

DISCLAIMER

This Annual Report has been prepared by MTS PJSC solely for information purposes and may contain statements based on predicted data or forecasts. Such statements or forecasts relate to matters other than historical facts or statements, and reflect the Company's intentions, beliefs or current expectations concerning, inter alia, performance results, financial condition, liquidity, efficiency, prospects, growth rates, and strategies of the Company and the industry in which it operates. The nature of the statements based on predicted data and forecasts implies risk and uncertainty, as they relate to events and depend on circumstances that may, or may not arise in the future. The Company cautions that statements based on predicted data and forecasts do not guarantee future performance and that actual performance results, the financial condition and liquidity of the Company, as well as changes in the industry in which the Company operates may differ significantly from those stated or assumed in the statements based on predicted data or forecasts contained in this report. Factors that may lead to material differences between the actual results and the assumptions contained in statements based on predicted data or forecasts include general economic conditions prevailing in the markets in which the Company operates, competitive environment and risks associated with operating in such markets, market change in the industry and related industries, as well as other risks affecting the Company and its activities. Moreover, even if the Company's performance results, financial condition and liquidity and the changes taking place in the industry in which the Company operates match those set forth in the statements based on predicted data or forecasts presented herein, those results or changes may not be illustrative of the results or changes in future periods. The Company does not undertake any obligation to review or confirm expectations or estimates, or update any statements based on predicted data or forecasts to reflect the events or circumstances occurring or arising after the date of this report.

WHERE TO FIND THE ANNUAL REPORT



The Annual Report is available online (interactive version) and in PDF format.



In addition, MTS publishes sustainable development reports on an annual basis.



Preliminary
approved by decision
of MTS PJSC
Board of Directors
May 20, 2020
Minutes 313

Approved by the
General Meeting of
shareholders of MTS PJSC
June 23, 2021
Minutes 52



KEY TOPICS OF THE REPORT

As part of the Annual Report, we inform shareholders, the investment community and all stakeholders as openly as possible about the condition and prospects of our business. We strive to provide comprehensive and unbiased information about the Company, the environment where we operate, a general situation in the markets of our presence and the trends that we observe there. Our primary goal is to help shareholders understand the specifics of our business, our strategic priorities and demonstrate the results of yearly operations in the context of the strategy implementation. Thus, we contribute to a correct assessment of the risks and benefits of investing in MTS and, as a result, to informed investment decisions by the market participants.

In addition to this general obligatory part, we focus on a number of separate topics in the 2020 Annual Report.

- The impact of the pandemic on the condition of MTS business, an external environment and society as a whole. How is the current situation affecting implementation of our strategic objectives, and what measures have been taken by the Company to mitigate risks, to protect its employees and clients and to ensure the continuity of its own activities, taking into account that the telecommunications component of our business directly affects the possibility of normal functioning of the country's entire economic system?
- Continuous improvement of our telecommunications network, including the development of up-to-date and advanced 4G and 5G technology solutions. Being essentially an infrastructure company, we are aware of our responsibility for maintaining a high level of communication standards (in terms of increasing data transmission rate, continuity, stability and overall reliability of all systems, among other things) and the role we play in enhancing the competitiveness of Russia and other countries of our presence in the global economic system.
- In addition to the telecommunications core, we are developing promising areas of digital services, which we refer to using the currently widespread ecosystem term in their totality. Such areas are becoming increasingly important for us; as we master them, we build up our own expertise, create appropriate technological platforms and acquire new competences. We believe that our participation in the digital component of the Russian economy has a positive effect on the overall development of a number of markets,

drives a healthy competition, opens up new opportunities for businesses and individuals, and ultimately contributes to an improvement in the quality of people's lives.

- MTS assumes obligations in the field of social responsibility and Ensuring sustainable development as one of the largest Russian companies, an employer for tens of thousands of people, a significant taxpayer, and a reliable asset for investors. We strive to follow the recommendations and standards of Russian regulators, as well as international organizations recognized by the world community, including the UN, and we comply with the principles of transparent and responsible business practice. We are focused on setting and achieving clear and specific objectives in the economic, environmental and social spheres, and we regularly and openly disclose information about the results of our relevant activities.
- Compliance with corporate governance standards at the highest level is an absolute priority for MTS. We are constantly improving our own corporate governance system, studying and applying the best world practices, providing appropriate training for our employees and creating a corporate culture whose integral parts include information openness and transparency, adherence to business ethics, understanding the need to monitor management activities and striving for comprehensive protection of the investors' rights and interests.

The Report has been prepared in accordance with the requirements of the legislation of the Russian Federation, as well as the regulatory requirements applicable to MTS.

- Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995;
- Regulations on information disclosure by issuers of equity securities No. 454-P, approved by the Bank of Russia on December 30, 2014;
- Recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014.

In addition, when preparing the Annual Report, the Company was guided by international standards and best practices in the area of public annual reporting.