

PRE-APPROVED

by the resolution of the Board of Directors of MTS PJSC
on May 22, 2025, Minutes № 385

APPROVED

by Annual General Meeting of Shareholders of MTS PJSC
on June 24, 2025, Minutes № 58

Disclaimer

This Annual Report has been prepared by MTS PJSC solely for information purposes and may contain statements based on projection 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 projection 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 projection 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 projection 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 projection 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 projection 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 projection data or forecasts to reflect the events or circumstances occurring or arising after the date of this Report.

INFORMATION ABOUT MTS¹

Mobile TeleSystems Public Joint Stock Company (MTS PJSC) is a leading company in Russia providing mobile and fixed-line telephony, data transfer and Internet access, cable and satellite TV broadcasting services; provider of digital services, including fintech and media within ecosystems and mobile apps; provider of IT solutions in the field of unified communications, the Internet of Things, monitoring, data processing, cloud computing, and cybersecurity. More than 88 million subscribers in Russia and Belarus use mobile communication services delivered by MTS Group. MTS holds a leading position in the Russian mobile business market by servicing the largest subscriber base accounting for 82 million users. MTS fixed-line services — telephony, Internet access and TV — cover more than 10.7 million subscribers, OTT and pay-TV services in various environments — more

than 15 million users, the total number of MTS ecosystem customers exceeds 17.5 million. The Company has a retail network of more than 4,200 stores in Russia. MTS shares are listed on the Moscow Stock Exchange under the code MTSS.

Company website: www.mts.ru.



[Detailed information
about MTS](#)

¹ In this Annual Report, the terms “MTS PJSC”, “MTS” and the “Company” should be understood as Mobile TeleSystems Public Joint Stock Company, and the terms the “MTS Group”. “Group” should be understood as a group of companies consisting of MTS PJSC and its subsidiaries. The figures contained in this Annual Report are as of December 31, 2024, unless other periods or dates are expressly indicated.

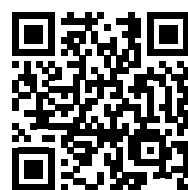
WHERE TO FIND THE ANNUAL REPORT

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



[Annual Statements](#)

In addition, MTS publishes Sustainable Development Reports on an annual basis.



[Sustainability Report](#)

WELCOME TO THE 2024 MTS PJSC ANNUAL REPORT!

We would like to bring to your attention the Annual Report of MTS PJSC following the results of 2024.

Purpose of the 2024 Annual Report

The MTS Annual Report is a tool of our openness and transparency that allows making investors, shareholders, customers and other stakeholders aware of the important solutions and Company operation results. It is also one of our mechanisms for internal evaluation of effectiveness and efficiency of the management processes and product offers, which allows us to maintain a high level of resilience to the arising challenges, competitiveness and market leadership.

The Report provides consolidated information on the main results of the Company's business in accordance with its strategic goals and objectives for the short, medium and long run.

Key topics of the Report

As part of the Annual Report, we inform stakeholders about the status 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 correct assessment of the risks and benefits of investing in MTS and, as a result, to informed investment decisions made by the market participants.

In 2024, MTS embarked on an important transition to a new ecosystem business unit management system. If in previous years MTS actively increased the volume of business in ecosystem verticals and sought synergies between assets, by the end of the reporting year the Company had identified the main outlines of its structural divisions that would be formed as a result of the business transformation. In 2025, MTS will begin to identify separate business units and an organic growth strategy for the verticals in the medium term. The key topic of the report will be the results of work in 2024, as well as the Company's views on further development in the new format.

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

- Federal Law dated December 26, 1995 No. 208-FZ "On Joint Stock Companies";
- Regulations of the Bank of Russia dated March 27, 2020 No. 714-P "On Information Disclosure by Issuers of Equity Securities";
- 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, we were guided by international standards and best practices in the area of public annual reporting.

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ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear shareholders,

The key decision of 2024 for us was a fundamental change in the business configuration of the MTS Group — the transformation of existing business lines into separate legal entities. We have been moving towards it for several years, forming strong ecosystem businesses with powerful mutual synergies with our key telecommunications vertical. Our strategic approach to changing the corporate structure has the following objectives:

- improving the independence and operational efficiency of each vertical;
- increasing the transparency of activities and the possibility of an objective assessment of the results of each area of work;
- ensuring better control over the Group's investment and debt burden;
- diversification of methods and tools for raising external financing;
- uncovering the investment potential of the formed verticals to increase the total shareholder value of the Group.

At the moment, we have formed a set of business lines and assets that meet our expectations regarding scale, growth dynamics and market prospects, and emphasized the asset outlines of each of the business units: Telecom, Fintech, MTS Media, MTS AdTech, and MWS technology company. At the same time, we decided to abandon high-risk acquisitions and investment in areas that, given the current difficult market conditions, will not bring significant financial results in the near future. Thereby, we will fully focus on the strategic development of the selected verticals, in the short term considering new opportunities for their consolidation through new acquisitions. I am convinced that all of our business units will demonstrate long-term growth with an already established asset portfolio, even in the current environment. By the end of the year, our revenues are growing at double-digit rates, and we will continue to strive to improve the operational efficiency of all our businesses.

We are paying increased attention to debt servicing issues, and we have implemented measures that will ensure control of the debt burden, despite maintaining an unprecedentedly high key interest rate. The current ratio of net debt to OIBDA is stable throughout 2024, and will not grow — this is one of the priorities for MTS management. Last year, we fixed a dividend policy until the end of 2026, which assumes payments of at least 35 rubles per share. To this day, MTS remains a company whose goals include increasing shareholder value and strictly following its obligations to shareholders. I have no doubt that these values will remain in the future.

In recent years, when I was the head of the Company, we aimed to connect various ecosystem services with a single customer experience, make them convenient for customers, and involve all kinds of audiences in the MTS ecosystem. I can say that we have managed to achieve good results, and I wish my colleagues not to stop there. Over the past year, the number of our ecosystem customers has grown by 16%, to 17.5 million, and it will only grow in the future.

MTS confidently looks to the future with strong digital directions based on the telecommunications business, which is confirmed by decent results in key operational indicators. Telecom remains our main focus, but the key growth drivers are now non-telecom assets, which generate more than 40% of the group's revenue, which is the result of extensive and well-coordinated teamwork. Yes, we made mistakes, tried non-standard solutions, and did not always agree with each other, but I am convinced that the Company has chosen the right development vector.

I would like to conclude my message by thanking all MTS Group employees for their creativity, diligence, and commitment to achieving results, the management for their faith in visionary ideas, and numerous shareholders for their support even in the most difficult moments.

Yours sincerely,
Chairman of the Board of Directors of MTS

ADDRESS BY THE CEO

Dear friends and colleagues,

I am proud to note that by 2024, MTS has accumulated a sufficient margin of safety and has prepared for various turbulent scenarios. The ecosystem strategy we have chosen has allowed us to create strong verticals with significant prospects for further development, built around the traditional telecommunications business. Over the past few years, we have been living in a volatile external environment, subject to geopolitical and inflationary risks, and tightening monetary policy. Even in the most difficult times, MTS proves itself to be a responsible company, fulfilling its obligations to partners, customers, and shareholders. We continue to successfully bring new competitive innovative products to the market, improve the quality of communication and customer service, and we pay special attention to the security of our subscribers' data. MTS is now on the verge of major corporate transformations, which, I am sure, will take the Company to a new stage of development.

¹ 26.02.2025 a record was made about changing information about a legal entity in the Unified State Register of Legal Entities: Inesa Galaktionova — CEO of MTS PJSC.

Global telecommunications companies have been undergoing the test of time in recent years. Traditional communications services may continue to make up the bulk of telecommunications companies' revenues, but the sector's growth rate is expected to decrease in the next few years. At the same time, the global telecom faces large-scale challenges not only in maintaining existing infrastructure, but also in introducing new technologies such as 5G networks and the spread of AI, which requires significant investment. According to TMT Consulting's calculations, the Russian telecommunications market grew by 6.2% in 2024, to 2 trillion rubles, but the forecast by 2029 is expected to reduce the average annual growth rate to 4%. In recent years, the telecommunications sector has been developing even more slowly. To maintain the status quo, we need to increase the demand for telecom services in the digitalization industry. B2C penetration has almost reached the ceiling. In order to reverse this industry trend, we rely on services such as spam and fraud protection.

In addition, in the absence of prospects for intensive growth of traditional telecom, companies around the world are looking for new points to increase value and enter into fierce competition with companies outside telecom. In the face of an industry storm, MTS will remain on the crest of the wave, and current industry trends will be a powerful incentive to transform our management model. At the end of last year, we launched large-scale changes that will allow us to stand the test of time and remain the undisputed leader in high-tech industries.

Already this year, we have created the MTS Ecosystem group of companies, which will manage ecosystem verticals outside of telecom. We had to significantly adjust investment for 2025. Conservative cost management measures will allow us to free up additional cash flow and maintain a high level of dividend payments for investors in the coming years. MTS has always strived for transparency in its relations with investors and has always sought to meet expectations. I would like to focus on the baggage of assets with which we embarked on the transformation. By the end of 2024, MTS demonstrated a high double-digit revenue growth rate due to increased revenue from basic telecom services and fast-growing areas.

MTS AdTech is the fastest growing business in the ecosystem, which started with a single product and now represents a full-fledged advertising vertical. Over the past two years, MTS has expanded its perimeter by entering into partnerships in the field of data and active acquisitions: deals with Buzzoola, Segmento, GetBlogger. We have also built one of the leaders of the kick-sharing market, MTS Urent service, with the widest geographical presence among competitors.

In the reporting year, we improved our RnD competencies in kick-sharing by merging with Eleven, which in the future will allow us to localize the production of electric scooters in Russia and bring new models to the market.

MTS Media Holding has become one of the main drivers for replenishing the ecosystem base, which already has 17.5 million customers. In the past, we completed the consolidation of all media assets into a single business vertical, which included MTS Live, Kion, MTS Music, MTS Label and Stroki. This is our first vertical highlighted as part of the transformation. It involves close cooperation between services that are integrated into the media universe and enrich the entertainment sector of our customers every day.

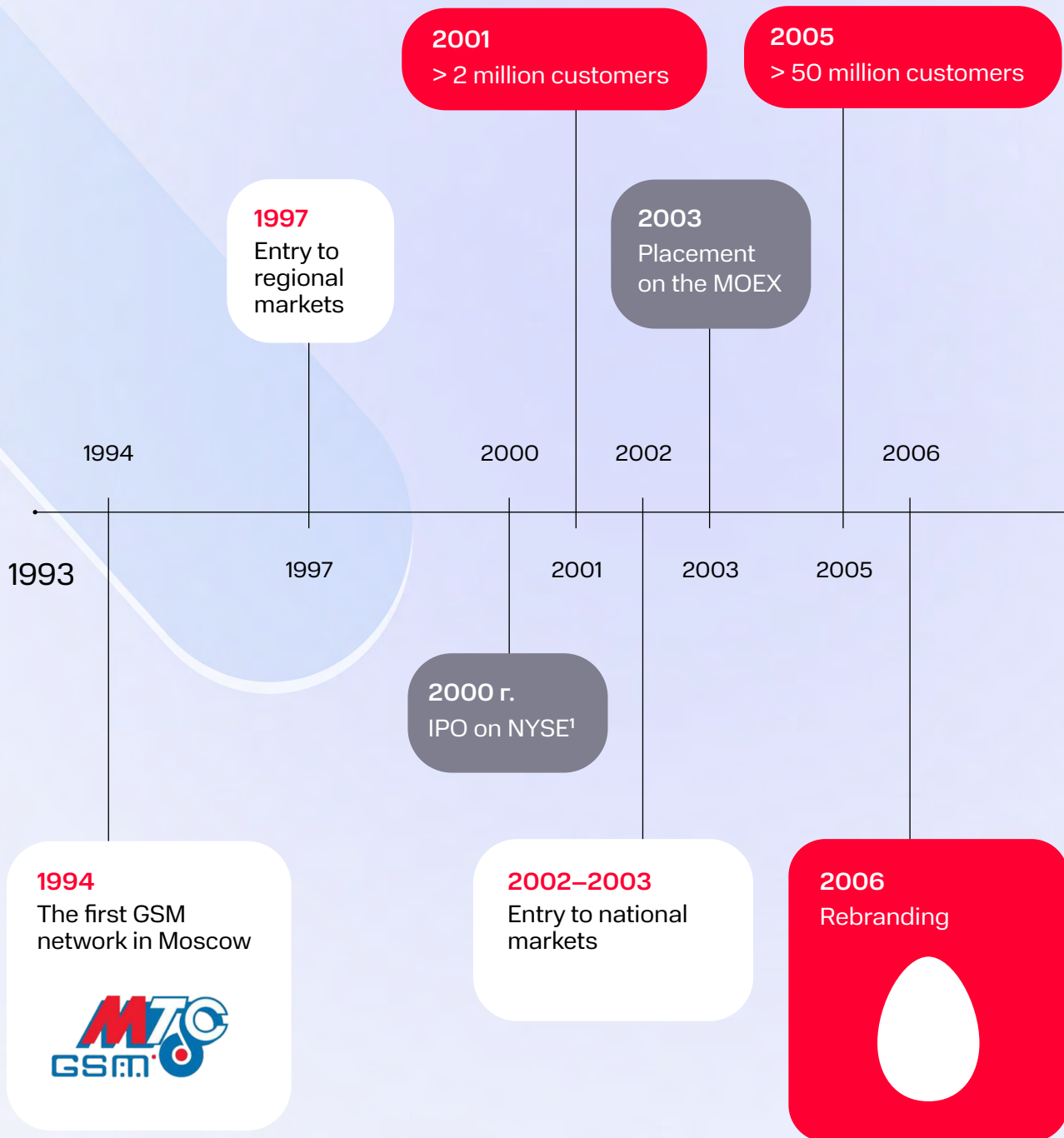
MTS Web Services is our new technology company that consolidates ecosystem assets in IT, AI, cloud and data, namely MTS Digital, MTS AI, MWS (formerly MTS Cloud), Big Data, as well as assets in the field of innovation and cybersecurity. MWS has one of the best expertise in the industry, high-quality business solutions, and intends to realize its ambitions in the future. After the creation of a new technology company, MWS solutions will become more replicated beyond the MTS perimeter. We see great growth prospects in terms of AI offerings. MTS has highly competitive products, in particular, the Kodify AI assistant, which helps programmers write code, fix bugs, and conduct auto-testing. With it, team productivity can increase by more than 50%. There is also the Cotype model, which speeds up text preparation and information analysis by creating chatbots and text services. MTS has extensive expertise in the field of platformization. The ecosystem is actively developing a single technology platform, The Platform, and now plans to bring its components to the foreign market: intelligent, technological, infrastructural, cloud and business platforms, as well as platforms for data analysis and storage.

And finally, Fintech. The stock exchange placement of our bank's shares last year was a record in terms of demand and the number of investor applications. The funds raised and the organic dynamic growth of the Fintech business will make it possible to implement an ambitious strategy.

Together with you, we have gone through the process of establishing new business verticals. They have grown into mature independent businesses before our eyes, and some already occupy leading positions in their own niches. And this, of course, could not have been achieved without the trust of our partners, the enthusiasm of our employees, and their confident aspirations to change the familiar..

Yours sincerely,
CEO of MTS

OUR HISTORY



¹ Depositary receipts were delisted from the NYSE in 2022.

