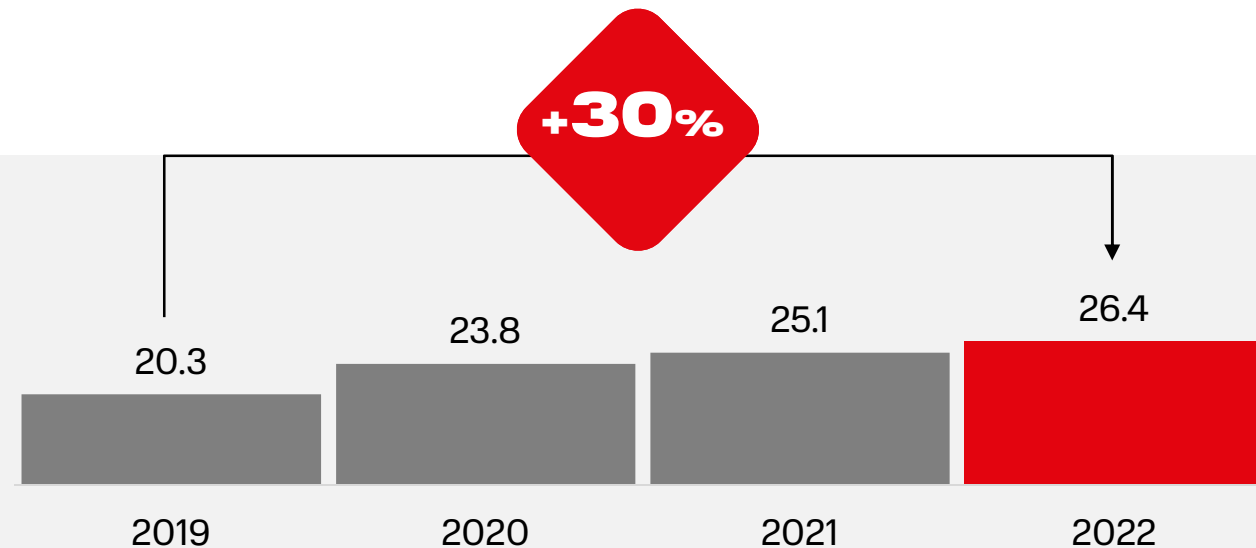
- **350+** data scientists and employees
- **20PB** of stored data

Fintech

- **80%** sales via digital channels*

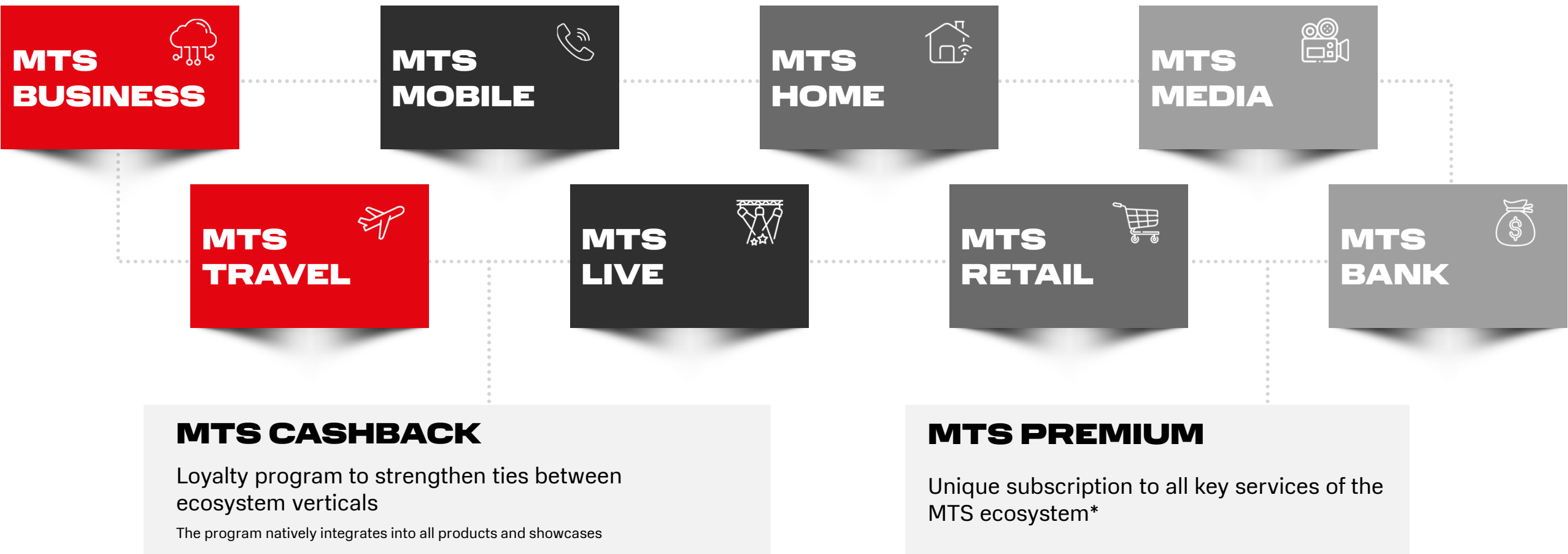
MyMTS Self-Care Smartphone App

MAU, m



MTS

Digital Ecosystem



MTS CASHBACK

Loyalty program to strengthen ties between ecosystem verticals

The program natively integrates into all products and showcases

MTS PREMIUM

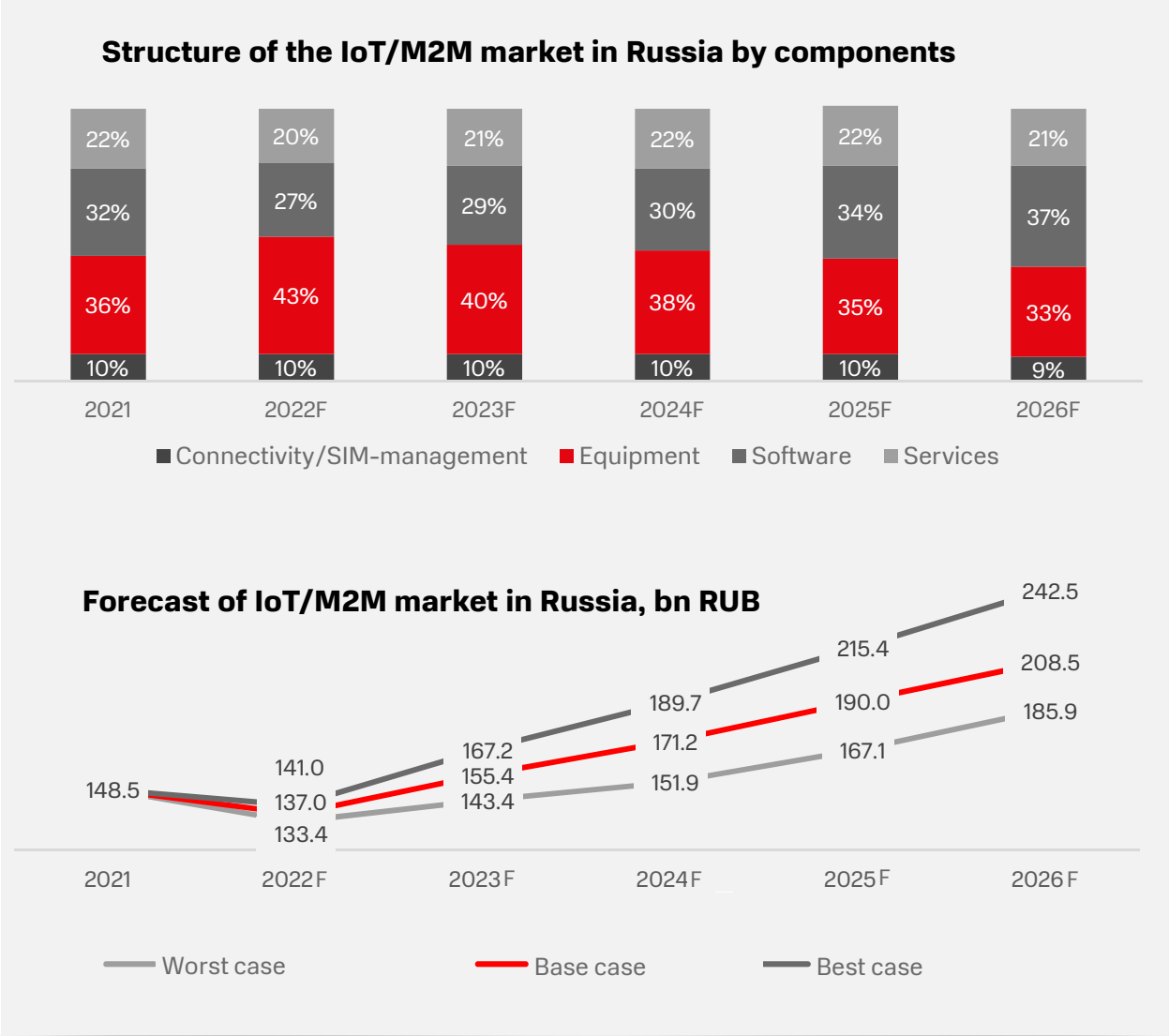
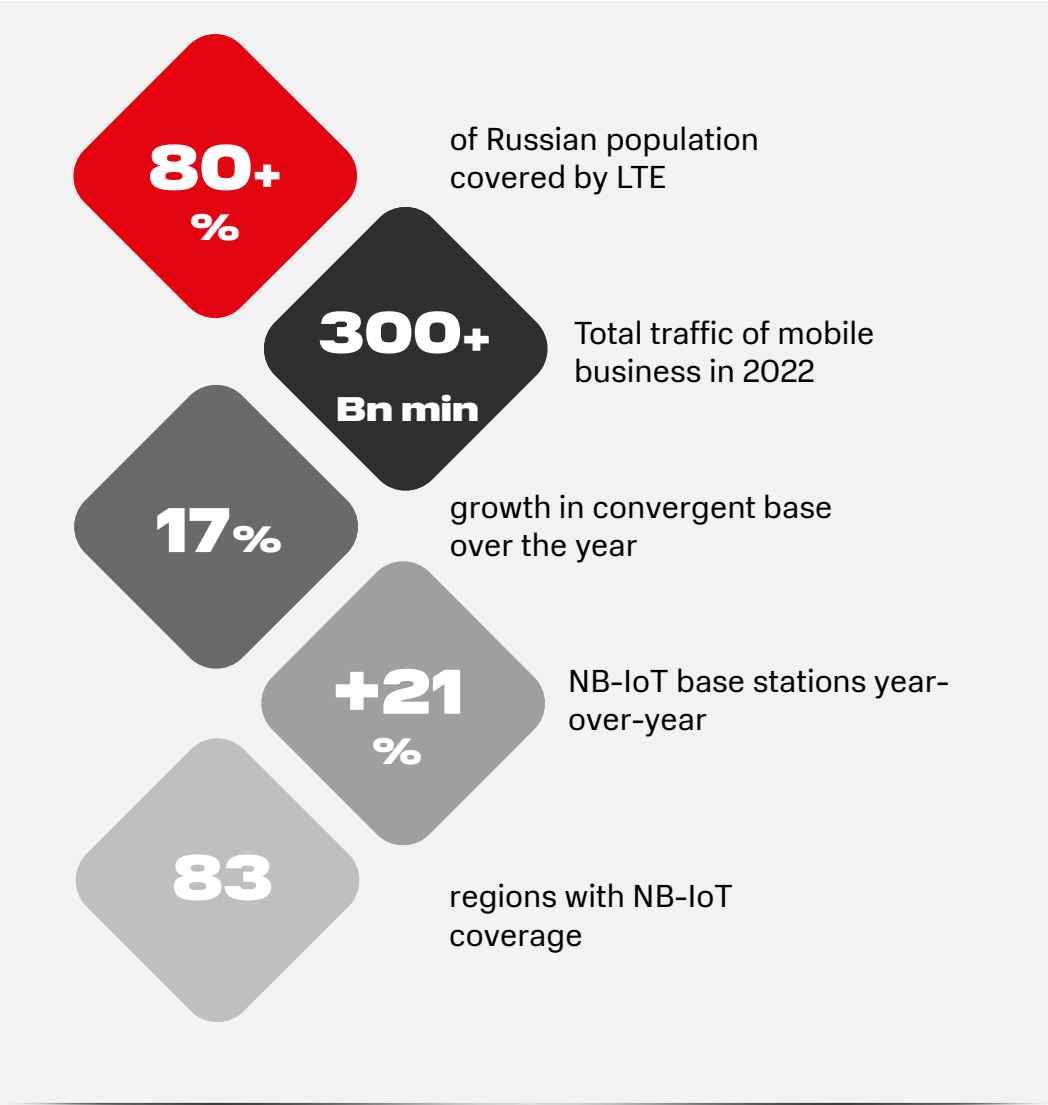
Unique subscription to all key services of the MTS ecosystem*



OUR

BUSINESSES

A leading position in connectivity

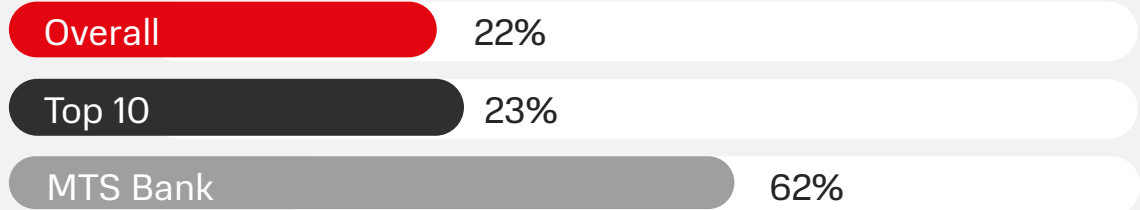


Fintech

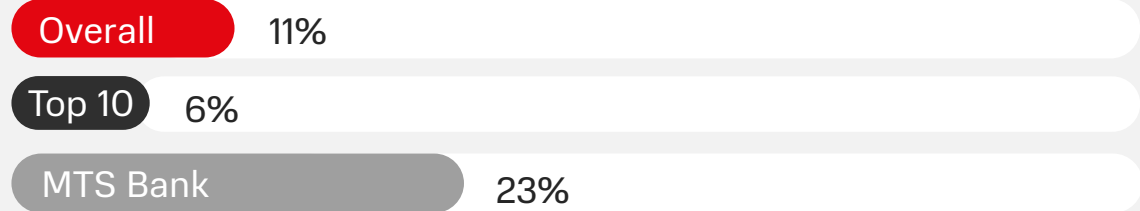
- MTS Bank is a dynamically developing digital bank
- Core strategic focus — retail lending and daily banking segment
- The bank's products are actively used by almost 12 mln clients, 3.5 mln of which are bank clients
- Share of digital sales of the main products (personal loans and credit cards) already exceeds 80%

MTS's Fintech vertical includes MTS Bank, mobile commerce, investments, factoring, and a credit broker

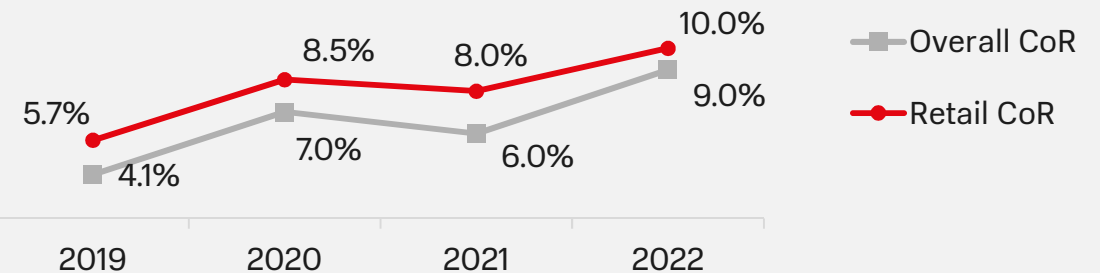
Growth of retail loan portfolios* | 2021



Growth of retail loan portfolios* | 2022



With deliberate Cost of Risk



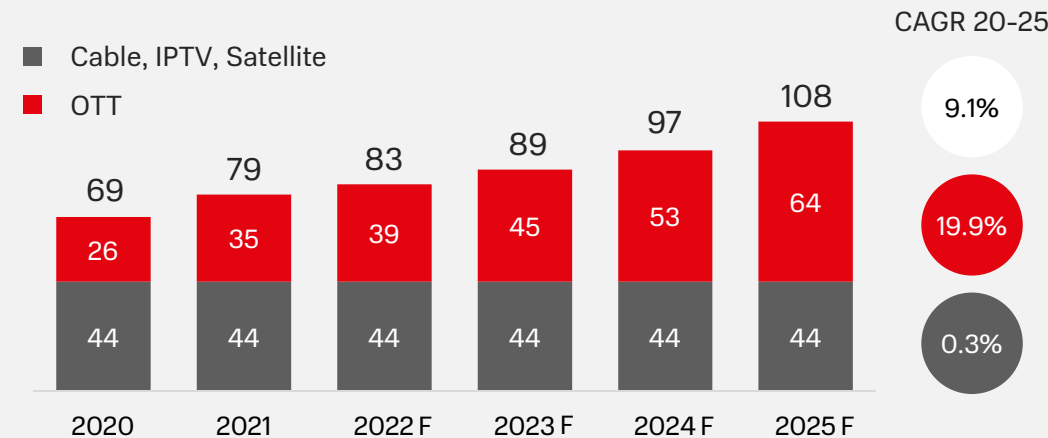
Media

MTS Media produces and distributes original and licensed VOD and TV content over Cable/IPTV, Satellite, and OTT platforms

Key priorities of MTS Media:

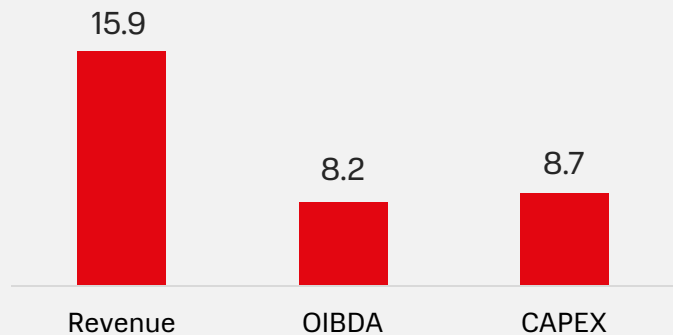
- Development of KION streaming platform - deep integration into MTS ecosystem and strengthening the content offerings through originals and exclusive content partnerships
- Growing customer base ahead of market growth in OTT and IPTV segments
- Maintaining market share in the stable legacy Cable and Satellite segments
- Leveraging Big Data for personalization of interface and TV recommendations and improving user retention and lifetime value as a result

Forecast of Pay TV subscribers in the Russian Federation, million subscribers*



Media 12M2022

₽ bn



Measured approach to content investment

Building a leading streaming platform — **KION**

x8.1

MAU*

x2.5

TVTU
driven
by VOD*

Partnership with e-commerce platform **OZON**
— entrance to a new storefront for client base
expansion (starting from Dec'2021).

x10.3

KION active clients with OZON
Premium subscription**

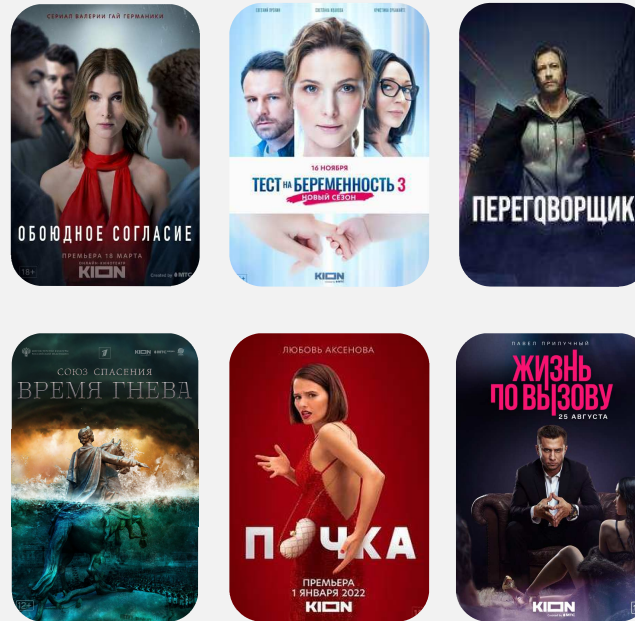
**% of viewers
watching KION
Originals**

**KION
Originals**

62%

Original content

55 titles / **13** in Q4'2022



100+ original titles in development and production pipeline

Positive audience reception

KION Originals

Titles	Average rating***
Обоюдное согласие	★8,4
Тест на беременность 3	★8,2
Переговорщик	★8,2
Союз спасения. Время гнева	★8,1
Почка	★8,0
Жизнь по вызову	★7,7

*Since KION launch in Apr'2021

**Q4'2022 vs. Q4'2021

***Calculated based on ratings of public review aggregator and KION platform

Retail

#1

Largest telecom
retailer in Russia
by handset sales

200 m+

Footfall per year
Countrywide
footprint

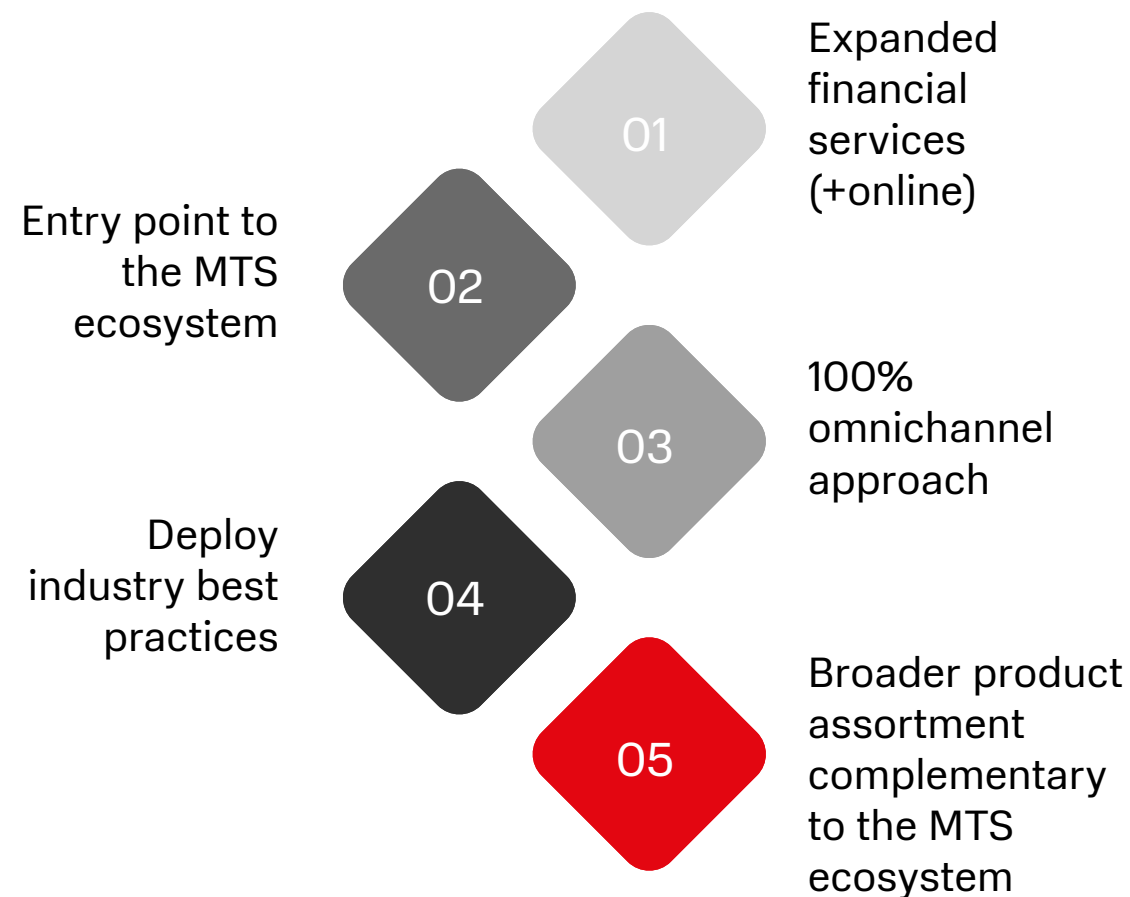
60 m+

Transactions per
year

Focus

On quality of
services & growth
of market share

Strategic development vectors



MWS (MTS Web Services)

MWS is MTS business-line and aims to become Russia's leading private digital infrastructure & cloud solutions provider

Strategic goals

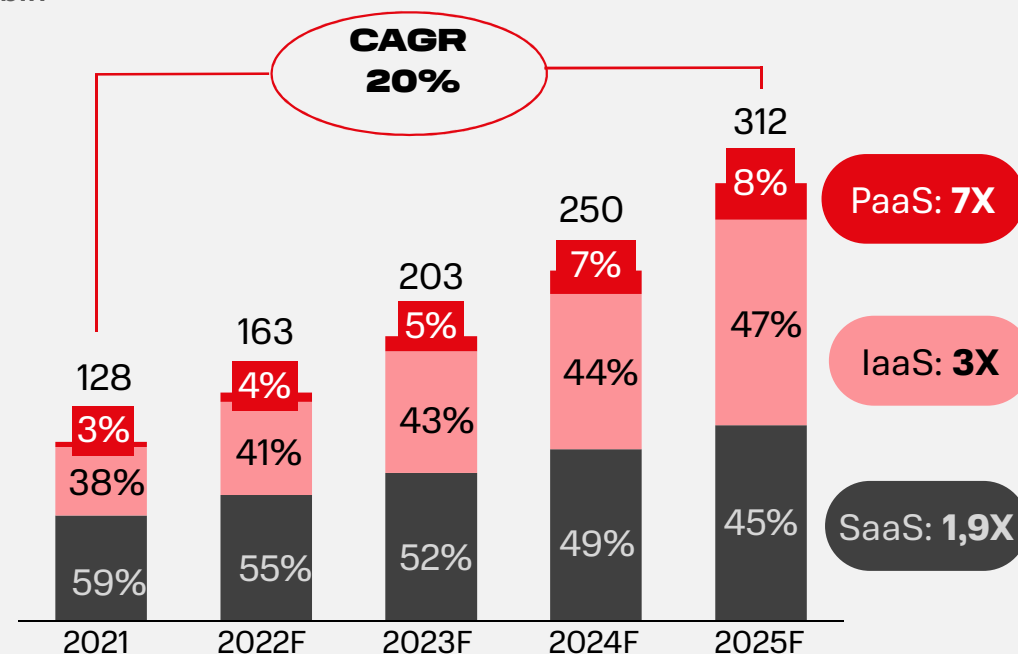
- Leverage MTS's unique combination of nationwide connectivity and data center infrastructure to provide best-in-class innovative cloud & network B2B services
- Improve productivity and cost optimization in high-tech & IT infrastructure
- Stake out a leading position in Cloud and Edge Cloud

Cloud solutions

- One of the leaders on IaaS market
- Unique telecom infrastructure + Edge potential
- Ready-made business convergent solutions (cloud and telecom)

Russian Cloud market*

RUB bln



A red diamond shape with rounded corners, containing the white text '03'.

03

FINANCIAL
AND OPERATIONAL
RESULTS

Volatile environment in 2022 vs MTS long-term focus

Revenue

+2.6%*

OIBDA

-2.0%*

Net profit

₽ 32.6 bn

CAPEX

₽ 111.2 bn



Being the ecosystem core, the resilient Telecom provides sustainability to Group's operations as well as supports the development of business verticals



As part of our long-term strategy, MTS continues to invest in personnel, growing business areas and brand development

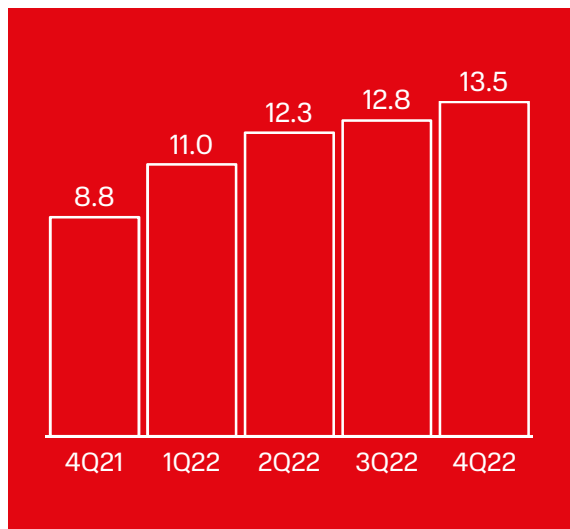


In a continuing volatile macroeconomic environment, we faced the growth of interest expenses that significantly influenced Group financial results



Meanwhile, we continue to implement the CLV strategy focusing on uninterrupted provision of high-quality services, digital ecosystem development and enhancing lifestyle of our clients

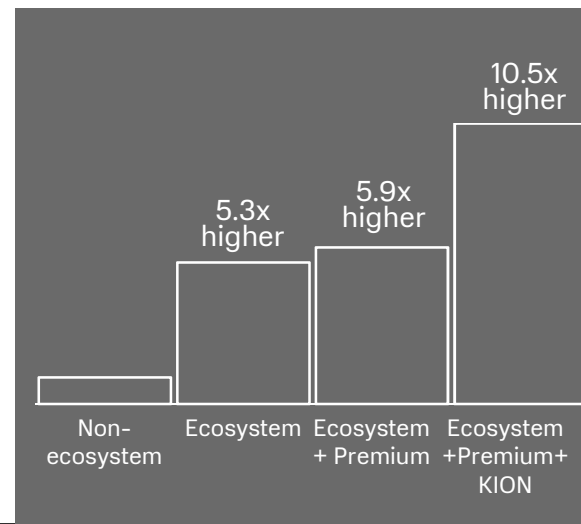
Relevance of the CLV strategy



Ecosystem clients*, mln

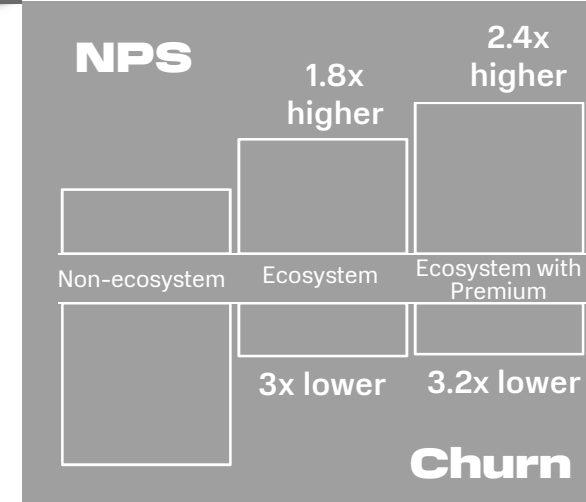
Of adjusted B2C revenue comes from ecosystem clients in 4Q**

43.8%



CLV***

Other ecosystem effects



*Ecosystem clients — customers actively and deliberately using at least two different MTS products or services from different categories

**Based on B2C connectivity revenue (w/o fixed voice) and Bank's operating income before provisions

***CLV - Customer Lifetime Value - expected cash flows that can be received during the entire life cycle with a client

Development of ecosystem programs

PREMIUM

+71%

increase in number of ecosystem subscribers
(Q4 2022 versus Q4 2021)

01

+36%

Increase in number of customers accruing cashback through MTS Premium (Q4 2022 versus Q4 2021)

02

New MTS Stroki service included as part of MTS Premium subscription

01

2.7x

Ready to recommend MTS's cashback program (Q4 2022 versus Q4 2021)

02

+65%

Number of clients with accrued cashback in Retail and Mobile and made cashback payments (Q4 2022 versus Q4 2021)

03

+73%

Increase in number of cashback payments for MTS's non-mobile services (Q4 2022 versus Q4 2021)

CASHBACK

2.3x

increase in the number of registered users
(Q4 2022 versus Q4 2021)

New products



STROKI

3.8_x

Increase in MAUs
following the relaunch
(Dec 22 versus
Dec 21)

2.5

hours per week

Average time spent
using the service
(Dec 2022)

Top books:



Originals



NEW

Junior

A parental subscription is available
to subscribers of all operators:

- Enables parents to get through to their child even when their child's phone is on silent
- KION Cinema and Music with parental controls
- Logiclike educational games
- Child Locator service for parents' peace of mind

AppBazar

Virtual storefront for Android apps where
Russian and foreign developers can host,
promote and monetize their services

Launcher

A bright shell for a smartphone with
useful features. Speed up your device and
customize your home screen interface as
you like

Growth of active users +93%, DAU
(4Q 2022 vs 3Q 2022)

Other business streams

MTS Marketer

+22%

Revenue growth at MTS Marketer
(2022 vs 2021)

+73%

Increase in number of registered customers
(Q4 2022 versus Q4 2021)

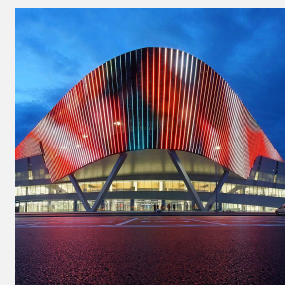
+115%

Growth in number of launched
advertising campaigns in Digital
(Q4 2022 to Q4 2021)

MTS Entertainment

2x

Increase in ticket sales
(Q4 2022 versus Q4 2021)



MTS Live launched a nationwide network of concert venues, adding MTS Live Hall in Moscow and St. Petersburg in 2022 to the existing MTS Live Hall in Yekaterinburg

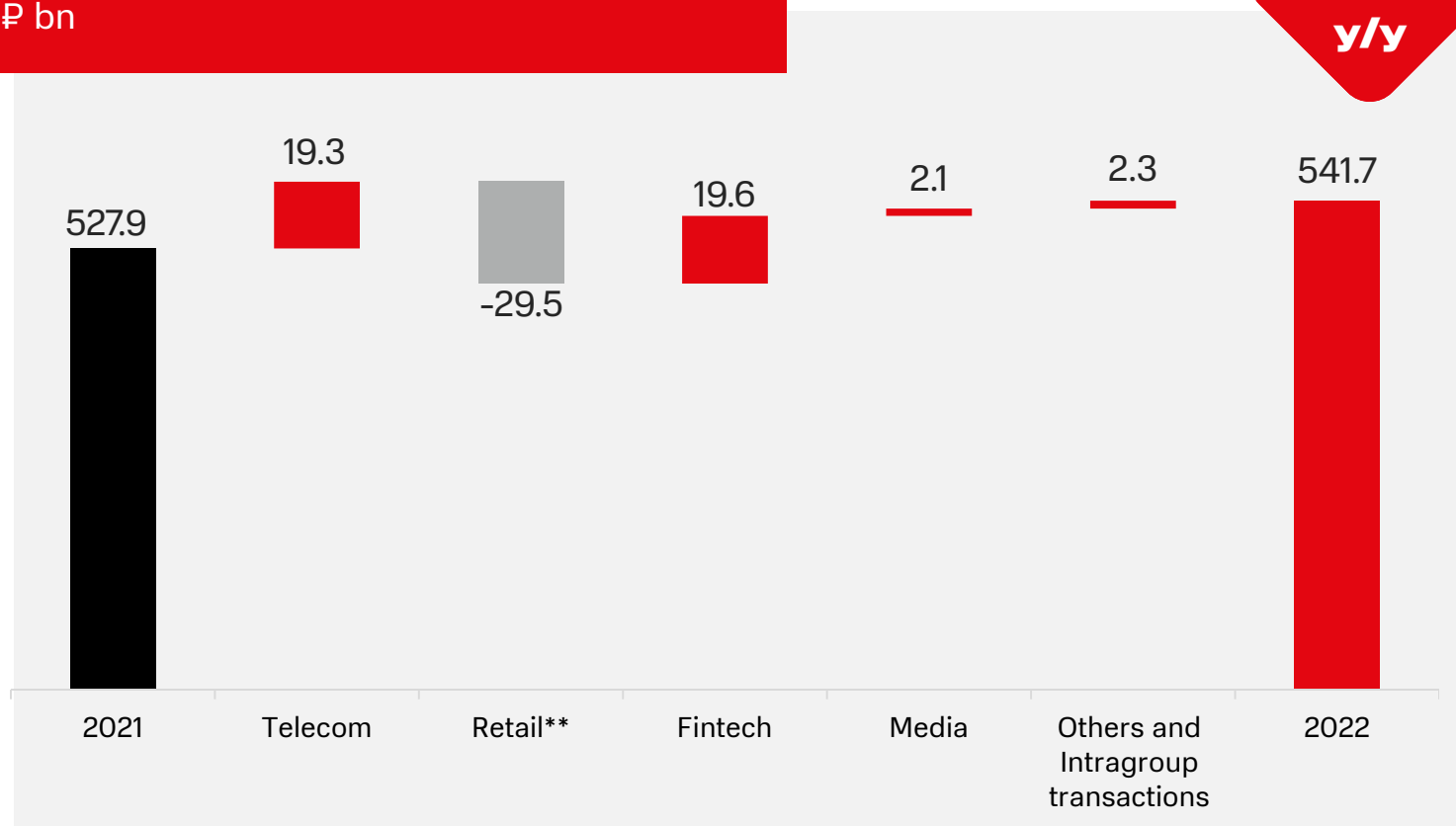


MTS Live presented the premiere of the new musical “Fear Nothing, I’m With You” at MDM Theater—a new project in which MTS Live served as co-producer and co-organizer as well as ticket provider

Top-line growth constrained by sales of handsets

Group Revenue*

₹ bn



+2.6%
y/y

Commentary

- In 2022 Group revenue slightly increased year-over-year with positive contributions coming from Telecom, Fintech, and Media services.
- Decline in sales of handsets and accessories due to imposed import restrictions significantly constrained top-line growth but had a minor effect on Group OIBDA.
- The positive contribution of Fintech segment was largely supported by growth of MTS Bank retail loan portfolio and fee and commission income.

*Revenue calculated on a standalone basis (includes intragroup revenue). Financials for 2021 have been restated due to the deconsolidation of NVision a.s. (Czech Republic). Totals may add up differently due to rounding.

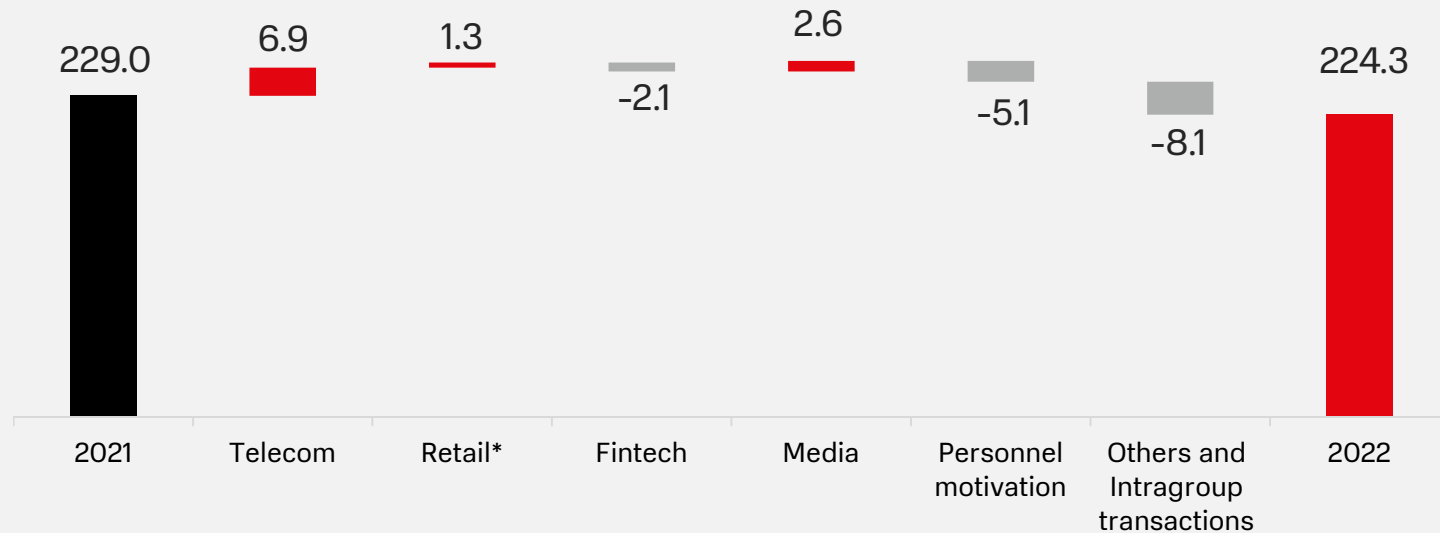
**MTS's wholly owned subsidiary RTC, which handles retail operations including the purchase and sale of handsets and accessories and subscriber enrollment at MTS retail stores.

OIBDA impacted mainly by personnel motivation and one-offs

Group OIBDA

₽ bn

-2.0%
y/y



Commentary

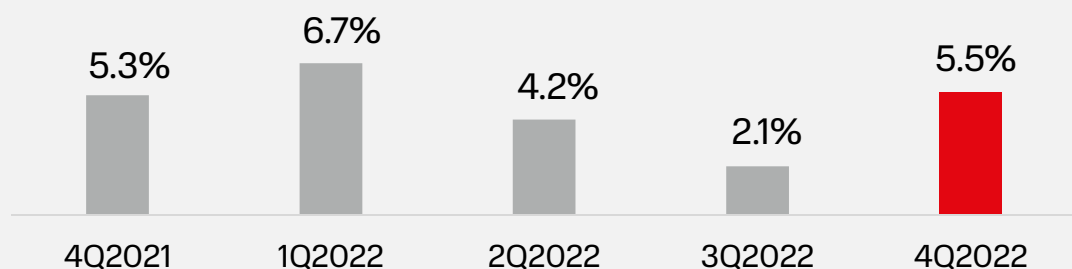
- Group OIBDA demonstrated a two percent decrease y/y largely due to:
 - growth of expenses for personnel motivation
 - one-offs recognition, growth of intragroup transactions and investment in new businesses
 - noticeable increase in MTS Bank provisions impacted by changes in macroeconomic conditions
- On the positive side, Telecom, Media and Retail verticals made a positive contribution to OIBDA reflecting strong connectivity performance, further development of OTT services and improved marginality of retail sales

*Retail - RTC, a wholly owned subsidiary of MTS, handles functions relating to MTS retail operations including the purchase and sale of handsets and accessories as well as subscriber enrollment at MTS retail stores

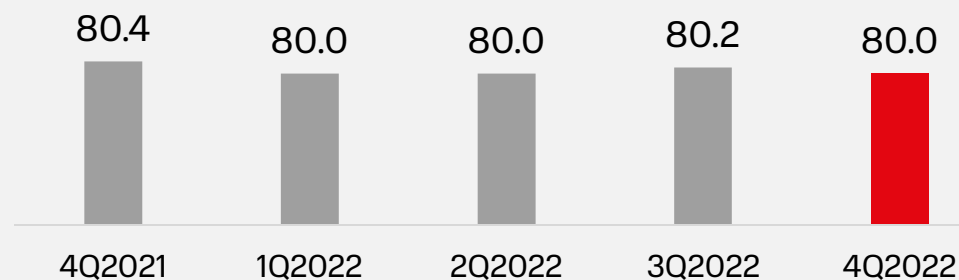
Telecom results

Connectivity revenue growth, %*

change year-over-year



3M mobile subscribers, m*



17%

Convergent base
growth 4Q22 vs. 4Q21

35

Russian regions with completed
refarming for the LTE 2100 Band
in 2022

#1

Among mobile operators in
terms of M2M/IoT
connections**

Telecom initiatives

B2C

01

In Q4 2022, MTS continued to expand its partnership model for launching convergent products. Two FVNO projects were launched in the cities of Omsk and Khabarovsk

02

In Q4 2022, the refarming of the 2100 MHz band was completed in 6 regions of the Central Federal District as well as in the Vologda region, the Republic of Adygea and other Russian regions.

03

A VoLTE network, offering superior sound quality for voice calls, became available throughout practically the entire country. We launched a VoLTE network in two more regions: Volgograd and Rostov-on-Don.

01

As of the end of 2022, MTS had concluded 15 major contracts for the implementation of private LTE networks. From 2019 to 2022, MTS had a 37%* share in terms of the number of public projects run by telecom operators.

02

In January 2023, MTS launched MTS Exolve, a cloud platform that enables users to develop their own applications for communication with customers and ensures seamless integration into existing IT systems. The platform was created using solutions made by MTT, a subsidiary of MTS.

03

MTT's VoiceBox was recognized as the best voice-activated virtual assistant. Revenues from voice-activated virtual assistants increased more than threefold in 2022.

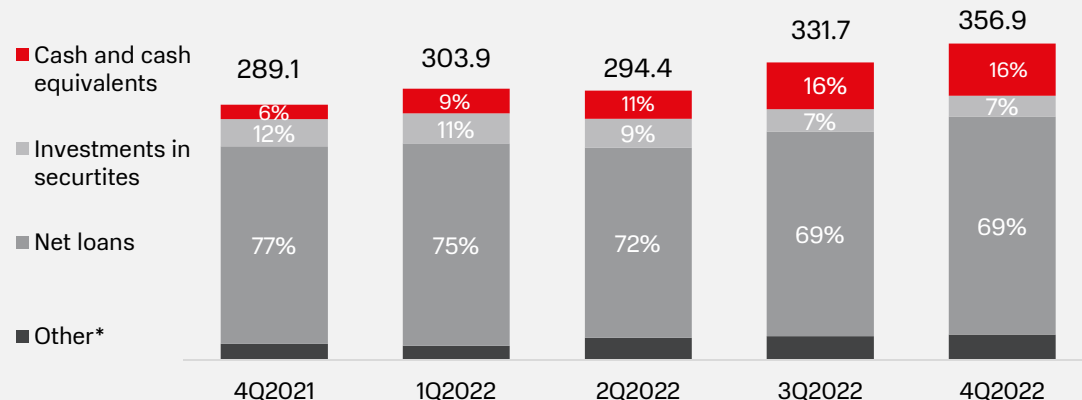
B2B

Fintech: continued portfolio growth

Asset structure

₹ bn at the end of period

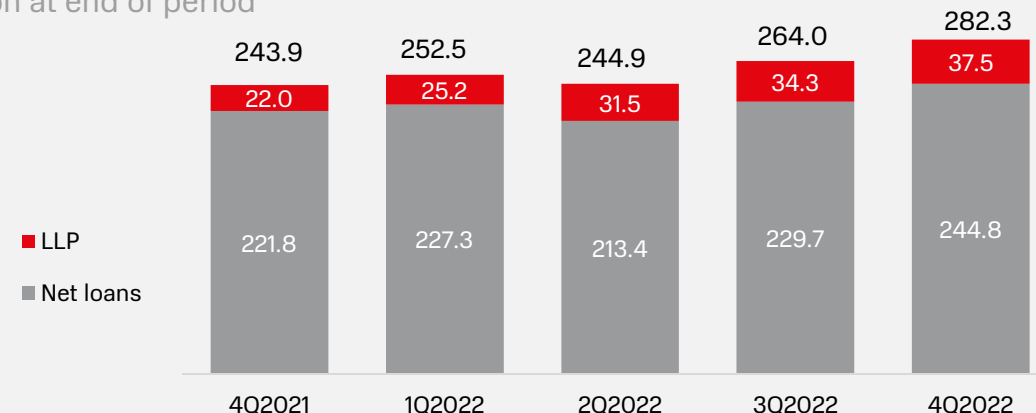
+23.5% y/y



Gross loans

₹ bn at end of period

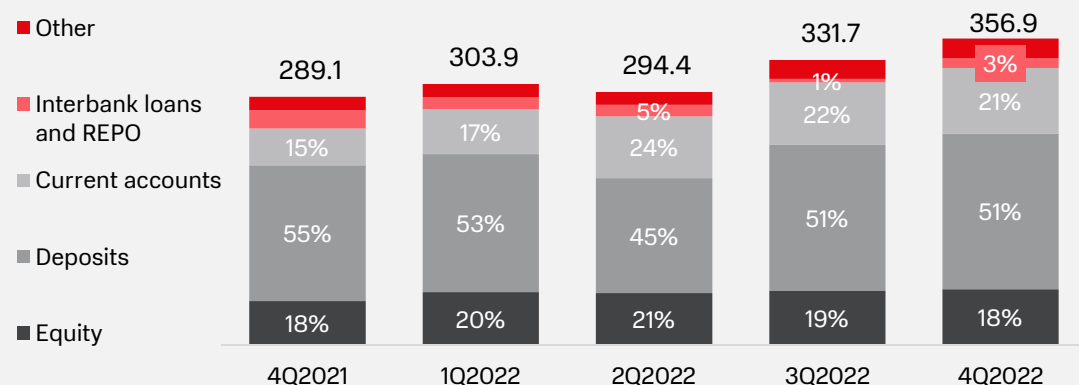
+15.8% y/y



Sources of liquidity

₹ bn at end of period

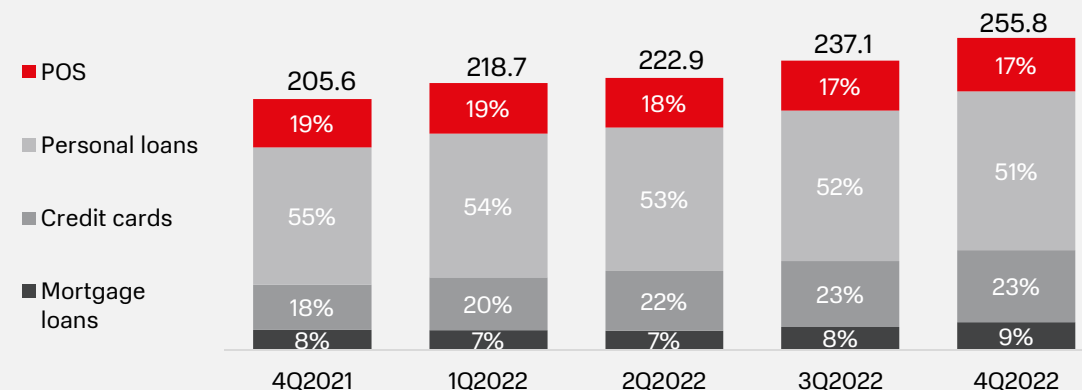
+23.5% y/y



Retail loan breakdown

₹ bn at end of period

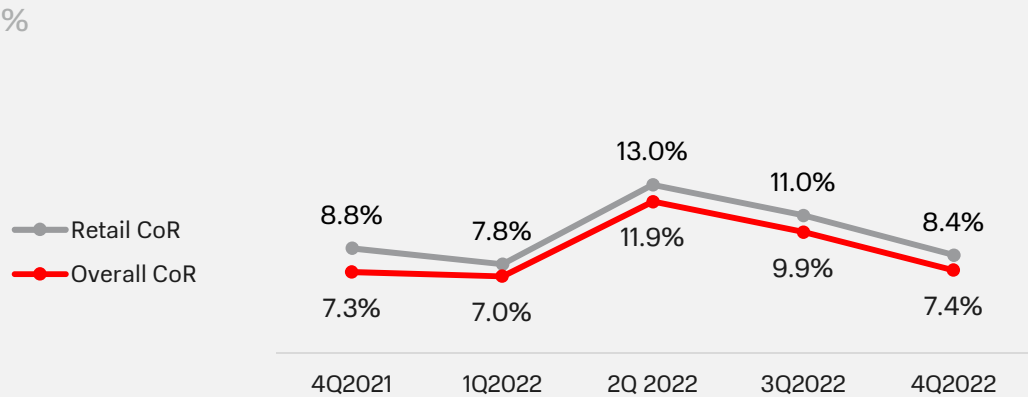
+24.4% y/y



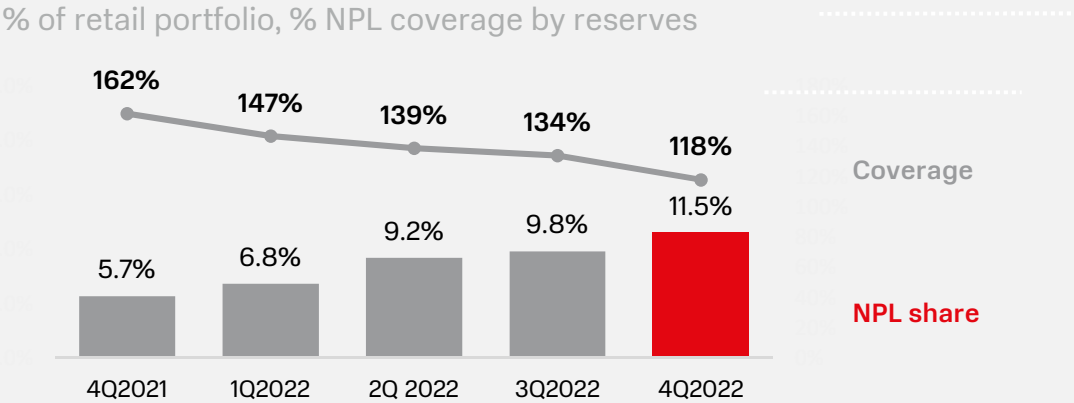
*Other assets include property, plant and equipment, deferred tax, intangible assets and other assets

Managing risk **with healthy safety margin**

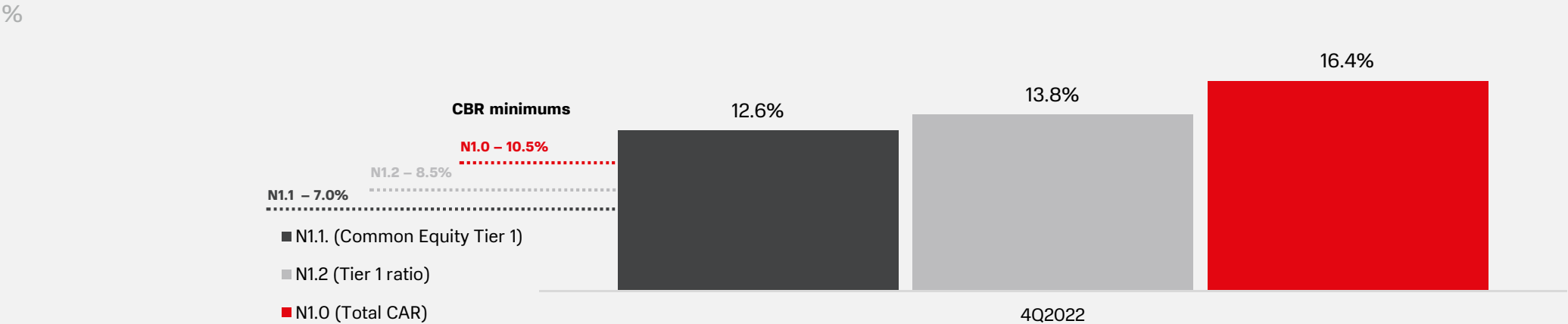
Cost of Risk



Non-performing retail loans



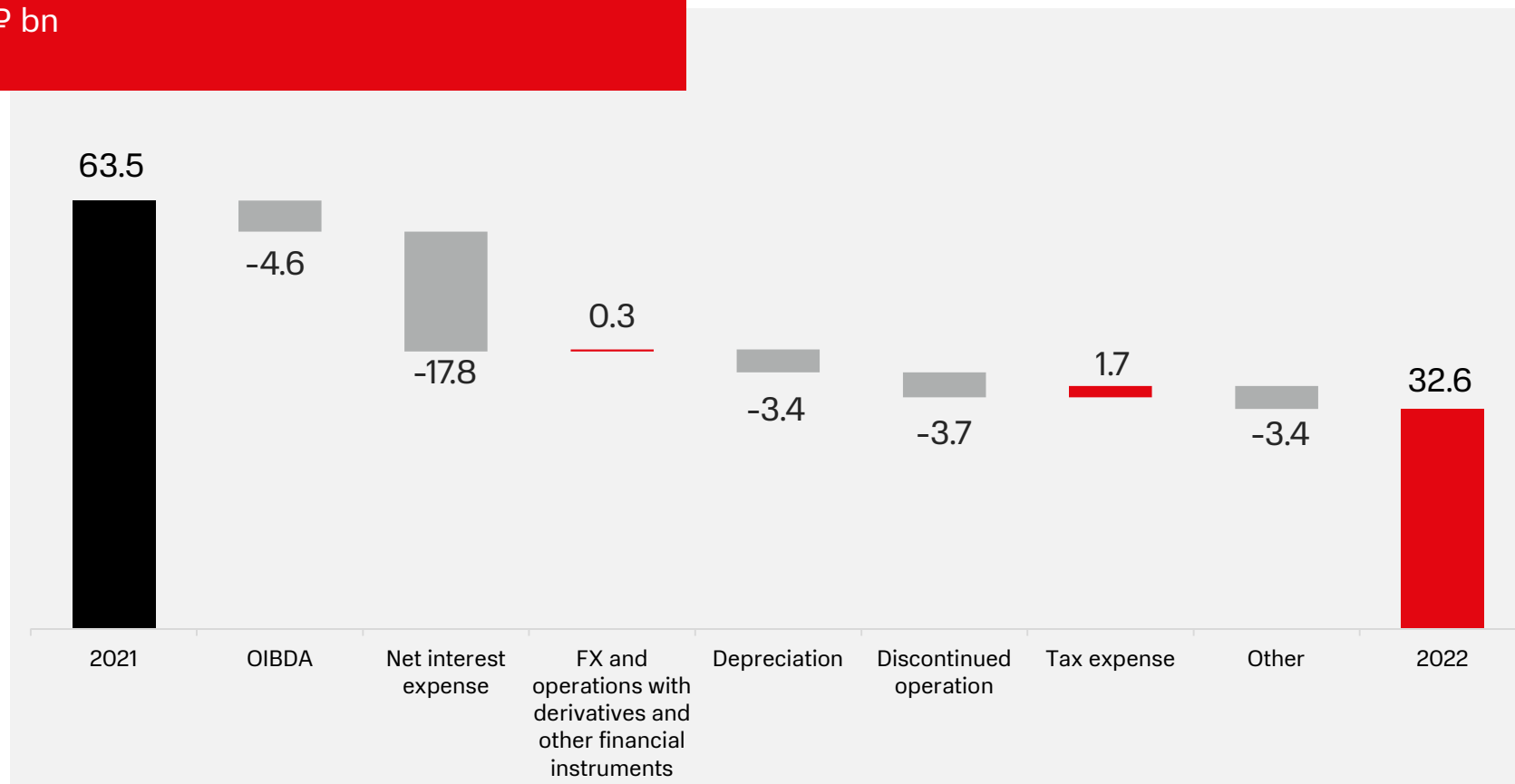
Capital adequacy ratios (Quarter-end, Basel III)



Net profit: impact of financing costs and depreciation

Group net profit

₽ bn



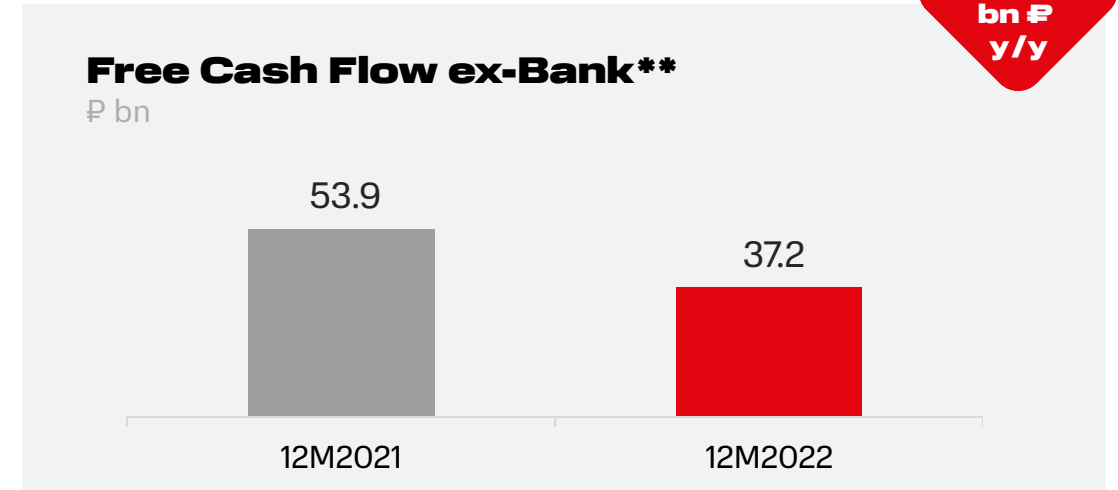
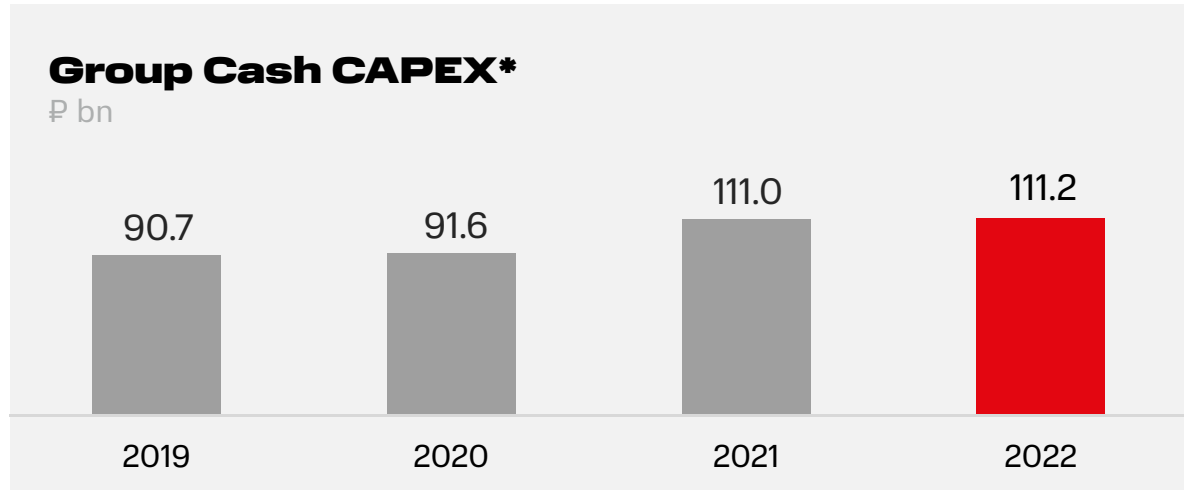
Commentary

In 2022, Group Net Profit amounted to RUB 32.6 bn with headwinds mainly coming from:

- decreased OIBDA on the back of higher personnel expenses, Bank reserves and other factors;
- increased financing costs amid a higher interest rate environment;
- loss from discontinued operation;
- higher depreciation and amortization reflecting investment in capacity and digital areas.

Investing in capacity and digital ecosystem

-16.7
bn ₺
y/y



	12M2022	12M2021
	Cash Capex	Cash Capex
	(RUB bn)	(RUB bn)
Russia***	109.6	109.0
Armenia	1.6	1.7
Group***	111.2	111.0

Commentary

During 2022, Group free cash flow ex-Bank decreased by RUB 16.7 bn year-over-year on the back of higher investment in personnel, elevated interest expenses and more intense M&A activity compared to the previous year.

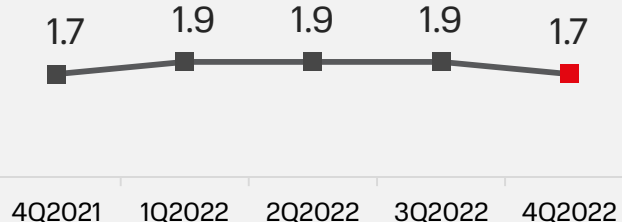
* Cash CAPEX in 2020 was ₺ 91.6 bn when adjusted for FX-related swap contracts. Before these adjustments cash CAPEX in 2020 was ₺ 96.9.

**Free cash flow excluding MTS Bank and cash proceeds from the sale of VF Ukraine. Totals may add up differently due to rounding

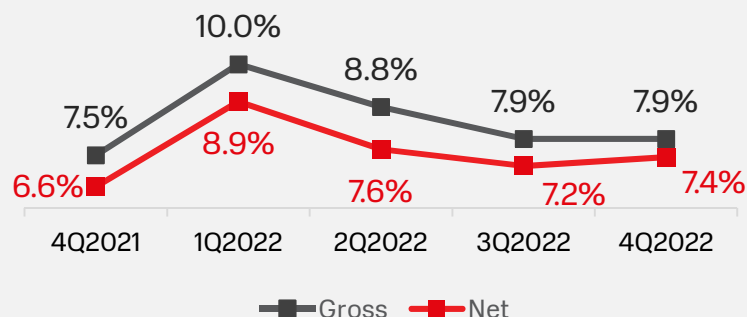
*** Net of cash proceeds under sharing agreement

Managing debt portfolio in evolving macroeconomy

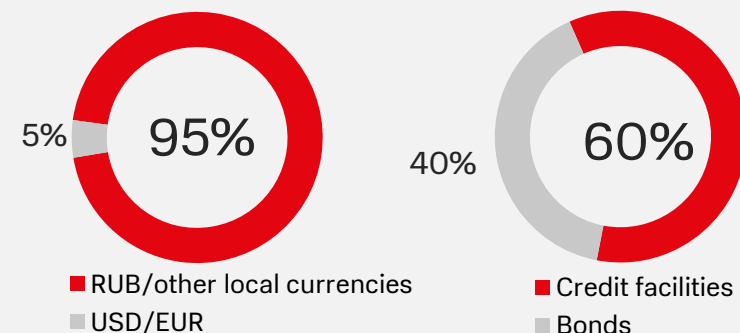
Net debt* / LTM adj.OIBDA



Weighted average interest rates at the end of the period



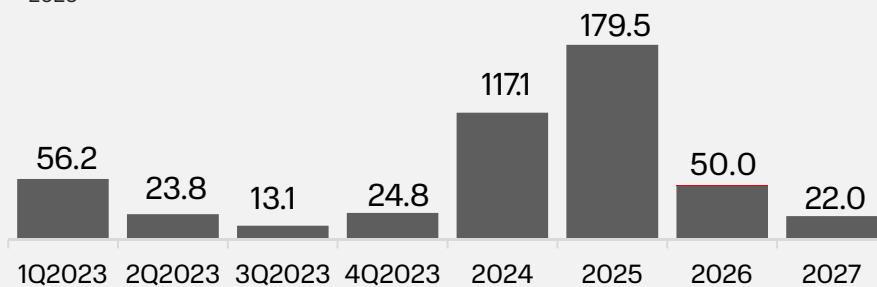
Gross debt* composition



Debt repayment schedule

₽ bn

■ Bonds BO-02 ruble bonds contain put option that as of December 31, 2022, MTS expected to be exercised in February 2026

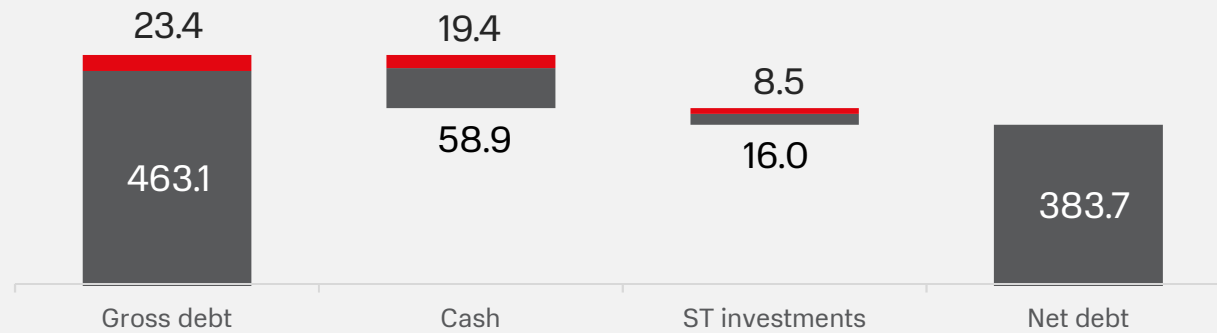


Gross Debt**
RUB 486.5 bn

Gross to net debt* walk

₽ bn

■ USD/EUR ■ RUB & soft currencies



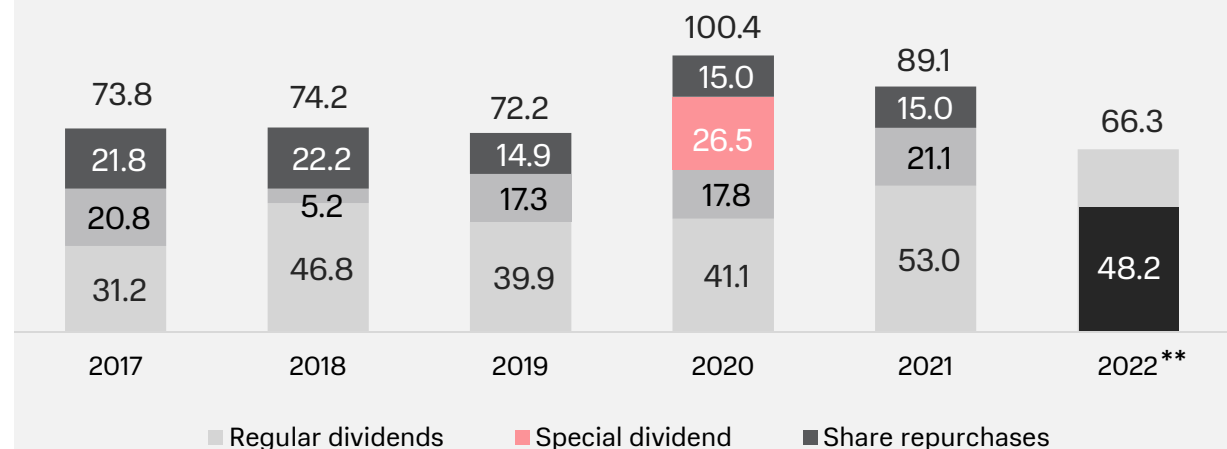
*Excluding IFRS lease liabilities.

**Net of unamortised debt issuance cost adjustment, totals may add up differently due to rounding

Building on a track record of **returns**

Total dividends plus buybacks*

₽ bn



Commentary

- The previous 3-year dividend policy completed at the end of 2021. Adoption of a new dividend policy is postponed due to continuing uncertainties.
- In June, 2022 the MTS shareholders approved at the AGM annual dividends of RUB 33.85 per ordinary MTS share based on the Company's full-year 2021 financial results.

Per ordinary share

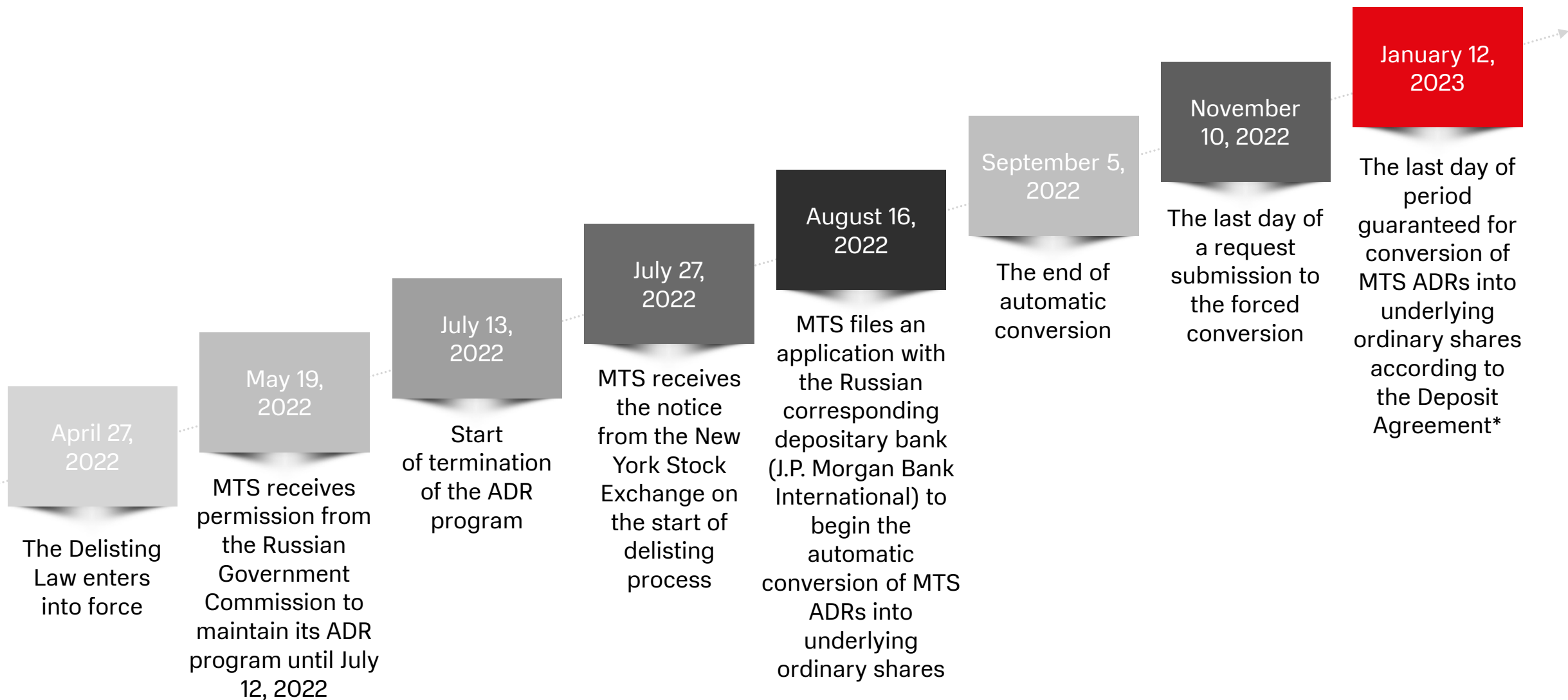
₽

	2017	2018	2019	2020	2021	2022
Special dividends				13.25		
Buybacks	10.9	11.1	7.5	7.5	7.5	
Regular dividends	26.0	26.0	28.66	29.50	37.06	33.85

*Dividend payout includes dividends paid to quasi-treasury shares owned by MTS subsidiaries. Totals may add up differently due to rounding.

**FY2021 dividend payments in the amount of RUB 48.2 were completed by August 16, 2022. Dividend payments in the amount of RUB 0.36 bn on ADRs converted after the record date were made in 2023.

Termination of **ADR Program**



Applicable **regulatory restrictions**

- **Type C depo accounts for residents of foreign countries that imposed restrictive measures against Russia**

When converting ADRs, residents of foreign countries that imposed restrictive measures against Russia receive their shares in a type C depo account:

- it is generally not possible to execute transactions involving the purchase or sale of shares without the permission from the Russian Government Commission
- it is possible to receive dividends for shares on type C bank account with similarly restricted operations.

- **Sales limits**

Shares credited to accounts with Russian depositories as a result of the conversion of ADRs acquired under transactions entered into after March 1, 2022 are subject to a sale restriction until June 28, 2023.

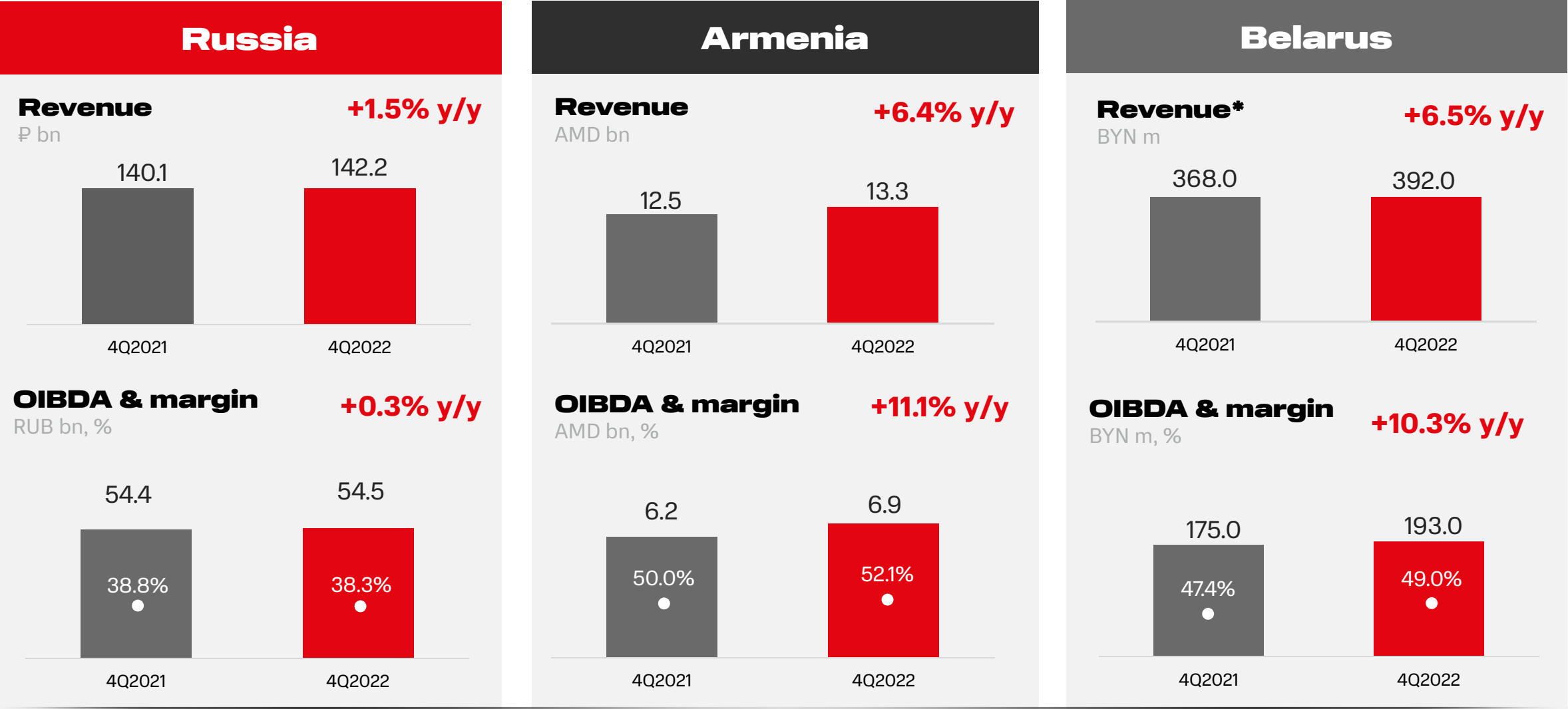
- **Payment of dividends to ADR holders**

Starting from July 13, until the conversion of ADRs no dividends were paid to ADR holders.

After the conversion of ADRs into underlying shares, the holders of common shares thereof are entitled to claim unpaid dividends within a period of three years from the date of the issuer's decision to pay them.

APPENDIX

Country performance breakdown



*MTS owns a 49% stake in Mobile TeleSystems LLC, a mobile operator in Belarus, which is not consolidated

B2B/G product solutions beyond traditional telecom

MTS Marketolog

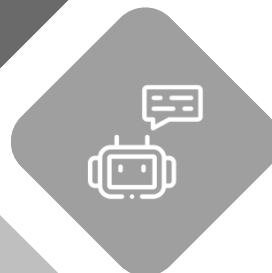
Service of targeted advertising using MTS Big Data / +73% of new clients in 2022 YoY

Webinar Group solutions

B2B client base comprises more than 10 000 organizations

Cloud solutions

IaaS, PaaS, SaaS, DBaaS / +10 new products in 2022



Private LTE

15 large-scale Private LTE projects as of 2022

UC services*

From Hosted PBX to omni-channel communication platform and Voice Chatbots. (#1 position in Russia, market share ~ 30%**). The largest platform for telecom APIs (after MTT acquisition)

CCTV monitoring

Video surveillance and video analytics projects using off-the-shelf solutions and integrated solutions based on the MTS Artificial Intelligence Center.

Partnerships

Partners segmentation:

01

**BIG DIGITAL /
Worldwide**

Partnerships for the launch of new products by international companies

02

**BIG DIGITAL /
Russia**

Cross-promotion, integration into subscription and loyalty programs

03

**NON DIGITAL /
Russia**

Bundling partner products with MTS digital products

04

**With a minority shareholding of
MTS**

Exchanging of expertise and enriching MTS ecosystem with partners' products

Success factors:

Mutual benefits

Readiness to collaborate to enrich the ecosystem and develop partner businesses

Openness

Accessibility of the ecosystem to the deep integration of partners

Performance

Deciding to launch/extend a partnership based on performance data

Partnership management

Individualized approach to partners, open dialogue on expected results, agreement on goals at all levels

Evaluation and improvement

Regular analysis of partnership projects and an iterative approach to the next steps in each partnership

Long-term approach

Building long-term partnerships and maximizing LTV

Note on **financial measures & definitions**

Total debt

Total debt represents short-term and long-term debt excluding lease obligations and debt issuance costs.

Net debt

Net debt represents total debt less cash and cash equivalents, short-term investments, long-term deposits, swap and currency hedging.

Free Cash Flow

Free cash flow is represented by net cash from operating activities less cash used for certain investing activities.

OIBDA

OIBDA represents operating income before depreciation and amortization. We use the term Adjusted for OIBDA and operating profit where there were items that do not reflect underlying operations that were excluded. Adjusted OIBDA for 2022 doesn't include a loss from impairment of non-current assets of RUB 489 m.



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