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Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Tender Offer Memorandum dated 27 April 2024 (the “Tender Offer Memorandum”) issued by LLC “Stream Digital” (the “Purchaser”), available at a dedicated webpage:

[https://ir.mts.ru/tender\\_offer](https://ir.mts.ru/tender_offer)

## MTS ANNOUNCES A TENDER OFFER TO SHAREHOLDERS FOR ITS ORDINARY SHARES

- The company announces a tender offer for up to 83,932,026 MTS shares (4.2% of all MTS shares) to provide investors additional options to exit their investments in MTS.
- Certain aspects of the tender offer were approved in principle or set by the Government Commission on Control for Effectuation of Foreign Investments in the Russian Federation.

**Moscow, Russia. April 27, 2024:** MTS PJSC (MOEX: MTSS; MTS, the Company), a digital ecosystem, notifies that LLC “Stream Digital” (the “**Purchaser**”), a direct wholly owned subsidiary of MTS, announces a tender offer inviting holders of ordinary shares in the Company (ISIN: RU0007775219) (the “**Shares**”), including JPMorgan Chase Bank, N.A., in its capacity as depositary for the depositary receipt programme in respect of the Shares (the “**Shareholders**”), to tender for cash up to 83,932,026 Shares, or up to 4.2% of all Shares outstanding (the “**Tender Offer**”).

**The Tender Offer size and the purchase price of RUB 95.0 per Share (the “Purchase Price”) have been set in accordance with the approval granted in principle by the Government Commission on Control for Effectuation of Foreign Investments in the Russian Federation (the “Government Commission”).**

### Background

The Tender Offer has been approved by the MTS Board of Directors (the “**Board of Directors**”) following a comprehensive analysis of the current capital markets environment. It is anticipated that the Tender Offer will grant Shareholders whose rights have been restricted an opportunity to dispose of their Shares partially or fully.

In connection with the Tender Offer, MTS has performed a comprehensive analysis of the current equity markets environment, the Company’s capital markets positioning and its relationship with its shareholders, as well as the impact of the proposed transaction on the Company’s financial position. The analysis included the following factors:

- Unfavourable geopolitical and equity capital markets environment;
- International sanctions and Russia’s counter measures;
- Intention of a number of international investors to dispose of Russian securities;
- Available financial resources. In particular, as of 31 December 2023, the Company’s consolidated Net Debt / LTM of adjusted OIBDA ratio was 1.9x;
- Capital allocation alternatives. The proposed transaction will have neither an adverse effect on MTS’s ability to pursue immediate investment or business development opportunities nor a material effect on its current dividend policy.

In light of the above considerations, the Company concluded that a public tender offer addressed to all eligible shareholders of MTS is an appropriate instrument for Shareholders to tender their holdings and if accepted, to obtain a return of capital invested in such Shares.

## **Regulatory Approvals**

Given the unprecedented market and regulatory environment and in line with applicable laws and regulations, the Government Commission has approved in principle certain terms of the Tender Offer, including the Purchase Price, as well as the terms and conditions for payments for tendered Shares and the transfer of purchased Shares to the Purchaser.

As part of the approval process, the Purchaser took all reasonable efforts to secure the best possible outcome for non-resident Shareholders and resident Shareholders controlled by non-residents who wish to dispose of their investments in MTS. The following options, approved in principle by the Government Commission, are available to non-resident Shareholders and Russian entities controlled by them participating in the Tender Offer without any additional approval of the Russian authorities being required:

- non-resident Shareholders whose Shares are held in a Type 'S' Depo Account or are otherwise subject to restrictions on transfers due to certain dealings having occurred after 1 March 2022 will be able to tender their Shares and transfer such Shares to the Depo Account of the Purchaser, provided that such Shares have been tendered and accepted for purchase in the Tender Offer;
- non-resident Shareholders whose Shares are held in a Type 'S' Depo Account or are otherwise subject to restrictions on transfers due to certain dealings having occurred after 1 March 2022 and have been tendered and accepted for purchase by the Purchaser in the Tender Offer will be able to receive the total Purchase Price in Russian roubles or, with respect to non-resident Shareholders only, in US Dollars, Euros, Chinese renminbi or UAE Dirham in their bank accounts in the Russian Federation or abroad.

## **Expected Effects of the Tender Offer**

As a result of the Tender Offer:

- Shareholders will have an opportunity to reduce or dispose of their shareholdings in MTS at the Purchase Price, which has been set in accordance with the approval granted in principle by the Government Commission;
- Shareholders whose Shares are held in a Type 'S' Depo Account or who are otherwise subject to restrictions on transfers due to certain dealings having occurred after 1 March 2022 and whose Shares have been purchased by the Purchaser in the Tender Offer will be able to receive cash consideration for their Shares;
- Shareholders whose rights to receive dividends or other rights (including the right to dispose of their Shares) have been restricted, thus negatively affecting the liquidity of their Shares, will have an opportunity to obtain a return of capital on their Shares;
- MTS will maintain a comfortable net debt leverage level;
- The Tender Offer is not expected to impact the Company's ability to pursue investment opportunities or the MTS dividend policy approved on 23 April 2024, or the Board's recommendation regarding dividends;
- MTS will remain a public company with the Shares listed on the Moscow Exchange.

The Tender Offer was approved by the resolution of the Board of Directors dated 21 December 2023 and a resolution of the Purchaser's sole participant dated 5 February 2024.

## Expected Timetable of the Tender Offer

DAY	EVENT
27 April 2024	Announcement of the Tender Offer and commencement of the Tender Offer period
12:00 p.m., Moscow time on 28 May 2024	Deadline for submission of Tender Instructions by Shareholders (the Expiration Time)
By 3 June 2024	Announcement of the results of the Tender Offer and pro-ration (if any) (within 4 Business Days following the Expiration Time)
4 June 2024	Dispatch of the accepted Tender Instructions specifying the number of Shares to be purchased by the Purchaser from the relevant Shareholder countersigned by the Purchaser (the Agreement Date). The Agreement Date will be specified by the Purchaser on the last page of the Tender Instruction
4 June 2024– 11 June 2024	Transfer of Shares accepted for purchase to the Purchaser ( <u>by no later than the fifth Business Day</u> following the Agreement Date)
11 June 2024 – 19 June 2024	Payment of the Purchase Price for Shares accepted for purchase and transferred to the Purchaser ( <u>by no later than the fifth Business Day</u> following receipt of the Shares by the Purchaser pursuant to the applicable Tender Instruction)
On or about 20 June 2024	Announcement of completion of the Tender Offer (as soon as reasonably practicable upon completion of settlement procedures with respect to the sale and purchase of Shares accepted for purchase by the Purchaser)

**Please refer to the Tender Offer Memorandum for a description of the procedure for participating in the Tender Offer. All the announcements with respect to the Tender Offer, as well as the relevant documentation will be available at a dedicated webpage:**

[https://ir.mts.ru/tender\\_offer](https://ir.mts.ru/tender_offer)

**Questions and requests for assistance in connection with the Tender Offer, tendering procedures and payments for tendered Shares may be directed to the Tender and Paying Agent at [tender@mtsgsm.com](mailto:tender@mtsgsm.com).**

## **For further information, please contact:**

To notify about your interest in the Tender Offer, or if you have any questions and requests for assistance in connection with the procedures for submitting applications to sell the Shares pursuant to the Tender Offer, please contact the Purchaser during business hours at:

### **Investor Relations Department**

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## **About MTS**

Mobile TeleSystems Public Joint Stock Company (“MTS” – MOEX: MTSS) is Russia’s ecosystem providing network-native digital services and largest mobile operator. The company offers a full range of solutions for consumers and business customers across wireless and wireline connectivity; over-the-top, linear, and satellite television; digital-first banking and financial services; as well as unified communications, cloud computing and IoT. There are more than 86 million mobile subscribers using MTS services across the company’s operations in Russia and Belarus, including more than 81 million subscribers in Russia alone. In addition, MTS has a nationwide network of more than 4,400 owned and franchised retail outlets in Russia, and provides nearly 10 million clients with broadband, TV, and/or fixed-line telephone connectivity, over 13 million users – with OTT and pay TV services. The number of ecosystem clients exceeds 15 million. MTS’s shares are listed on the Moscow Exchange under the ticker MTSS. For more information, please visit the company’s Investor Relations website at [ir.mts.ru](http://ir.mts.ru).

## **Forward-looking statements**

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