

2020 HIGHLIGHTS¹

CORPORATE NEWS

- > **In October 2020**, the MTS Board of Directors approved the expansion of the MTS Management Board from 12 to 14 members. Vice President for Artificial Intelligence Alexander Khanin and Vice President for Corporate and Legal Affairs Alexey Barsegyan became the new members of the Management Board.
- > **In November 2020**, MTS completed payment of interim dividends for the first half of 2020 in the amount of 17.84 billion rubles. The amount of dividends accrued per one ordinary registered share of MTS amounted to 8.93 rubles (17.86 rubles per one ADS).
- > **In December 2020**, the MTS Board of Directors approved the Company's updated policy in the field of managing conflicts of interest and complying with anti-corruption legislation. The Board of Directors also decided to set up a Special committee composed of independent members of the Management Board Thomas Holtrop, Regina von Flemming and Valentin Yumashev to oversee the project of joint placement of employees from various MTS units in a single office space in Moscow.

MERGERS AND ACQUISITIONS

- > **In November 2020**, MTS sold 100% of NVision Group shares to Sistema PJSC. The transaction amount was 369 million rubles, taking into account its adjustment according to the adjusted financial figures as of the date of the transaction completion.

MTS sold the assets of NVision Group related to the system integration business, except for those involved in formation of the MTS product portfolio and the FORIS BSS/OSS billing system.

COVID-19 PANDEMIC

- > **A global event** that impacted the entire society. We are pleased to note that the pandemic, although it impacted MTS activities, at the same time allowed for speeding up the processes of society digitalization and became a driver for growth of business areas related to data transmission, storage, processing and protection.



Read more about the work of MTS and the impact of the COVID-19 pandemic on p. 19-21

¹ Detailed information on key events in 2020 is available at: <https://moskva.mts.ru/about/obshhestvennosti-i-smi/soobshheniya-kompanii/finansovaya-otchetnost/>.

BONDS AND LOANS

- > **In October 2020**, MTS announced refunding of the existing Sberbank PJSC loan for 70 billion rubles and attraction of a new loan from this financial institution for 15 billion rubles. The refunding of the existing 70 billion rubles loan opened in September 2018 provides for a reduction in the current interest rate, as well as for a change in the loan repayment schedule. The new loan for 15 billion rubles has been raised for general corporate purposes within the framework of a revolving credit line opened by the company with Sberbank in May 2018.
- > **In December 2020**, MTS received a five-year credit line from the State Development Corporation VEB.RF for up to 4.5 billion rubles with a preferential interest rate under the program of the Ministry of Digital Development, Communications and Mass Media of the Russian Federation, aimed at supporting a digital transformation of Russian companies using domestic IT solutions. The first funds from VEB.RF have been allocated to implement MTS projects in the field of artificial intelligence and to promote digital products of the MTS ecosystem.

MTS DIGITAL ECOSYSTEM

- > **In November 2020**, MTS Bank and Sistema Capital Management Company launched a joint brokerage and trading platform based on the MTS Investments mobile application. The platform enables private users of the application to invest in investment funds, open brokerage accounts and independently trade securities on the Moscow Exchange.
- > **In December 2020**, MTS launched NUUM neobank, a platform for financial transactions with special bonuses that can be spent on additional opportunities in games for PCs, game consoles, tablets and smartphones. You can become a client of the neobank by downloading the NUUM application and issuing a NUUM Virtual card — all this is done online, without visiting an office or receiving documents from courier.
- > **In December 2020**, MTS presented the first ecosystem subscription “NETARIF” with the ability to fine-tune the number of minutes, gigabytes, additional options and to form a unique package of communication and digital services.

LEADERSHIP IN TELECOMMUNICATIONS

- > **In November 2020**, MTS launched into operation in Russia eSIM technology with identification capability using the “Gosuslugi” service. Virtual sim cards are available to connect to subscribers in all regions of MTS presence.
- > **In November 2020**, MTS will be the first from Russian mobile operators to implement support for RCS (Rich Communication Services) for the exchange of messages and media files on Android smartphones.

CREDIT RATING

- > **In December 2020**, the Expert RA rating agency raised MTS credit rating for non-financial organizations from ruAA+ to ruAAA. The rating outlook is stable. This

is the highest level on the national scale of the agency for creditworthiness, financial reliability and financial strength

CLOUD AND DIGITAL SOLUTIONS FOR BUSINESS

- > **In April**, MTS announced implementing a large-scale cloud project to deploy and launch a digital management platform based on SAP solutions for Segezha Group, one of the largest Russian vertically integrated forestry holdings. #CloudMTS provider made available infrastructure for the project and launched a digital platform in the cloud. The digital control platform will become a digital core of the company, replacing more than 100 production and management systems of the Segezha Group. The platform is hosted in a private cloud created in the Avantage data center of MTS
- > **In November 2020**, MTS announced expansion of #CloudMTS cloud service capabilities for high-speed data processing based on a supercomputer.

The computational power of the supercomputer has quadrupled, it got the ability to hyperscale computing and has become more affordable. This enables to dramatically accelerate data processing and analysis, to implement even more data-hungry projects for artificial intelligence training, to provide for multiple savings in smart city projects

- > **In December 2020**, MTS and Zyfra entered into a partnership agreement for MTS to develop industrial services for business clients based on the digital analytical Zyfra Industrial Internet of Things (ZIIoT) platform. The companies plan to deploy the ZIIoT platform in the MTS cloud infrastructure and integrate it into MTS digital industrial solutions for customers

PARTNERSHIPS

- > **In November 2020**, MTS, Telecommunication Technologies ANO, Kryptonite and Skoltech established the Open Network Technologies Association in order to develop promising technologies in the telecommunications industry based on open international standards. The Association's activities are aimed at supporting telecommunications equipment manufacturers and software developers in the development and application of open standards and technologies, which will enable new suppliers to enter the market and will enhance the efficiency of network development by operators.
- > **In November 2020**, MTS and the Russian Environmental Society launched a federal program for digitalization of waste collection and recycling. MTS has developed a solution that enables regions to control the removal and recycling of solid municipal waste using digital services. The first commercial projects were implemented in the Oryol and Sakhalin Regions.



PRIVATE LTE/5G ZONES

- > **MTS started actively deploying the first in Russia dedicated industrial networks Private Network** (Private LTE and Private 5G-ready) for the largest enterprises. Such networks combine various elements of industrial ecosystem and IT-infrastructure of an enterprise into a closed circuit. Solutions on the basis of dedicated networks are a part of a complex digital platform and serve as the basis for implementation of the entire spectrum of digital and cloud services of MTS and partners in the customer's enterprise

circuit for optimization of production, increasing its efficiency, safety and reliability
- > **In 2020**, MTS implemented some pilot pLTE/5G-ready pilot projects jointly with leaders of the energy, oil and gas, petrochemical, mining and other industries and signed several commercial contracts to deploy dedicated networks, including with SIBUR-Khimprom, Polymetal and EVRAZ

5G PROJECTS

- > **MTS upgrades operating network of the fourth generation to 5G-ready**, implements 5G solutions on it, launches pilot zones of the fifth generation, as well as conducts successful technology tests and 5G solutions.
- > **In March 2020**, MTS and Ericsson signed a deployment agreement for 5G-ready equipment and solutions from Ericsson for large-scale modernization of 2G / 3G / 4G MTS network in 16 regions of the Central federal district of Russia
- > **In July 2020**, MTS announced on obtaining the first license in Russia for provision of mobile communication services of the standard 5G / IMT-2020 in the range 24.25-24.65 GHz at 83 subjects of the country. License is granted by Roskomnadzor until July 16, 2025
- > **In September 2020**, MTS and Huawei announced the start of a large-scale modernization of mobile network in Moscow and Moscow region up to 5G-ready to increase network performance and implementation of innovative services
- > **In October 2020**, MTS and Skolkovo Institute of Science and Technology (Skoltech), one of the leading non-governmental educational research institutions in Russia, launched on the territory of Skolkovo the Innovation Center a pilot 5G network for development testing in the field of 5G technologies and creation based on them, of domestic promising industrial ICT solutions and services with the involvement of Skolkovo residents and industrial partners of Skoltech.

SUSTAINABLE DEVELOPMENT

- > **In November 2020**, MTS entered the Top 5 of Russian leaders in sustainable development according to the comprehensive ESG-ranking of Russian companies prepared annually by the independent rating agency Rating-Agentur Expert RA GmbH (RAEX-Europe). MTS also became a leader among IT and telecom companies that entered the ranking for the first time this year. The agency's analysts assessed Russian companies' sustainable development based on 200 indicators divided into three main blocks:

Environment — environmental impact, Social — work with personnel and local communities, and Governance — information disclosure and management.
- > **In December 2020**, MTS entered the top 7 Russian companies in terms of climate change disclosure according to the ranking of CDP, an international non-profit organization that operates the world's leading environmental disclosure platform. In 2020, MTS upgraded its rating from the last year's Awareness (C) to Management (B) in this ranking.