

# INTERACTION WITH SHAREHOLDERS AND INVESTORS

## SHARE CAPITAL

The authorized capital of the Company comprises

**199,838,157.50**  
**Rub**

and is divided into 1,998,381,575 ordinary voting shares with par value of 0,1 rubles each. No preferred shares were placed.

∥ Placed and declared shares in MTS PJSC as of December 31, 2020

Share categories (types)	Placed shares		Share categories (types)	Declared shares	
	Quantity (pcs.)	Nominal value of one share (RUB)		Quantity (pcs.)	Nominal value of one share (RUB)
Ordinary shares	1,998,381,575	0.1	Ordinary shares	100,000,000	0.1
Voting shares	1,998,381,575	0.1			
Preferred shares	0	0	Preferred shares	0	0

## Information about persons owning shares disposing of votes by shares being beneficiaries by shares in MTS PJSC

	Number of ordinary shares	Interest of authorized capital
Sistema PJSC <sup>1</sup>	863,815,603	43,23 <sup>1</sup>
MGTS PJSC <sup>2</sup>	7,569,230	0.38
Stream Digital LLC <sup>3</sup>	104,165,997	5.21
Bastion LLC <sup>4</sup>	159,338,832	7.97
of MTS PJSC	405,347	0.02
Shares in free circulation <sup>5</sup>	863,086,566	43.19
<b>Total</b>	<b>1,998,381,575</b>	<b>100</b>

## INFORMATION ON THE NUMBER OF SHAREHOLDERS

Total number of persons registered in the shareholder register of the issuer as of the end of Q4 2020: 982.

Total number of persons included in the list of persons compiled by the latter (as of September 7, 2020) having a right to exercise (implement) rights to shares of MTS PJSC and for compilation of which nominal issuer's shareholders presented data on persons, for the benefit of whom they owned (own) shares of MTS PJSC: 184,582.

The management of MTS PJSC has no information<sup>6</sup> about existing share-ownership interests exceeding 5% of the authorized capital of MTS PJSC apart from the above-mentioned.

For updated information about the shareholder capital structure visit the Company's website — Structure of Shareholder Capital of MTS PJSC — Moscow (mts.ru).



Equity structure of MTS PJSC — Moscow (mts.ru).

## INFORMATION ABOUT SECURITIES

### Shares

Shares of MTS PJSC are circulated on the leading Russian platform — Moscow stock exchange (MOEX) and are listed on the New-York stock exchange in the form of American Depositary Receipts — ADR (ratio: 1 ADR to 2 shares). From October 3, 2003, shares in MTS PJSC were included in the list of non-listed securities of the Moscow Interbank Currency Exchange. In December 2003, shares in MTS PJSC were included in "B" quotation list at MICEX. Since October 2010, shares have been traded in the "A1" quotation list. Since June 2014, shares in MTS PJSC have been traded in the first level of the MICEX securities list.

The ordinary shares in MTS PJSC fixes for its owner (shareholder) a given volume of property rights, including the right to participate in the Company's management, the right to obtain a portion of Company's profits in the form of a dividend as well as the right to obtain a portion of the property left after Company's liquidation.

The Company's issued and placed shares are ordinary registered shares in the same par value.

Information about current lists and transaction prices:



<http://www.moex.com>



<http://www.nyse.com>

<sup>1</sup> The ownership interest of JSFC Sistema PJSC includes ownership interests of its following subsidiaries: Sistema Telecom Assets LLC (11,03% of shares in MTS PJSC) and Sistema Finance S.A. (0,43% of shares in PJSC MTS).  
<sup>2</sup> Vladimir Petrovitch Yevtushenkov is a controlling person of JSFC Sistema PJSC.  
<sup>3</sup> The stake of Sistema PJSC, including indirect ownership through controlled entities (MTS PJSC, MGTS PJSC, Stream Digital LLC and Bastion LLC) is 56,81% of shares, while an effective interest is 50,02%.  
<sup>4</sup> MGTS PJSC, Stream Digital LLC and Bastion LLC are subsidiaries of MTS PJSC.  
<sup>5</sup> Includes 14,18% of shares in MTS PJSC and ADR for 29,01% of shares in MTS PJSC.  
<sup>6</sup> Information is understood as documented data received by (transferred to) the management.

### Information about the circulation of shares in MTS PJSC on stock exchanges

Trading Platform Name	Issuer Code
NYSE, New York	MBT
MOEX, Moscow	MTSS

### Price and volume of shares in MTS PJSC (RUB), 2020

MICEX	Price (RUB)
Minimum share price	353.05
Maximum share price	250.55
Average daily trade volume (pcs.)	4,572,590
Price as of December 31, 2020	330.65

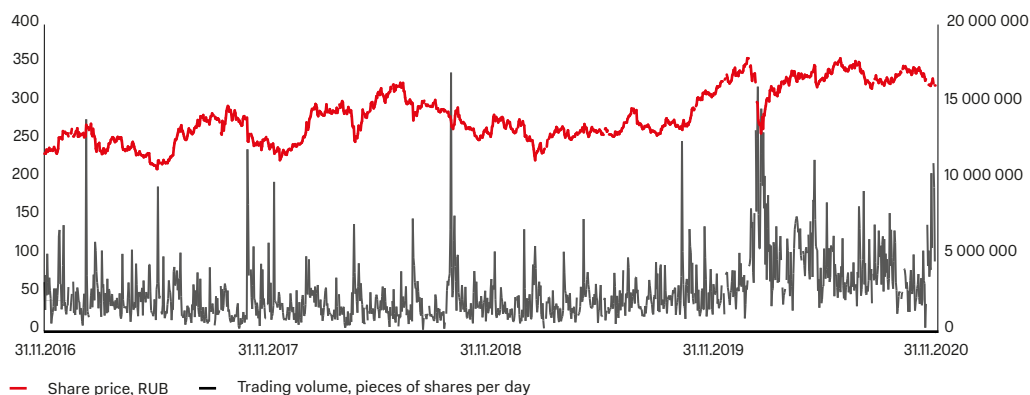
### Price and volume of American Depositary Receipts of MTS PJSC (USD), 2020

NYSE	Price (USD)
Minimum ADR price	6.20
Maximum ADR price	11.00
Average daily trade volume (pcs.)	3,632,725
Price as of December 31, 2020	8.95

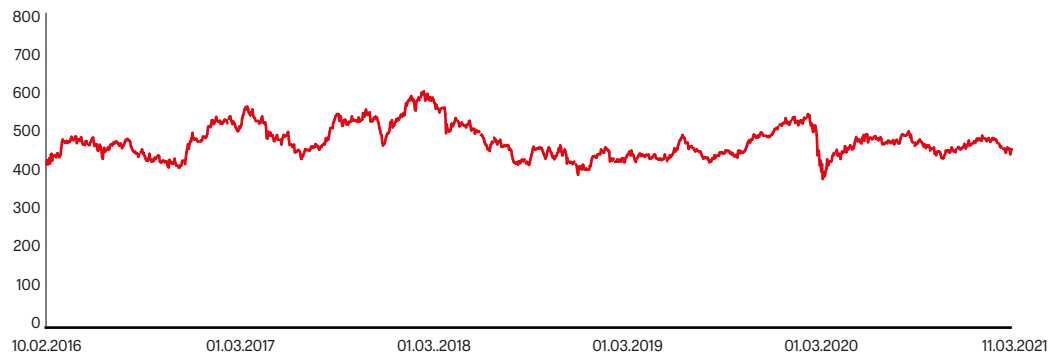
### Dynamics of prices and volume of trading in MTS PJSC common shares

Trading platform: MOEX (Moscow), issuer code MTSS

### Ordinary share price and daily trading volume on the Moscow Exchange 2016-2020



## \\ Market capitalization of MTS PJSC, million RUB (MOEX)<sup>1</sup>



### American Depository Receipts

On June 30, 2000, MTS successfully floated the issue of American Depository Receipts (ADRs) of the third level at the New York Stock Exchange. MTS PJSC became the second company in Russia to implement the ADR program of the highest level.

On April 20, 2010, MTS PJSC announced a change in the ratio between ADRs and company shares starting from May 3, 2010. As a result of this change, the ratio of ADRs to ordinary shares was changed from 1:5 to 1:2. Thus, holders of MTS ADRs registered at the end of the work day of April 28, 2010 received additional 1,5 ADRs for every available ADR.

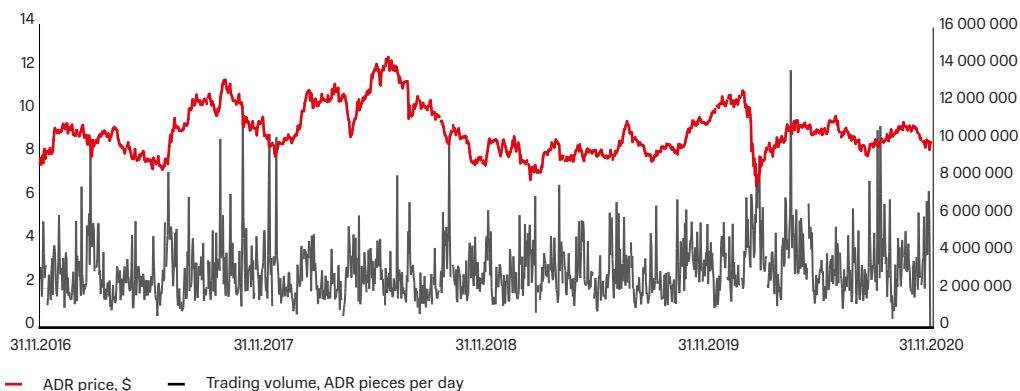
As of December 31, 2019 the total number of ADRs for ordinary registered share amounted to 356,699 642 ADRs, which makes up 713,399,284 ordinary registered shares or 35.70% of the company's authorized capital.

A depository under the ADR program and shareholder of MTS PJSC is JP Morgan Chase Bank, N.A., to which a depository account of depository programs was opened.

### Dynamics of prices and volume of trading in American Depository Receipts of MTS PJSC

Trading platform: NYSE (New York), issuer code MBT

#### \\ ADR price and daily trading volume on NYSE 2016-2020



<sup>1</sup> According to Bloomberg

## DIVIDENDS AND SHARE REDEMPTION PROGRAM

### History of dividend payment in 2020

For the calendar year 2020, the total amount of dividends was 29,50 rubles per ordinary share of MTS (59,0 rubles per ADS<sup>1</sup>). The total amount paid was RUB 58,9 billion, in addition to special dividends paid in Q1 of 2020 in the amount of RUB 13,25 per ordinary share (RUB 26,50 per ADS).

More detailed information on payment of dividends is available on the MTS website at:



Dividends — Moscow (mts.ru)

### 2020 Stock Buyback Program

In March 2020, MTS launched a program of buyback of own ordinary shares and American depositary shares for a total amount not exceeding RUB 15 billion. The program was in effect until the end of the 2020 calendar year.

In December 2020, MTS completed the share buyback program announced on March 31, 2020. Since the announcement of the program, MTS subsidiary Bastion LLC, has completed buyback of 45,501,316 ordinary shares (including ADSs) for a total amount of about 15 billion rubles, which is 2.28% of the total number of MTS outstanding shares. This number includes 22,758,872 ordinary shares (including ADSs) purchased from Sistema Finance S.A., a subsidiary of Sistema PJSC.

### Dividend Policy

The current dividend policy for 2019–2021 was approved on March 21, 2019 by the MTS Board of Directors, in accordance with the policy, the target dividend yield is at least 28.0 rubles per ordinary share of MTS PJSC (56.0 rubles per ADR) per during each calendar year.

The dividend policy provides for dividend payment in two instalments during a calendar year — annual payments based on the results of the previous year and payment of interim dividends for the first six months of the current year. When determining dividend payments, MTS takes into account a number of factors, including operating cash flow, capital expenditures and debt position.

In addition to regular payments within the framework of the dividend policy, the Company may increase the shareholders' benefit by implementing a program of share redemption in the open market. When deciding on the launch and size of the redemption program, the Board of Directors takes into account the current availability of funds, operating performance indicators, the amount of debt, the Company's future cash requirements and the overall market situation.

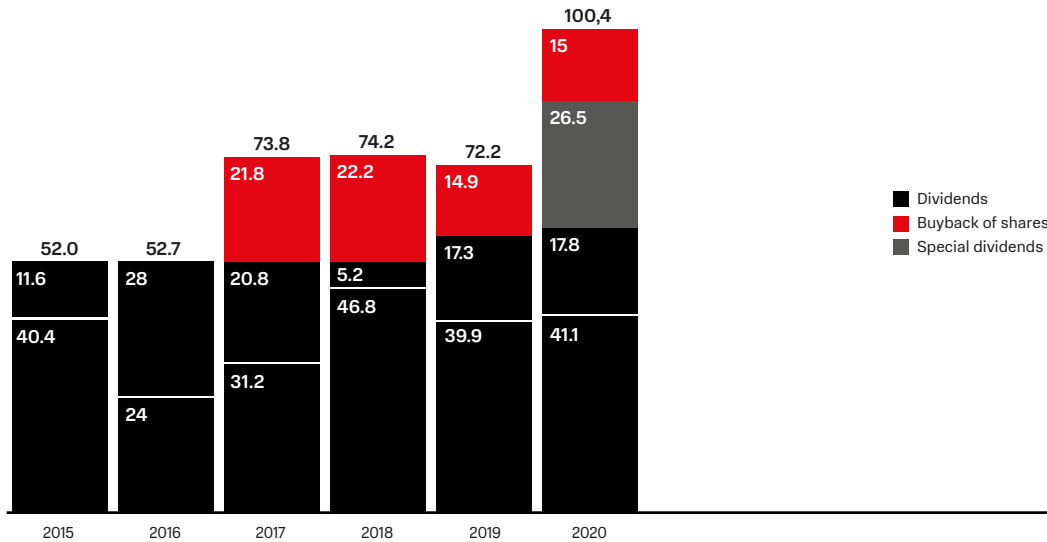
The full text of the new dividend policy is available on the MTS website at: Dividends — Moscow (mts.ru).



Dividends — Moscow (mts.ru)

<sup>1</sup> American Depositary Shares

## \\ Dividends and buyback of shares<sup>1</sup>



## \\ Dividend per common share

2015	2016	2017	2018	2019	2020
25.2	26.0	26.0	26.0	28.66	29.5
-	0.4	10.9	11.1	7.6	13.25
					7.5

## DEBT POLICY AND PORTFOLIO

### MTS Issuer Credit Ratings<sup>2</sup>

Credit agencies Fitch and Standard&Poor's and RA Expert assigned the following ratings to the Company's debentures.

### BONDS

MTS PJSC is one of the largest issuers of corporate bonds in Russia. The Company uses funds from bonds' placement for debt portfolio refinancing and implementation of its investment program.

For the period of 2020, the following bond issues were issued / redeemed:

Standard & Poor's

**BB+**

Stable

Fitch

**BB+**

Stable

RA Expert

**ruAAA**

Stable

National Credit Ratings<sup>3</sup>

**AAA.ru**

Stable

<sup>1</sup> Amount may differ due to rounding of some figures.

<sup>2</sup> Data as of December 31, 2020.

<sup>3</sup> The date of the rating assignment is January 26, 2021.

<b>2020</b>	<b>RUB 15 billion</b>	The fourteenth issue of exchange-traded bonds 001P-14 with the maturity term of 7 years
	<b>RUB 5 billion</b>	The fifteenth issue of exchange-traded bonds 001P-15 with the maturity term of 6,5 years
	<b>RUB 7 billion</b>	The sixteenth issue of exchange-traded bonds 001P-16 with the maturity term of 7 years
	<b>RUB 10 billion</b>	The seventeenth issue of exchange-traded bonds 001P-17 with the maturity term of 2 years
	<b>USD 750 million</b>	Redemption of MTS International Funding Eurobonds
	<b>RUB 15 billion</b>	Full repayment of series O8 bonds

Detailed information on previous bond issues can be found on the websites:



<http://www.disclosure.ru/issuer/7740000076/>



<https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/raskritie-informacii/vipusk-cennih-bumag>

## \\ Issue of bonds in 2020

Issuer	Mobile TeleSystems Public Joint Stock Company
Security type	<b>Exchange-traded non-convertible interest-bearing uncertificated exchange-traded bonds in bearer form subject to mandatory deposit of 001R-14 series</b>
Coupon	Coupon 1–28 — 6,6% per annum % per annum
Placement price	100%
Issue currency	Ruble
Issue amount	15 000 000 000
Placement date	February 20, 2020
Date of maturity	February 11, 2027
ISIN Reg No	RU000A101FH6
Offer	—
Security type	<b>Exchange-traded non-convertible interest-bearing uncertificated exchange-traded bonds in bearer form subject to mandatory deposit of 001R-15 series</b>
Coupon	Coupon 1–26 — 6,6% per annum
Placement price	100%
Issue currency	Ruble
Issue amount	5 000 000 000
Placement date	May 14, 2020
Date of maturity	November 5, 2026
ISIN Reg No	RU000A101NG2
Offer	—
Security type	<b>Exchange-traded non-convertible interest-bearing uncertificated exchange-traded bonds in bearer form subject to mandatory deposit of 001R-16 series</b>
Coupon	Coupon 1–28 — 6,6% per annum
Placement price	100%
Issue currency	Ruble
Issue amount	7 000 000 000
Placement date	May 14, 2020
Date of maturity	May 6, 2027
ISIN Reg No	RU000A101NH0
Offer	—

Security type	<b>Exchange-traded non-convertible interest-bearing uncertificated exchange-traded bonds in bearer form subject to mandatory deposit of 001R-17 series</b>
Coupon	Coupon 1–8 — 5,5% per annum
Placement price	100%
Issue currency	Ruble
Issue amount	10 000 000 000
Placement date	June 5, 2020
Date of maturity	June 3, 2022
ISIN Reg No	RU000A101RDO
Offer	—

### Events after the reporting date

The proceeds from the issue of bonds will be used to finance a project to connect 4995 socially significant facilities to the fixed Internet: schools, medical institutions, fire departments, police stations, government and local authorities, election commissions and military registration and enlistment offices — in Amur, Kaliningrad, Kemerovo, Leningrad, Tambov, Tver, Yaroslavl regions and in Moscow.

**On March 26, 2021, MTS announced the placement of social exchange-traded bonds of 001P-18 series with an issue volume of RUB 4,5 billion at the Moscow Exchange.**

## 4.5 bln rubles

and RAS, and information on quoted prices of shares and bonds. The annual report of MTS PJSC is also available on the Apple App Store<sup>6</sup>.

## COMMUNICATION POLICY

One of the most important goals of MTS is to maintain strong trustful relationships with shareholders and investors, based on the principles of direct dialog in accordance with the relevant legislation and prevalent international practices.

The current information disclosure system is built taking into account the requirements of listing rules of the Moscow and New-York stock exchanges, operates in the Company and ensures compliance with the transparency principle.

In order to improve its activities in the sphere of compliance with the interests of investors and shareholders, and the establishment of trusting relations with partners, MTS continuously strives to improve the level of its transparency and openness.

In accordance with the principle of general availability, the Company publishes announcements of significant events on the website of the US Securities and Exchange Commission<sup>1</sup>, on the website of the Russian Information Agency (news feed)<sup>2</sup>, on the official website of MTS: for shareholders<sup>3</sup> and investors<sup>4</sup>.

MTS also publishes other information on its official website. The “For investors and shareholders”<sup>5</sup> section includes internal corporate documents, annual reports, reports on sustainable development, materials for shareholder meetings, information on the registrar and auditor, information on dividend policies, quarterly financial statements under IFRS

The Company’s management is involved in the maintenance and development of an effective dialog with equity market participants. MTS representatives regularly participate in international conferences, hold road shows and meetings with investors, and organize days of analysts. Quarterly publication of financial results is carried out with phone conferences involving MTS managers. Financial statements are published as supported by presentation materials for better coverage of achieved results and presentation of the Company’s strategy.

In 2020, the MTS IR team issued more than 100 press releases, blog posts, and other written messages, as well as held more than 140 in person and online meetings with representatives of leading institutional funds, inter alia within the framework of 16 international conferences in New York, London, Boston, San Francisco and other cities. In 2020, the Company’s activities were affected by the pandemic and the restrictive measures introduced in connection therewith. Since March 2020, there have been no in person events for investors. During 2020, MTS continued to build effective online communications with investors.

MTS is continuously improving its interaction with investors and shareholders, using the best experience of other companies and monitoring the latest legislation changes and key standards in this area.

<sup>1</sup> <http://www.sec.gov>.

<sup>2</sup> <http://www.disclosure.ru>.

<sup>3</sup> <http://www.company.mts.ru/comp/ir/control/data/>.

<sup>4</sup> <http://www.ir.mts.ru>.

<sup>5</sup> <https://moskva.mts.ru/about/investoram-i-akcioneram/>.

<sup>6</sup> <https://apps.apple.com/ru/app/godovaa-otchetnost-gruppy-mts/id919440557?mt=8%2F/>.



In order to promptly respond to stakeholder appeals to the Company, the information resource “Unified Hotline” has been created. The subject of communications covers a wide range of issues related to the various activities of MTS and its subsidiaries. A single hotline enables all stakeholders to receive comprehensive information on topics of interest.

The list of the main stakeholders of MTS PJSC includes shareholders, investors, employees, customers / subscribers, mass media, the state, local communities, business.

In case of questions related to MTS activities, investors may contact the services on interaction with shareholders and relations with investors.

#### Contact information for investors and shareholders:

Corporate Governance Development of MTS PJSC:

#### Roman Safronov

(Director for Corporate Governance)

Phone: +7 (495) 911 6555.

Fax: +7 (495) 911 6569.

E-mail: shareholder@mts.ru

Investor Relations Department, MTS PJSC:

#### Polina Ugryumova

(Director of the Department)

Phone: +7 (495) 223 2025.

E-mail: ir@mts.ru

#### Investor's calendar for 2021

The investor's calendar is posted on the MTS website at: Investors calendar — Moscow (mts.ru).

#### Matters of interest for investors

The issues that interested investors in 2020 can be divided into three main blocks.

#### Macroeconomic matters:

- > the impact of the pandemic on the Company's business;
- > investment appeal of the Russian market;
- > main macroeconomic parameters and their impact on the company's business.

#### Industrial matters:

- > main trends and drivers of the industry;
- > competitive environment;
- > pricing policy;
- > surplus retail optimization;
- > frequency distribution, the beginning of construction of 5G networks in Russia;
- > regulatory environment

#### Matters related directly to the company's business and performance:

- > events and initiatives that the Company implements to support its subscribers during the introduced restrictive measures caused by the pandemic;
- > the Company's development strategy;
- > capital investments, Yarovaya Law;
- > dividend policy and share buyback program;
- > development of new business verticals, including fintech and media verticals;
- > investment in digital areas;
- > launch of new services and products, partnerships.

#### Answers to the most frequently asked questions from investors:

#### What measures is the company taking in connection with the pandemic and the spread of the virus, how did the pandemic and the restrictions introduced in connection therewith affect the business of MTS?

MTS is striving to support its subscribers, and during the pandemic, we took many initiatives: we offered free calls to state hotlines and access to websites (Ministry of Foreign Affairs, Federal Agency for Tourism, Ministry of Health, Rospotrebnadzor, etc.), provided customers with access to services with a negative balance, launched attractive products and ecosystem services for customers who stay at home, at a minimal cost. For medical specialists, MTS offered a three-month 100% discount for mobile communications, and together with MEDSI

we opened free access to online consultations with medical specialists. In addition, we organized remote learning for Moscow schools using the SmartUniversity service and provided free access for citizens from home fixed telephony subscriber devices to socially significant Internet resources. From the financial standpoint, the pandemic and the restrictive measures introduced in connection therewith had some negative impact on the MTS business: MTS lost revenues from international roaming, in the retail segment we had to close most of the stores, additional reserves were created in the bank due to the volatile macroeconomic environment.

#### What prospects does MTS see for 5G deployment?

In addition to developing the existing network, MTS is strengthening its leadership position in terms of new technologies. In July, 2020 MTS was the first in Russia to receive a license to provide mobile services under the 5G/IMT-2020 standard in the 24,25-24,65 GHz range in 83 constituent entities of the country. More than six 5G pilot zones were arranged in three regions of Russia, 5G technology testing was carried out in two regions, and in March 2021, MTS announced the launch of Russia's first large-scale 5G user pilot network in the 4,9 GHz range in 14 popular locations in Moscow.

At the same time, discussions continue on the allocation of spectrum in Russia for 5G, which is a forerunner of a large-scale mass deployment of fifth-generation communications. At the present time, the MTS business strategy continues to focus on investing and monetizing its 4G network

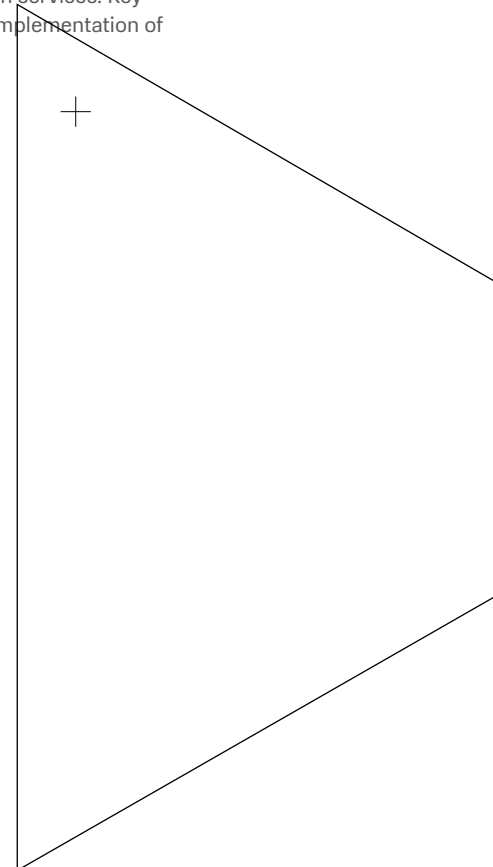
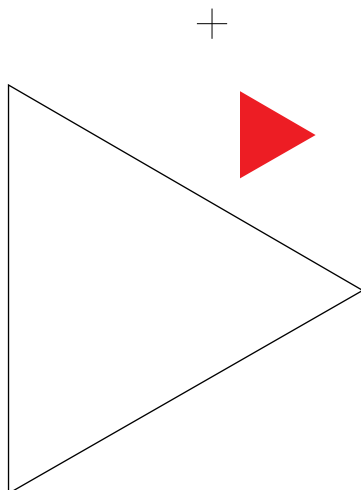
infrastructure to provide reliable, world-class communications for the company's tens of millions of mobile subscribers.

#### What are the company's plans for capital expenditures?

MTS is a recognized leader in the mobile segment of the telecommunications industry in Russia. Our goal is to constantly improve the quality and reliability of the network, therefore the expenses allocated to maintain and improve the mobile and fixed telephony networks are high and depend on many factors. In 2020, capital expenditures amounted to 96,9 billion rubles (91,6 billion rubles, taking into account the effect of financial derivatives). In 2021, the company's forecast for capital expenditures is 100-110 billion rubles, which is explained by the high foreign currency/ruble exchange rates and the need to acquire equipment in foreign countries, the growing need to invest in new ecosystem areas, the need to maintain a high level of investment in network development to maintain leadership in the telecommunications industry.

#### What successful outcomes of implementation of the CLV 2.0 strategy can be mentioned?

2020 was the first full year of implementation of the MTS CLV 2.0 development strategy. The new strategy details the existing strategic goals of MTS and is focused on creating a product ecosystem based on the main telecommunications business with a seamless transition between services. Key achievements in 2020 as part of implementation of the CLV 2.0 strategy.



≡ Key successful outcomes of CLV 2.0 strategy implementation



**BEST TELECOM**

**GROWTH DIGITAL**

**01**

Infrastructure development

- > Mobile Internet traffic grew by 39%
- > 14.5 thousand of LTE base stations built

**02**

Development of client services

- > Double digit growth of convergent users
- > Growth in number of clients using MTS services for at least a year
- > Improved client experience both online and in conventional retail

**03**

Capacity for future improvements

- > Five active 5G/5G-ready pilot zones
- > First e-SIM launch in Russia with identification at Gosuslugi (State Services)
- > Two times growth of online sales

**01**

Development of ecosystem segments

- > Growth in net interest income of MTS Bank by 32,5%
- > More than 10 units of original media content
- > Double digit growth of revenue in Digital B2B and Cloud

**02**

Increase in Application users

- > +44% users of paid TV
- > +142% users of OTT
- > +17% users of My MTS
- > +30% users of MTS Bank plication
- > Growth in brand attractiveness

**03**

Stable leadership by NPS

- > Keeping brand updated step by step
- > Common approach to design of the applications

**What are the company's plans regarding payment of dividends?**

The MTS dividend strategy was adopted and shall be valid until March 2022 and provides for payment of dividends for a calendar year in the amount of at least 28 rubles per ordinary share. Meanwhile, in the current year, MTS management plans to recommend to the Board of Directors to pay general annual dividends in calendar year 2021 above the level of 2020, which was already above the minimum established in our applicable dividend policy.

**What are the company's plans to optimize its retail chain?**

The total number of own and franchised retail outlets of MTS in 2020 decreased by 435 retail outlets and to 5244 retail outlets as part of the company's strategy to optimize its retail network. Further optimization plans depend on many factors, such as: the company's competitive position in the market, the macroeconomic situation, prospects for further rapid growth of the company's e-commerce channels (in 2020, sales through MTS online channels more than doubled in monetary terms vs 2019 indicators). MTS is closely monitoring the retail environment and will continue to improve its retail strategy in line with market dynamics.