

FINANCIAL AND OPERATIONAL RESULTS

9 MONTHS AND 3 QUARTER 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 previously 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 PJSFC (which holds 42,085% in MTS capital) was designated under Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) (“UK Regulations”). Also on November, 2 2023, Sistema PJSFC was included to OFAC SDN list. These designations do not make MTS a blocked person under the UK and the US 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.

9 months – successful results of all business segments

Strong revenue growth across all the segments – maintaining leadership in Telecom and strengthening market positions in other businesses

Investments in the high-potential areas, product teams and business transformation – bet on digital solutions and growth of non-telecom business

Keeping comfortable debt position

9M 2023

3Q 2023

Group's revenue

+12%

+16%

Group's OIBDA

+8%

+0,6%

Net Debt / LTM OIBDA

1.8x

The ecosystem and key programs continue to expand their base

14.2 mln

Ecosystem clients (3Q 2023)
+11.4% y/y

47.5%

Of B2C revenue were generated by
ecosystem clients in 3Q 2023



MTS
PREMIUM

+40,5%

Loyalty program revenue growth
(3Q 2023 vs 3Q 2022)

TOP-3

In the ranking of the leading ecosystem
subscriptions according to Gfk



MTS
CASHBACK

+39%

Increase in the number of registered users
(3Q 2023 vs 3Q 2022)

+47%

Increase in the number of clients using
cashback (3Q 2023 vs 3Q 2022)

Ecosystem products demonstrate multiple growth



+22%

Increase in the number of users
(3Q 2023 vs 2Q 2023)



+33%

Increase in the number of users
(3Q 2023 vs 3Q 2022)



x2

Increase in service activation
(3Q 2023 vs 3Q 2022)



x2

Increase in the duration of user stay in the service
(3Q 2023 vs 2Q 2023)



x1.5

Increase in GMV
(3Q 2023 vs 3Q 2022)



x3,5

Increase in the service DAU
(3Q 2023 vs 3Q 2022)

MTC LIVE strengthens its leadership in the offline entertainment segment



OWN ACTIVITIES

55
thousand
concert-goers

have either already attended or bought tickets for upcoming shows on **ANNA ASTI's** concert tour, produced by the MTS Live team.
It is the biggest tour of the year in Russia.

1.7
billion rubles

Box office receipts of the **musical "Fear Nothing, I'm With You"**, which premiered in December 2022.
This is an absolute record in the entire history of performances in Russia.

> 30
thousand tickets

were sold for the **Red Summer festival, an event in a new format** in Moscow and St. Petersburg (an MTS space for the entire summer).

Ticketscloud

An 85% stake in Ticketscloud, a ticketing platform for event organizers, was acquired. This is **the largest deal in the ticketing market** since 2018. **MTS's share of the ticket market is forecast to exceed 30%** by the end of the year.

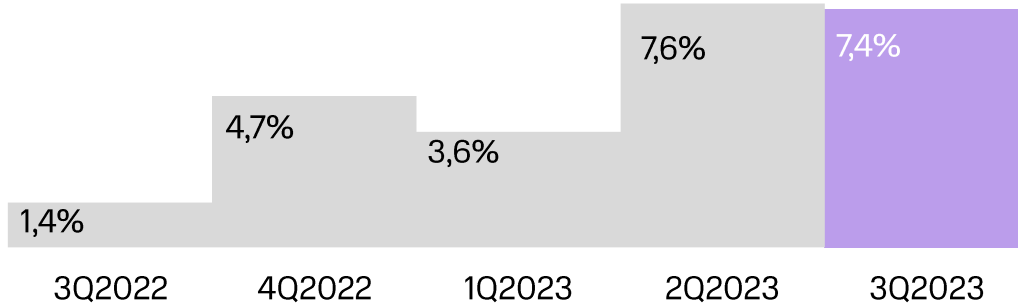
Venues

Two venues were taken over by MTS in the third quarter of 2023, one in Voronezh and the other in Chelyabinsk. The **unique network of MTS Live venues** now covers 5 cities.

MTS continues its transformation from Telco at Techco with strong revenue growth

Connectivity revenue growth, %*

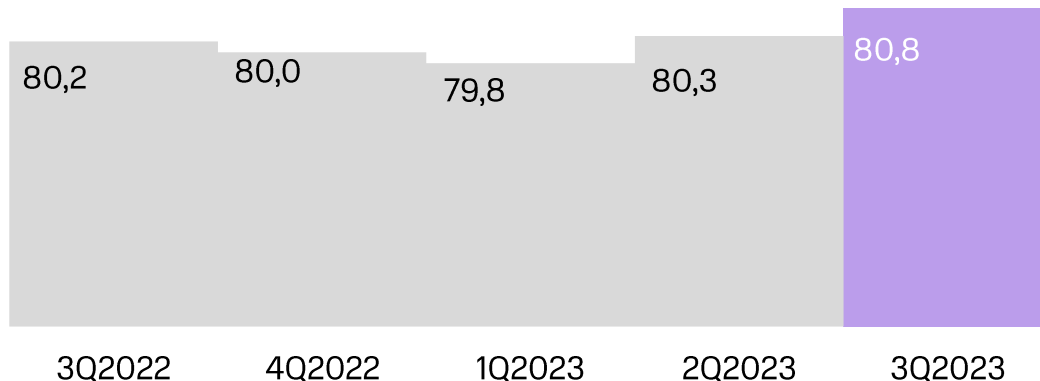
change year-over-year



+20% y/y

Increase in B2B Telecom revenue, including the results of ICS**, IoT, MTT, and fixed business

3M mobile subscribers, m*



+16% y/y

Increase in revenue of Broadband Internet

+4

New Private LTE projects in different sectors of the economy

*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

... as well as product rebranding and the development of new areas



MTS LINK

All IT solutions for business communication, which were previously under Webinar Group, are now united under the UCaaS brand **MTS Link**

x2 year-over-year increase in user numbers in Q3 2023



EXOLVE

Expansion of functionality by adding SMS messaging capability from an alpha name (the individual sender's name) on the MTS Exolve platform

7,300 developers – MAU as of the end of Q3 2023



MTT

VOICE BOTS

VoiceBox expands business opportunities and brings communication with customers to a new level.

+63% year-over-year voice bot revenue growth in Q3 2023

MTS Cloud garners public recognition and strengthens its market position

TOP 5

of the largest data centers in Russia
(according to Cnews and ComNews)

>40%

Cloud revenue growth for 9M 2023 year-over-year

Products

Q3 2023 dynamics, year-over-year

x5 MTS Cloud Office revenue growth

>2x growth in revenue from disaster-resistant infrastructure and backup services

2x growth in revenue from distributed network management services (SD-WAN)

+93% growth in revenue from #Cloud MTS object storage services

+77% VDI (remote workplace) revenue growth

+75% growth in revenue from SOC (Security Operation Center – solutions to improve cybersecurity)

Adtech accelerates revenue growth and expands advertising inventory

+50%

Increase in Adtech revenue
in 3Q 2023 y/y

+20%

Increase in digital advertising revenue
in 3Q y/y

+23%

Increase in the number of unique clients

Telegram

Launched advertising in Telegram Ads
on external data associated with
phone numbers

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.

Fintech posts record net profit amid strong lending growth

RUB 10,9 bn

Bank's Net Income for 9M 2023
x6 y/y

+32%

Growth in retail loans
3Q y/y

>20%

ROE
for 9M 2023

+20%

Growth of the Bank's Assets
3Q 2023 y/y

31%

CTI for 9M 2023
(Cost to income ratio)

6,1% (-2.4 p.p.)

Cost of risk
3Q 2023 (y/y)

...receives high marks from external experts and declares itself on the public market

TOP-3

Innovation Banks' rating
according to
Skolkovo Foundation

RUB 10 bn

The first “floater” - the bond issue
at the rate of RUONIA+2.2%

Digital ruble

Launch of a pilot project.
One of thirteen Russian banks that have confirmed
their technical readiness to test the digital ruble

Media expands its client base with moderate investments in content

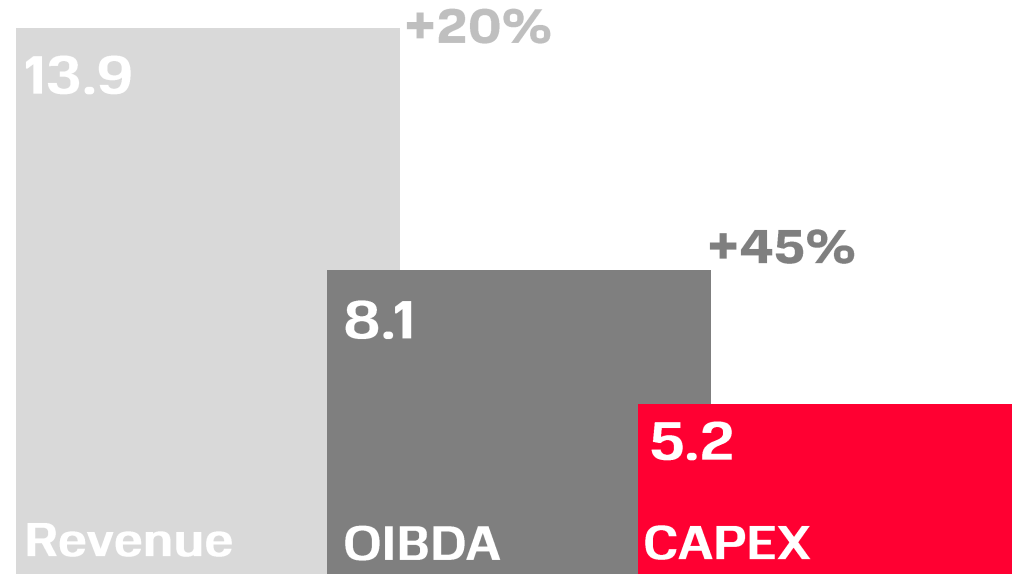
+20% y/y

Increase in number of pay-TV users

+33% y/y

Increase in number of KION streaming service users

9M 2023, RUB bn, % y/y



KION – bet on dynamic supply of Originals

7.6 mln

Client base

+20%

Increase in TV time
per user, y/y

**On the 1st of
every month**

a new serial on KION

**% of viewers
watching KION Originals**

KION Originals

70%

Original content
70 titles / **5 in Q3'2023**



100+ original titles in development and production pipeline

Positive audience reception

KION Originals

Titles

Average rating*

Жизнь по вызову-2

★7,9

Анонимная телега. Док

★7,8

Бэби-тур

★7,8

Замаячный

★7,5

Жизнь по вызову. Док

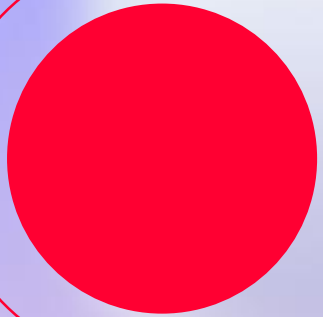
★6,7

Там, где цветет полынь

★6,2

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

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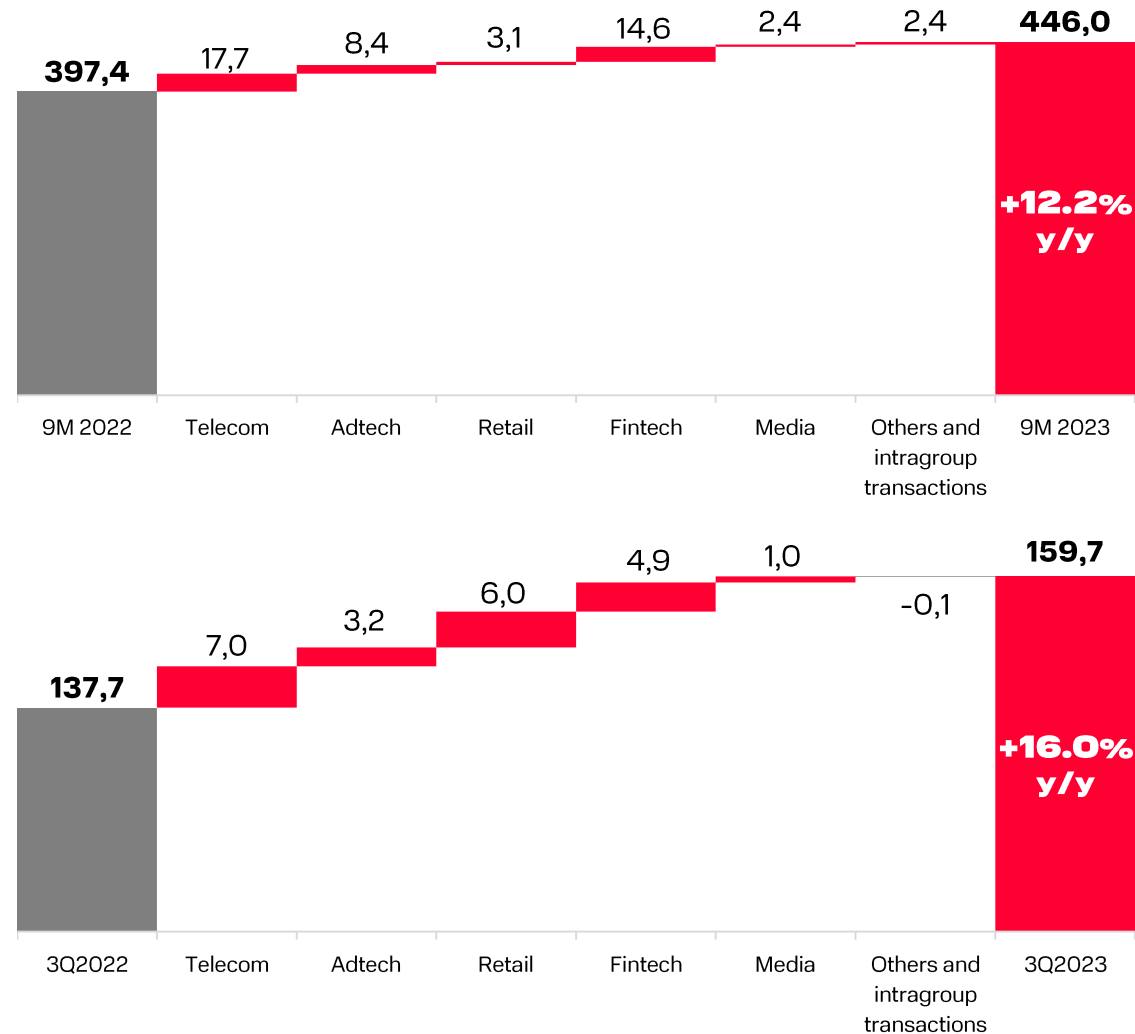


MTS GROUP FINANCIAL RESULTS

Strong revenue growth involving all Group segments

Group Revenue*

RUB bn



Commentary

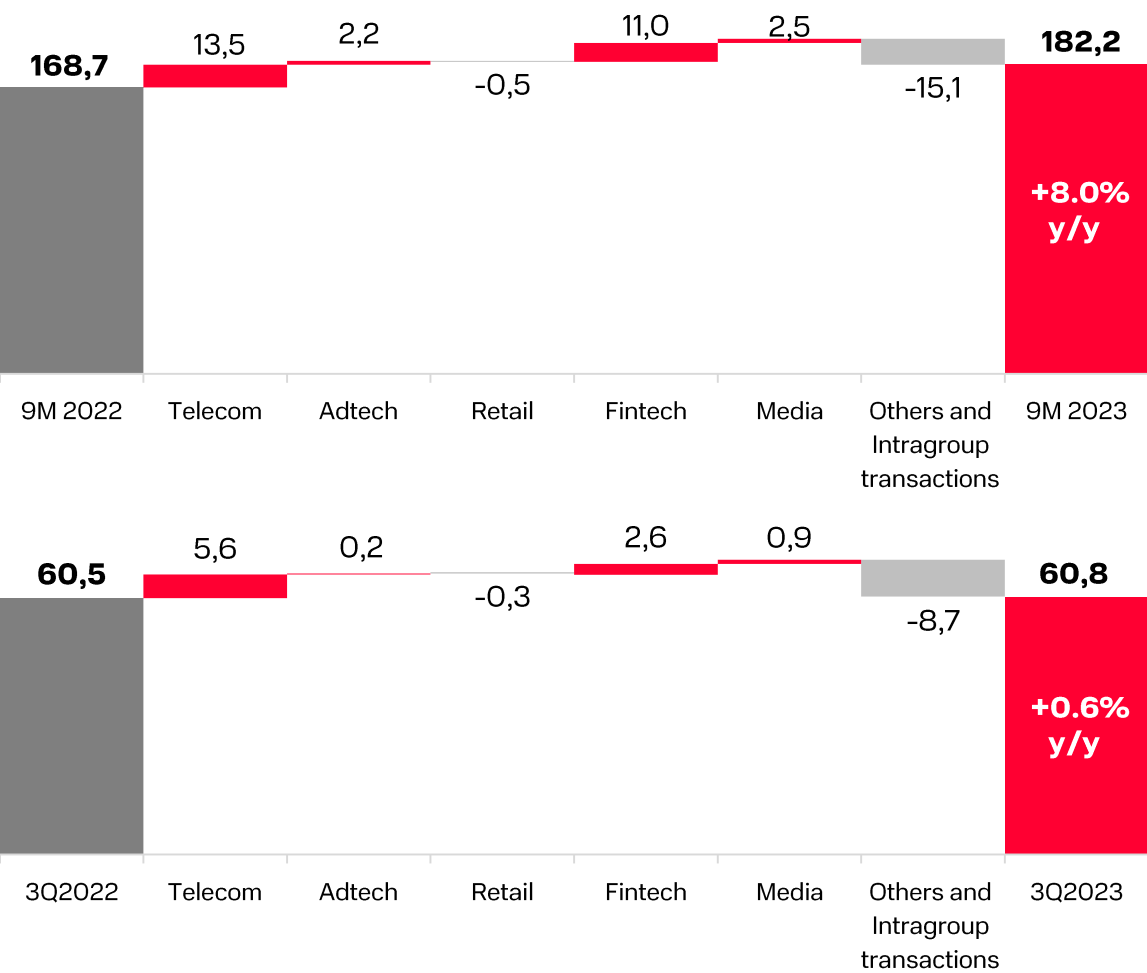
- Double-digit revenue growth in 3Q and 9M 2023 was driven by the following factors:
- Increase in basic Telecom services sales;
- Continued growth of retail loan portfolio and fees and commissions in Fintech;
- Scaling the advertising business through the new solutions and increasing the client base;
- Restoring sales in Retail segment.

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

OIBDA – developing mature business-verticals and high-potential areas

Group OIBDA

RUB bn



Commentary

- The key drivers of 9M OIBDA were:
 - Positive effect of Telecom's revenue growth in both the B2C and B2B segments;
 - Successful Fintech results amid the lending growth;
 - Revenue growth and effective cost management of the OTT services in Media;
- Increase in the reporting period OIBDA was limited by the investments in growth areas, employee and one-off expenses.

Net profit: impact of macro-environment and increased depreciation

Group net profit

RUB bn

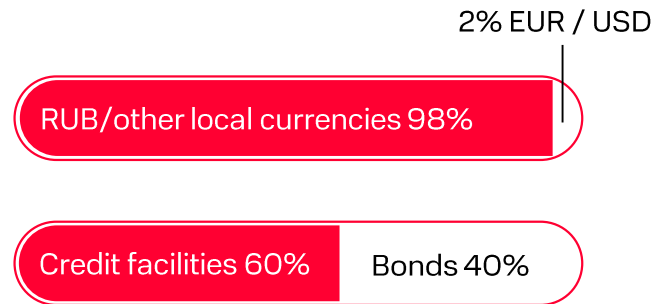


Commentary

- Net profit for 9M 2023 increased by more than 40% on the back of stronger Group's results. The following factors put some pressure on the indicator's growth:
 - Forex dynamics – positive exchange rate differences for the same period last year, that were not repeated in 2023, and
 - Increased depreciation reflecting continued investments in network and ecosystem development.
- The negative dynamics in 3Q 2023 is mainly explained by the increased finance expenses and depreciation amid the raised interest rates and continued capex respectively.

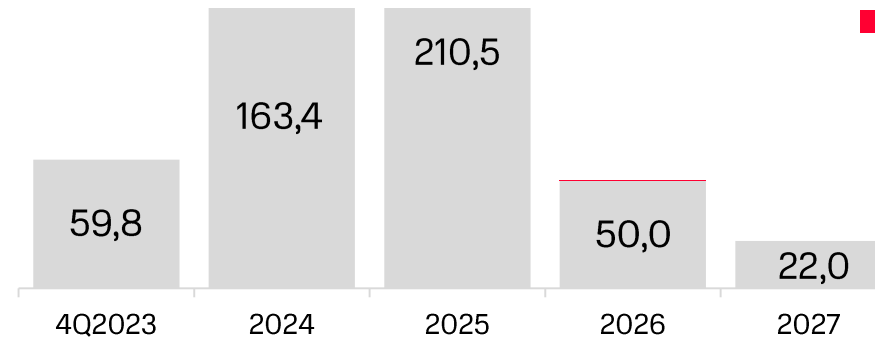
MTS maintains a comfortable debt position

Gross debt* composition



Debt repayment schedule

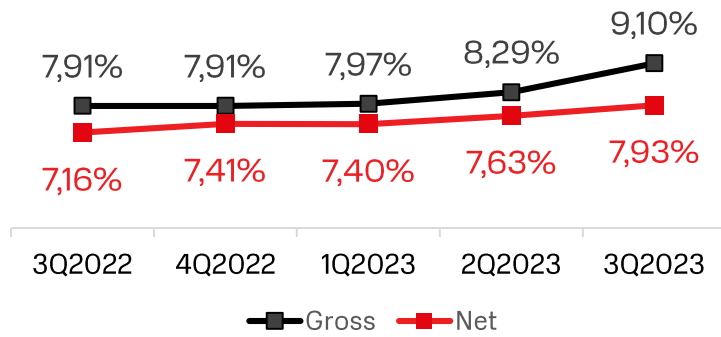
₹ bn



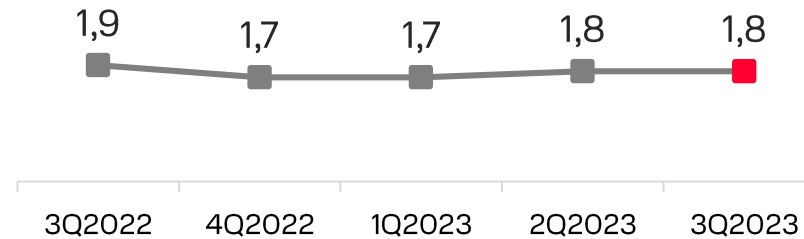
Gross Debt**
RUB 505.7 bn

■ Bonds BO-02 ruble bonds have a put option that as of June 30, 2023, MTS expected to be exercised in February 2026

Weighted average interest rates at the end of the period



Net debt* / LTM adj. OIBDA



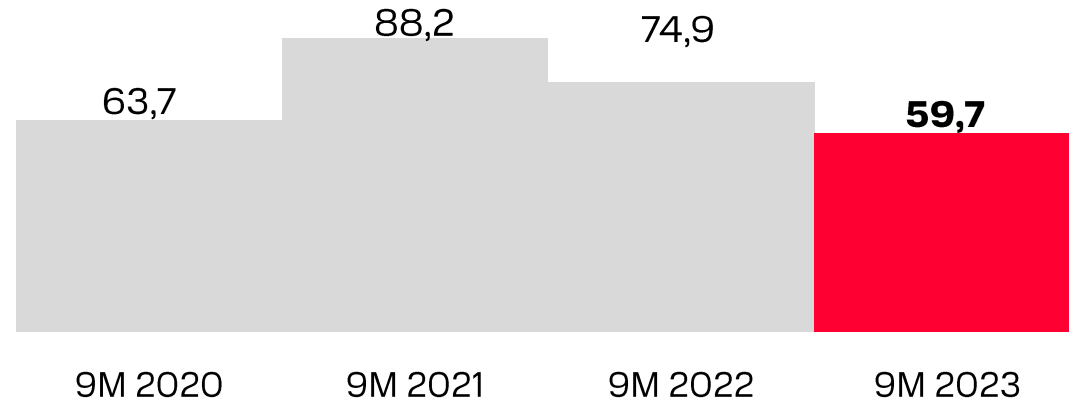
*Excluding IFRS lease liabilities

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

Investments in network and ecosystem shift to the end of the year

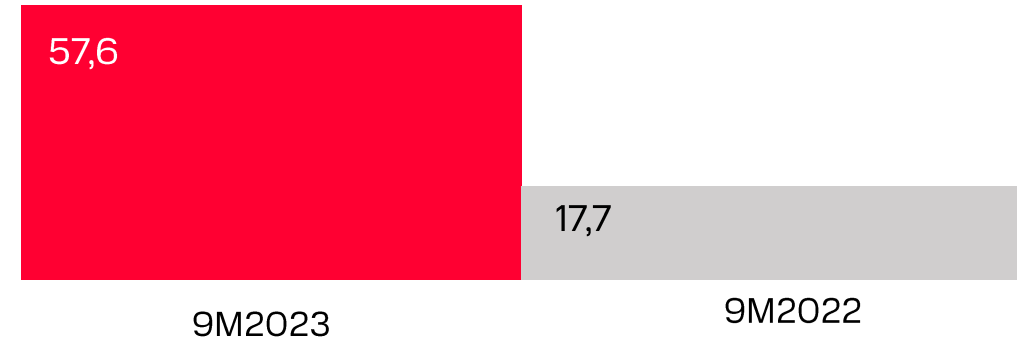
Group Cash CAPEX*

RUB bn



Free Cash Flow ex-Bank

RUB bn



Cash Capex

RUB bn

	9M2023	9M2022
Russia	58.6	74.3
Armenia	1.1	0.6

Commentary

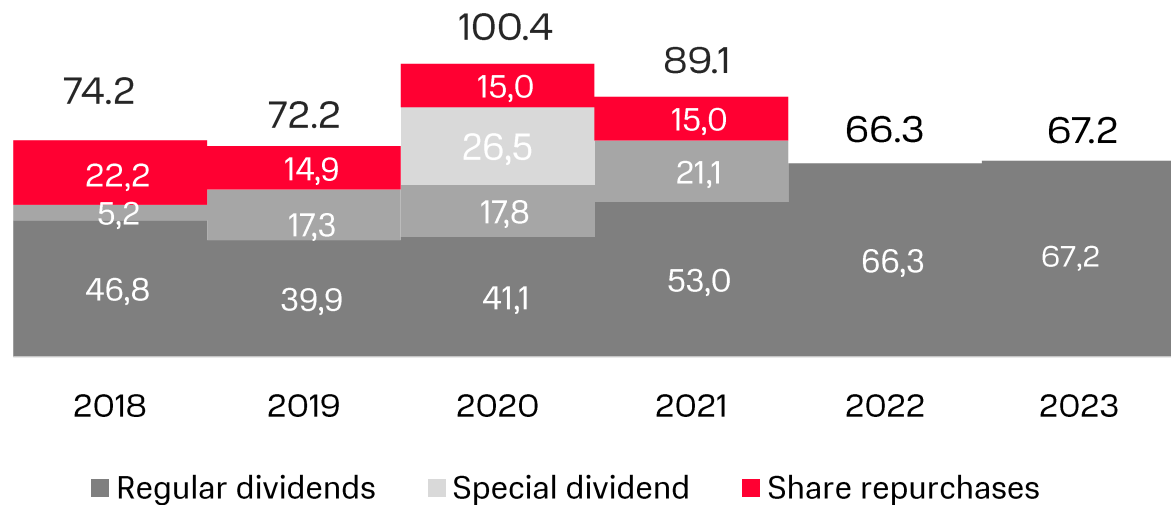
Increase in FCF ex-banking for 9M 2023 is explained by shifting in capital expenditures to 4Q 2023 as well as stronger Group's results for 9M y/y.

* Net of cash proceeds under sharing agreement

Value creation for shareholders is an important part of MTS investment case

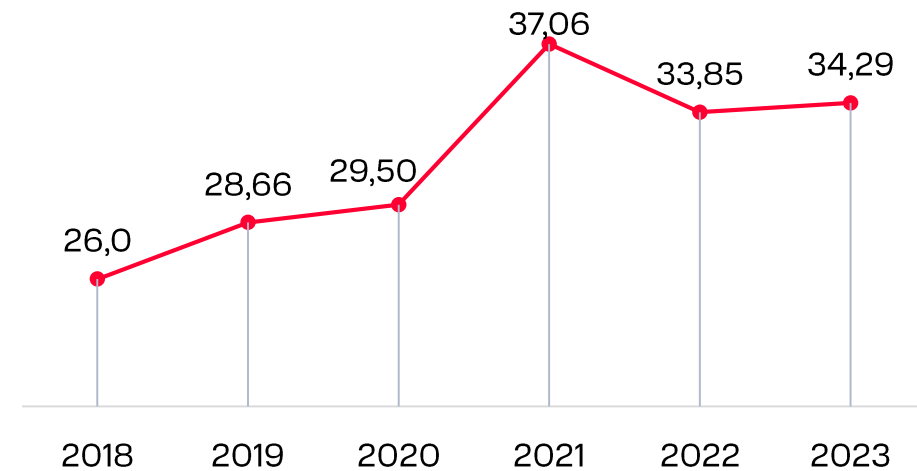
Total dividends plus buybacks*

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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