MTS REPORTS 1Q 2026 FINANCIAL AND OPERATING RESULTS

MTS Group financial highlights for 1Q 2026

Group revenue	Group OIBDA	Net debt/OIBDA
RUB 201.3 bn (+14.7% y/y)	RUB 74.7 bn (+18.0% y/y)	1.6 (-0.2 y/y)

Moscow, May 22, 2026 — Mobile TeleSystems Public Joint Stock Company (MOEX: MTSS, "MTS" or "the Company") announces its first-quarter 2026 financial and operating results.

In 1Q 2026, the Group's consolidated revenue increased by 14.7% y/y to RUB 201.3 bn, driven by rising earnings from mobile and fixed-line services, as well as the inter-operator business and the B2B segment. The Group's OIBDA increased by 18.0% during the reporting period to RUB 74.7 bn. The strong OIBDA growth was supported by income from communication services in the B2C and B2B segments. The Group's net profit[1] for 1Q 2026 amounted to RUB 7.2 bn (+46.4%, y/y), due to sustainable, positive OIBDA dynamics amid neutral financial expenditure dynamics. MTS's net debt amounted to RUB 451.5 bn. The Group's net debt to LTM OIBDA ratio decreased by 0.2 compared with the end of 1Q 2025 and amounted to 1.6.

Inessa Galaktionova — CEO and Chairman of the Board of MTS PJSC, commented:

In the first quarter of 2026, MTS once again proved itself to be one of the fastest-growing companies in the telecommunication industry which characterized by high capital intensity and limited growth rates. The Company's key financial indicators showed double-digit growth: revenue increased by 15% to RUB 201 bn, and OIBDA by 18% to RUB 74.7 bn. The Telecom, FinTech and FunTech businesses contributed primarily to this growth.

MTS's net profit is recovering as a period of tight monetary policy subsides. Flexible financial management has enabled the Company's leadership to recommend dividend payments of RUB 35 per share this year. The current share price provides investors with one of the highest returns on the Russian stock market. MTS has continued to reduce its gross debt in absolute terms, and the net debt to OIBDA ratio has remained at a record low since 2021 for the third consecutive quarter.

1. Profit for the period, attributable to Company shareholders

MTS has kept up its large-scale transformation into one of the largest technology companies in Russia, building a next-generation business. The Company has continued preparations for the launch of 5G networks, focusing on domestic technologies. We are offering a completely new mobile experience for subscribers by expanding AI options in calls. These cutting-edge technologies are aimed at eliminating any communication barriers. In the first quarter we launched a service that helps people with hearing impairments use voice communication without external assistance.

A key event of the first quarter was a new strategic partnership with China Mobile in multiple areas, including the development of autonomous network infrastructure using AI technologies. This collaboration will allow MTS to access the expertise of the world's largest telecom operator and open up new technological opportunities across Russia.

BUSINESS-LINE HIGHLIGHTS

Telecom

- Income from elecommunication services in 1Q 2026 increased by 15.0% y/y to **RUB 130.3 bn**
- The subscriber base in Russia grew by 1.1 m y/y to **83.8 m subscribers**

MWS

- MWS revenue in 1Q 2026 decreased by 5.1% to **RUB 14.0 bn**
- External MWS revenue in 1Q 2026 increased by 46%

FinTech

- FinTech revenue in 1Q 2026 increased by **18.4%** y/y
- Bank net profit in 1Q 2026 amounted to **RUB 2.5 bn** (x2.6 y/y)
- The Bank's retail loan portfolio amounted to **RUB 325.7 bn** at the end of the reporting period

FunTech

- The number of OTT platform users grew by **9.1%** y/y to 10.9 m as of the end of 1Q 2026
- The number of pay TV users (satellite, cable, IPTV, OTT) increased by **9.8%** y/y to **16.3 m** users as of the end of the reporting period

Kicksharing

- Urent GMV in 1Q 2026 increased by **7.3%** y/y and amounted to **RUB 1.7 bn**
- The share of rides with a subscription in 1Q 2026 amounted to 68%

AdTech

- AdTech revenue in 1Q 2026 increased by **2.3%** y/y to **RUB 15.3 bn**
- Revenue from the marketing technologies segment in 1Q 2026 grew by **11%** to **RUB 10.1 bn**

FINANCIAL RESULTS

Consolidated Group key figures (RUB bn)

	1Q 2026	1Q 2025	Change, %
Revenue	201.3	175.5	14.7%
OIBDA	74.7	63.3	18.0%
Operating profit	41.0	31.9	28.7%
Profit attributable to Company shareholders	7.2	4.9	46.4%
Capital expenditures	44.3	34.3	29.1%
Net debt[2]	451.5	456.4	-1.1%
Net debt[2] / LTM OIBDA	1.6	1.8	-0.2

In 1Q 2026, **Group revenue** increased by 14.7% to RUB 201.3 bn, thanks to positive contributions from telecom and emerging businesses. Double-digit revenue dynamics in the reporting quarter were driven by growth in mobile and fixed-line services, as well as increased revenue in the inter-operator business and the B2B segment.

Group OIBDA in 1Q 2026 amounted to RUB 74.7 bn (+18.0% y/y). The sustainable OIBDA dynamics are being supported by income from communication services in the B2C and B2B segments.

Group net profit in 1Q 2026 increased by 46.4% y/y and amounted to RUB 7.2 bn amid sustained positive OIBDA dynamics.

Group capital expenditures in 1Q 2026 increased by 29.1% y/y to RUB 44.3 bn due to more active investing in the reporting quarter.

As of March 31, 2026, **MTS's net debt** amounted to RUB 451.5 bn. The Group's ratio of net debt to LTM OIBDA decreased by 0.2 compared with the end of 1Q 2025 and amounted to 1.6.

[2] Excluding lease obligations

Financial and operating results

RUB bn	1 кв. 2026	1 кв. 2025	Изм. %
Total revenue	**201.3**	**175.5**	**14.7%**
Telecom	**130.3**	**113.5**	**14.7%**
B2C	86.1	78.1	10.3%
Mobile	73.3	66.9	9.5%
Fixed-line	12.8	11.2	14.9%
B2B/G	21.2	18.3	15.8%
B2O	22.9	17.1	33.7%
Retail and sales of equipment	**12.0**	**10.7**	**11.9%**
FinTech	**42.0**	**35.5**	**18.4%**
MTS AdTech	**15.3**	**15.0**	**2.3%**
Advertising technologies	5.2	5.9	-10.7%
Marketing technologies	10.1	9.1	10.7%
MWS	**14.0**	**14.8**	**-5.1%**
Mediaholding	**7.0**	**6.7**	**3.8%**
Other and intra-Group transactions	**-19.3**	**-20.7**	**-6.7%**

Telecom revenue in 1Q 2026 grew by 14.7% y/y to RUB 130.3 bn, driven by a 10.3% increase in income from the B2C mobile and fixed-line business, a 15.8% increase in income from B2B/G basic and digital services, and a 33.7% increase in income from the inter-operator business.

Advertising business revenue in 1Q 2026 increased by 2.3% to RUB 15.3 bn.

Income growth in **FinTech** (+18.4% y/y) was supported by a high key rate as well as increased income from the securities portfolio.

Revenue from the **retail business and equipment sales** in 1Q 2026 increased by 11.9% y/y.

Mediaholding revenue growth of 3.8% y/y in 1Q 2026 was connected with increased income from OTT and TV services.

MWS revenue in 1Q 2026 decreased by 5.1% and amounted to RUB 14.0 bn.

MTS REPORT FOR 1Q 2026 AND BEYOND

Corporate highlights

In March 2026, MTS announced the start of a partnership with China Mobile, the world's largest telecom operator and an international leader in autonomous network development. Under the first pillar of work together, the companies will jointly develop autonomous network infrastructure projects in Russia. The second pillar will involve the launch of new comprehensive solutions for MTS's B2B partners.

In April 2026, the MTS Board of Directors decided to hold the annual General Meeting of Shareholders on June 23, 2026, at 2 p.m. Moscow time. The meeting will be held at the RBC Event Center (Moscow, Kosmodamianskaya Embankment, 52, Bldg. 7). The list of persons entitled to vote on decisions taken at the General Meeting of Shareholders will be compiled as of May 31, 2026.

On May 21, 2026, the MTS Board of Directors recommended that the General Meeting of Shareholders adopt a resolution to pay annual dividends in the amount of RUB 35.0 per MTS ordinary share. If this resolution is adopted by MTS shareholders, the total annual dividend amount will be 69.9 RUB bn. The recommended date for determining the persons entitled to receive the dividends is July 9, 2026.

Awards and ratings

In April 2026, MTS strengthened its leadership in the unified communications and collaboration market in Russia, according to research by J'son & Partners Consulting. For the third year in a row, the Company has held the leading position in terms of revenue growth in the Russian UC&C market.

In April 2026, MTS received the highest rating, Category A, for its sustainability initiatives, according to two rating agencies: RAEX and Expert RA. RAEX awarded the Company's ESG practices a high rating (A), while Expert RA awarded them a very high rating (AA). The corporate governance unit received the highest assessment within both ratings.

In April 2026, MTS was the winner in the special category, "Digital Mine: Integration of Communications, Data and Autonomy," with its project, "Private Broadband Wireless Access Network Based on Private LTE." The award ceremony took place at the "Smart Mining & Metals" 6th International Forum on Digitalization and IT in the Metallurgical Industry.

Debt

Since the beginning of 2026, MTS has placed four bond issues totaling approximately RUB 60 bn. The Company's overall strategy for public bond issues has been to:

- attract funding at fixed rates below the Russian Central Bank's key rate allowed us to replace the more expensive short-term bank financing that was tied to the Central Bank's key rate.
- Issuance of long-term floating-rate notes with a more company-friendly spread to the key rate, which enabled us to extend the overall duration of the debt portfolio.

Regular optimization of the debt portfolio and an ongoing trend of reducing the key rate have ensured a sustainable reduction in the Company's interest expenses.

In August 2025, MTS launched a financial service, MTS Savings, which enables users to deposit funds at a high interest rate in their My MTS account (also available to subscribers of other operators). Withdrawals are possible at any time without losing interest (there are no hidden terms or fees), and withdrawals are made only to the user's own bank account (thus providing additional protection of their savings). As of April 30, 2026, more than 70,000 customers had used the service, and the deposit volume exceeded RUB 12 bn.

Innovations and products

In April 2026, MTS announced the start of work on test projects to provide telecommunication services from various types of unmanned aerial vehicles in remote and sparsely populated areas without mobile coverage. As a first step in this direction, the Company became the first Russian telecom operator to test-launch a aerostat with an LTE base station.

In April 2026, MTS Web Services, a subsidiary, developed MWS Data Copilot, an AI-powered assistant for quick access to business metrics. The product provides data acquisition and interpretation through a natural language dialogue interface 24/7.

In April 2026, MTS announced its entry into the modular data center (MDC) market. The Company will provide a comprehensive, full-cycle infrastructure platform, from designing and supplying engineering modules for MDCs to integrating them with AI solutions, cloud services and other products.

Webcast details

MTS management will conduct a webcast for discussing the results on **May 22 at 12:00 p.m.** Moscow time.

A livestream will be available at:
https://my.mts-link.ru/j/MTC/19217855754/session/18420502585

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CAUTIONARY STATEMENT

This press release was prepared by Mobile TeleSystems Public Joint Stock Company (“MTS” or “the Company”) on the basis of the Company’s unaudited interim consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for for the three months ended March 31, 2026.

Some of the information in this press release may contain projections or other forward-looking statements or statements regarding the future financial performance of MTS or of MTS Group subsidiaries. Forward-looking statements include projections regarding beliefs and expectations. MTS cautions that projections are not a guarantee of future results and that they involve risks and other important factors that MTS cannot accurately predict. Actual outcomes and results may differ considerably from what MTS projects in its forward-looking statements. MTS does not undertake any obligation to update or revise these statements, whether as a result of new information or for any other reason, or to align them with actual results. The figures used in this press release may be rounded, which could result in minor differences in data and percentages compared with the figures presented in the Company’s published financial statements.

The information contained in this press release should in no way be considered complete, accurate or impartial. MTS has not made, nor does it make, on behalf of itself, its shareholders, its directors, its officers or any other party any representation or warranty, express or implied, as to the accuracy, completeness or objectivity of the information contained in this press release. None of the directors of MTS, its shareholders, its officers or any other party assumes any responsibility for any losses of any kind that may be incurred as a result of any use of the content of this press release.

NOTE ON FINANCIAL MEASURES & DEFINITIONS

This press release includes financial information prepared in accordance with International Financial Reporting Standards, or IFRS, as well as other financial measures referred to as non-IFRS. The non-IFRS financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Due to rounding and translation practices, Russian ruble and functional currency margins, as well as other financial measures, may differ.

OIBDA and OIBDA margin can be reconciled to our consolidated statements of profit or loss as follows[3]:

Group (RUB bn)	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026
Operating profit	31.9	39.4	38.3	45.1	41.0
Add: D&A	31.5	33.4	33.5	26.8	33.7
OIBDA	63.3	72.7	71.8	71.8	74.7

OIBDA margin can be reconciled with our operating margin as follows[3]:

Group	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026
Operating margin	18.2%	20.2%	17.9%	20.3%	20.4%
Add: D&A	17.9%	17.1%	15.7%	12.0%	16.8%
OIBDA margin	36.1%	37.2%	33.6%	32.3%	37.1%

Free cash flow excl. Bank can be reconciled with our free cash flow as follows[3]:

Group (RUB bn)	3M 2025	6M 2025	9M 2025	12M 2025	3M 2026
Group free cash flow	3.5	-32.2	28.8	-6.5	55.6
Less: Bank free cash flow[4]	17.0	-15.5	28.4	-16.7	62.5
Free cash flow excl. Bank	-13.5	-16.6	0.4	10.1	-7.0

3. Totals may add up differently due to rounding. 4. Bank's free cash flow, excluding OFZ (Federal Loan Bond) purchases and repayments

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. Our net debt calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare our periodic and future liquidity within the wireless telecommunications industry. Our net debt calculation may not be similar to the net debt calculation of other companies. The non-IFRS financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS.

Free Cash Flow. Free cash flow is represented by net cash from operating activities less cash used for certain investing activities. Free cash flow is commonly used by investors, analysts and credit rating agencies to assess and evaluate our performance over time and within the wireless telecommunications industry. Our free cash flow calculation may not be similar to the free cash flow calculation of other companies. Because free cash flow is not based in IFRS and excludes certain sources and uses of cash, the calculation should not be looked upon as an alternative to our consolidated statement of cash flows or other information prepared in accordance with IFRS.

Operating Income Before Depreciation and Amortization (OIBDA) and OIBDA margin. OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. OIBDA may not be similar to OIBDA measures of other companies, is not a measurement under IFRS and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of profit or loss. We believe that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of mobile operators and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under IFRS, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our OIBDA calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the wireless telecommunications industry. We use the term Adjusted for OIBDA and operating profit where there were items that do not reflect underlying operations that were excluded.

Subscriber. We define a “subscriber” as an organization or individual whose SIM card:

- shows traffic-generating activity or
- accrues a balance for services rendered or
- is replenished or topped off

over the course of any three-month period, inclusive within the reporting period, and was not blocked at the end of the period.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(AMOUNTS IN MILLIONS OF RUB EXCEPT PER SHARE AMOUNT)

	Three months ended	
	March 31, 2026	**March 31, 2025**
Service revenue	188 287	163 920
Sales of goods	12 986	11 592
Revenue	**201 273**	**175 512**
Cost of services	(69 203)	(62 662)
Cost of goods	(11 919)	(10 061)
Selling, general and administrative expenses	(36 776)	(32 723)
Depreciation and amortization	(33 718)	(31 462)
Operating share of the profit of associates and joint ventures	1 379	1 566
Other operating expenses	(10 022)	(8 300)
Operating profit	**41 014**	**31 870**
Other non- operating income / (expenses):		
Finance income	2 780	2 885
Finance costs	(34 388)	(34 447)
Other non-operating income	1 765	5 703
Total other non-operating expenses, net	**(29 843)**	**(25 859)**
Profit before tax from continuing operations	**11 171**	**6 011**
Income tax expense	(3 229)	(631)
Profit for the period from continuing operations	**7 942**	**5 380**
Discontinued operation:		
Profit / (expenses) after tax for the period from discontinued operation	**-**	**(106)**
Profit for the period	**7 942**	**5 274**
Less for the period attributable to non-controlling interests	(771)	(373)
Profit for the period attributable to owners of the Company	**7 171**	**4 901**
Other comprehensive (loss) / income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	146	(559)
Net fair value income on financial instruments	49	69
Total other comprehensive income / (loss), net of taxes	**195**	**(490)**
Total comprehensive income for the period	**8 137**	**4 784**
Less comprehensive income for the period attributable to the noncontrolling interests	(771)	(373)
Comprehensive income for the period attributable to owners of the Company	**7 366**	**4 411**
Earnings per share attributable to the Group - basic:		
EPS from continuing operations	4,30	3,00
EPS from discontinued operation	-	(0,06)
Total EPS - basic	4,30	2,94
Earnings per share attributable to the Group - diluted:		
EPS from continuing operations	4,25	2,98
EPS from discontinued operation	-	(0,06)
Total EPS - diluted	4,25	2,92

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2026 AND AS OF DECEMBER 31, 2025

(AMOUNTS IN MILLIONS OF RUB)

	As of March 31, 2026	As of December 31, 2025
ASSETS		
NON-CURRENT ASSETS:		
Property, plant and equipment	372 379	391 190
Investment property	14 508	14 509
Right-of-use assets	84 173	95 887
Goodwill	60 105	60 298
Other intangible assets	173 029	169 501
Investments in associates and joint ventures	16 986	16 214
Other investments	125 349	157 626
Deferred tax assets	22 715	22 262
Trade accounts receivable	554	461
Bank deposits and loans to customers	202 704	213 612
Other financial assets	7 367	7 130
Other assets	3 594	3 886
Total non-current assets	**1 083 463**	**1 152 576**
CURRENT ASSETS:		
Inventories	9 070	10 306
Trade and other receivables	54 773	51 915
Accounts receivable, related parties	2 264	2 984
Bank deposits and loans to customers	131 894	132 863
Short-term investments	125 368	186 083
Advances paid and prepaid expenses	6 558	6 849
VAT receivable	12 288	14 143
Income tax assets	5 581	4 982
Assets held for sale	34 204	536
Cash and cash equivalents	130 125	77 966
Other financial assets	158 169	125 656
Other assets	1 877	1 565
Total current assets	**672 171**	**615 848**
TOTAL ASSETS	**1 755 634**	**1 768 424**
EQUITY AND LIABILITIES		
EQUITY:		
Equity attributable to owners of the Company	(4 092)	(11 717)
Non-controlling interests	30 326	28 675
Total equity	**26 234**	**16 958**
NON-CURRENT LIABILITIES:		
Borrowings	232 194	334 315
Lease obligations	78 780	92 364
Bank deposits and liabilities	5 984	2 542
Deferred tax liabilities	5 375	5 341
Provisions	2 296	5 233
Contract liabilities	4 809	4 322
Other financial liabilities	1 585	2 131
Other liabilities	3 905	4 324
Total non-current liabilities	**334 928**	**450 572**
CURRENT LIABILITIES:		
Trade and other payables	108 574	112 426
Accounts payable, related parties	2 370	4 444
Contract liabilities	39 000	39 590
Borrowings	415 191	378 742
Lease obligations	21 850	22 496
Bank deposits and liabilities	617 083	604 583
Income tax liabilities	2 287	2 837
Provisions	40 026	59 582
Liabilities related to assets held for sale	59 876	-
Other financial liabilities	42 498	41 368
Other liabilities	45 717	34 826
Total current liabilities	**1 394 472**	**1 300 894**
TOTAL EQUITY AND LIABILITIES	**1 755 634**	**1 768 424**

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(AMOUNTS IN MILLIONS OF RUB)

	Three months ended March 31, 2026	March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	**7 943**	**5 274**
Adjustments for:		
Depreciation and amortization	33 718	31 462
Impairment of financial assets	10 050	7 163
Finance income	(2 780)	(2 885)
Finance costs	34 388	34 447
Income tax expense	3 229	631
Share of profit of associates and joint ventures	(1 773)	(1 724)
Net foreign exchange gain and change in fair value of financial instruments	(1 459)	(4 769)
Inventory obsolescence expense	592	360
Change in provisions	(19 416)	(4 403)
Other non-cash items	1 097	807
Movements in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables and contract assets	(2 618)	1 414
Decrease in bank deposits and loans to customers	217	2 755
Decrease / (Increase) in inventory	415	(418)
Increase in advances paid and prepaid expenses	(30 823)	(26 036)
Decrease in VAT receivable	1 715	158
Increase / (Decrease) in trade and other payables, contract liabilities and other current liabilities	16 650	(6 320)
Increase in bank deposits and liabilities	15 723	31 687
Dividends received	1 308	1 586
Income tax paid	(7 026)	(2 481)
Interest received	1 873	1 564
Interest paid, net of interest capitalized	(31 842)	(32 637)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**31 180**	**37 635**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of subsidiaries, net of cash acquired	(628)	66
Purchases of property, plant and equipment	(22 527)	(17 278)
Purchases of other intangible assets	(21 734)	(17 016)
Cost to obtain and fulfill contracts, paid	(2 061)	(1 424)
Proceeds from sale of property, plant and equipment and assets held for sale	2 749	1 520
Purchases of short-term and other investments	(10 913)	(32 429)
Proceeds from sale of short-term and other investments	108 408	7 628
Net cash paid related to swap contracts	-	(11 965)
Proceeds from sale of subsidiaries, net of cash disposed	576	-
Purchases of investment property	(37)	(12)
NET CASH USED IN INVESTING ACTIVITIES	**53 832**	**(70 911)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
	- 14 834	- 30 018
Repayment of notes	30 934	60 206
Proceeds from issuance of notes	(5)	(10)
Notes and debt issuance cost paid	(5 247)	(4 811)
Lease obligation principal paid	-	(7)
Dividends paid	-	(831)
Acquisition of NCI	121 589	139 795
Proceeds from loans	(164 961)	(148 034)
Repayment of loans	(32 524)	16 291
NET CASH FROM FINANCING ACTIVITIES		
Effect of exchange rate changes on cash and cash equivalents	(329)	(176)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	52 159	-17 162
CASH AND CASH EQUIVALENTS, beginning of the year	**77 966**	**109 776**
CASH AND CASH EQUIVALENTS, end of the year	**130 125**	**92 615**