

FINANCIAL AND OPERATIONAL RESULTS

2Q 2023

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 persons 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. On May 18, 2023 MTS’s shareholder Sistema PJSC (which holds 42,085% in MTS capital) was designated under Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) (“UK Regulations”). This designation does not make MTS a blocked person under the UK Regulations.

The other risk factors include 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.

Financial highlights

REVENUE

146.7

RUB bn, +14,8% y/y

OIBDA

63.7

RUB bn, +22,9% y/y

34.29

RUB / share

NET INCOME

16.8

RUB bn, +53,5% y/y

DEBT POSITION

1.8x Net Debt/
LTM OIBDA

+0,1 q/q

Approved at the AGM,
annual dividends based on
2022 financial results.

MTS continues its ecosystem and technology transformation

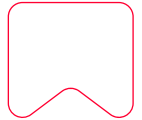


MTC was named the No.2 ecosystem in Russia according to J'son & Partners Consulting

№1	№2	№2	TOP 5	TOP 10
TECH AWARDS	RAEX Ranking	HeadHunter rating	Cnews100 rating	Habr Career rating
The DataOps Platform's data management team was named the Development Team of the Year at the 2023 Tech Awards	MTS is the second-largest ICT company in Russia according to a ranking by RAEX	MTS was among the top 10 companies with over 5,000 employees on HeadHunter's list of top Russian employers	MTS was one of the top 5 in CNews100's ranking of the biggest IT companies in Russia	MTS was among the 10 best IT employers in Russia according to the site Habr Career

and receives public recognition 4

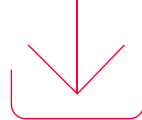
Ecosystem base continues to grow while keeping positive effects



Ecosystem clients

14.1 mln

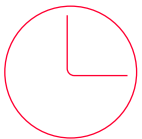
as of the end of 2Q 2023
+14.6% y/y



Generated

47.2% B2C revenue

in 2Q 2023



CLV

Ecosystem clients

x4

vs non-ecosystem

Ecosystem clients
using Premium and Cashback

x5

Ecosystem WOW-facts



PREMIUM

+50%

Loyalty program's revenue growth
(2Q 2023 vs 2Q 2022)



CASHBACK

+60%

Increase in the number of registered users
(2Q 2023 vs 2Q 2022)

+50%

Increase in the number of clients using cashback for non-mobile services
(2Q 2023 vs 2Q 2022)



KION

+45%

Increase in the number of KION registered users
(2Q 2023 vs 2Q 2022)

40%

Of new KION viewers came from MTS convergent and MTS Premium



SPAM PROTECTOR

3.8 bn

Spam calls detected by anti-spam solutions
(for the 1H 2023, y/y)

+49%

Increase in service activation
(2Q 2023 vs 2Q 2022)



MTS TRAVEL

60 countries

Covered by MTS booking accommodation service (as of 2Q 2023)



STROKI

+41%

Growth of STROKI service's MAU
(2Q 2023 vs 2Q 2022)



MTS LIVE

368

Organized events in 2Q 2023 that attracted 240K of viewers



MTS LAUNCHER

+7.6x

Growth of service's DAU
(2Q 2023 vs 2Q 2022)

End-to-end products: MTS ID and MTS Pay

MTS ID

Convenient access to all MTS services with a single account associated with a phone number

~500 mln transactions / entries
(for the 1H 2023)

MTS PAY

A service enabling online and offline payments of any kind as well as a Pay Tag payment sticker with an NFC module for iPhone, that works with different payment systems, and the ability to connect cards of 20 Russian banks

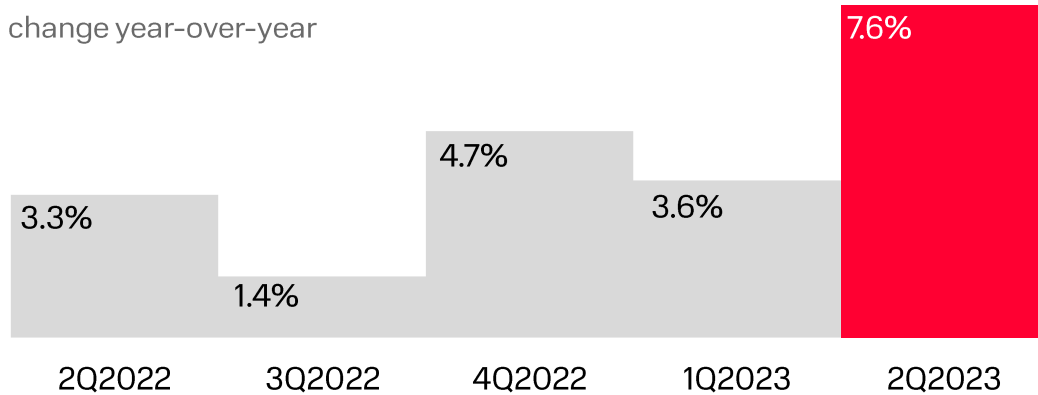
~36 mln Successful transactions
(for the 1H 2023)



The ecosystem foundation shows the impressive results

Connectivity revenue growth, %*

change year-over-year



+17% y/y

Convergent base growth

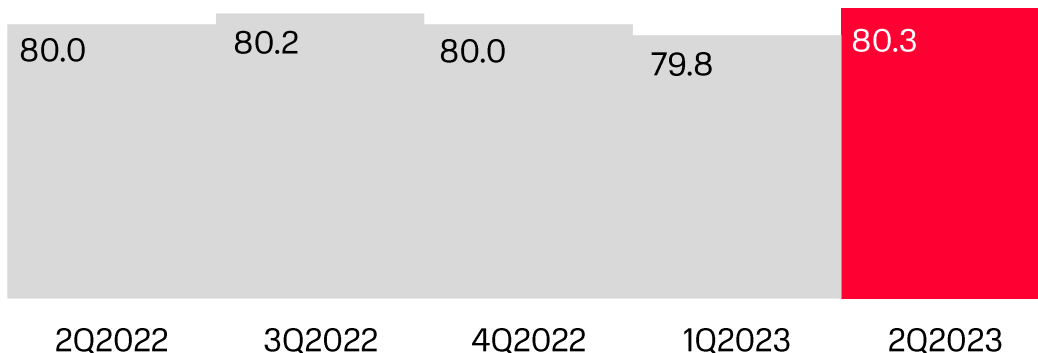
+31% y/y

Webinar platform revenue growth as well as x2 MAU growth since joining the ecosystem

+37% y/y

Increase in B2B revenue of ISC and CPaaS**

3M mobile subscribers, m*



*All figures Russia only

**Our portfolio of intelligent communication systems and CPaaS (communication platform as a service) services, which enable the incorporation of telecommunications functions into developers' integrated products through cloud-based platforms and APIs

...in both B2C and B2B segments

B2C

- Continued to modernize the network through large-scale refarming of UMTS 2100 in Moscow and large cities in the Northwestern and Central federal districts, driving the increase in data transfer speed by more than 20%.
- The range of convergent tariff plans expanded with the launch of All MTS Light, which includes Home Internet and a 30 GB mobile Internet plan, increasing the share of convergent tariff plans in new sales of fixed-line services to above 90%.
- In Q2 2023, the beta version of “MTS Share IT” subscription, enabling smartphone usage for small monthly payments without the need of a buy-out, was launched.

B2B

- A contract was signed with the structure of the largest mining and metallurgical company in Russia for the construction of a private network. Two other industrial communication networks were successfully put into commercial operation.
- Revenues from IoT vertical solutions demonstrated x2 growth in Q2 2023 year-over-year.
- MTS became the leader in terms of the number of customers among mobile operators, with a 34% share of the communications services market.** MTS took the first position with a share of 53% for Telecom API and 32% for the 8-800 service.
- MTS LocationPro was named the Best Digital Solution for Agriculture at the 2023 CIPR Digital awards.

*According to Telecom Daily research

Growing Adtech business strengthens its market position

+46%

Increase in Adtech revenue in 2Q 2023 y/y

TOP 3

in programmatic DSP ranking by revenue

TOP 5

in the ranking of the Russian omnichannel messaging market in 2022 (according to J'Son & Partners)

Advertising data operator

With the largest number of advertising subscribers (according to the Association for the Development of Interactive Advertising)

Strategic focus

01.

Strengthening of positions in the market for DSP- and SSP-platforms* including through the acquisition of field-specific companies

02.

Expansion of the client base of small and medium-sized and large businesses thanks to a user-friendly interface, extensive tools and access to the MTS data analysis results

03.

Creation and development of the platform for large businesses advertising agencies that provides self-service and full-service

***DSP** (demand-side platform) is an automated system used by advertisers (brands) and advertising agencies to purchase ads aimed at specific audience segments.

SSP (supply-/sell-side platform) is a software solution used by publishers, websites and advertising networks to sell their ad inventory.

Media continues to develop the customer base while keeping the measured approach to content investment

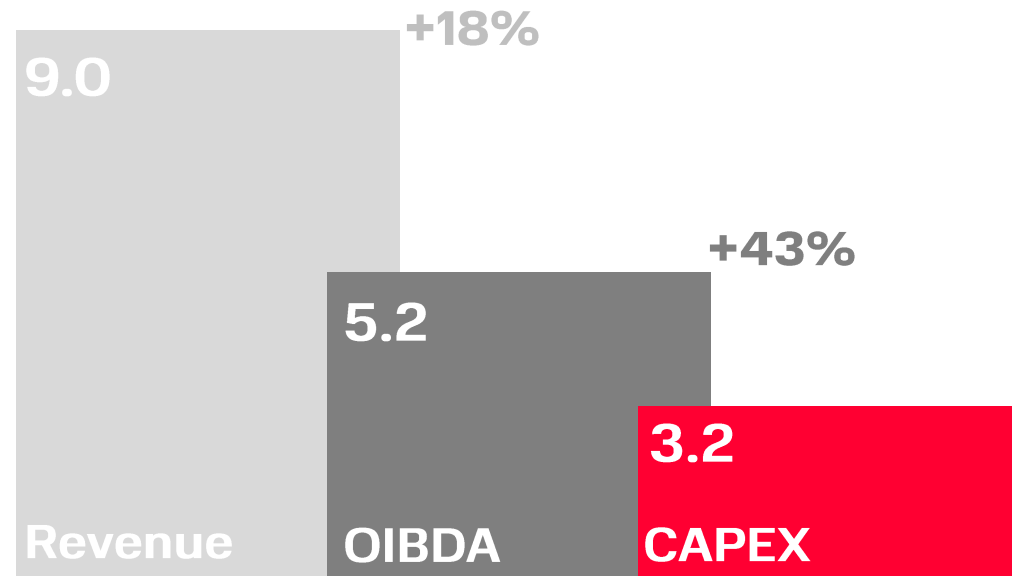
+25% y/y

Increase in number
of pay-TV users

+45% y/y

Increase in number
of KION streaming service
users

6M 2023, RUB bn, % y/y



KION is the key driver of Media growth

7.2 mln

Client base

+20%

Increase in TV time
per user, y/y

TOP 5

Of Russian streaming services by revenue
according to Telecom Daily research

**% of viewers
watching KION Originals**

KION Originals

65%

Original content
67 titles / 7 in Q2'2023



100+ original titles in development and production pipeline

Positive audience reception

KION Originals

Titles

Average rating*

Почка 2

★7,9

Сергий против нечисти. Шабаш

★7,9

Бэби-тур

★7,8

Меньшее зло

★7,3

Спасти единственного сына

★7,0

Отчаянная невеста

★6,9

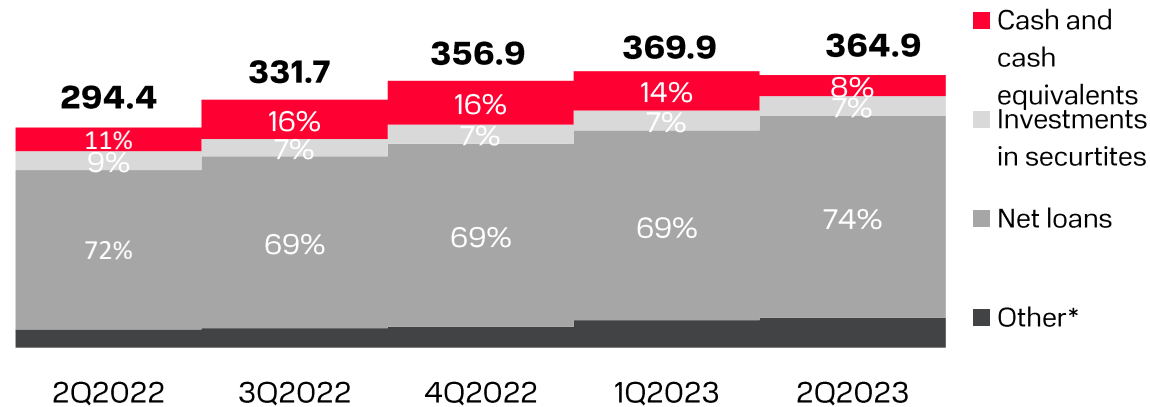
*Calculated based on ratings of public review aggregator and KION platform

Fintech maintains high portfolio growth rates

Asset structure

RUB bn at the end of period

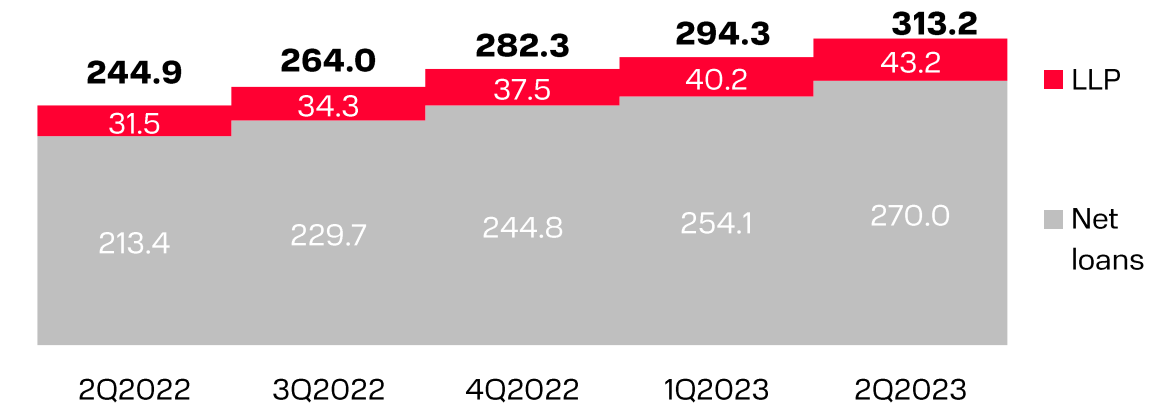
+23.9% y/y



Gross loans

RUB bn at end of period

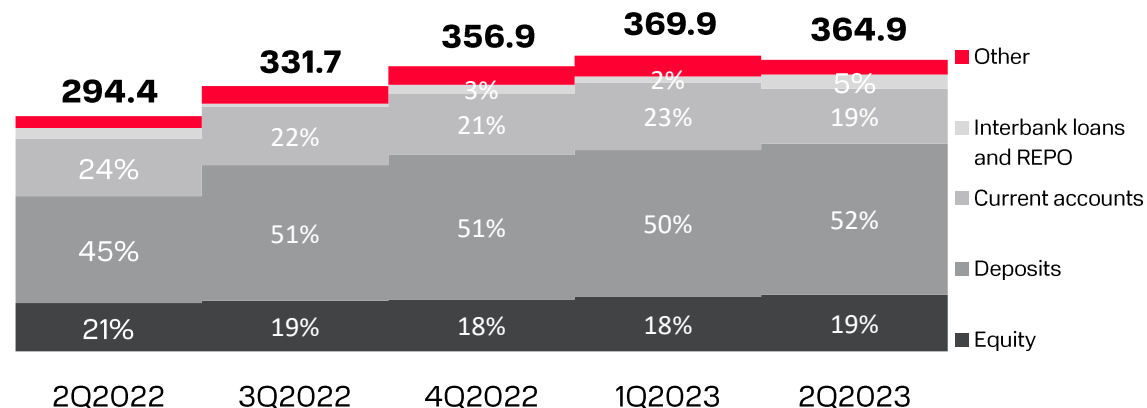
+27.9% y/y



Sources of liquidity

RUB bn at end of period

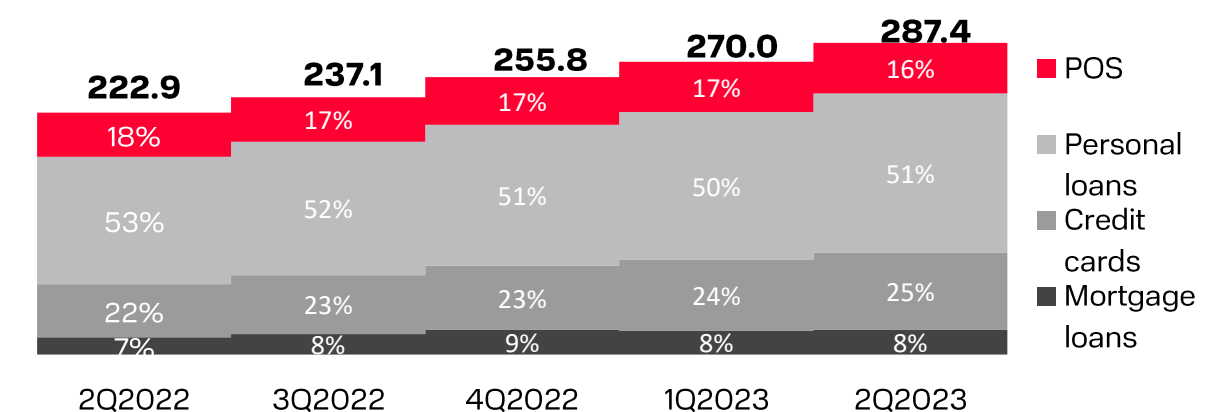
+23.9% y/y



Retail loan breakdown

RUB bn at end of period

+28.9% y/y

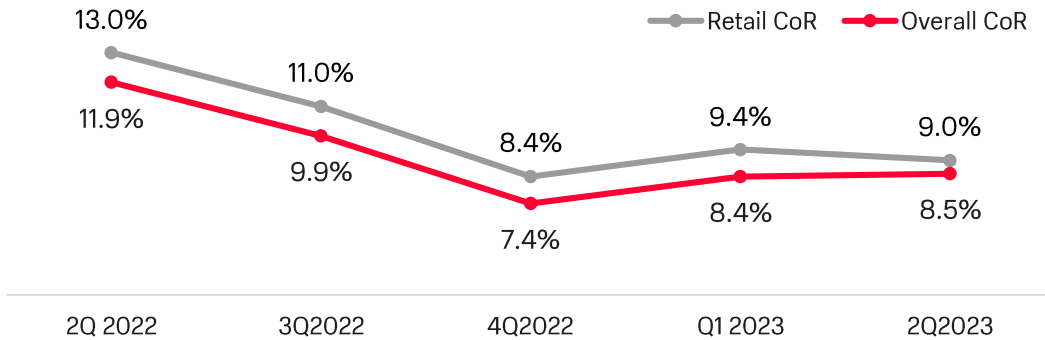


*Other assets include property, plant and equipment, deferred tax, intangible assets and other assets

... with declining cost of risk

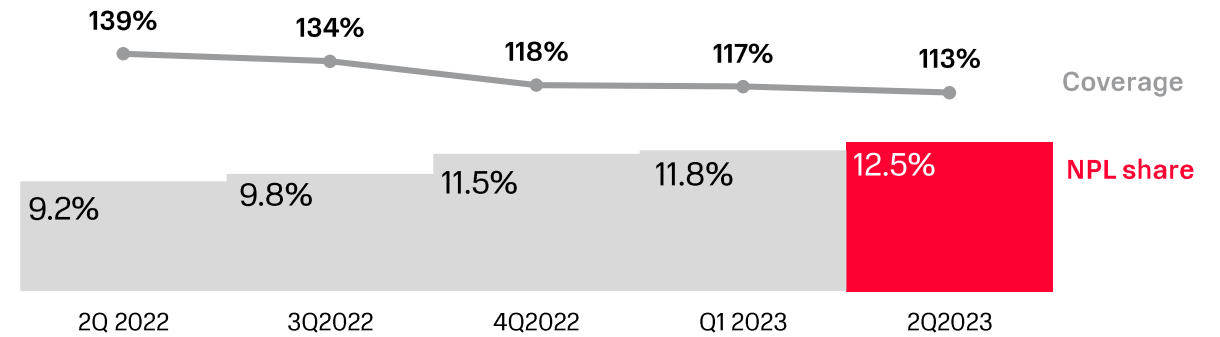
Cost of Risk

%



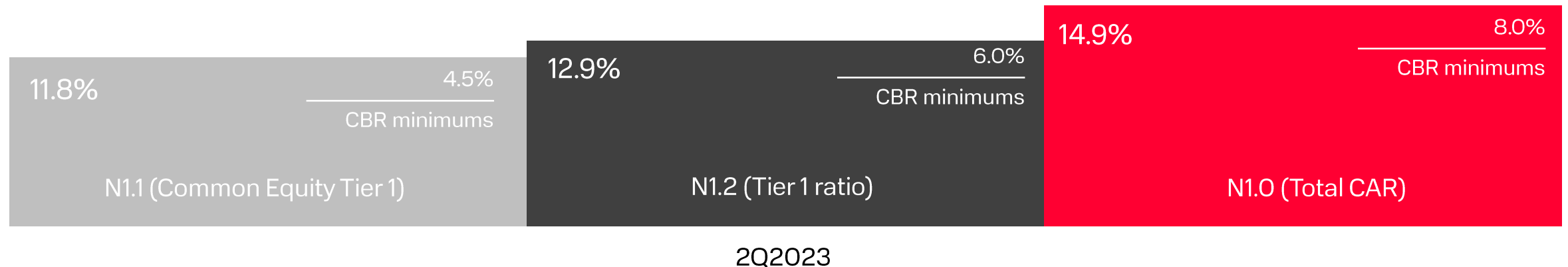
Non-performing retail loans

% of retail portfolio, % NPL coverage by reserves

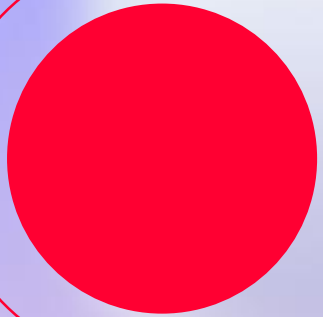


Capital adequacy ratios (Quarter-end, Basel III)

%



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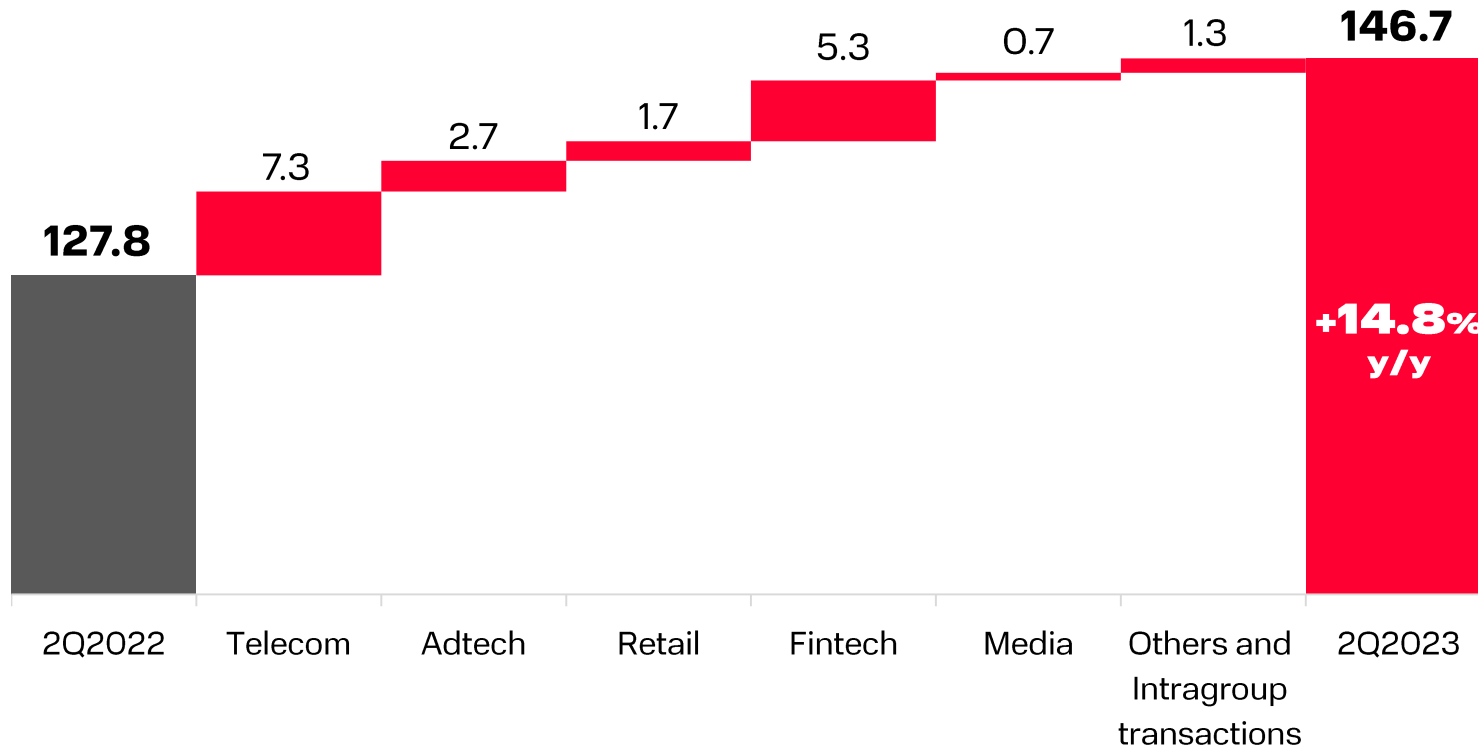


MTS GROUP FINANCIAL RESULTS

Top-line growth driven by positive contributions from all segments

Group Revenue*

RUB bn



Commentary

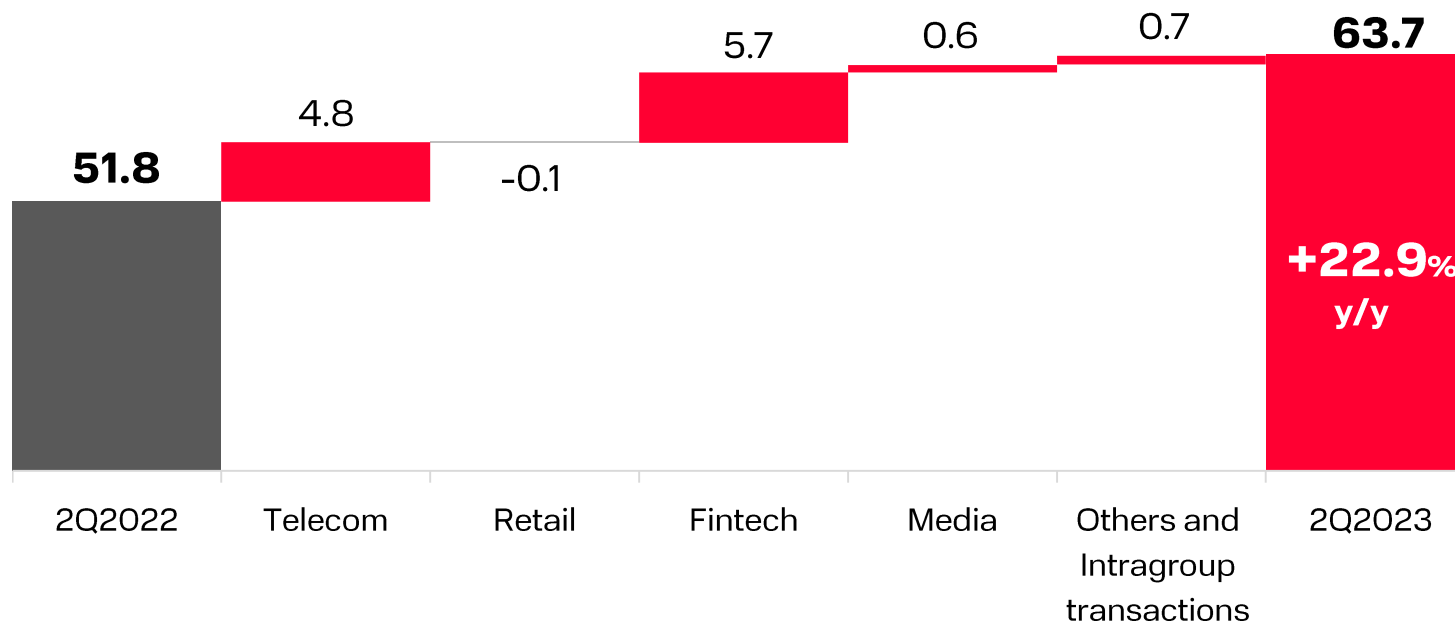
- In 2Q 2023, strong revenue growth was supported by positive results throughout MTS Group as a whole.
- Telecom's revenue was beneficially affected by increased sales of basic services, growth in the MTS Premium loyalty program, as well as the active promotion of B2B products and services.
- Fintech segment continued to grow as a result of accelerated retail lending versus the relatively low figures from a year earlier and increase in fees and commission income.

*Revenue calculated on a standalone basis (includes intragroup revenue). Totals may add up differently due to rounding.

Double-digit OIBDA growth wins back last year's fall

Group OIBDA

RUB bn



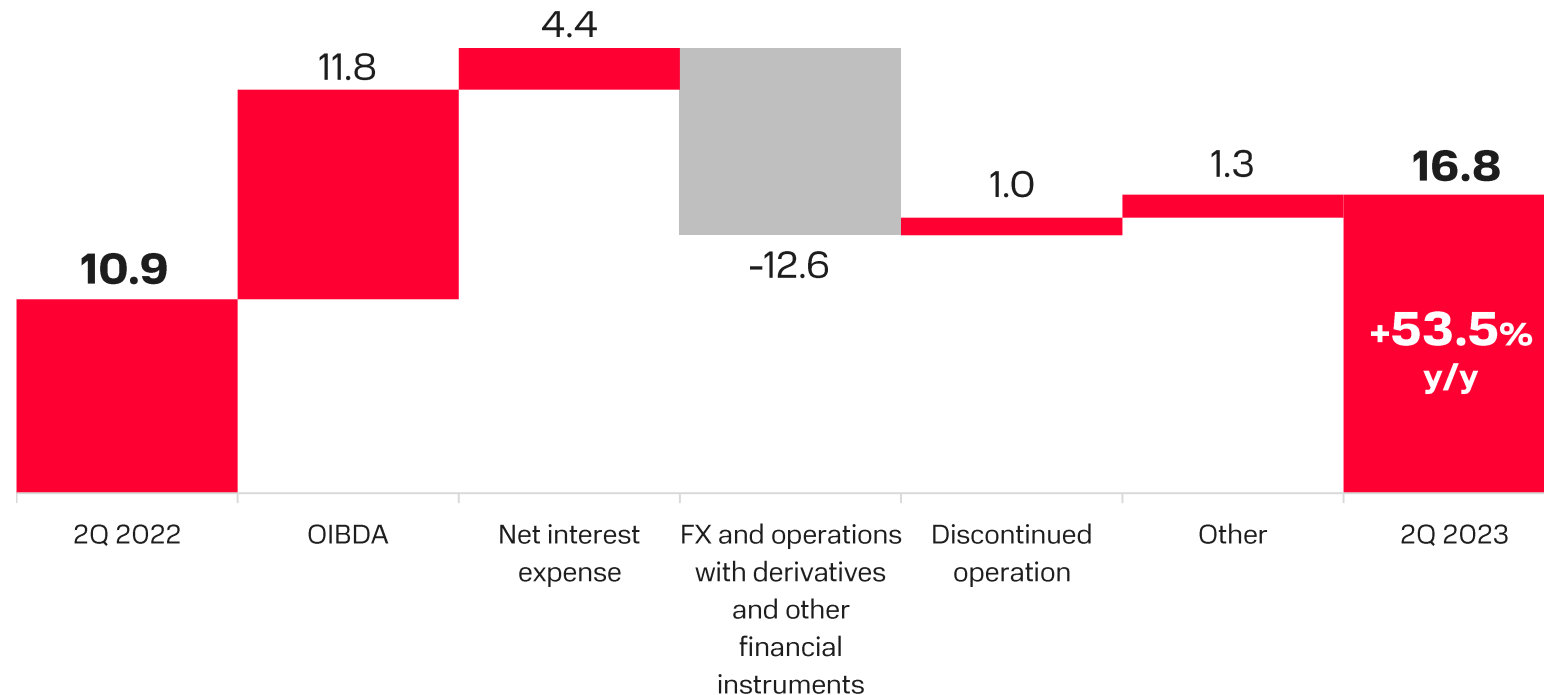
Commentary

- The significant boost in MTS Group's OIBDA was driven by the following factors:
 - Increased consumption of financial services and normalization of bank provisions compared to the "shock period" of the previous year;
 - Solid growth of Telecom's income in both B2C and B2B segments;
 - Development of MTS streaming services and effective cost management for Media content.

Net profit growth following OIBDA despite currency fluctuations

Group net profit

RUB bn

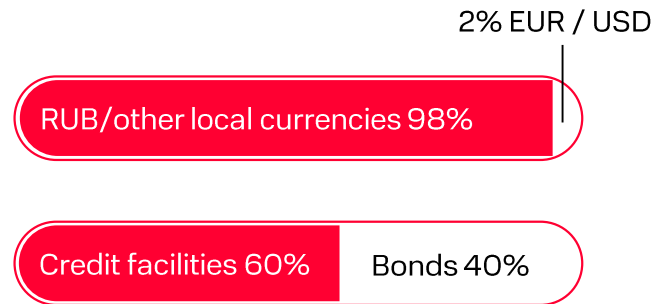


Commentary

- In 2Q 2023, Group Net Profit rose by more than 50% as a result of the following key factors:
 - Increased OIBDA due to positive contributions from the Telecom, Fintech and Media segments;
 - Decreased interest expenses amid the easing of monetary policy relative to 2Q 2022;
 - A positive securities revaluation and lack of discontinued operation expenses.
- Headwinds came from FX differences on the back of 2Q'22 forex gain that didn't take place in 2023.

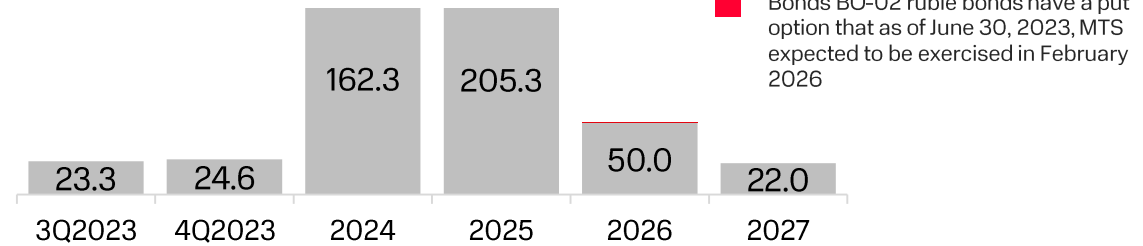
MTS maintains a comfortable debt position

Gross debt* composition

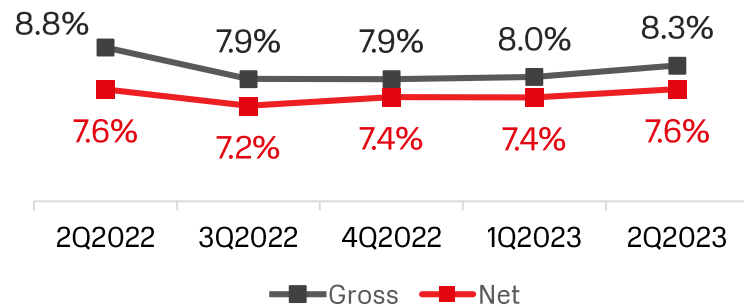


Debt repayment schedule

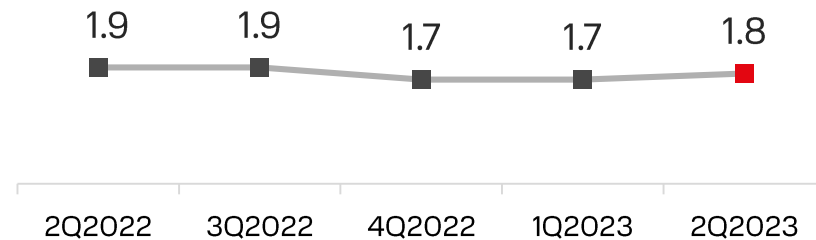
₹ bn



Weighted average interest rates at the end of the period



Net debt* / LTM adj. OIBDA



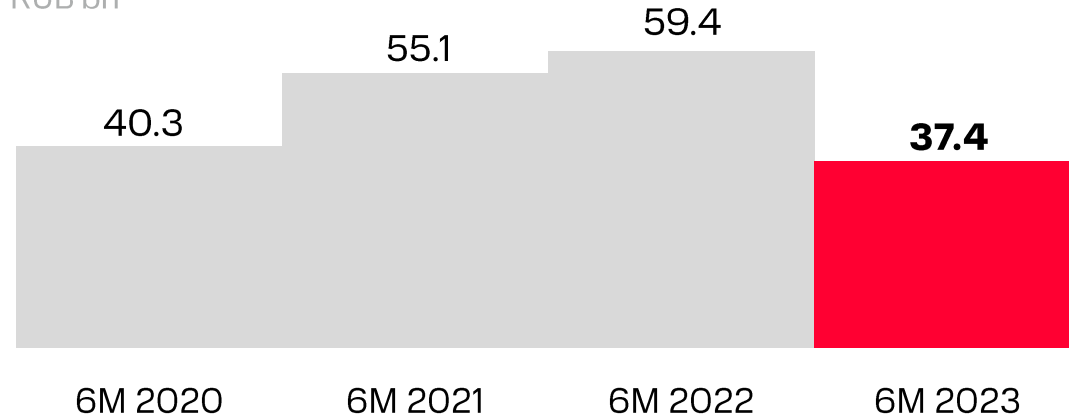
*Excluding IFRS lease liabilities

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

Investing in network development and the digital ecosystem

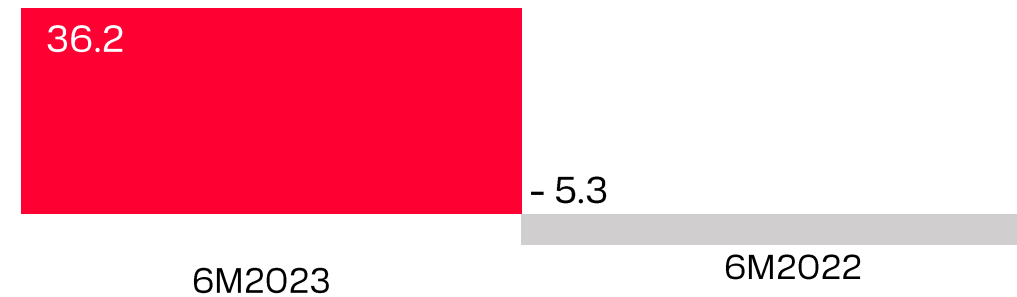
Group Cash CAPEX*

RUB bn



Free Cash Flow ex-Bank

RUB bn



Cash Capex

RUB bn

	6M2023	6M2022
Russia	36.8	58.8
Armenia	0.6	0.3

Commentary

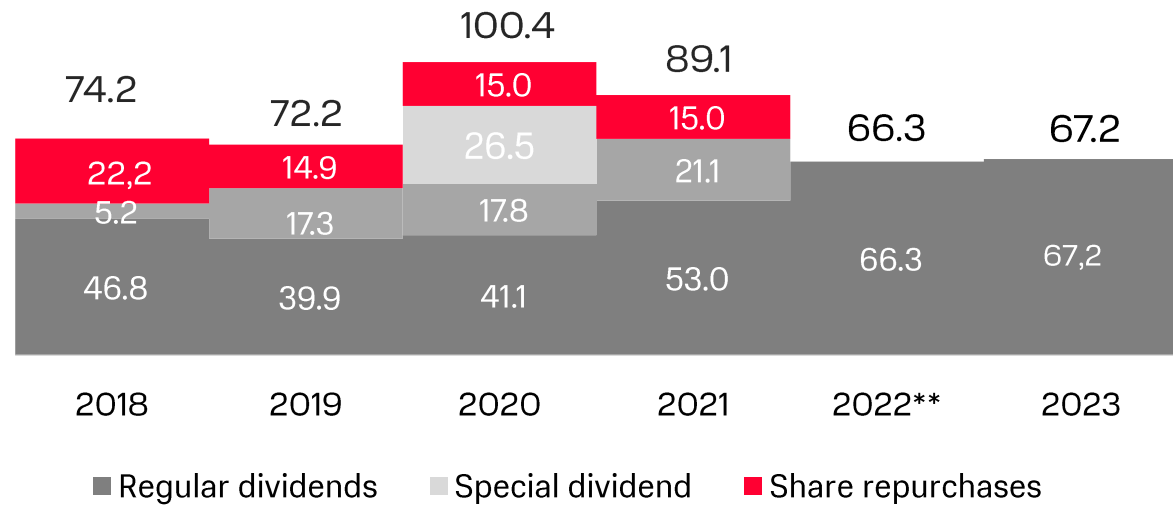
Increase in FCF ex-banking in 6M 2023 is attributable to a shift in capital expenditures between the half-years in 2023 and the Group's stronger results.

* Net of cash proceeds under sharing agreement

Building on a track record of returns

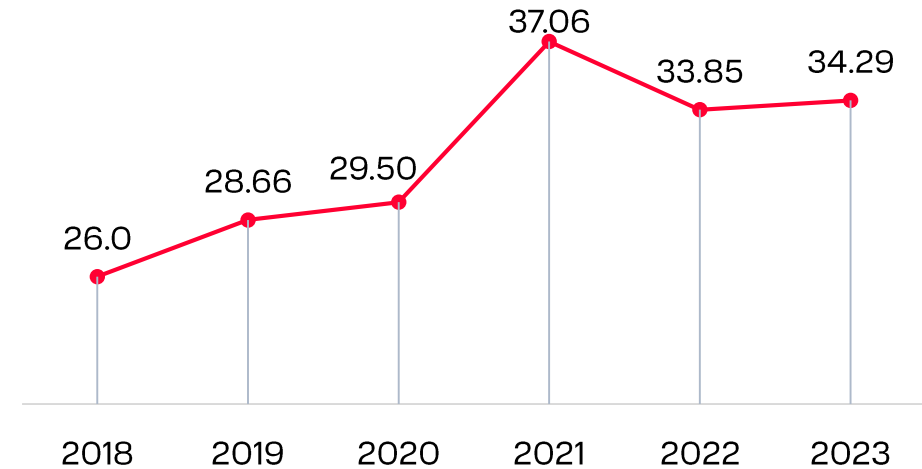
Total dividends plus buybacks*

RUB bn



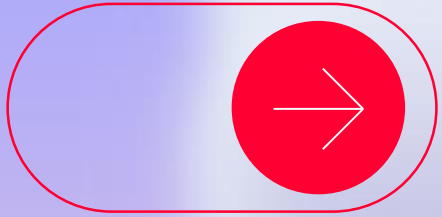
Dividends per ordinary share

RUB bn



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

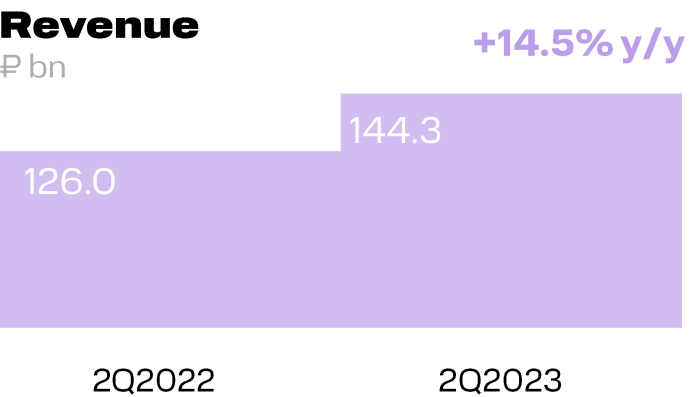
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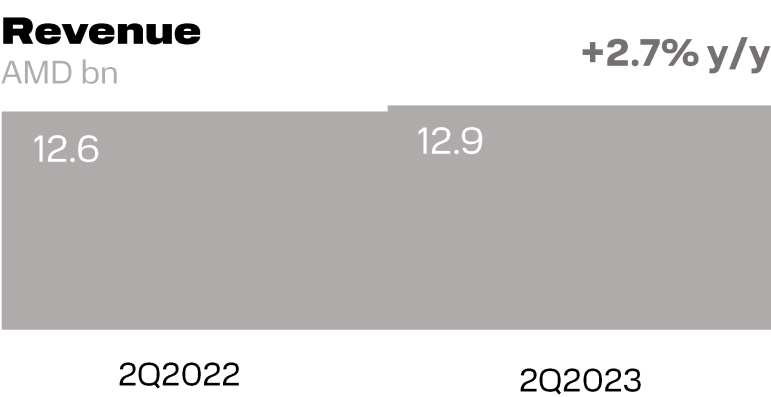
APPENDIX

Country performance breakdown

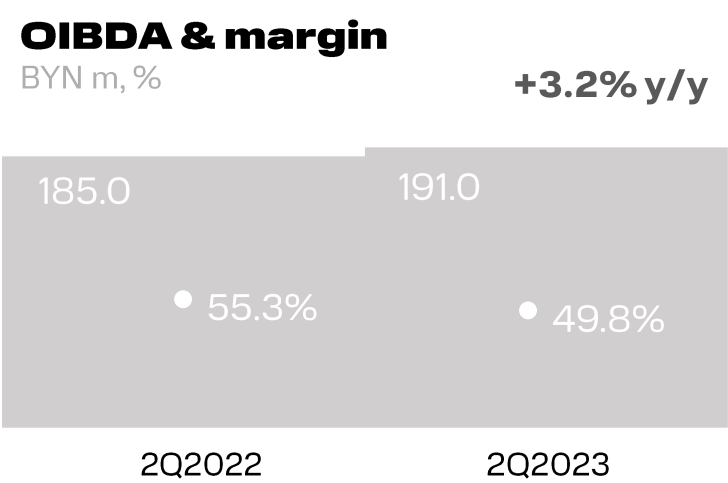
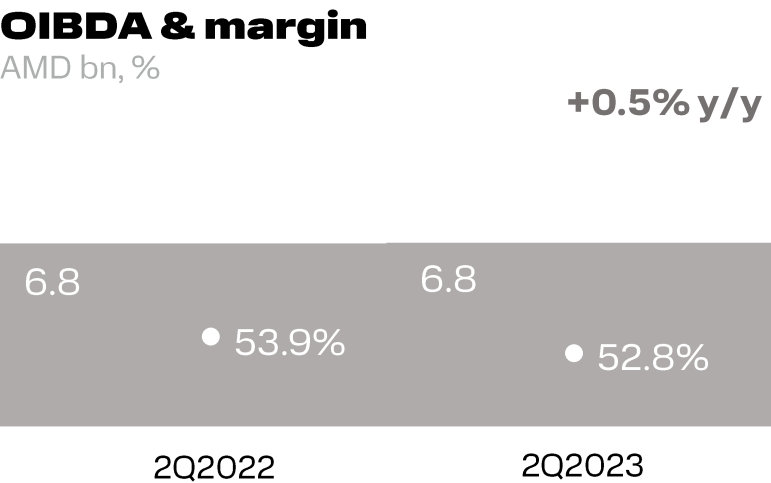
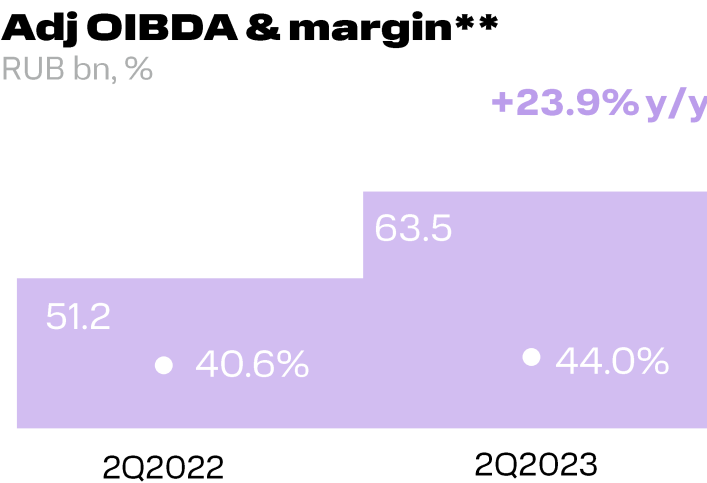
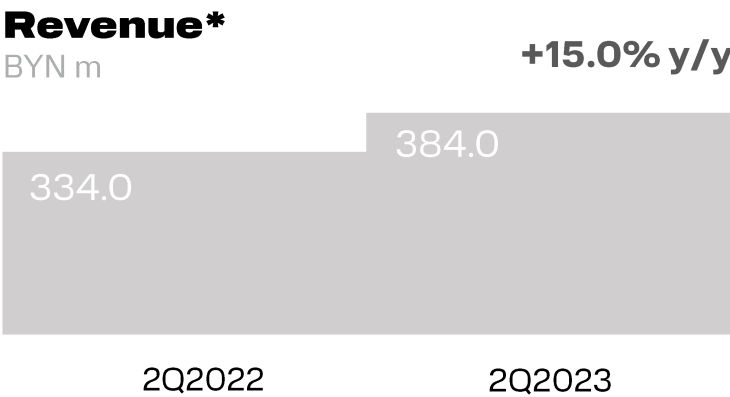
Russia



Armenia

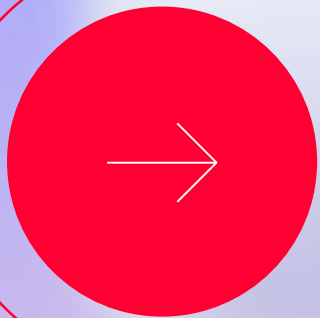


Belarus



*MTS owns a 49% stake in Mobile TeleSystems LLC, a mobile operator in Belarus, which is not consolidated
**Adjusted OIBDA for 2Q 2022 doesn't include a loss from impairment of non-current assets of RUB 282 m.

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