

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

### Corporate news

- > **In February 2021**, Regina von Flemming, a member of the MTS member of the Board of Directors, was named the best independent director in Russia in 2020 as part of the country's annual Director of the Year award.

### Mergers and acquisitions

- > **In January 2021**, the MTS Venture Fund invested 60 million rubles in Airo, an online solution for rendering consumer services "on demand". The investment will be allocated to carry out marketing activities, improve current services and test new areas. As a result of the transaction, the fund received about 10% in the startup.

### Credit rating

- > **In January 2021**, the Russian National Rating Agency assigned MTS an AAA.ru rating with a stable outlook, the highest possible credit rating according to the agency's scale, which reflects a number of positive factors, including the company's high operating profitability, low level of leveraged capital, sufficient liquidity and stable leadership positions in the Russian mobile communications market.

### Bonds and loans

- > **In January 2021**, the BRICS New Development Bank provided MTS with a \$300 million loan to develop the communications infrastructure and cloud services. The credit line has been granted for seven years and can be used in one of the three currencies: US dollar, euro or Chinese yuan. The loan funds will be used to develop mobile communications infrastructure and install cell towers in small settlements, as well as to deploy cloud services infrastructure.
- > **In February 2021**, MTS continued optimizing its debt portfolio and paid several installments for a total of 1.6 billion rubles ahead of schedule under a three-year loan agreement with Cisco Capital entered into in February 2019.

### Partnerships

- > **In January 2021**, MTS and Vodafone Group announced an extension of the existing strategic partnership between the companies until 2023. The new agreement builds upon a successful experience of close cooperation between the companies in the areas of procurement, marketing and network development, which has continued since 2008. The strategic partnership also provides for implementation of a number of joint projects aimed at finding new opportunities for expanding MTS business activities, fostering technological innovations and strengthening the positions in the consumer and corporate segments.
- > **In January 2021**, MTS launched a partnership program to search for startups for third-party companies. Scouts from the MTS StartUp Hub innovation and investment center will select projects which take advantage of the 5G technology to offer their developments to partner corporations. Projects from the sphere of entertainment, media, industry 4.0, e-health, as well as AR/VR services for business are eligible for the program. The chosen startups will undergo an incubation program at the MTS 5G Center at VDNKh (Exhibition of Economic Achievements), where they will have access to training, test sites, APIs and other development tools based on the company's infrastructure.
- > **In February 2021**, MTS and RUDN University launched an online platform for learning Russian language as a foreign language. A special algorithm based on the level of knowledge and learning goals builds personal study plan of each student in applications and on the site
- > **In February 2021**, MTS announced on partnership of esports team Gambit Esports and Monaco Football Club. Within the framework of cooperation, new team under the unified brand AS Monaco Gambit (ASM.GMB) will be created.
- > **In February 2021**, MTS announced the start of #CloudMTS cooperation with 1C, one of the leading Russian developers of software for business. The #CloudMTS provider has launched a new direction, which will be engaged in hosting of 1C client systems in the cloud, their comprehensive support and individual customization.

## MTS CONTRIBUTION TO COMBATING COVID-19 AND CONSEQUENCES OF THE PANDEMIC

### MARCH 2020

#### MTS actions to mitigate business risks

1. Helping clients with problem resolution (more than 25 new products)
  - > Free calls to hotlines and access to websites (Ministry of Foreign Affairs, Russian Federal Tourism Agency, Ministry of Health, Russian Agency for Health and Consumer Rights (Rospotrebnadzor), etc.).
  - > Guaranteed client access to services (free incoming calls with a negative balance).
2. Access to entertainment and self-enhancement services — products for clients who spend time at home
  - > Beneficial packages of ecosystem services (converged products in Moscow under quarantine conditions (the first month is free); MTS TV, MTS Library, MTS Music and other digital services without advertising for 1 ruble).
  - > Zeroing of traffic to popular self-enhancement services and a selection of useful courses.
3. Helping businesses in solving urgent problems — discounts on local business services
  - > Help and advice to stay in business (webinars on remote work organization; a set of products for remote work deployment)..
4. Interaction with external resources
  - > Free calls to hotlines, access to websites, informing citizens about the epidemiological situation; organization of remote studying for Moscow schools using the Smart University service; free access of citizens from home subscriber devices (fixed telephony) to socially significant resources on the Internet.
5. Increasing availability of rates and SIM cards
  - > Distribution in Russian Post offices, pharmacies, expansion of distribution in grocery stores, PickPoint collection points in Moscow and St. Petersburg.
6. Load management at call centers
  - > Some of the employees were transferred to remote working; load and tNPS are monitored daily.

#### MTS measures to protect employees

1. Health and safety
  - > All internal in-person events were forbidden, participation in external in-person events was forbidden, business trips abroad and within Russia were restricted.
  - > Information about employees at risk was collected: who had contact with the infected, who arrived from abroad, etc.
  - > Special cleaning conditions with the use of disinfectants were introduced, stations with a disinfectant solution for hands were arranged, all corporate canteens were closed.
  - > A centralized supply of medical masks was organized for regions with large centers of competences and service, retail network offices and staff connecting subscribers to the fixed line in cities with a population of over a million people.
  - > A plan was developed to mothball small offices in Moscow and subsequently redistribute deficit resources.
  - > The largest offices of competence centers were equipped with air disinfection devices.
2. Remote work
  - > Most of the employees were transferred to remote working.
  - > Information systems experienced a significant increase in load and were expanded to provide for smooth operation.
3. Communications
  - > Employees were regularly informed about the undertaken measures through the corporate portal, hotline, e-mail distribution on behalf of the company's senior executives.

**APRIL 2020**

#### MTS actions to mitigate business risks

1. Caring for clients in the current situation
  - > Access to fixed home telephony with a bill unpaid.
  - > Providing access to the network for subscribers over 65 years old with a zero and negative balance for the period of their self-isolation.
  - > Providing free communications to doctors who are combatting the coronavirus.
2. Adaptation and promotion of MTS ecosystem products
  - > Launch of a new converged product in Moscow: inclusion of the IVI entertainment service in the unlimited Internet option.
  - > Updating the range of converged rates with a month of free access for new connections.
  - > Entertainment TV packages for clients (for 30 days).
  - > Launching VR concerts of celebrities: Chaif, The Hatters, Vyacheslav Butusov, Chizh&Co, Pelageya, Neschastny Sluchai, etc.
  - > Providing free access to online consultations with doctors in the SmartMed application and promoting this service.
  - > Enhanced promotion of remote banking services (virtual credit cards, cashback for important categories, mortgage refunding) at MTS Bank.
  - > Enhanced promotion of products in the MTS online store to increase the share of online sales.
  - > Providing an increased speed to the entire subscriber base in Moscow.
3. FinTech initiatives
  - > Promotion of remote payment for housing and communal services, communications, loans, etc. (MTS Bank)
  - > Promotion of remote lending to clients through virtual MTS Cashback Digital cards.
  - > Small business support program introduced.
  - > Cashback promotion (in pharmacies, for delivery from supermarkets, food delivery, for taxis and car sharing, for books and videos, online cinemas and e-libraries).
4. Retail activities — increasing availability of rates and SIM cards
  - > Inclusion of showrooms in the list of exceptions allowed to work during non-working weeks at the level of the Government of the Russian Federation and local authorities.
  - > Launch of online sales of self-registering SIM cards.
  - > Employees of the closed showrooms were reassigned for courier delivery of orders.

#### MTS measures to protect employees

1. Health and safety
  - > All offices in Moscow and the regions complied with the requirements of the Russian Agency for Health and Consumer Rights (Rospotrebnadzor) in terms of the number of cleaning sessions and temperature measurement; coverage with safety products (masks, antiseptics, etc.) significantly increased as compared with the previous weeks.
2. Remote work
  - > Information systems were expanded, and system reliability stabilized.
3. Business and communication continuity
  - > All business processes (committee meetings, planning meetings, negotiations with partners, etc.) continued remotely using audio and video conferencing tools.
  - > Information was submitted to ITD of Moscow to issue passes for employees supporting critical business processes. Access control was introduced on April 15, 2020..

## MAY 2020

## MTS actions to mitigate business risks

1. Helping clients resolve their urgent problems
  - › The tasks planned in early April 2020 were fully achieved: free calls to hotlines, access to websites, guaranteed client access to services, recommendations for protection against viruses, zeroing traffic to popular self-enhancement services, coronavirus hotline websites, healthcare websites, increased credit limit for subscribers over 65 years old and much more.
  - › Under the conditions of transferring a part of the contact center employees to remote working, availability of the service remained at the same level.
2. Adaptation and promotion of MTS telecom products
  - › Offers for business
3. New products were prepared and launched, including “Secure VPN connection for office and home”, “Fixed virtual PBX” for remote work of employees, services to combat the spread of coronavirus (Geoanalytics, SMS pass, 8800/call centers, communications, equipment).
4. The “Remote education” product was launched on the platform of the MTS Corporate University.
  - › Offers for subscribers
5. A single page with all MTS offers, partners' offers and valuable offers for MTS clients was implemented.
6. Increased share of online sales.
7. Optimization of work in all sales channels
  - › Sales of self-registering sets using the MTS Subscriber mobile application were launched.
  - › Distribution of SIM cards in partner stores, post offices, etc. was organized.
  - › Showrooms where regular retail trade was impossible were redesigned into the format of pick-up points.
  - › A service for SIM card delivery was launched, and the delivery geography expanded.
8. Marketing initiatives for client experience
  - › MTS LIVE VR concerts (Youth Rap, Secret, Uma2rman at Home, Noize Mc, Gosha Kutsenko).
  - › Quarantine concerts on MTS TV (Mummy Troll, Obe Dve, Yulianna Karaulova, WE, Uma2rman, LIZER, Gradusi, IOWA, Pompeya, Gosha Kutsenko, Sirotkin, Dolphin).
  - › MTS provided access for doctors to monitor patients' health in the MTS 120/80 system — <https://a.mts.ru/cardiopro>.
  - › 30 days of free subscription to Amedia TV series in the MTS TV application.
  - › MTS organized free communications for doctors involved in combatting coronavirus (Moscow, Tatarstan, Kirov, Irkutsk, Perm, Samara, Udmurtia, Altai Territory, Altai Republic).
  - › Extension of the main social activities of MTS during the coronavirus period (service package #stayathome for 1 ruble, access to TV channels and communication services without blocking, etc.).

## MTS measures to protect employees

1. Health and safety
  - › Employees kept getting a centralized supply of medical masks. Masks were supplied in a centralized manner with introduction of the gloves and masks mandate for the regions.
2. Business and communication continuity
  - › All business processes (committee meetings, planning meetings, negotiations with partners, etc.) continued remotely using audio and video conferencing tools.
  - › Information was submitted to ITD of Moscow to issue passes for employees supporting critical business processes.

