

Unless otherwise defined herein, capitalized terms used in this Q&A 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

This document is a summary only and Shareholders are strongly advised to read the Tender Offer Memorandum as a whole and in its entirety in conjunction herewith.

I. GENERAL QUESTIONS	1
II. ELIGIBLE TENDER OFFER PARTICIPANTS	2
III. TENDER OFFER PROCESS	3
IV. TAXES AND FEES	4
V. TENDER INSTRUCTION SUBMISSION	5
VI. PAYMENT CURRENCY	7

I. GENERAL QUESTIONS

1. What is the purpose of the Tender Offer?

The Tender Offer is being conducted on the basis of a decision of MTS's Board of Directors to adjust MTS's equity capital markets strategy and in particular to allow Shareholders whose rights have been restricted with an opportunity to dispose of their Shares partially or fully via an efficient instrument that would allow Shareholders to tender their Shares in order to provide them with liquidity in respect of such Shares, which may be currently inaccessible for certain groups of Shareholders.

2. Who is the Purchaser? Is it affiliated with MTS?

The Purchaser is LLC “Stream Digital” which is a direct wholly owned subsidiary of MTS.

3. What is the Purchase Price per Share? Is it the same for all Tender Offer participants?

The Purchase Price is set at 95 Russian rubles. The price is the same for all participants.

4. How the Purchase Price was set? Was it approved by the Government Commission?

Due to the Russian Restrictions, the Purchaser has limited discretion as to how the Purchase Price is set. The Purchase Price has been set in accordance with the Government Commission approval, which is a pre-requisite for the Tender Offer. The Company believes that it has ensured that, despite certain limitations, the Tender Offer is in the best interests of shareholders of MTS as a whole.

5. What is the maximum number of Shares that can be purchased under the Tender Offer?

The Tender Offer is for up to 83,932,026 Shares or 4.2% of the outstanding share capital of the Company.

6. Which permissions have been obtained by the Purchaser in relation of the Tender Offer?

Certain terms of the Transaction, including the Purchase Price have been set in accordance with the approval granted in principle by the Government Commission. The Purchaser has obtained all the regulatory approvals in Russia required to undertake the Tender Offer, including the approvals that enable non-resident shareholders to sell their Shares and receive funds in Russian rubles or one of the foreign currencies in their bank accounts in Russia or abroad.

One important thing to note is that those Shareholders who elect to receive the total Purchase Price in their bank accounts in the Russian Federation may potentially be required to obtain certain other approvals from relevant Russian state authorities in order to convert the relevant amount into foreign currencies and/or transfer the relevant amount abroad. It will be the sole responsibility of the relevant Shareholders to apply for such approvals.

7. What is the source of funds for the Tender Offer?

The Purchaser has entered into an intragroup financing arrangement to finance the acquisition of the Shares in the Tender Offer.

8. What is MTS planning to do with the Shares acquired in the Tender Offer?

The decision has not yet been made. Quasi-treasury shares represent an asset that can be used in various ways and the Purchaser will have flexibility in relation to this matter.

9. Is the Purchaser or MTS a Sanctioned Person?

As of the date of this document, neither the Purchaser, nor MTS are under any blocking sanctions of the US, UK or the EU.

II. ELIGIBLE TENDER OFFER PARTICIPANTS

10. Who can take part in the Tender Offer?

The Tender Offer is open for participation by all shareholders of MTS, including those shareholders whose shares are held on Type 'S' depo accounts. Certain government approvals have been procured to allow sale-purchase transactions with shareholders whose shares are held on type "S" depo accounts as well as transfer of the Purchase Price in certain foreign currencies to accounts with Russian banks or abroad (For more details on government approvals please refer to *Part I, Question #6*).

11. My Shares are held on Type 'S' depo accounts. Can I still take part in the Tender Offer?

Yes, the Tender Offer is also open to non-resident shareholders whose Shares are held on Type 'S' depo accounts. Government approvals that allow such transaction with such shareholders have been procured. Such shareholders will have an opportunity to dispose of their Shares and receive funds in their accounts in Russia or abroad.

12. I hold Shares through Clearstream Banking, S.A., am I able to participate in the Tender Offer?

Whilst the Tender Offer is generally addressed to all Shareholders, for infrastructure reasons unrelated to the Purchaser, the Shareholders that hold tendered Shares through Clearstream Banking, S.A., are not eligible to participate in this Tender Offer.

13. I hold Shares through Euroclear Bank SA/NV, am I able to participate in the Tender Offer?

Yes, the Tender Offer is also open to Shareholders who hold their Shares through Euroclear.

14. I am a holder of ADRs of MTS, am I able to participate in the Tender Offer?

The Tender Offer is addressed to the holders of Shares only.

In order to participate in the Tender Offer, holders of the ADRs will need to convert their ADRs into the Shares and validly tender such Shares prior to the Expiration Time.

There are certain regulations and instructions of the Russian authorities that may limit conversion of the ADRs of certain ADR holders into Shares. Holders of ADRs would need to consult with the Depositary Bank and their brokers on the procedures and steps required to execute conversion of ADRs into Shares in order to participate in the Tender Offer.

15. I am a holder of Shares, which are held at the securities account with MTS shareholders' register. Am I able to participate in the Tender Offer?

The terms of the Tender Offer provide for the crediting of Shares accepted for purchase in the Tender Offer to the Purchaser's Depo Account.

Accordingly, to participate in the Tender Offer, persons holding Shares in a securities account with MTS shareholders' register maintained by JSC "Reestr" must transfer their Shares to a Depo Account prior to the Expiration Time (such transfer to be completed sufficiently in advance of the Expiration Time to allow the submission of a Tender Instruction prior to the Expiration Time).

16. May I tender pledged or otherwise encumbered Shares into the Tender Offer?

No. Shareholders may not tender Shares that are blocked, encumbered, pledged, subject to attachment, or have other restrictions of any kind. The Purchaser may reject Tender Instruction in respect of such Shares.

17. Does the majority shareholder, any of its affiliates or subsidiaries of MTS plan to take part in the Tender Offer?

The Tender Offer addressed to all Shareholders of MTS. The Purchaser and MTS have no information that the largest shareholder of MTS or its affiliates and/or subsidiaries plan to participate in the Tender Offer.

III. TENDER OFFER PROCESS

18. When will this Tender Offer commence and what is the deadline for tendering my securities? May this Tender Offer be extended?

The Tender Offer has commenced on 27 April 2024 and will expire at 12 p.m. Moscow time on 28 May 2024, unless the Purchaser, in its sole discretion, extends the period of the Tender Offer. If the Expiration Time of the Tender Offer is extended, the Purchaser will issue a press release.

19. I have validly tendered my Shares. How will I understand that my Shares are accepted for purchase and, if they are, what are the next steps?

If Shares have been accepted for purchase, the Tender Instruction countersigned by the Purchaser and indicating the number of Shares accepted will be emailed to the address specified in the relevant Tender Instruction on the fifth Business Day following the Expiration Time.

20. May I withdraw my tender instruction?

You may not withdraw your Tender Instruction after it has been submitted.

21. May I tender only a portion of the Shares that I hold?

Yes. You do not have to tender all or any minimum amount of the Shares that you own to participate in the Tender Offer. A Shareholder may tender any portion of their holdings.

22. What happens if the number of Shares tendered in the Tender Offer would result in an aggregate amount of Shares purchased that is more than the Maximum Number of Shares?

If the number of Shares tendered in the Tender Offer would result in an aggregate amount of Shares purchased that is more than the Maximum Number of Shares, a pro-rata factor will apply.

Therefore, it is possible that the Purchaser will not purchase all of the Shares that you tender due to such pro-rata.

More details are set out in Section 3.D "Overview of the Tender Offer; Purchase Price; Number of Shares; Pro-Ration – Pro-Ration" of the Tender Offer Memorandum.

23. What are the reasons why the Purchaser may reject to purchase tendered Shares beside proration?

The Purchaser may reject any Tender Instruction if the purchase and transfer of the Shares specified in such Tender Instruction cannot be performed on any grounds, including due to:

- (i) obvious signs that the Tender Instruction may be forged or otherwise invalid,
- (ii) the number of Shares specified in the Tender Instruction with respect to a certain depo account of the Shareholder exceeding the number of Shares registered in such depo account of the shareholder
- (iii) the Shares specified in the Tender Instruction being blocked, encumbered or attached or having other restrictions on the rights and ability of the shareholder to transfer the Shares to the Purchaser;
- (iv) likely impossibility of effecting the transfer of funds to the bank account specified by the relevant shareholder;
- (v) or the transfer of Shares to the Purchaser is likely to be materially delayed or rejected on any grounds.

24. Will securities not purchased by the Purchaser pursuant to this Tender Offer be returned to me?

Any Shares that are not purchased in this Tender Offer, including Shares not purchased due to pro-rata, will remain in the ownership of the holder thereof and remain registered in such Shareholder' Depo Account or Other Account, as applicable.

Any Shares transferred to the Purchaser by Shareholders other than in accordance with the procedures set forth in the Tender Offer Memorandum, the Tender Instruction and instructions thereto will not be accepted and paid for by the Purchaser (unless the relevant requirements have been waived by the Purchaser) and the Purchaser, subject to all applicable laws, will take all actions required from the Purchaser to return such Shares to the respective Shareholder which, in turn, shall take all necessary action to ensure that the Shares can be transferred back to it.

25. My depositary states that my KYC documents are out of date and is thus unable to provide me with a valid proof of holding. Am I still able to participate in the Tender Offer?

Please contact the Purchaser at the email address indicated below so we are able to assist: ir@mts.ru

IV. TAXES AND FEES

26. Will the Purchaser withhold any taxes and/or duties from the Purchase Price?

Generally, the Purchaser will wire to institutional investors (i.e. legal entities and are not individual investors) the amount equal to the Purchase Price multiplied by the number of purchased shares without withholding any taxes.

Tender Offer participant should analyze their own tax position with respect to any taxes and/or duties payable in their home or other jurisdictions. Shareholders are urged to consult at their own expense their tax advisors with respect to those consequences in considering this Tender Offer. Certain tax matters are covered in the Tender Offer Memorandum. (Please also refer to Section 9 "Certain Taxation Matters" of the Tender Offer Memorandum)

Shareholders may be required to pay stock transfer taxes, if any, with respect to the transfer and sale of Shares pursuant to the Tender Offer. Shareholders should consult their broker, dealer or any other relevant adviser to determine which taxes or fees will be payable.

27. Will I have to pay any fees?

You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any additional fees or charges will apply with respect to Tender Offer participation and/or transfer of Shares.

The Purchaser will not charge Tender Offer participant with any fees with respect to Tender Offer participation and/or transfer of Shares and/or payment transfer

V. TENDER INSTRUCTION SUBMISSION

28. How do I tender my Shares?

Please submit the Tender Instruction, together with all documents required to the Tender and Paying Agent prior to the respective deadlines established for the submission of these documents and in accordance with the procedures set out in this Tender Offer Memorandum, the Tender Instruction and instructions thereto.

Submissions can be made:

- (i) in person in original forms or as notarized copies at the Tender and Paying Agent's office located at the following address:

AO Raiffeisenbank, address: Smolenskaya-Sennaya square 28, Moscow, Russia; or
- (ii) electronically (in pdf format, as a separate file for each document being sent) at the following email address: tender@mtsgsm.com

29. Do electronically submitted documents have to be notarized?

If one intends to send an original document in physical form, electronic submission of a scan of an original document would be sufficient and notarization will not be required.

However, if a Tender Offer participant intends to only provide a copy of the original document in physical form, this copy should be notarized and a scan of the notarized copy should be submitted electronically.

30. Do originals of Tender Instructions need to be notarized?

Originals of Tender Instructions with wet ink signatures do not need to be notarized.

31. Are original documents required for the Tender Instructions to be considered validly tendered?

In the interest of time, we encourage all Investors to focus on completing electronic submissions as a matter of first priority. An electronic submission would be sufficient for the Tender Instructions to be considered validly tendered.

While there are no formal deadlines in the Tender Instructions for timeline of hard copies receipt, it is the term of the Execution and Delivery Instructions that, immediately following such electronic submission, originals or notarized copies of the submitted documents are dispatched to the Purchaser.

In the case of any concerns in relation to postage, please contact the Purchaser at ir@mts.ru or kazna@mts.ru.

32. It is our understanding that we have to deliver originals to a location in Russia. Unfortunately, all of our couriers no longer deliver to Russia. What shall we do?

Electronic submission would be sufficient for the tender instructions to be considered validly tendered, as there are no formal deadlines in the Tender Instructions for timeline of hard copies receipt. We suggest that in the interest of time, investors focus on completing electronic copies as a matter of first priority.

In the case of any concerns in relation to postage of physical copies, please contact the Purchaser at ir@mts.ru or kazna@mts.ru.

33. Do powers of attorney issued outside of Russia need to be notarized?

Yes, powers of attorney issued outside of Russia must be (i) notarized and (ii) legalized at a Russian consulate or apostilled if this is permitted under the relevant international treaty to which the Russian Federation is a party.

If all or any part of the power of attorney is in a foreign language, such power of attorney must be translated into Russian or English, and such translation or the signature of the translator must be notarized.

If the power of attorney is comprised of more than one page, the pages must be bound by the person notarizing the power of attorney.

34. For those documents that require any form of “legalization”, is notarization sufficient or do the documents need to be apostilled as well?

Notarization would not be sufficient for certain documents that are required to accompany the submission of the Tender Instruction. For example, such documents as certificate of registration, extract from the commercial register or similar official register as well as power of attorney must be legalized or apostilled.

For majority of jurisdictions apostille rather than legalization in a Russian consulate would be sufficient. If you are of any doubt, please contact us at ir@mts.ru or kazna@mts.ru.

35. What is the deadline for submitting Tender Instructions?

The deadline for submitting the Tender Instructions is 12:00 p.m. (Moscow time) on 28 May 2024.

36. Will the Purchase Price only be transferred to participants in the Tender Offer once the Purchaser has confirmed receipt of the Shares?

There will be up to five business days between the transfer of the Shares and the Purchaser making the payment. This is a standard international timeline for tender offers.

37. How can we be sure that the transfer will take place?

The Purchaser is contractually bound to pay the Purchase Price within five business days following the Shares being credited to its Depo Account. The five business days period required to transfer the Shares and process the payment is a standard international timeline for tender offers. We further note that Raiffeisenbank is acting as the paying agent in relation to the Tender Offer.

38. Can you please confirm what will be considered an acceptable proof of holding? Will it be sufficient to provide a screenshot of the position held at the custodian level as a valid proof of holding?

The requirement to provide a statement of holding relates to a depo account of an owner of Shares - we are not requesting extracts from the depo accounts of nominee holders.

We cannot accept screenshots of documents downloaded from various internal systems.

We do however accept signed documents, which are appropriately stamped by the respective depository and submitted electronically.

39. Our depository refuses to accept instructions in relation to the Tender Offer. Can you offer any help?

Please contact us promptly upon identifying such issues so we can advise and facilitate your dialogue with your custodian, broker or other involved party: ir@mts.ru or kazna@mts.ru

40. Will a driver’s license be considered as a valid proof of identity?

Unfortunately, we will not be able to accept driver’s licenses as a valid form of I.D.

Validly submitted copies of I.D. cards will however be accepted.

41. Can you please clarify the requirements for documents certifying the registration of the shareholder in accordance with the law of the country of its incorporation?

Shareholders will be required to provide validly submitted:

- Certificates of registration; and
- Extracts from the commercial register or similar official register in which a legal entity is registered. Such extracts however should be dated not more than 30 days preceding the date when the Tender Instruction is submitted.

Please note that both of the documents above will need to be provided.

42. Will I pay any fees to the NSD as part of the stock transfer to the Purchaser?

NSD made a decision to waive fees for the transactions approved by the Government Commission contemplating the purchase of securities by Russian residents from non-residents. This was released by NSD on 7 December 2023.

NSD's fees will be waived only if a transfer instruction includes the following statement in the field "Additional Information": "The transfer pursuant to the approval of the Government Commission".

43. Does the Tender Offer process and documentation conform to NSD's decision to waive NSD fees released on 7 December 2023?

Yes, it does.

NSD's decision to waive fees for transactions approved by the Government Commission contemplating the purchase of securities by Russian residents from non-residents covers the period up to 31 December 2024. So the process and documentation of the Tender Offer announced on 27 April 2024 conform to NSD's decision to waive NSD fees released on 7 December 2023.

VI. PAYMENT CURRENCY

44. How are the payments under the Tender Offer going to be made?

Payments will be made in Russian rubles or one of the foreign currencies (US dollars, Euro, Chinese renminbi (CNY) or UAE Dirham) from the account in AO Raiffeisenbank. Participating Shareholders will have an option to receive funds in their bank accounts in Russia or abroad.

45. Which currencies will be used for payment?

Non-resident Shareholders will be able to choose between receiving funds in Russian rubles, US dollars, Euro, Chinese renminbi (CNY) or UAE Dirham.

46. How is the equivalent purchase price in Alternative Currency determined?

The equivalent purchase price in each of the Alternative Currencies is based on the relevant exchange rate of the Central Bank of Russia on the Agreement Date.

The Agreement Date is the fifth Business Day following the deadline for submission of Tender Instructions by Shareholders.

47. What is Priority Currency and Fallback Currency?

Each tendering Shareholder shall elect one Priority Currency and may elect up to three Fallback Currencies. The Purchaser will, subject to the terms and conditions set out in the Tender Offer Memorandum, proceed with the payment of the full amount of the Purchase Price to such Shareholder in the Priority Currency.

Each tendering Shareholder at his/her own discretion may also elect up to three Fallback Currencies.

Example: an investor indicated CNY as the Priority currency, USD as the First-Pick Fallback Currency and EUR as the Second-Pick Fallback Currency. In a hypothetical scenario where it ends up being impossible to make payments in CNY, the Purchaser will proceed with making payment in USD subject to the terms of the Tender Instruction.

The Purchaser may initiate bilateral negotiations with the relevant Shareholder on the currency of payment if it believes it would be impossible or impracticable to make payments in any of elected Alternative Currencies or where the making of such payments could, in the sole and absolute opinion of the Purchaser, result in such funds being blocked or frozen.

48. Is there a requirement to pick a Fallback Currency?

Election of one or more Fallback Currency(ies) remains at the sole and absolute discretion of the Shareholder.

Given current geopolitical environment Shareholders are encouraged to elect a Fallback Currency(ies).