



PRESS RELEASE February 28, 2018

Ericsson and MTS establish 5G research center in Russia

Ericsson (NASDAQ: ERIC) and MTS (NYSE: MBT, MOEX: MTSS) have agreed to establish a 5G research center in Innopolis, a new Russian high-tech city located in the Republic of Tatarstan. The two companies will leverage their expertise, latest technologies, and partner ecosystem to build prototypes and explore new business opportunities with 5G and Internet of Things for Smart Cities, with possible extension to other areas.

The activities will start during the second quarter 2018 and in addition to joint research and development projects, Ericsson and MTS plan to organize hackathons and collaborate with local partners, startups, and residents. The idea is to develop innovative solutions that can be deployed and evaluated locally before being scaled for the global market.

Valery Shorzhin, Vice President, Procurement and Administration, MTS, says: "MTS is actively preparing its network for introduction of 5G technologies. We are conducting research both in-house and in partnership with key suppliers, continuously testing new solutions. Today, we reached a new stage of our technological cooperation with Ericsson. The launch of a joint R&D Center will significantly accelerate the introduction of innovative products to the market. We hope that the research work of both companies will allow us to bring new developments not only to the Russian but also to the global market. MTS has all the necessary competencies and experience in creating innovative products gained from its own Innovation Center and IoT Lab."

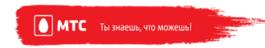
Sebastian Tolstoy, President of Ericsson in Russia, says: "Establishing joint with MTS R&D center in Innopolis is a new phase of our strategic cooperation with MTS in 5G. Ericsson will provide its latest 5G and IoT technologies, global expertise and access to worldwide ecosystem of partners and universities as well as support of key Business Labs. R&D Center in Innopolis will become an important part of Ericsson global R&D program for development and launch of IoT innovations to drive the large-scale uptake of IoT in Russia and beyond."

The infrastructure to be used at the research center includes the Ericsson <u>IoT Accelerator Platform</u> and <u>Massive IoT</u> solutions supporting NB-IoT. Ericsson will also provide guidance and support through the Ericsson Garage, an in-house incubator, and Ericsson Business Labs worldwide.

Innopolis offers a unique environment for the research center of Ericsson and MTS. The economy is based on high-tech industries attracting entrepreneurs from many different fields. The city also features broad opportunities for education and professional development, and has a state-of-the-art residential infrastructure built in harmony with nature.

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ERICSSON AT MWC

The do zone at Mobile World Congress 2018 is where Ericsson is showcasing the powerful engagement, value and growth that comes with innovation in 5G, IoT and digital operations. With our live technology demonstrations and customer collaborations, we're rolling up our sleeves and digging in. We're showing, not just saying, why emerging technologies are essential to maximize business potential. Join us live and online at www.ericsson.com/mwc