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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F**

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number: 1-34694

VEON LTD.

(Exact name of Registrant as specified in its charter)

Bermuda

(Jurisdiction of incorporation or organization)

Claude Debussylaan 88, 1082 MD, Amsterdam, the Netherlands

(Address of principal executive offices)

A. Omiyinka Doris
Group General Counsel
Claude Debussylaan 88, 1082 MD, Amsterdam, the Netherlands
Tel: +31 20 797 7200

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)
Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
American Depositary Shares, or ADSs, each representing 25 common shares	VEON	NASDAQ Capital Market
Common shares, US\$0.001 nominal value		NASDAQ Capital Market*

* Listed, not for trading or quotation purposes, but only in connection with the registration of ADSs pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:
1,756,731,135 common shares, US\$0.001 nominal value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act:

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated Filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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EXPLANATORY NOTE

This Annual Report on Form 20-F includes audited consolidated financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020 prepared in accordance with International Financial Reporting Standards, or “IFRS,” as issued by the International Accounting Standards Board, or “IASB,” and presented in U.S. dollars. VEON Ltd. adopted IFRS as of January 1, 2009. All references to our audited consolidated financial statements appearing in this Annual Report on Form 20-F are to the audited consolidated financial statements included in this Annual Report on Form 20-F (the “Audited Consolidated Financial Statements”).

References in this Annual Report on Form 20-F to “VEON” as well as references to “our Company,” “the Company,” “our Group,” “the Group,” “we,” “us,” “our” and similar pronouns, are references to VEON Ltd., an exempted company limited by shares registered in Bermuda, and its consolidated subsidiaries. References to VEON Ltd. are to VEON Ltd. alone.

All section references appearing in this Annual Report on Form 20-F are to sections of this Annual Report on Form 20-F, unless otherwise indicated.

Background of Restatement

After the issuance of VEON Ltd.’s Dutch statutory financial statements for the year ended December 31, 2022 filed on June 25, 2023 and prior to the filing of VEON Ltd.’s Annual Report on Form 20-F for the same period, the Company discovered an error in the consolidated statement of comprehensive income with respect to the derecognition of non-controlling interest of US\$ 824 million for the sale of its Algerian operations which has been corrected in these financial statements included in this Annual Report on Form 20-F. Under Dutch law, the Company determined the error does not result in financial statements that are seriously defective in providing a view that enables a sound judgment to be formed on assets, liabilities, equity and results of the Company and, insofar as the nature of financial statements permit, of its solvency and liquidity. In accordance with IFRS and Dutch law, the Company will correct and disclose the error retrospectively in its statutory accounts in its half-yearly financial statements and subsequently in the full year 2023 Dutch annual report. As a result, the Company will not correct the previously issued consolidated financial statements, VEON Ltd.’s Dutch statutory financial statements for the year ended December 31, 2022, through an additional filing of the 2022 Dutch Annual Report in the Netherlands.

The non-controlling interest was incorrectly derecognized in other comprehensive income (OCI), a component within equity, while it should have been derecognized in other equity without an impact in OCI. With respect to the consolidated statement of changes in equity, the amount was previously presented in the Dutch statutory financial statements as a line item within OCI and is now presented as a separate line item on the statement with no impact to OCI in this Annual Report. Thus, the error correction results in an adjustment in the consolidated statement of changes in equity which had no impact on total consolidated equity as well as an adjustment in the consolidated statement of comprehensive income. Refer to Note 24—*Basis of Presentation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements.

Further, the error had no impact on the following quantitative metrics relevant for VEON investors:

- The result on the sale of Algeria (refer to Note 10—*Held for Sale and Discontinued Operations* to our Audited Consolidated Financial Statements) recorded within the consolidated income statement;
- Consolidated income statement as a whole;
- Other comprehensive income attributable to the owners of the parent;
- Consolidated statement of financial position;
- Consolidated statement of cash flows;
- Basic or diluted earnings per share;
- Adjusted EBITDA;
- VEON’s financial covenants for its lenders;
- Capital expenditures;
- Net Debt

Internal Control Considerations

The Company’s management has concluded that the Company had a material weakness in its internal control over financial reporting as of December 31, 2022 relating accounting and financial statement presentation for disposals of

businesses. For a discussion of management's considerations of the Company's disclosures controls and procedures, internal control over financial reporting, and the material weakness identified, refer to *Item 15—Controls and Procedures*.

Non-IFRS Financial Measures

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure. Adjusted EBITDA should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS. We calculate Adjusted EBITDA as profit / (loss) before tax from continuing operations, before depreciation, amortization, loss from disposal of non-current assets and impairment loss, financial expenses and costs, net foreign exchange gain/(loss) and share of associates and joint ventures.

For a reconciliation of Adjusted EBITDA to profit / (loss) before tax, the most directly comparable IFRS financial measure, for the years ended December 31, 2022, 2021 and 2020, see *Note 2—Segment Information* to our Audited Consolidated Financial Statements.

Our management uses Adjusted EBITDA as a supplemental performance measure and believes that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of our business operations. In addition, the components of Adjusted EBITDA include the key revenue and expense items for which our operating managers are responsible and upon which their performance is evaluated. However, a limitation of Adjusted EBITDA's use as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue or the need to replace capital equipment over time.

Adjusted EBITDA also assists management and investors by increasing the comparability of our performance against the performance of other telecommunications companies that provide EBITDA (earnings before interest, taxes, depreciation and amortization) or OIBDA (operating income before depreciation and amortization) information. This increased comparability is achieved by excluding the potentially inconsistent effects between periods or companies of depreciation, amortization and impairment losses, which items may significantly affect operating profit between periods. However, our Adjusted EBITDA results may not be directly comparable to other companies' reported EBITDA or OIBDA results due to variances and adjustments in the components of EBITDA (including our calculation of Adjusted EBITDA) or calculation measures.

Adjusted EBITDA Margin

Adjusted EBITDA Margin is a non-IFRS financial measure. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by total operating revenue, expressed as a percentage. For a description of how we calculate Adjusted EBITDA and a discussion of its limitations in evaluating our performance, see *—Adjusted EBITDA* above.

Local currency financial measures

In the discussion and analysis of our results of operations, we present certain financial measures in local currency terms. These non-IFRS financial measures present our results of operations in local currency amounts and thus exclude the impact of translating such local currency amounts to U.S. dollars, our reporting currency. We analyze the performance of our reportable segments on a local currency basis to increase the comparability of results between periods. Our management believes that evaluating their performance on a local currency basis provides an additional and meaningful assessment of performance to our management and to investors. For information regarding our translation of foreign currency-denominated amounts into U.S. dollars, see *Item 5—Operating and Financial Review and Prospects—Factors Affecting Comparability and*

Results of Operations—Foreign Currency Translation, Item 11—Quantitative and Qualitative Disclosures About Market Risk and Note 18—Financial Risk Management to our Audited Consolidated Financial Statements.

Capital expenditures (excluding licenses and right-of-use assets)

In this Annual Report on Form 20-F, we present capital expenditures (excluding licenses and right-of-use assets), which include equipment, new construction, upgrades, software, other long-lived assets and related reasonable costs incurred prior to intended use of the non-current assets, accounted for at the earliest event of advance payment or delivery and exclude both expenditures directly related to acquiring telecommunication licenses and the recognition of right-of-use assets. Our management believes that presenting capital expenditures excluding licenses and the recognition of right-of-use assets provides a more meaningful assessment of total capital expenditure due to the volatility of license payments and recognition of right-of-use assets period-over-period. Long-lived assets acquired in business combinations are not included in capital expenditures (excluding licenses and right-of-use assets). For more information on our capital expenditures (excluding licenses and right-of-use assets), see *Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Future Liquidity and Capital Requirements* and *Note 2—Segment Information* to our Audited Consolidated Financial Statements.

Net Debt

Net Debt is a non-IFRS financial measure and is calculated as the sum of interest bearing long-term notional debt and short-term notional debt minus cash and cash equivalents, long-term and short-term deposits. The Company believes that Net Debt provides useful information to investors because it shows the amount of notional debt outstanding to be paid after using available cash and cash equivalents and long-term and short-term deposits. Net Debt should not be considered in isolation as an alternative to long-term debt and short-term debt, or any other measure of the Company's financial position.

Certain Performance Indicators

In this Annual Report on Form 20-F, we present certain operating data, including number of mobile customers, mobile ARPU and number of mobile data customers, which our management believes is useful in evaluating our performance from period to period and in assessing the usage and acceptance of our mobile and broadband products and services. For more information on each of these metrics, see *Item 5—Operating and Financial Review and Prospects—Certain Performance Indicators*.

Market and Industry Data

This Annual Report on Form 20-F contains industry, market and competitive position data that are based on regulatory and industry publications and studies conducted by third parties noted herein and therein, as well as our own internal estimates and research. These industry publications and third-party studies generally state that the information that they contain has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these publications and third-party studies is reliable, we have not independently verified the market and industry data obtained from these third-party sources. We also believe our internal research is reliable and the definition of our market and industry are appropriate, but neither such research nor these definitions have been verified by any independent source.

Certain market and industry data in this Annual Report on Form 20-F is sourced from the database of GSMA Intelligence, accessed on April 10, 2023, which is the database being used in all GSMA reports. This applies to all references of GSMA herein unless otherwise stated. Mobile penetration rate is defined as mobile connections divided by population. Population figures for the mobile penetration rates provided by GSMA are sourced from the United Nations. Mobile connections are, in principle, on a three-month active basis, such that any SIM card that has not been used for more than three months is excluded. Other market and industry data has been sourced from cited governmental bodies.

Glossary of Telecommunications Terms

The discussion of our business and the telecommunications industry in this Annual Report on Form 20-F contains references to certain terms specific to our business, including numerous technical and industry terms. Such terms are defined in *Exhibit 99.1—Glossary of Telecommunications Terms*.

Trademarks

We have proprietary rights to trademarks used in this Annual Report on Form 20-F which are important to our business, many of which are registered under applicable intellectual property laws. Solely for convenience, trademarks and trade names referred to in this Annual Report on Form 20-F may appear without the “®” or “TM” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this Annual Report on Form 20-F is the property of its respective holder.

Other Information

In this Annual Report on Form 20-F, references to (i) “U.S. dollars”, “USD” and “US\$” are to the lawful currency of the United States of America, (ii) “Russian rubles” or “RUB” are to the lawful currency of the Russian Federation, (iii) “Pakistani rupees” or “PKR” are to the lawful currency of Pakistan, (iv) “Bangladeshi taka” or “BDT” are to the lawful currency of Bangladesh, (v) “Ukrainian hryvnia” or “UAH” are to the lawful currency of Ukraine, (vi) “Uzbekistani som” or “UZS” are to the lawful currency of Uzbekistan, (vii) “Kazakhstani tenge” or “KZT” are to the lawful currency of the Republic of Kazakhstan, and (viii) “€,” “EUR” or “euro” are to the single currency of the participating member states of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. In addition, references to “EU” are to the European Union, references to “SOFR” are to the Secured Overnight Financing Rate and references to “KIBOR” are to the Karachi Interbank Offered Rate.

This Annual Report on Form 20-F contains translations of certain non-U.S. currency amounts into U.S. dollars at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the relevant non-U.S. currency amounts actually represent such U.S. dollar amounts or could be converted, were converted or will be converted into U.S. dollars at the rates indicated. Unless otherwise indicated, U.S. dollar amounts have been translated from euro, Pakistani rupee and Bangladeshi taka amounts at the exchange rates provided by Bloomberg Finance L.P. and from Russian ruble, Ukrainian hryvnia, Kazakhstani tenge, Kyrgyzstani som, Georgian lari and Uzbekistani som amounts at official exchange rates, as described in more detail in *Item 5—Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations—Foreign Currency Translation*, *Item 11—Quantitative and Qualitative Disclosures About Market Risk* and *Note 18—Financial Risk Management* to our Audited Consolidated Financial Statements. For a discussion of risks related to foreign currency fluctuation and translation, see *Item 3.D—Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine*.

Rounding

Certain amounts and percentages that appear in this Annual Report on Form 20-F have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including in tables, may not be exact arithmetic aggregations of the figures that precede or follow them.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 20-F contains estimates and forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties and are made in light of information currently available to us. Many important factors, in addition to the factors described in this Annual Report on Form 20-F, may adversely affect our results as indicated in forward-looking statements. You should read this Annual Report on Form 20-F completely and with the understanding that our actual future results may be materially different and worse from what we expect.

All statements other than statements of historical fact are forward-looking statements. The words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” and similar words are intended to identify estimates and forward-looking statements.

Our estimates and forward-looking statements may be influenced by various factors, including, without limitation:

- our ability to complete the sale of PJSC VimpelCom (“VimpelCom”) and its subsidiaries (collectively, our “Russian Operations”); in the event the sale of our Russian Operations does not complete, or the sale is significantly delayed, we will continue to be exposed to risks relating to operating in Russia;
- the ongoing conflict between Russia and Ukraine, including: the adverse impact on the economic conditions and outlook of Ukraine; the effect of sanctions on our supply chain, ability to transact with key counterparties and obtain financing; the resulting volatility in the Ukrainian hryvnia and other local currencies; our ability to operate and maintain our infrastructure; reputational harm we may suffer from as a result of the conflict; and its impact on our liquidity, financial condition and our ability to operate as a going concern, among numerous other consequences;
- developments in the international economic conditions (including inflationary pressures and rising interest rates) and the geopolitical environment;
- our ability to generate sufficient cash flow and raise additional capital to meet our debt service obligations, our expectations regarding working capital and the servicing and repayment of our indebtedness, and our ability to satisfy our projected capital requirements;
- our ability to develop new revenue streams and achieve portfolio and asset optimizations, improve customer experience and optimize our capital structure;
- our goals regarding value, experience and service for our customers, as well as our ability to retain and attract customers and to maintain and expand our market share positions;
- our ability to implement and execute our strategic priorities successfully and to achieve the expected benefits from our existing and future transactions;
- adverse global developments, including wars, terrorist attacks, natural disasters, and pandemics, including any further adverse developments relating to the COVID-19 pandemic;
- environmental factors, including climate-related disasters such as floods, or the implementation of climate-related laws and regulations that could impact our business and its operations and expenses;
- our plans regarding our dividend payments and policies, as well as our ability to receive dividends, distributions, loans, transfers or other payments or guarantees from our subsidiaries;

- potential cyber-attacks or other cybersecurity threats, which may compromise confidential information or render our services inaccessible;
- our plans to develop, provide and expand our products and services, including operational and network development, optimization and investment, such as expectations regarding the expansion or roll-out and benefits of 4G and 5G networks, broadband services and integrated products and services, such as fixed-mobile convergence, and digital services in the areas of, for example, financial services, entertainment, digital advertising and healthcare;
- our expectations as to pricing for our products and services in the future, improving our ARPU and our future costs and operating results;
- our ability to meet license requirements, to obtain, maintain, renew or extend licenses, frequency allocations and frequency channels and to obtain related regulatory approvals;
- adverse legislative, regulatory and judicial developments which frustrate our profitability and ability to operate in our geographies;
- our plans regarding marketing and distribution of our products and services, including customer loyalty programs;
- our expectations regarding our competitive strengths, customer demands, market trends and future developments in the industry and markets in which we operate;
- our ability to retain key personnel;
- our material weakness found in our internal control over financial reporting in 2022; and
- other risks discussed in this Annual Report on Form 20-F.

These statements are our management's best assessment of our strategic and financial position and of future market conditions, trends and other potential developments. While they are based on sources believed to be reliable and on our management's current knowledge and best belief, they are merely estimates or predictions and cannot be relied upon. We cannot assure you that future results will be achieved.

Under no circumstances should the inclusion of such forward-looking statements in this Annual Report on Form 20-F be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this Annual Report on Form 20-F are made only as of the date of this Annual Report on Form 20-F. We cannot assure you that any projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not required.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not required.

ITEM 3. KEY INFORMATION

A. [RESERVED]

B. Capitalization and Indebtedness

Not required.

C. Reasons for the Offer and Use of Proceeds

Not required.

D. Risk Factors

The risks and uncertainties described below are not the only ones we face. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. In addition, you should consider the interrelationship and compounding effects of two or more risks occurring simultaneously.

Risk Factor Summary

The following summarizes the principal risks that could adversely affect our business, operations and financial results. Before purchasing our American Depositary Shares (“ADSs”), you should carefully consider all of the information set forth in this Annual Report on Form 20-F including, but not limited to, the risks set forth in this *Item 3.D*. In addition to those risk factors, there may be additional risks and uncertainties of which management is not aware or focused on or that management currently deems immaterial. Our business, financial condition or results of operations or prospects could be materially adversely affected by any of these risks, causing the trading price of our securities to decline and you to lose all or part of your investment.

- risks relating to the sale of our Russian Operations, including the risks of delay to the consummation of the sale due to conditions imposed by lenders or regulatory authorities, significant transaction costs in connection with the sale, our continued use of the Beeline name and mark through an amended license agreement with PJSC VimpelCom, continued exposure to risks relating to operating in Russia in the event that the sale does not complete and any adverse effect to our business and operations due to the completion of the sale of our Russian Operations;
- risks relating to the ongoing conflict between Russia and Ukraine, such as its adverse impact on the economic conditions and outlook of Ukraine; physical damage to property, infrastructure and assets; the effect of sanctions and export controls on our supply chain, the ability to transact with key counterparties or to effect cash payments through affected clearing systems to bondholders, obtain financing, upstream interest payments and dividends and the ability to operate our business; the resulting volatility in the Ukrainian hryvnia and our other local currencies; our ability to operate and maintain our infrastructure; reputational harm we may suffer as a result of the conflict, sanctions (including any reputational harm from certain of the ultimate beneficial owners of our largest shareholder, LIT VIP Holdings S.à r.l. (“LetterOne”)), being subject to sanctions that could lead to nationalization risk of Kyivstar or VimpelCom, and the geographical location of our operations; and its impact on our liquidity, financial condition and our ability to operate as a going concern;
- risks relating to foreign currency exchange loss and other fluctuation and translation-related risks;
- risks relating to changes in political, economic and social conditions in each of the countries in which we operate and where laws are applicable to us, such as any harm, reputational or otherwise, that may arise due to changing social norms, our business involvement in a particular jurisdiction or an otherwise unforeseen development in science or technology;
- risks related to solvency and other cash flow issues, including our ability to raise the necessary additional capital and raise additional indebtedness, our ability to comply with the covenants in our financing agreements, the ability of our subsidiaries to make dividend payments, our ability to upstream cash from our subsidiaries, our ability to develop additional sources of revenue and unforeseen disruptions in our revenue streams;

- risks due to the fact that we are a holding company with a number of operating subsidiaries, including our dependence on our operating subsidiaries for cash dividends, distributions, loans and other transfers received from our subsidiaries in order to make dividend payments, make transfers to VEON Ltd., as well as certain intercompany payments and transfers;
- risks associated with cyber-attacks or systems and network disruptions, data protection, data breaches, or the perception of such attacks or failures in each of the countries in which we operate, including the costs associated with such events and the reputational harm that could arise therefrom;
- risks related to the impact of export controls, international trade regulation, customs and technology regulation, on the macroeconomic environment, our operations, our ability, and the ability of key third-party suppliers to procure goods, software or technology necessary to provide services to our customers, particularly services related to the production and delivery of supplies, support services, software, and equipment sourced from these suppliers;
- in each of the countries in which we operate and where laws are applicable to us, risks relating to legislation, regulation, taxation and currency, including costs of compliance, currency and exchange controls, currency fluctuations, and abrupt changes to laws, regulations, decrees and decisions governing the telecommunications industry and taxation, laws on foreign investment, anti-corruption and anti-terror laws, economic sanctions, data privacy, anti-money laundering, antitrust, national security and lawful interception and their official interpretation by governmental and other regulatory bodies and courts;
- risks that the adjudications, administrative or judicial decisions in respect of legal challenges, license and regulatory disputes, tax disputes or appeals may not result in a final resolution in our favor or that we are unsuccessful in our defense of material litigation claims or are unable to settle such claims;
- risks relating to our company and its operations in each of the countries in which we operate and where laws are applicable to us, including regulatory uncertainty regarding our licenses, regulatory uncertainty regarding our product and service offerings and approvals or consents required from governmental authorities in relation thereto, frequency allocations and numbering capacity, constraints on our spectrum capacity, access to additional bands of spectrum required to meet demand for existing products and service offerings or additional spectrum required from new products and services and new technologies, intellectual property rights protection, labor issues, interconnection agreements, equipment failures and competitive product and pricing pressures;
- risks related to developments from competition, unforeseen or otherwise, in each of the countries in which we operate and where laws are applicable to us, including our ability to keep pace with technological changes and evolving industry standards;
- risks related to the activities of our strategic shareholders, lenders, employees, joint venture partners, representatives, agents, suppliers, customers and other third parties;
- risks related to the material weakness related to the accounting and financial statement presentation for disposals of businesses in our internal control over financial reporting that was found to exist as of December 31, 2022; if we fail to implement and maintain effective internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud;
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- risks related to the ownership of our ADSs, including those associated with VEON Ltd.'s status as a Bermuda company and a foreign private issuer; and
- other risks and uncertainties as set forth in this *Item 3.D*.

For a more complete discussion of the material risks facing our business, see below.

Risks Related to the Sale of our Russian Operations

The sale of our Russian Operations is subject to certain closing conditions, including receipt of requisite regulatory approvals and licenses from relevant government authorities. As a condition to obtaining the required approvals or consents, the relevant regulatory authorities may impose conditions that could have an adverse effect on our company or, if such approvals or consents are not obtained, could prevent the consummation of the sale of our Russian Operations.

On November 24, 2022, we announced the sale of our Russian Operations, which consist of PJSC VimpelCom (“VimpelCom”) and its subsidiaries (collectively, our “Russian Operations”) to certain senior members of the management team of VimpelCom for RUB 130 billion. Before the sale of our Russian Operations may be completed, requisite regulatory approvals, licenses or consents required in connection with the sale must have been received. The Federal Antimonopoly Service of the Russian Federation approved the sale of VimpelCom on December 15, 2022 and the Subcommission of the Government Commission for Control over Foreign Investments in the Russian Federation approved the sale of VimpelCom on February 1, 2023. The consummation of the sale might be delayed due to the time required to fulfill the remaining requests or approvals by the relevant regulatory authorities, lenders or other third parties, including the cancellation of VEON bonds held by VimpelCom. The terms and conditions of any further regulatory approvals, licenses and consents that are ultimately granted may impose conditions, terms, obligations or restrictions on the conduct of our business.

Regulatory authorities, lenders or other third parties may impose conditions, and any such conditions may have the effect of delaying the consummation of the sale of our Russian Operations or imposing additional material costs on us. In addition, any such conditions could result in the delay or abandonment of the sale. If we are unable to complete the sale, we will be exposed to additional risks. See “—*In the event the sale of our Russian Operations does not complete, or the sale is significantly delayed, we will continue to be exposed to risks relating to operating in Russia.*”

We will incur significant transaction costs in connection with the sale of our Russian Operations and, if the sale is consummated, we expect to incur separation costs.

We have incurred, and expect to continue to incur, significant costs in connection with the sale of our Russian Operations, including the fees of our professional advisors and separation costs in anticipation of the dis-integration of operations. We may also incur unanticipated costs associated with the sale, and these unanticipated costs may have an adverse impact on our results of operations following the effectiveness of the sale. In addition, if the sale is consummated, we expect to continue to incur additional separation costs following the consummation of the sale. While we anticipate that the realization of the expected benefits related to the sale of our Russian Operations (including reducing our exposure to the current challenging geopolitical circumstances in connection with having operations in Russia, the deleveraging of the Group’s balance sheet and any improvements in our credit profile) will offset the incremental transaction and separation costs, the transaction and separation costs may be material. Furthermore, there is no guarantee that the completion of the sale of our Russian Operations will restore our access to the capital markets and we may continue to face challenges or high costs in connection with accessing the capital markets to manage our liquidity needs post separation.

Following the sale of our Russian Operations, we will rely on trademark license agreements with our former subsidiary, VimpelCom, to continue our use of the “Beeline” name and mark. Our reputation could be adversely impacted by negative developments in respect of the Beeline brand following the sale of our Russia Operations. If we elect to undertake a rebranding exercise, it may involve substantial costs and may not produce the intended benefits if it is not favorably received by our existing and potential customers, suppliers and other persons with whom we have a business relationship.

Upon the completion of the sale of the Russian Operations, each of the operating subsidiaries in Kazakhstan, Kyrgyzstan, Uzbekistan and VimpelCom will enter into amended trademark license agreements, pursuant to which each operating company will be able to maintain its existing non-exclusive license in relation to the “Beeline” name and associated trademarks (each a “License Agreement”, and collectively the “License Agreements”). The term of each License Agreement is expected to be amended from an indefinite term to a five year initial term and the termination rights previously held by VimpelCom therein are expected to be narrowed as compared to the original license agreement; no additional fees are expected to be added as part of these amendments. The License Agreements will be subject to certain restrictions that may affect the operating subsidiaries’ business. When using the trademarks, the operating subsidiaries shall comply with the requirements of the Russian legislation and avoid using the trademarks in a way that may be to the detriment of the “Beeline” brand. The License Agreements shall cover only the trademarks the operating subsidiaries will be using as of the date of the License Agreements (and similar trademarks). The subsidiaries will be able to register any new trademarks related to the “Beeline” brand only in the name and on behalf of VimpelCom subject to VimpelCom’s approval and such new trademarks shall be included into the scope of the License Agreements. VimpelCom is expected to be entitled to terminate a License Agreement if the relevant licensee does not comply with the terms of the applicable License Agreement.

We cannot predict with certainty how the continued use of legacy Beeline branding following the sale of our Russian Operations will affect our reputation and performance. VimpelCom is expected to retain the right to continue using the “Beeline” name and mark and the License Agreements do not preclude the licensor from also licensing the “Beeline” name and mark to other third parties, some of whom may compete against us. As a result, events or conduct by VimpelCom or any other third parties holding the rights or licensing rights to the “Beeline” brand that reflect negatively on the “Beeline” brand may adversely affect our reputation or the reputation of the “Beeline” brand on which we will be relying. Consequently, we may be unable to prevent any damage to goodwill that may occur as a result of the activities of VimpelCom and any third party licensee of the Beeline brand in relation to the “Beeline” brand.

It is expected that following the expiration of the initial five-year term of the License Agreements, each of the operating subsidiaries in Kazakhstan, Kyrgyzstan and Uzbekistan may agree with VimpelCom to extend the term of its applicable License Agreement so that the operating subsidiary can continue to use the “Beeline” brand. However, since the License Agreements do not have any renewal terms, such extension may be subject to new terms that differ significantly from the current terms of the License Agreement to the detriment of the operating subsidiaries. Furthermore, there is no guarantee that any operating company that chooses to pursue an extended license term will be able to negotiate an extension on commercially reasonable terms, or at all.

Alternatively, we may undertake a re-branding exercise in respect of any one or more of our operating subsidiaries that use the “Beeline” brand. We anticipate that any such rebranding strategy will involve substantial costs and may not produce the intended benefits if it is received unfavorably by our existing and potential customers, suppliers and other persons with whom we have a business relationship. Successful promotion of the rebranding will depend on the effectiveness of our marketing efforts and our ability to continue to provide reliable products to customers during the course of our rebranding transition. We cannot guarantee that we will be able to achieve or maintain brand recognition, awareness or status under any new brand names and/or trademarks at a level that is comparable to the recognition and status we historically enjoyed under the Beeline brand. If our rebranding strategy does not produce the intended benefits, our ability to retain existing customers, suppliers and other persons with whom we have a business relationship and continue to attract new customer and engage new business partners may be negatively impacted, which could adversely affect our business, results of operations or financial condition.

In the event the sale of our Russian Operations does not complete, or the sale is significantly delayed, we will continue to be exposed to risks relating to operating in Russia.

As a result of the expected disposal of our Russian Operations, we classified them as held-for-sale and discontinued operations upon the signing of the agreement on November 24, 2022. In connection with this classification, the results for Russia in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 have been presented separately as part of line item “loss after tax from discontinued operations and disposals of discontinued operations” on our income statement. See *Note 10—Held for Sale and Discontinued Operations* to our Audited Consolidated Financial Statements for a more detailed discussion. In the event that the sale of our Russian Operations does not complete or is significantly delayed, we will remain subject to significant regulatory, operational and financial risks of operating in Russia, as well as risks relating to our access to capital and to auditing and other services. The ongoing conflict between Russia and Ukraine, and the responses of governments and multinational businesses to it, have created critical challenges for our business and operations, both in Russia and globally. These factors, including the specific risks outlined below, could have a material adverse effect on our business, financial condition, results of operations and trading price if the sale of our Russian Operations does not complete or is significantly delayed:

- ***Sanctions, Export Controls, Capital Controls, Corporate Restrictions and Other Responses:*** The sanctions imposed on Russia by the United States, member states of the European Union, the European Union itself, the United Kingdom, Ukraine and certain other nations, countermeasure sanctions by Russia and other legal and regulatory measures, as well as responses by our service providers, partners, suppliers and other counterparties, and the consequences of all the foregoing, are more complex and comprehensive than any such measures to date, and could continue to evolve. On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including VimpelCom. These make it challenging to continue our Russian Operations. It may also have repercussions for entities remaining in the Group due to their nexus to a group with Russian subsidiaries and business ties, and in the case of Canada, due to the specific sanctions imposed against VimpelCom directly. If the sanctions persist or further sanctions are introduced or otherwise impact our suppliers or other counterparties, this could result in substantial legal and other compliance costs and risks to our business operations and could harm our business, financial condition, results of operations or prospects. Likewise, any countermeasures by Russia, including those that would prohibit the transfer of foreign currency or Russian rubles from entities within Russia, could also materially impact our business, financial condition, results of operations or prospects. For example of countermeasures, on April 25, 2023, the President of Russia issued Decree No. 302 (“Decree 302”), which introduced a legal framework for imposing an external administration over Russian companies owned by foreign residents from “unfriendly” jurisdictions which take hostile actions against Russian assets or Russia’s national security. There are also reports that broader legislation or measures are under consideration. Since the issuance of Decree 302 two energy companies have been subject to this decree and, more recently, it has also been applied to Russian subsidiaries of Carlsberg and Danone. Carlsberg had found a buyer for its Russian subsidiary and Danone had indicated it was planning to exit Russia by divesting its Russian subsidiary. However, the current framework of Decree 302 does not allow the Russian agency which has taken over management decision for these entities to dispose of such company’s shares or interests therein. If such measures were imposed over our Russian subsidiary, this would introduce additional uncertainties surrounding the risks relating to finalizing the sale of our Russian Operations. In addition, on July 5, 2022, the President of the Russian Federation issued Decree No. 430 (“Decree 430”) which requires Russian legal entities with Eurobond obligations to ensure the local fulfillment of such obligations to Eurobond holders whose rights are recorded by the Russian depositories, e.g. NSD or Account Holders registered in the Russian Federation. On November 23, 2022, the Russian Central Bank issued clarifications in respect of Decree 430, claiming that it also applies to Russian legal entities and foreign issuers that are within the same group of companies. If the Group does not sell its Russian Operations or the sale is significantly delayed, the Group will remain subject to the risks of external administration under Decree 302, the application of Decree 430 and any other measures introduced. See *Note 24—Basis of Preparation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements for a more detailed discussion. In the event any of the foregoing or other measures taken results in the forced deconsolidation of our Russian Operations, there is significant risk our liabilities would exceed our assets and such forced deconsolidation could also trigger our “loss of mobile license” clause under our revolving credit facility, either of which could lead to an event of default under such agreement. We are not able to predict further developments on these issues, including those that could affect our Russian Operations in the event the sale does not complete or is significantly delayed, nor can we predict when sanctions targeting Russia imposed by the United States, member states of the European Union, the European Union itself, the United Kingdom, Ukraine and certain other nations as a result of Russia’s involvement in the ongoing conflict might be lifted. Furthermore, our Russian Operations have been negatively impacted by export restrictions, which has limited and could continue to

limit the availability of certain supplies from reaching our Russian Operations. For example, in 2022 the United States imposed sweeping export control restrictions on Russia's ability to obtain goods, software and technology subject to U.S. export control jurisdiction, including a broad array of foreign-made items that were previously not subject to U.S. export control jurisdiction. This has impacted and will likely continue to adversely impact on our ability to procure or sell equipment in Russia and adversely impact our ability to maintain and/or improve our infrastructure and/or adversely impact the availability and quality of our services and, therefore, have an adverse effect on our operations and also adversely impact our results of operation. Such restrictions have already impacted and will likely increasingly impact the ability of our Beeline Russian Operations to obtain and apply protective software updates. In addition, as a result of sanctions laws and regulations imposed on Russia, including EU sanctions against the Russian National Settlement Depository (the "NSD"), cash payments of both interest and principal amounts that have already been made did not reach the beneficial holders of notes that are held directly or indirectly (through the chain of Russian depositories) via the NSD. We understand that such cash payments were blocked by the international clearing systems. Furthermore, many international clearing systems have removed the Russian ruble as a settlement currency, which prevents us from making payments on our Russian ruble denominated debt effectively. See also "*—Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition.*"

- ***Economic deterioration in Russia:*** In Russia, the economic conditions and outlook have deteriorated significantly since the beginning of the conflict, including as a result of sanctions and as a result of many U.S. and other multinational businesses across a variety of industries, indefinitely suspending their operations and pausing all commercial activities in Russia. These conditions have led and could continue to lead to decreased demand from customers in Russia. Furthermore, in June 2022, Russia defaulted on certain of its sovereign debt obligations due to creditors being unable to receive debt repayments through international clearing systems. While the longer-term implications of Russia's sovereign debt default are uncertain, the default is expected to increase the costs of borrowing in Russia and impact Russia's ability to attract international investors both currently and in the future, which has impacted and is expected to continue to impact the cost of borrowing for our customers and for our Russian Operations.
- ***Volatility of the Russian Ruble:*** During 2022, the Russian ruble experienced three significant declines in February, July and December. After reaching a record low in March 2022, the Russian ruble reached a seven-year high in June 2022. For example, as at December 31, 2021 the Russian ruble to U.S. dollar exchange rate of the Central Bank of Russia was RUB 74.2926 compared to RUB 70.3375 as at December 31, 2022 and RUB 77.0863 March 31, 2023. The volatility is primarily due to the currency controls restrictions introduced in Russia in 2022 as well as the sanctions imposed by the United States, European Union, United Kingdom and other countries significantly restricting access to and the use of foreign currencies by Russia. This volatility in the Russian ruble impacted our U.S. dollar reported results of operations for our Russian Operations during 2022, and we expect it will continue to impact our results of operations for our Russian Operations moving forward if volatility in the Russian ruble to U.S. dollar persists. See also "*—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine.*"
- ***Rising costs in Russia:*** The sanctions and the resulting disruption of supplies into Russia have negatively impacted and could have a material adverse effect on our costs in Russia, including the costs to power our networks, maintain or expand our infrastructure in Russia or otherwise manage our operations as a result of rising costs.

- **Auditors:** In 2022, the United States, the European Union and the United Kingdom implemented a services ban prohibiting auditing, consulting and other services to be performed for entities in Russia. Although the provision of audit services to VEON did not trigger the services prohibition in 2022, given the rapidly evolving sanctions environment, we cannot rule out the possibility that we may not be able to appoint an auditing firm for the audit of our financial statements for the year ending December 31, 2023, due to either to sanctions restrictions or auditing firms' reluctance to engage with us for auditing services due to uncertainty in the regulatory requirements, reputational harm and/or other reasons. Our auditors for 2022 have informed us that they would decline to stand for re-election at the conclusion of their term of appointment. See *Item 16F—Change in Registrant's Certifying Accountant* for additional information. This inability to appoint an auditing firm could have an adverse effect on our ability to (i) obtain financing to meet our capital needs or service our debt, (ii) access our existing cash held in third-party bank accounts, (iii) access committed amounts under credit facilities, or (iv) maintain our listings on NASDAQ or Euronext should we not be able to complete our financial reporting obligations.
- **Access to Capital:** The conflict between Russia and Ukraine and the developments since with respect to sanctions have placed limits on our ability to access the capital markets in which we have traditionally refinanced maturing debt and has impacted our ability to refinance our current indebtedness. Our access to the capital markets is also impaired by certain sanctions restrictions on auditing services, as described above. VEON was unable to file its Form 20-F within the prescribed time period as VEON required additional time to complete VEON's consolidated financial statements and, subsequently, to receive the related audit report on the financial statements and internal control over financial reporting. In the event the sale does not complete, these difficulties, including the inability to meet our annual reporting requirements deadlines, may reoccur. In addition, we could continue to face challenges with accessing capital after the completion of the sale of our Russian Operations, particularly if sanctions against certain ultimate beneficial owners of our largest shareholder, LetterOne, make it difficult for us to appoint auditors or obtain capital through other financing means.

In addition, if the sale of our Russian Operations does not complete or is significantly delayed, the Group's additional risks set out under *—Liquidity and Capital Risks*, *—Regulatory, Compliance and Legal Risks*, and *—General Risks* would also be applicable to our Russian Operations until the sale is complete, if at all, or such time that the geopolitical situation changes.

The sale of our Russian Operations could adversely affect our business, cash flows, financial condition or results of operations.

The conflict between Russia and Ukraine and the developments since February 2022 with respect to sanctions laws and regulations have resulted in unprecedented challenges for VEON. While the Group anticipates that a number of these challenges will be overcome following the completion of the sale of our Russian Operations, there is no guarantee that it will do so and the Group could face continued challenges following the expected completion of the sale, including as a result of the sale. Prior to its classification as a discontinued operation, our Russian Operations represented our largest reportable segment. If the Group is able to obtain credit ratings again, it is not expected to be an investment grade rating, and furthermore the credit rating may not be as favorable as our historical credit ratings, which benefited in the past from our Russian Operations, which were the highest rated part of our business. Furthermore, in the event we are able to access the capital markets again, we will be doing so as a smaller company, which we expect will carry a different credit and risk profile compared to the Group with our Russian Operations, and this may not be as attractive to investors or lenders. As a result, our costs of borrowing will likely be higher in the future and there is no guarantee we will be able to access the capital markets in the short term even after the completion of the sale. In addition, the completion of the sale of our Russian Operations may also cause disruptions in and create uncertainty surrounding our business, including with respect to our relationships with existing and future creditors, customers, suppliers and employees, which could have an adverse effect on our business, cash flows, financial condition or results of operations. Our business relationships may also be subject to disruption as customers, suppliers and other persons with whom we have a business relationship may (i) delay or defer certain business decisions, (ii) seek to terminate, change or renegotiate their business relationships with us, or (iii) consider entering into business relationships with parties other than us.

Market Risks

The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations.

The ongoing conflict between Russia and Ukraine, and the sanctions imposed by the United States, member states of the European Union, the European Union itself, the United Kingdom, Ukraine and certain other nations, countermeasure sanctions by Russia and other legal and regulatory measures, as well as responses by our service providers, partners, suppliers and other counterparties, and the consequences of all the foregoing, have significantly impacted and will continue to significantly impact our results and operations in Ukraine, and may significantly affect our results and operations in the other countries in which we operate. Specifically, the ongoing conflict has had a marked impact on the economy of Ukraine and has caused partial damage to our sites in Ukraine. See —*We have and may in the future recognize substantial impairment charges* and *Item 5—Operating and Financial Review and Prospects*. Our operations in Ukraine represented approximately 26% of our revenue for the year ended December 31, 2022.

The ongoing conflict between Russia and Ukraine, and related economic sanctions and export control actions against Russia, have also led to a surge in certain commodity prices (including wheat, oil and gas) and other inflationary pressures which may have an effect on our customers (and their spending patterns) in the countries in which we operate. If additional sanctions on fossil fuel exports from Russia are imposed, or the existing sanctions are accelerated or tightened, the price increases for related products may be exacerbated. Such price increases or other inflationary pressures may cause further strain on our customers in the countries in which we operate. Rising fuel prices also make it more expensive for us to operate and power our networks.

As of May 2, 2023, it is estimated by the United Nations High Commissioner of Refugees that approximately eight million people have fled Ukraine and the country has sustained significant damage to infrastructure and assets. If the ongoing conflict persists and Ukrainian refugees choose to relocate permanently outside of Ukraine and switch to local providers, we estimate that we could lose approximately 1.3 million subscribers (around 5% of our customer base) in Ukraine. This will have a measurable impact on our customer base in Ukraine, as well as their use and spending on our services. We have also incurred additional maintenance capital expenditures to maintain, and repair damage to, our mobile and fixed-line telecommunications infrastructure in Ukraine resulting from the ongoing conflict. We have also experienced similar increases in our security, and energy costs, as well as in related operational and capital expenditure. For the year ended December 31, 2022, our capital expenditure for repairs to damage was approximately UAH 51.1 million (US\$1.3 million) and costs related to security, fuel for diesel generators, batteries, mitigation measures (which were aimed at protecting the energy independence of our telecom network in the event of further attacks on the energy infrastructure of Ukraine) and other costs in Ukraine were approximately UAH 770.55 million (US\$19 million). We expect these costs will continue, and could increase, while the conflict in Ukraine persists.

In addition, our ability to provide services in Ukraine may be impaired if we are unable to maintain key personnel within Ukraine, or our infrastructure within Ukraine is significantly damaged or destroyed. We have experienced partial destruction of our infrastructure in Ukraine (about 15% of our telecommunication network has been damaged or destroyed, of which about 8.3% has been restored with approximately 5.6% of our telecommunication network currently not functional and located in the Russian-occupied territories). While we have thus far managed to repair most of our network assets that incurred damage in Ukrainian territory that is not under Russian occupation, as a result of the ongoing conflict between Russia and Ukraine there can be no assurance that our Ukrainian network will not sustain additional major damage and that such damage can be repaired in a timely manner as the conflict continues. In addition, with increased targeting of Ukraine's electrical grid, we have faced challenges ensuring that our network assets in Ukraine have a power source. Furthermore, we have developed and, in some cases, implemented additional contingency plans to relocate work and/or personnel to other geographies and add new locations, as appropriate. Our business continuity plans are designed to address known contingency scenarios to ensure that we have adequate processes and practices in place to protect the safety of our people and to handle potential impacts to our operations. Our crisis management procedures, business continuity plans, and disaster recovery capabilities may not be

effective at preventing or mitigating the effects of prolonged or multiple crises, such as civil unrest, military conflict and a pandemic in a concentrated geographic area. The current events in the regions where we operate in Ukraine and where we derive a significant amount of our business may pose security risks to our people, our facilities, our operations and infrastructure, such as utilities and network services, and the disruption of any or all of them could significantly affect our business, financial conditions and results of operations, and cause volatility in the price of our securities. In addition, customer demand for our services in Ukraine may decrease due to the increase of Ukrainians emigrating from the war and the difficulties in using our services outside of Ukraine either as a result of roaming or the lack of compatibility with our network providers. Due to the nature of the conflict, we cannot assess with certainty whether such events are likely to occur, and such events may happen suddenly and without warning. In addition, we have experienced a decline in revenue generated from iMTR rates charged to Ukrainian customers due to policies implemented that eliminate roaming charges for Ukrainians in certain other countries and expect these policies and decrease in rates charged to Ukrainian customers to continue, with Ukraine and the European Union finalizing in April 2023 the arrangements for Ukraine's access to free roaming areas for 2024.

On February 24, 2022 Ukraine declared martial law and introduced measures in response to the ongoing conflict with Russia, which include local banking and capital restrictions that prohibit our Ukrainian subsidiary from making any interest or dividend payments to us, and introduced legal restrictions on making almost any payments abroad, including making payments to foreign suppliers (with a small number of exceptions expressly provided by law, or on the basis of separate government approvals). Currently, it is not possible to predict how long the martial law in Ukraine will last and accordingly how long the above restrictions will last and there can be no assurance that we will be able to obtain any separate government approvals for foreign payments, meaning our ability to make interest or dividend payments from our Ukrainian operations could be restricted for some time. In October 2022, Ukraine imposed sanctions for a ten-year period against Mikhail Fridman, Petr Aven and Andriy Kosogov, who are some of our ultimate beneficial owners due to their ownership in LetterOne. These sanctions apply exclusively to the sanctioned individuals and do not have a direct impact on VEON; however, we cannot rule out their impact on banks' and other parties' readiness to transfer dividends in the event the above restrictions are lifted or the nationalization risk such measures pose to Kyivstar. Furthermore, these sanctions may make it difficult for us to obtain local financing in Ukrainian hryvnia, which could make it more difficult for us to naturally hedge any debt required for our Ukrainian operations moving forward to the currency in which we generate revenue. In addition, Ukraine has put one member of our senior management in government registry managers of Russian companies as a result of this senior manager being on the board of our Russian subsidiary, VimpelCom. This list has had and could continue to cause reputational harm to us, particularly for our operations and customer relationships in Ukraine, since engagement with Russian companies is generally condemned. Furthermore, the government of Russia has introduced countermeasure sanctions which have, or could subject our legal entities and employees in Ukraine to, restrictions or liabilities, including capital controls, international funds transfer restrictions, asset freezes, nationalization measures or other restrictive measures. See —*Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks* for a discussion on the introduction of nationalization laws in Ukraine.

Furthermore, while we have not been named as, and have concluded that we are otherwise not, the target of the EU's or the UK's sanctions as a consequence of LetterOne being a 47.85% shareholder in VEON (as of June 15, 2023) (which has certain ultimate beneficial owners which are subject to sanctions), it cannot be ruled out that VEON or LetterOne could become the target of future sanctions or that certain other beneficial owners of LetterOne may be sanctioned in the future, which could materially adversely affect our operations, access to capital and price of our securities. For example, we might be unable to conduct business with persons or entities subject to the jurisdiction of the relevant sanctions regimes, including international financial institutions and rating agencies, raise funds from international capital markets, appoint an auditor, acquire equipment from international suppliers or access assets held abroad. Moreover, if we become subject to EU or UK sanctions, investors subject to the jurisdiction of an applicable sanctions regime may become restricted in their ability to sell, transfer or otherwise deal in or receive payments with respect to our securities. For more information, see —*Violations of and changes to applicable sanctions and embargo laws, including export control restrictions, may harm our business*.

As a leading telecommunications provider in Ukraine, we have been adversely impacted by the ongoing conflict. We expect to continue to face challenges with our performance in Ukraine, which will be exacerbated as the conflict continues. Furthermore, if there is an extended continuation or further increase in the ongoing conflict between Russia and Ukraine, it could result in further instability and/or worsening of the overall political and economic situation in Ukraine, Europe and/or in

the global economy and capital markets generally. These are highly uncertain times and it is not possible to predict with precision how certain developments will impact our results and operations, nor is it possible to execute comprehensive contingency planning in Ukraine due to the ongoing conflict and inherent danger in the country. The discussion above attempts to surmise how prolongation or escalation of the conflict, expansion of current sanctions, the imposition of new and broader sanctions, and disruptions in our operations, transactions with key suppliers and counterparties could have a material impact on our results and operations. We cannot assure you that risks related to the conflict are limited to those described in this Annual Report on Form 20-F.

Our independent auditors have included a going concern emphasis paragraph in their opinion as a result of the effects of the ongoing conflict between Russia and Ukraine.

The consolidated financial statements included in this Annual Report on Form 20-F have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and satisfaction of liabilities and commitments in the normal course of business. Due to the unknown duration and extent of the ongoing conflict between Russia and Ukraine and the uncertainty of further sanctions in response to the ongoing conflict that may be imposed, there are material uncertainties related to events or conditions that may cast significant doubt on our ability to continue as a going concern. These material uncertainties relate to our ability to maintain our financial and non-financial debt covenants and positive equity levels, potential new sanctions and export controls imposed by the United States, European Union, and the United Kingdom that could further impact our liquidity position and ability to attract new financing or our ability to source relevant network equipment from vendors, as well as potential new counter-sanctions imposed by Russia that could materially impact Russia's supply chain stability as well as VEON's financial performance as a whole. After evaluating the uncertainties mentioned above and other conditions and events discussed in *Note 24—Basis of Preparation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements in the aggregate, our independent registered public accounting firm, in its report on our consolidated financial statements as of and for the year ended December 31, 2022, has emphasized that there is substantial doubt about our ability to continue as a going concern for at least 12 months after the date that the consolidated financial statements included in this Annual Report on Form 20-F have been issued. Although we have taken a number of measures to protect our liquidity and cash provisions, given the uncertainty and exogenous nature of the ongoing conflict between Russia and Ukraine and potential for further sanctions and counter-sanctions, and future imposition of external administration over our Russian and Ukrainian operations in particular, there can be no assurance that we will be successful in implementing these initiatives or that the contingencies outside of our control will not materialize. See *Note 24—Basis of Preparation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements for a more detailed discussion of the going concern emphasis paragraph.

We have and may in the future recognize substantial impairment charges.

We have incurred, and may in the future incur, substantial impairment charges as a result of the impact of the ongoing conflict between Russia and Ukraine and/or from the write down of the value of goodwill. During 2022, we reported US\$446 million in impairment charges with respect to assets in Russia against the carrying value of goodwill in Russia as of March 31, 2022. No further impairments were taken at September 30, 2022 during our annual impairment test or at the time we entered into the sale agreement in November 2022 since the fair value less cost to sell of the assets at those dates continued to exceed the carrying value of the assets relating to our Russian Operations. During 2022, we also reported US\$36 million in impairment charges with respect to assets in Ukraine, which included impairments to property and equipment as a result of physical damages to sites in Ukraine caused by the ongoing conflict between Russia and Ukraine.

In addition, deterioration of economic conditions in the countries in which we operate may also have certain accounting ramifications. In addition, a significant difference between the actual performance of our operating companies and the forecasted projections for revenue, adjusted EBITDA or capital expenditure could require us to write down the value of the goodwill. In addition, the possible consequences of a financial and economic crisis related to, in particular, customer behavior, the reactions of our competitors in terms of offers and pricing or their responses to new entrants, regulatory adjustments in relation to reductions in consumer prices and our ability to adjust costs and investments in keeping with possible changes in revenue, may also adversely affect our forecasts and lead to a write-down of tangible and intangible assets, including goodwill.

In addition, significant adverse developments in our share price, and the resulting decrease in our market capitalization may also lead to a write-down of our goodwill balances. A write-down recorded for tangible and intangible assets resulting in a lowering of their book values could impact certain covenants and provisions under our debt agreements, which could result in a deterioration of our financial condition, results of operations or cash flows.

For further information on the impairment of tangible and intangible assets and recoverable amounts (particularly key assumptions and sensitivities), see *Note 10—Held for Sale and Discontinued Operations* and *Note 11—Impairment of Assets* to our Audited Consolidated Financial Statements. For a discussion of the risks associated with the markets where we operate, see —*The international economic environment, inflationary pressures, geopolitical developments and unexpected global events could cause our business to decline*, —*Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks*, —*The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations* and —*In the event the sale of our Russian Operations does not complete, or the sale is significantly delayed, we will continue to be exposed to risks relating to operating in Russia*.

We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine and the sanctions imposed.

On February 28, 2022, the European Union imposed sanctions on Mikhail Fridman and Petr Aven, and on March 15, 2022, the United Kingdom imposed sanctions on the LetterOne shareholders, Mr. Fridman, Mr. Aven, Alexey Kuzmichev and German Khan, and the European Union additionally designated Mr. Khan and Mr. Kuzmichev (collectively, with Mr. Aven and Mr. Fridman, (the “Designated Persons”). Mr. Fridman resigned from VEON’s board of directors effective February 28, 2022. None of the other Designated Persons were members of the Board of Directors. We understand, based on a letter provided by LetterOne, a 47.85% shareholder in VEON, that Mr. Fridman and Mr. Aven are shareholders in LetterOne (approximately 37.86% and 12.13%, respectively) and that Mr. Khan and Mr. Kuzmichev are no longer shareholders in LetterOne. In October 2022, Ukraine imposed sanctions for a ten-year period against, Mr. Fridman and Mr. Aven, as well as Mr. Kosogov, who is also a shareholder in LetterOne (holding approximately 47.2% of LetterOne’s shares based on a LetterOne memorandum dated May 24, 2022 and updated February 28, 2023) (Mr. Kosogov, along with the Designated Persons, the “Sanctioned Persons”). In addition, Ukraine has put one member of our senior management on their list of managers of Russian companies as a result of this senior manager being on the board of our Russian subsidiary, VimpelCom. This list has had and could continue to cause reputational harm to us, particularly for our operations and customer relationships in Ukraine, since engagement with Russian companies are generally condemned.

We have not been named as, and have concluded that we are otherwise not, the target of the UK’s, the EU’s or Ukraine’s sanctions, including as a consequence of LetterOne being a 47.85% shareholder in VEON. On July 20, 2023, Canada imposed sanctions on VimpelCom, our Russian subsidiary that is part of the sale of our Russian Operations. However, as a result of the association of Sanctioned Persons with our largest shareholder, we have suffered and may continue to suffer reputational harm. This reputational harm could increase with the direct sanctions adopted against VimpelCom by Canada, particularly, if other nations adopt similar measures. In addition, there could also be an unwillingness among certain of our business partners to continue to do business with us, which could affect our prospects to engage in new business initiatives with existing or potential future business partners. Moreover, notwithstanding our perceived exposure to the Russian state as a consequence of the association of our largest shareholder with Sanctioned Persons, many multinational companies and firms, including certain of our service providers, partners and suppliers, have chosen of their own accord to cease transacting with all Russia-based or Russia affiliated companies (i.e., self-imposed sanctions), as a result of the ongoing conflict between Russia and Ukraine. To the extent that the ongoing conflict between Russia and Ukraine continues or further escalates, the list of companies and firms refusing to transact with Russian or Russian affiliated companies may continue to grow.

Such actions have the equivalent effect, insofar as the ability to transact with such companies is concerned, as if the Russia-based or Russian-affiliated companies were the target of government-imposed sanctions. In the event the associations of our largest shareholder continues to have an impact on certain of our operations, the inability or reduction in business with our key suppliers, business partners and other key counterparties could have a material adverse impact on our business, financial condition, results of operations, cash flows or prospects and price of our securities.

We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine.

A significant amount of our costs, expenditures and liabilities, including capital expenditures and borrowings is denominated in U.S. dollars, while our operating revenue is denominated in Ukrainian hryvnia, Pakistani rupee, Kazakhstani tenge, Bangladeshi taka and Uzbekistani som and other local currencies. In general, declining values of these and other local currencies against the U.S. dollar make it more difficult for us to repay or refinance our debt, make dividend payments, comply with covenants under our debt agreements or purchase equipment or services denominated in U.S. dollars, and may impact our ability to exchange cash reserves in one currency for use in another jurisdiction for capital expenditures, operating costs and debt servicing. Furthermore, following the expected completion of the sale of our Russian Operations, we expect to retain some of our Russian ruble denominated debt, but we will no longer be generating revenue in Russian rubles. Currently the international clearing systems have stopped payments in Russian ruble which prevents the repayment of our Russian ruble denominated notes in Russian ruble, as a result of which we anticipate the settlement of the coupon and principal our Russian ruble denomination notes will be in U.S. dollars while this situation persists. However, in the event that the clearing systems accept Russian rubles again, we will be subject to currency fluctuations when repaying or refinancing our debt and declining values of the local currencies in which we generate revenue against the Russian ruble will also pose risk similar to those we face in relation to our U.S. dollar denominated costs, expenditures and liabilities. See —*Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers* and —*Liquidity and Capital Risks—Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition*. Our operating metrics, debt coverage metrics and the value of some of our investments in U.S. dollar terms have been negatively impacted in recent years, and will be negatively impacted in the current period by foreign currency transactions and translations. More broadly, future currency fluctuations and volatility may result in losses or otherwise negatively impact our results of operations despite our efforts to better align the currency mix of our debt and derivatives with the currencies of our operations.

Following the expected completion of the sale of our Russian Operations, the Group will primarily generate revenue in currencies which have historically experienced greater volatility than the U.S. dollar or Russian ruble. As a result, the Group will likely be exposed to greater foreign currency exchange loss, fluctuation and translation risk moving forward. The value of the Ukrainian hryvnia experienced significant volatility following the outbreak of the conflict between Russia and Ukraine, which resulted in the National Bank of Ukraine fixing the Ukrainian hryvnia to a set rate of 29.25 to the U.S. dollar in February 2022. In July 2022, the National Bank of Ukraine devalued the Ukrainian hryvnia to a set rate of 36.57 to the U.S. dollar, representing a devaluation of 25%. Because of the effects of the ongoing conflict between Russia and Ukraine, Ukraine's economy is expected to continue to contract, which could result in further adjustments to the set Ukrainian hryvnia to U.S. dollar rate. Any de-pegging or change to the Ukrainian hryvnia/U.S. dollar exchange rate could increase the costs that the Group pays for its products or to service its indebtedness, or could cause its results of operations and financial condition to fluctuate due to currency translation effects. As a result of the rate set by the National Bank of Ukraine, the Group quarterly results may present more dramatic changes if the rate changes between quarters, such as that experienced in July 2022. When the Ukrainian hryvnia depreciates against the U.S. dollar in a given period, the results of our Ukrainian business expressed in U.S. dollars will be lower period-on-period, even assuming consistent Ukrainian hryvnia revenue across the periods. Furthermore, we could be materially adversely impacted by a further decline in the value of the Ukrainian hryvnia against the U.S. dollar due to the decline of the general economic performance of Ukraine (including as a result of the continued impact of the conflict with Russia), investment in Ukraine or trade with Ukrainian companies decreasing substantially, the Ukrainian government experiencing difficulty raising money through the issuance of debt in the global capital markets or as a result of a technical or actual default on Ukrainian sovereign debt. Depreciation of the Ukrainian hryvnia could be sustained over a long period of time due to rising inflation levels in Ukraine as well. However, it may be possible that such depreciation is not reflected in the rate set by the National Bank of Ukraine due to its efforts to control inflation. Although such changes could have a positive impact on our local currency results in Ukraine, such gains could be offset by a corresponding depreciation of the Ukrainian hryvnia in U.S. dollar terms. In addition, a significant depreciation of the Ukrainian hryvnia could also negatively affect our leverage ratio and equity balances, which would have an impact on certain covenants and provisions under our debt agreements. See —*Liquidity and Capital Risks—Our substantial amounts of indebtedness and debt service obligations could*

materially decrease our cash flow, which could adversely affect our business and financial condition for a further discussion on this risk.

In addition to the Ukrainian hryvnia, the values of the Pakistani rupee, Kazakhstani tenge, Kyrgyzstani som and Uzbekistani som have experienced significant volatility in recent years in response to certain political and economic issues, including the recent global inflationary pressure, and such volatility may continue and result in depreciation of these currencies against the U.S. dollar. We have also seen the currencies of the countries in which we operate experience periods of high levels of inflation, such as in Kazakhstan where inflation rose in 2022 due to the increased cost of Russian imports, high state budget expenditures and the global rise in prices for goods and in Pakistan, where climate related disasters such as the floods experienced during the second half of 2022 have had a significant impact on our loan portfolio as a result of the impact these disasters had on the Pakistani rupee exchange rate. Inflationary pressures can exacerbate the risks associated with currency fluctuation with respect to a given country. Our profit margins in countries experiencing high inflation could be harmed if we are unable to sufficiently increase our prices to offset any significant future increase in the inflation rate, manifested in inflationary increases in salary, wages, benefits and other administrative, supply and energy costs, and such price increases may be difficult with our mass market and price-sensitive customer base.

To counteract the effects of the aforementioned risks, we engage in certain hedging strategies. However, our hedging strategies may prove ineffective if, for example, exchange rates fluctuate in response to legislative or regulatory action by a government with respect to its currency. For more information about our foreign currency translation and associated risks, see *Item 5—Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations, Item 11—Quantitative and Qualitative Disclosures About Market Risk* and *Note 18—Financial Risk Management* to our Audited Consolidated Financial Statements.

The international economic environment, inflationary pressures, geopolitical developments and unexpected global events could cause our business to decline.

As a global telecommunications company operating in a number of emerging markets, our operations are subject to macroeconomic risks, geopolitical developments and unexpected global events that are outside of our control. Unfavorable economic conditions in the markets in which we operate may have a direct negative impact on the financial condition of our customers, which in turn will affect a significant number of our current and potential customers' spending patterns, in terms of both the products and services they subscribe for and usage levels. During such downturns, it may be more difficult for us to grow our business, either by attracting new customers or by increasing usage levels among existing customers, and it may be more likely that customers will downgrade or disconnect their services, making it more difficult for us to maintain ARPUs and subscriber numbers at existing levels. In addition to the potential impact on revenue, ARPUs, cash flow and liquidity, such economic downturns may also impact our ability to decrease our costs, execute our strategies, take advantage of future opportunities, respond to competitive pressures, refinance existing indebtedness or meet unexpected financial requirements.

The ongoing conflict between Russia and Ukraine, related sanctions and similar measures against Russia and Russia-based entities, and the effect of such developments on the Ukrainian economy (and other economies that are closely tied to the Russian or Ukrainian economies), affected our results of operations and financial condition in 2022, will affect our operations and financial condition in 2023 and will likely continue to have a significant impact for the foreseeable future. In addition, the increasing price of fossil fuels and rising inflation rates are expected to have broader adverse effects on many of the economies in which we operate and may result in recessionary periods and lower corporate investment, which, in turn, could lead to economic strain on our business and on current and potential customers. Outside of the ongoing conflict between Russia and Ukraine, we are exposed to other geopolitical and diplomatic developments that involve the countries in which we operate, such as the current political upheaval in Pakistan which has persisted following the no-confidence vote in April 2022 that ousted Pakistan's then prime minister Imran Khan from office, as well as those which do not involve our countries of operation but have a knock-on effect on our business. For example, heightened tensions between the major economies of the world, such as the United States and China, can have an adverse effect to the economies in which we operate, and therefore an adverse impact on our results of operation, financial condition and prospects.

In addition, other adverse economic developments in the markets in which we operate have adversely affected us in recent years. For example, lockdown restrictions imposed by governments during the height of the COVID-19 pandemic adversely impacted our financial performance and results of operations. Our total revenue for the six months ended June 30, 2020 was 9.0% lower compared to the six months ended June 30, 2019, mainly due to the effect of the COVID-19 pandemic. Following the introduction of lockdown measures in response to COVID-19, we also experienced a reduction in roaming revenue, which largely disappeared in the second quarter of 2020. Travel restrictions that were imposed in certain of the countries in which we operate resulted in a reduction in migrant workforce, which has traditionally been part of our subscriber base. Network traffic patterns were also impacted as people worked from home, which required some adjustments to our network deployment plans. In addition, the COVID-19 pandemic caused delays and disruptions in our supply chain due to difficulty in obtaining components, temporary suspensions of operations, including in factories and disruption to logistic services, certain of which delays and supply chain issues continue to persist. Correspondingly, the COVID-19 pandemic also adversely impacted demand, which was partly caused by a deterioration of confidence and expectations, negative income and wealth effects. Accordingly, there was a substantial deterioration in financial markets in 2020, unprecedented drops in commodity prices, a sudden slowdown in commercial activity and strong restrictions on transportation and travel. Furthermore, the ongoing conflict between Russia and Ukraine could have a similar or more severe impact on our business, financial condition, results of operations, cash flows or prospects. Going forward, other adverse global developments, such as wars, terrorist attacks, natural disasters, and pandemics, may have a similar impact on us.

Our financial performance has been and may also continue to be affected by macroeconomic issues more broadly, including risks of inflation, deflation, stagflation, recessions, sovereign debt levels and the stability of currencies across our key markets and globally. Following stimulative monetary policies by central banks and increased government spending to combat the adverse economic effects of COVID-19 and associated lockdowns, constrained supply chains as a result of COVID-19 and the conflict between Russia and Ukraine and rising energy costs, many countries across the world are experiencing high levels of inflation and lower corporate profits, causing increased uncertainty about the near-term macroeconomic outlook as central bank interest rates are being raised to combat the high inflation. The conflict between Russia and Ukraine has adversely impacted, and may continue to adversely impact, our customer numbers in Ukraine, and the conflict and these other pressures could negatively impact customers' discretionary spending, which could, in turn, affect our revenue, ARPU, cash flow and liquidity or our customers' ability to pay for our services.

Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks.

Our operations are located in the world's emerging markets. Investors should fully appreciate the significance of the risks involved in investing in an emerging markets company and are urged to consult with their own legal, financial and tax advisors. Emerging market governments and judiciaries often exercise broad discretion and are susceptible to the rapid reversal of political and economic policies. Furthermore, we operate in a number of jurisdictions that pose a high risk of potential violations of the FCPA and other anti-corruption laws, based on measurements such as Transparency International's Corruption Perception Index. The political and economic relations of our countries of operation are often complex and have resulted, and may in the future result, in conflicts, which could materially harm our business, financial condition, results of operations, cash flows or prospects. The outbreak of the conflict between Russia and Ukraine is an illustration of this.

The economies of emerging markets are also vulnerable to market downturns and economic slowdowns in the global economy. As has happened in the past, a slowdown in the global economy or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in these markets and materially adversely affect their economies. In addition, turnover of political leaders or parties in emerging markets as a result of a scheduled election upon the end of a term of service or in other circumstances may also affect the legal and regulatory regime in those markets to a greater extent than turnover in developed countries. Any of these developments could severely limit our access to capital and could materially harm the purchasing power of our customers and, consequently, our business. Such events could also create uncertain regulatory environments, which, in turn, could impact our compliance with license obligations and other regulatory approvals. The nature of much of the legislation in emerging markets, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of the legal and regulatory systems in emerging markets place the

enforceability and, possibly, the constitutionality of laws and regulations in doubt and result in ambiguities, inconsistencies and anomalies. The legislation often contemplates implementing regulations that have not yet been promulgated, leaving substantial gaps in the regulatory infrastructure. Any of these factors could affect our ability to enforce our rights under our licenses or our contracts, or to defend our company against claims by other parties. See —*Regulatory, Compliance and Legal Risks—The telecommunications industry is a highly regulated industry and we are subject to an extensive variety of laws and operate in uncertain judicial and regulatory environments, which may result in unanticipated outcomes that could harm our business* for a more detailed discussion on our regulatory environment.

Many of the emerging markets in which we operate are susceptible to significant social unrest or military conflicts. Our ability to provide service in Ukraine following the onset of the conflict with Russia has been impacted due to power outages and damage to our infrastructure. Similarly, our subsidiary in Pakistan has also been ordered to shut down parts of its mobile network and services from time to time due to the security or political situation in the country (including a three-day blanket data closure), while our operations and services in Kazakhstan were affected during the riots in January 2022. To a lesser degree, we have also been impacted in Bangladesh and Pakistan by severe flooding in the region throughout the second half of 2022. Local authorities may order our subsidiaries to temporarily shut down part or all of our networks due to actions relating to military conflicts or nationwide strikes. See —*The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations* for a detailed discussion on the impact that the ongoing conflict between Russia and Ukraine has had and could have on our business.

Furthermore, governments or other factions, including those asserting authority over specific territories in areas of conflict, could make inappropriate use of our networks, attempt to compel us to operate our network in conflict zones or disputed territories and/or force us to broadcast propaganda or illegal instructions to our customers or others (and threaten consequences for failure to do so). Forced shutdowns or broadcasts, inappropriate use of our network or being compelled to operate our network in conflict zones could materially harm our business, financial condition, results of operations, cash flows or prospects.

The spread of violence, or its intensification, could have significant political consequences, including the imposition of a state of emergency, which could materially adversely affect the investment environment in the countries in which we operate. Social instability in the countries in which we operate, coupled with difficult economic conditions, could lead to increased support for centralized authority, a rise in nationalism and potential nationalizations or expropriations by governments. These sentiments and adverse economic conditions could lead to restrictions on foreign ownership of companies in the telecommunications industry or nationalization, expropriation or other seizure of certain assets or businesses. In most of the countries in which we operate, there is relatively little experience in enforcing legislation enacted to protect private property against nationalization or expropriation. As a result, we may not be able to obtain proper redress in the courts, and we may not receive adequate compensation if in the future the governments decide to nationalize or expropriate some or all of our assets. In addition, ethnic, religious, historical and other divisions have, on occasion, given rise to tensions and, in certain cases, military conflict. Our key infrastructure and assets located within Ukraine may be seized or subject to appropriation should Russian forces obtain control of the regions within Ukraine where those assets are situated and therefore have an adverse effect on our ability to operate in Ukraine. Furthermore, as part of the measures that Ukraine adopted in response to the ongoing conflict with Russia, amendments to various nationalization laws (the “Nationalization Laws”) in Ukraine have been published and as of June 30, 2023 several are awaiting signature by the President of Ukraine (“Nationalization Law Amendments”). The Nationalization Law Amendments extends the definition of “residents” whose property in Ukraine (owned directly or indirectly) can be seized under the Nationalization Law to include property owned by the Russian state, Russian citizens, other nationals with a very close relationship to Russia, residing or having a main place of business in Russia, or legal entities operating in Ukraine whose founder or ultimate beneficial owner is the Russian state or are controlled or managed by any of the individuals identified above. For example, in May 2023, President Zelensky signed an initial package of restrictive measures on 41 entities, including against the Russian stake in Zaporizhstal, one of Ukraine’s largest metallurgical companies, as part of Nationalization Law efforts. In April 2023, the Ukrainian Parliament voted for similar measures to allow for the nationalization of Alfa Bank, one of Ukraine’s largest commercial banks with several sanctioned Russian shareholders, including Mikhail Fridman and Petr Aven who are some of our ultimate beneficial owners due to their ownership in LetterOne. See *Market Risks — The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations*. Furthermore, in addition to the

nationalization measures, in November 2022, the Ukrainian government invoked martial law which allows the government to take control of stakes in strategic companies in Ukraine in order to meet the needs of the defense sector. The Security Council Secretary indicated that at the end of the application of martial law the assets can be returned or their owners appropriately compensated. It is possible that the Ukrainian authorities may propose or implement further measures targeting companies that are engaged in business in Russia or which have Russian shareholders and any such measures or similar measures, if applied in relation to our Ukrainian subsidiary, could lead to the involuntary deconsolidation of our Ukrainian subsidiary, a loss in our assets and/or significant disruption to our operations, which would have a material adverse impact on our business, financial condition, results of operations, cash flows and prospects.

Our revenue performance can be unpredictable by nature, as a large majority of our customers have not entered into long-term fixed contracts with us.

Our primary source of revenue comes from prepaid mobile customers, who are not required to enter into long-term fixed contracts, and we cannot be certain that these customers will continue to use our services and at the usage levels we expect. Revenue from postpaid mobile customers represents a small percentage of our total operating revenue and such customers can cancel our postpaid contracts with limited advance notice and without significant penalty. For example, as of December 31, 2022, approximately 97.2% and 82.0% of our customers in Pakistan and Ukraine respectively were on prepaid plans. Furthermore, as we incur costs based on our expectations of future revenue, the sudden loss of a large number of customers or a failure to accurately predict revenue in a given market could harm our business, financial condition, results of operations, cash flows or prospects.

In addition, unpredictable revenue performance could require us to change our guidance. For example, following the outbreak of COVID-19 in February 2020 and the resulting lockdown restrictions imposed by governments across all of our countries of operations, our revenue projections for the first quarter of 2020 did not reflect actual revenue, and we had to change our fiscal year 2020 guidance as a result. This was partly due to store closures, which had an impact on our gross connections and airtime sales and restrictions on travel, which caused a significant decline in roaming revenue and the loss of migrant worker customers from our subscriber base. The impact of this was only partially offset by increases in fixed line revenue, as lockdown restrictions encouraged home working and schooling. For more information on the impact of the COVID-19 pandemic on our operations, see —*The international economic environment, inflationary pressures, geopolitical developments and unexpected global events could cause our business to decline.*

For a description of the key trends and developments with respect to our business, including further discussion of the impact of the conflict between Russia and Ukraine and the COVID-19 pandemic on our operations and financial performance, see *Item 5—Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations.*

We operate in highly competitive markets, which we expect only to become more competitive, and as a result may have difficulty expanding our customer base or retaining existing customers.

The markets in which we operate are highly competitive in nature, and we expect that competition will continue to increase. Competition may be intensified by further consolidation of or strategic alliances amongst our competitors, as well as new entrants in our markets. Our strategy is aimed at mitigating against competitive risks by focusing on not only the growth in the number of connections, but also increasing the engagement of and ways of interacting with customers, therefore increasing the revenue generation potential of each of customers. Our digital services portfolios contribute to the execution of this strategy of higher engagement, contribute to revenue diversification, and help us serve a wider customer base than our connectivity customers. Furthermore, we seek to expand our business-to-business and, separately, digital services, which allow for various revenue generation opportunities beyond traditional connectivity revenues.

Our financial performance has been and will continue to be impacted by our success in adding, retaining and engaging our customers. If our customers do not find our connectivity and internet services valuable, reliable or trustworthy, or otherwise believe competitors in our markets can offer better services, we may have difficulty retaining and engaging customers, see *Item 4.B—Business Overview.*

Each of the items discussed immediately below regarding the competitive landscape in which we operate could materially harm our business, financial condition, results of operations, cash flows or prospects:

- Society- or industry-wide impacts creating fundamental changes to customer behavior or customers' purchasing power, and potential regulatory or competitive practices encouraging price-based competition or price caps may harm our revenue growth potential;
- with the increasing pace of technological developments, including new digital technologies and regulatory changes impacting our industry, we cannot predict future business drivers with certainty and we cannot assure you that we will adapt to these changes at a competitive pace, see —*We may be unable to keep pace with technological changes and evolving industry standards, which could harm our competitive position and, in turn, materially harm our business*;
- we may be forced to utilize more aggressive marketing schemes to retain existing customers and attract new ones that may include lower tariffs, handset subsidies or increased dealer commissions;
- in more mature or saturated markets, the continued growth of our business and results of operations will depend, in part, on our ability to extract greater revenue from our existing customers, including through the expansion of data services and the introduction of next generation technologies, which may prove difficult to accomplish, see —*We may be unable to keep pace with technological changes and evolving industry standards, which could harm our competitive position and, in turn, materially harm our business*;
- we may be unable to deliver better customer experience relative to our competitors or our competitors may reach customers more effectively through better use of digital and physical distribution channels, which may negatively impact our market share;
- as we expand the scope of our services, such as new networks, fixed-line residential and commercial broadband, Digital Financial Services (“DFS”) offering which encompasses a variety of financial services including mobile financial services (“MFS”), streaming content and other services, we may encounter a greater number of competitors that provide similar services;
- the liberalization of the regulations in certain markets in which we operate could greatly increase competition;
- competitors may operate more cost-effectively or have other competitive advantages such as greater financial resources, market presence and network coverage, stronger brand name recognition, higher customer loyalty and goodwill, and more control over domestic transmission lines;
- competitors, particularly current and former state-controlled telecommunications service providers, may receive preferential treatment from the regulatory authorities and benefit from the resources of their shareholders;
- current or future relationships among our competitors and third parties may restrict our access to critical systems and resources;
- reduced demand for our voice and, messaging and commoditization of data coupled with the development of services by application developers (commonly referred to as OTT players) could impact our future profitability;
- competition from OTT players offering similar functionality to us may increase, including digital providers offering VoIP calling, internet messaging and other digital services which compete with our telecommunications services;
- our competitors may partner with such OTT players to provide integrated customer experiences, or may choose to develop their own OTT services, including in bundles, which may increase the customer appeal of their offers and consequently the competition we are facing;
- our existing service offerings could become disadvantaged as compared to those offered by competitors who can offer bundled combinations of fixed-line, broadband, public Wi-Fi, TV and mobile;

We may be unable to execute our current growth strategy due to, among other factors, various barriers to 4G smartphone adoption in our markets and may incur capital expenditure intensity above forecasted levels to capture available growth opportunities.

4G-based growth in mobile connectivity and digital services is the cornerstone of our growth strategy as the demand for mobile data increases in our markets. This pursuit of growth in mobile connectivity and digital services has led to higher capital expenditures in some of our markets in 2022, including as a result of investments into our network infrastructure as well as spectrum acquisition and renewals. Our capex intensity was 22.1% as 4G network roll outs continued in 2022 and, while we aspire to keep our capex intensity between 18 to 20% in 2023, we may need to invest more heavily than anticipated to capture the growth opportunities available in some of our markets.

Since 2021, our operating companies have been executing our “digital operator 1440” model pursuant to which we aim to enrich our connectivity offering with proprietary digital applications and services. With this model, we aspire to grow not only the market share of our operators, but also the relevance and the wallet share of our businesses and industry by delivering value via, for example, mobile entertainment, mobile health, mobile education, and mobile financial services. However, barriers to 4G smartphone adoption in some of our markets, including heavy taxation of smartphones, price-based competition adopted by some of our competitors, import restrictions, potential introduction of excessive quality-of-service requirements, potential limitations on provision of digital services by connectivity providers, as well as regulatory expectations around the premature adoption of 5G in some of our markets together with highly regulated and often times bureaucratic and slow moving licensing and regulatory regimes potentially out of step with market requirements, are among the risks we face in the execution of this strategy. For more information on the competition we face in our markets, see —*We operate in highly competitive markets, which we expect only to become more competitive, and as a result may have difficulty expanding our customer base or retaining existing customers.* For more information on our growth strategy, see *Item 4—Information on the Company.*

We may be unable to keep pace with technological changes and evolving industry standards, which could harm our competitive position and, in turn, materially harm our business.

The telecommunications industry is characterized by rapidly evolving technology, industry standards and service demands, which may vary by country or geographic region. Accordingly, our future success will depend on our ability to effectively anticipate and adapt to the changing technological landscape and the resulting regulations.

We continue to focus on deploying 4G/LTE which we believe carries significant growth potential in the emerging market economies that we serve, especially when coupled with other measures that can reduce the mobile internet usage gap among populations already within mobile data coverage—such as affordability, increased smartphone penetration and relevant content. We invest in expanding the coverage of 4G networks and improving the quality of the mobile voice and data experience, including through partnerships where relevant. We also upgrade our network for efficient delivery of our services and for 5G-ready technologies. However, it is possible that the technologies or equipment we use today will become obsolete or subject to competition from new generation technologies for which we may be unable to deploy, or obtain the appropriate license, in a timely manner or at all. Also, in some of our markets, 5G is on the regulatory agenda. If our licenses and spectrum are not appropriate or sufficient to address changing technology, we may require additional or supplemental licenses and spectrum to implement 5G technology or to upgrade our existing 2G, 3G and 4G/LTE networks to remain competitive, and we may be unable to acquire such licenses and spectrum on reasonable terms or at all. Technological change is also impacting the capabilities of equipment our customers use, such as mobile handsets, and potential changes in this area may impact demand for our services in the future. Implementing new technologies requires substantial investment and there can be no guarantee that we will generate our expected return on any such investments. We may be unable to develop or maintain additional revenue market share in markets where the potential for additional growth of our customer base is limited and we may incur significant capital expenditures as our customers demand new services, technologies and increased access, for example our inability to obtain 5G spectrum in Kazakhstan during 2022.

If we are not able to effectively anticipate or adapt to these technological changes in the telecommunications market or to otherwise compete in a timely and cost-effective manner, we could lose customers, fail to attract new customers, experience lower ARPU or incur substantial or unanticipated costs and investments in order to maintain our customer base, all of which could materially affect our business, financial condition, results of operations, cash flows or prospects.

The changes in regulatory requirements in banking and other financial systems in our countries of operation, and currency control requirements in certain countries restrict our activities, including in relation to the ongoing conflict between Russia and Ukraine.

The banking and other financial systems in our countries of operation are underdeveloped and/or under-regulated, and laws relating to banks and bank accounts are subject to varying interpretations and inconsistent application. Uncertain banking laws may also limit our ability to attract future investment in these countries. Such banking risk cannot be completely eliminated by diversified borrowing and conducting credit analyses. In addition, underdeveloped banking and financial systems are more susceptible to a banking crisis, which would affect the capacity for financial institutions to lend or fulfill their existing obligations, or lead to the bankruptcy or insolvency of the banks from which we receive, or with which we hold, our funds, and could result in the loss of our deposits, the inability to borrow or refinance existing borrowings or otherwise negatively affect our ability to complete banking transactions in these countries.

In addition, the central banks and governments in the markets in our countries of operation may also restrict or prevent international transfers, or impose foreign exchange controls or other currency restrictions, which could prevent us from making payments, including paying dividends and third party suppliers. Furthermore, banks have limitations on the amounts of loans that they can provide to single borrowers, which could limit the availability of local currency financing and refinancing of existing borrowings in these countries. There can be no assurance that we will be able to obtain approvals under the foregoing restrictions or limitations, which could harm our business, financial condition, cash flows, results of operations or prospects.

Liquidity and Capital Risks

Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition.

We have substantial amounts of indebtedness and debt service obligations. As of December 31, 2022, excluding debt at the VimpelCom level classified as held for sale, the outstanding principal amount of our external debt for bonds, bank loans, and other borrowings amounted to approximately US\$6.7 billion. In addition to these borrowings, we also have lease liabilities amounting to US\$806 million, excluding debt at VimpelCom level classified as held for sale. For more information regarding our outstanding indebtedness and debt agreements, see *Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness*.

Some of the agreements under which we borrow funds contain covenants or provisions that impose certain operating and financial restrictions on us, including balance sheet solvency, and levels or ratios of earnings, debt, equity and assets and may prevent us or our subsidiaries from incurring additional debt. Devaluations of the currencies of our key markets would make it more difficult to comply with certain of these ratios, for example, since our earnings are in local currency, while the majority of our debt is denominated in U.S. dollars. In addition, capital controls and other restrictions, including limitations on payment of dividends or international funds transfers, along with punitive taxes and penalties targeted at foreign entities may also impact our liquidity or ability to comply with certain of the above mentioned ratios. Involuntary deconsolidation of our Ukrainian operations or any of our other material operations would make it more difficult or impossible to comply with certain of these ratios. See *—Market Risks—Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks* for a further discussion of the risk of deconsolidation. Failure to comply with these covenants or provisions may result in a default, which could increase the cost of securing additional capital, lead to accelerated repayment of our indebtedness or result in the loss of any assets that secure the defaulted indebtedness or to which our creditors otherwise have recourse. Such a default or acceleration of the obligations under one or more of these agreements (including as a result of cross-default or cross-acceleration) could have a material adverse effect on our business, financial condition, results of operations or prospects, and in particular on our liquidity and our shareholders' equity. In addition, covenants in certain of our debt agreements could restrict our liquidity and our ability to expand or finance our future operations. For a discussion of agreements under which we borrow funds, see *Note 16—Investments, Debt and Derivatives* to our Audited Consolidated Financial Statements. Aside from the risk of default, given our substantial amounts of indebtedness and the limits imposed by our debt obligations, our business could suffer significant negative consequences such as the need to dedicate a substantial portion of our cash flows from operations to the repayment of our debt, thereby reducing funds available for paying dividends, working capital, capital expenditures, acquisitions, joint ventures and other purposes necessary for us to maintain our competitive position, flexibility and resiliency in the face of general adverse economic or industry conditions.

Following the onset of the conflict between Russia and Ukraine, our ability to generate cash to service our indebtedness has been materially impaired, due to increased volatility of the Ukrainian hryvnia, volatility of the Russian ruble and tightened currency controls within Russia and Ukraine, currently restricting cash upstreaming from these countries. In addition, the conflict between Russia and Ukraine and the developments since with respect to sanctions have limited our access to the debt capital markets in which we have traditionally refinanced maturing debt and has impacted our ability to refinance our indebtedness. As a result of the sanctions and regulations, cash payments of both interest and principal amounts that we have either already made or will make under our various RUB and US\$ notes through the international clearing systems do not reach the beneficial owners of the notes that are held directly or indirectly by the Russian NSD. Furthermore, the international clearing systems have also stopped payments in Russian ruble which prevents the repayment of our Russian ruble denominated notes in Russian ruble, as a result of which we anticipate the settlement of the coupon and principal of Russian ruble denominated notes will be in US Dollars. We believe that a significant proportion of NSD noteholders are among the holders of our bonds generally, including the bonds that were scheduled to mature in February 2023 and April 2023 (the "2023 Notes"). On November 24, 2022, we launched a scheme of arrangement (the "Scheme") to service our indebtedness as it related to the 2023 Notes, proposing an eight-month extension to the 2023 Notes as well as certain other amendments to the terms of the 2023 Notes and related trust deeds. While the extension received under the Scheme provides us with additional time to pursue a number of strategic transactions, including the sale of the Russian Operations, it is possible that we could still be required to

make material payments in respect of the same amounts of interest and principal due on the 2023 Notes, as well as notes due in 2024 and 2025, held through Russian depositories and thus impact our liquidity. For more information please refer to section *Key Developments after the year ended December 31, 2022*.

As of June 30, 2023, we had approximately US\$2.5 billion of cash, of which US\$2.0 billion is held at the Group-level and our multi-currency revolving credit facility originally entered into in March 2021 (the “RCF”) is fully drawn. Despite our current liquidity levels, there can be no assurance that our existing cash balances and revolving credit lines will be sufficient over the medium term to service our existing indebtedness, including to address our bond maturities. See —*Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers*. For a discussion of our current liquidity profile in the wake of the ongoing conflict between Russia and Ukraine, see *Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources*.

We may not be able to raise additional capital, or we may only be able to raise additional capital at significantly increased costs.

We may need to raise additional capital in the future, including through debt financing. If we incur additional indebtedness, the risks that we now face related to our indebtedness and debt service obligations could increase. See—*Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition above*.

Our ability to raise additional capital, and the cost of raising additional capital, is affected by the withdrawal of our credit rating by ratings agencies due to our exposure to Russia, and could materially harm our business, financial condition, results of operations and prospects. In April 2022, following the onset of the conflict between Russia and Ukraine, S&P affirmed VEON’s credit rating at “CCC+” and subsequently withdrew its rating. In July 2022, Fitch affirmed VEON’s credit rating at “B+” and subsequently withdrew its rating. Following these withdrawals, the terms of any additional capital raised in the near future will likely be on terms less favorable than our existing financing arrangements, both in terms of interest rate and financial covenants. Furthermore, if the Group is able to obtain credit ratings again, it is not expected to be as favorable as our historical credit ratings. As a result, our costs of borrowing will likely be higher in the future.

In addition, economic sanctions that have been imposed in connection with the conflict between Russia and Ukraine have also negatively affected our existing financing arrangements and may affect our ability to secure future external financing due to an unwillingness of banks, and other debt investors to transact with, provide loans or purchase bonds of entities with significant exposure to Russia and/or significant indirect share ownership by Russian entities or individuals. For example, the sanctions introduced have already lead certain vendors and banking partners to reassess and in some instances to significantly scale back their services to us. See—*Market Risks—We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine and the sanctions imposed*.

If we are unable to raise additional capital in the market in which we want to raise it, or at all, or if the cost of raising additional capital significantly increases, as is the case when central banks raise benchmark interest rates, we may be unable to make necessary or desired capital expenditures, take advantage of investment opportunities, refinance existing indebtedness or meet unexpected financial requirements, and our growth strategy and liquidity may be negatively affected. This could cause us to be unable to repay indebtedness as it comes due, to delay or abandon anticipated expenditures and investments or otherwise limit operations. See—*Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine* and—*Market Risks—The international economic environment, inflationary pressures, geopolitical developments and unexpected global events could cause our business to decline*.

We are exposed to risks associated with changes in interest rates, including the current rising interest rate environment due to our indebtedness.

We hold bonds that are based on floating rates, such as KIBOR, the NBU key rate, the Pakistan Treasury Rate and other base rates. Rising interest rates due to governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control may escalate the interest amounts due on these bonds and may have a substantial negative impact on our financial conditions and results of operations. As of December 31, 2022, we had the following principal amounts outstanding for floating rate interest-bearing loans and bonds US\$1,843 million. For more information on our indebtedness, see *Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness*.

A change in control of VEON Ltd. could require us to prepay certain indebtedness.

Our financing agreements across the VEON group generally have “change of control” provisions that may require us to make a prepayment if a person or group of persons (with limited exclusions) directly or indirectly acquire beneficial or legal ownership of or control over more than 50.0% of our share capital or the ability to appoint a majority of directors to our board. If such a change of control provision is triggered, and we fail to agree necessary amendments to any given loan documentation, then the prepayment provision will be triggered under such loan. Failure to make any such required prepayment could trigger cross-default or cross-acceleration provisions of our other financing agreements, which could lead to our obligations being declared immediately due and payable. A change of control could also impact other contracts and relationships with third parties and may require a renegotiation or reorganization of certain contracts or undertakings.

Operational Risks

As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers.

VEON Ltd. is a holding company and does not conduct any revenue-generating business operations of its own. Its principal assets are the direct and indirect equity interests it owns in its operating subsidiaries and as a result, VEON Ltd. depends on cash dividends, distributions, management fees, loans or other transfers received from its subsidiaries to make dividend payments to its shareholders, including holders of ADSs and ordinary shares, and service interest and principal payments in respect of the indebtedness incurred at its intermediate holding companies, and to meet other obligations. The ability of its subsidiaries to pay dividends and make other transfers to VEON Ltd. is not guaranteed, as it depends on the success of their businesses and may be restricted by applicable corporate, tax and other laws and regulations. Such restrictions include restrictions on dividends, limitations on repatriation of cash and earnings and on the making of loans and repayment of debts, monetary transfer restrictions, covenants in our financing agreements, and foreign currency exchange controls and related restrictions in certain agreements or certain jurisdictions in which VEON Ltd.’s subsidiaries operate or both.

Similarly, at times our local operating subsidiaries depend on support received from us through cash generated in other jurisdictions or through debt incurred at the Group-level to make capital expenditures, service debt or to meet other obligations. The ability of an operating subsidiary to receive from, or make a transfer to, another Group entity can be limited by cash restrictions imposed by governments or restrictions in private contracts. The inability to make payments and/or transfer funds within the Group could limit or prohibit the payment of cash dividends, distributions, the repayment of indebtedness or payment of debt servicing obligations and thus could result in a default under any such instruments.

The ongoing conflict between Russia and Ukraine has impaired our ability to make cash transfers into and out of Ukraine. In Ukraine, capital controls were introduced by the National Bank of Ukraine on February 24, 2022 in connection with the declaration of martial law which prohibit our Ukrainian subsidiary from making any interest or dividend payments to us and transferring foreign currency to entities outside of Ukraine and are expected to last for the duration of the application of martial

law. Currently, it is not possible to predict how long the martial law in Ukraine will last. As a result of the above, we do not expect to receive interest or dividend payments from our Ukrainian operations in the foreseeable future.

Furthermore, VEON Ltd.'s ability to withdraw funds and dividends from our subsidiaries and operating companies may depend on the consent of our strategic partners, where applicable.

For more information on the legal and regulatory risks associated with our markets and restrictions on dividend payments, see—*Regulatory, Compliance and Legal Risks—The telecommunications industry is a highly regulated industry and we are subject to an extensive variety of laws and operate in uncertain judicial and regulatory environments, which may result in unanticipated outcomes that could harm our business* and—*Market Risks—The changes in regulatory requirements in banking and other financial systems in our countries of operation, and currency control requirements in certain countries restrict our activities, including in relation to the ongoing conflict between Russia and Ukraine*, respectively.

We are exposed to cyber-attacks and other cybersecurity threats, both to our own operations or those of our third party providers, that may lead to compromised or inaccessible telecommunications, digital and financial services and/or leaks or unauthorized processing of confidential information, and perceptions of such threats may cause customers to lose confidence in our services.

Due to the nature of the services we offer across our geographical footprint and those we receive from third parties, we are exposed to cybersecurity threats that could negatively impact our business activities through service degradation, alteration or disruption, including a risk of unauthorized access to our systems or those of third parties from which we receive services, networks and data by private or state-sponsored third parties through exploiting unidentified existing or new weaknesses or flaws in our or a third parties' network or IT systems or disruption by computer malware or other technical or operational issues. Cybersecurity threats could also lead to the compromise of our physical assets dedicated to processing or storing customer, employee, financial data and strategic business information, which has in the past and could in the future result in exposing this information to possible leakage, unauthorized dissemination and loss of confidentiality.

As each of our operating subsidiaries is responsible for managing their own cybersecurity risks and putting in place all operational preventive, detective and response capabilities, our operations and business continuity is dependent on how well these subsidiaries collectively protect and maintain our network equipment, information technology ("IT") systems and other assets. Although we devote significant resources to ISO certification, best practices sharing, cyber security tools sharing, cross-border cooperation and continued improvement of our IT and security systems, we are and will continue to remain vulnerable to cyber-attacks and other cybersecurity threats that could lead to compromised or inaccessible telecommunications, digital and financial services and/or leaks or unauthorized processing of confidential information, including customer information. Our systems can be potentially vulnerable to harmful viruses and the spread of malicious software that could compromise the confidentiality, integrity or availability of technology assets. In addition, unauthorized users or hackers may potentially access and process the customer and business information we hold, or authorized users may improperly process such data. Though well-structured work to address those challenges are ongoing, such risks are inherent in our business operations and we will never be able to fully insulate ourselves from these risks.

Moreover, we may potentially experience cyber-attacks and IT and network failures and outages due to factors under our control, such as malfunction of technology assets or services caused by obsolescence, wear or defects in design or manufacturing, faults during standard or extraordinary maintenance procedures, unforeseen absence of key personnel, the inability to protect our systems from phishing attacks or as a result of attacks against third parties that provide IT and network services to us. There is also a possibility that we are not currently aware of certain undisclosed vulnerabilities in our IT systems, processes and other assets or those at third parties that provide such services to us. In such an event, hackers or other cybercrime groups (whether private or state-sponsored) may exploit such vulnerabilities, weaknesses or unidentified backdoors (including previously unidentified designed weaknesses embedded into network or IT equipment allowing access by private or government actors) or may be able to cause harm more quickly than we are able to mitigate (zero-day exploits). In addition, we have identified unauthorized access to some of our network systems, possibly with the intention to capture information or manipulate the communications. In some of countries of operation, our equipment for the provision of mobile services resides in a limited number of locations or buildings, and disruption to the security or operation of these locations or buildings could

result in disruption of our mobile services in those regions. Moreover, the implementation of our business transformation strategies may result in under-investments or failures in internal business processes, which may in turn result in greater vulnerability to technical or operational issues, including harm from failure to detect malware.

Furthermore, due to the ongoing conflict between Russia and Ukraine, there is an increased risk of cyber-attacks or cybersecurity incidents that could either directly or indirectly impact our operations. While most cyber security attacks have been successfully mitigated, any attempts by cyber attackers to disrupt our services or systems, if successful, could harm our business, result in the misappropriation of funds, be expensive to remedy and damage our reputation or brands. Following the onset of the ongoing conflict between Russia and Ukraine, there have been an increasing number of cyber-attacks on our information systems and critical infrastructure, which have caused service disruptions in certain instances.

Our equipment and systems are subject to disruption and failure for various reasons, including as a result of the ongoing conflict in Russia and Ukraine, which could cause us to lose customers, limit our growth, violate our licenses or reduce the confidence of our customers in our ability to securely hold their personal data.

Our technological infrastructure and other property is vulnerable to damage or disruptions from numerous events. These include natural disasters, extreme weather and other environmental conditions, military conflicts, power outages, terrorist acts, riots, government shutdown orders, changes in government regulation, equipment or system failures or an inability to access or operate such equipment or systems, human error or intentional wrongdoings, such as breaches of our network, cyber-attacks or any other types of information technology security threats. For example, we may experience network or technology failures, or a leak or unauthorized processing of confidential customer data, if our technology assets are altered, damaged, destroyed or misused by employees, third parties or other users, either intentionally or due to human error. In addition, as we operate in countries that may have an increased threat of terrorism and military conflict, incidents on or near our premises, equipment or points of sale could result in casualties, property damage, business interruption, legal liability and damage to our brand or reputation. For example, while we have managed thus far to repair most of our network assets that incurred damage in Ukrainian territory not under Russian operation, as a result of the ongoing conflict between Russia and Ukraine there can be no assurance that our Ukrainian network will not sustain major damage and that such damage can be repaired in a timely manner as the conflict continues. In addition, with increased targeting of Ukraine's electrical grid, we have faced challenges ensuring that our network assets have a power source. While we have taken measures to manage this risk, there can be no assurance that we will be able to obtain sufficient power sources in the future.

Interruptions of services due to disruption or failure of our equipment and systems could harm our reputation and reduce the confidence of our customers to provide them with reliable services and hold their personal data. As a result, this could impair our ability to obtain and retain customers and could lead to a violation of the terms of our licenses, each of which could materially harm our business. In addition, the potential liabilities associated with these events could exceed the business interruption insurance we maintain.

We depend on third parties for certain services and equipment, infrastructure and other products important to our business.

We rely on third parties to provide services and products important for our operations. For example, we currently purchase the majority of our network-related equipment from a core number of suppliers, such as Ericsson, Huawei, ZTE, and Nokia. The successful build-out and operation of our networks depends heavily on obtaining adequate supplies of core and transmission telecommunications equipment, fiber, switching equipment, radio access network solutions, base stations and other services and products on a timely basis. From time to time, we have experienced delays in receiving equipment, installation of equipment, and maintenance services, due to factors such as new and existing telecommunications regulations, customs regulations and governmental investigations or enforcement actions. If this is the case, we may experience temporary service interruptions or service quality problems. As we seek to execute our "infrastructure" strategy and sell our tower assets, as we have done in Russia in December 2021, we will become more exposed to risks associated with our network service partners, including their ability to adequately maintain the tower infrastructure and provide use of it to us through network service agreements.

Since the onset of the conflict between Russia and Ukraine, certain of our business partners have expressed hesitancy or unwillingness to continue to do business with us and concern regarding our ability to perform our existing business contracts. Several existing and prospective business partners and service providers have declined to conduct business with us and others may do so in the future. For further discussion, see —*Market Risks—The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations*. For a further discussion of how the ongoing conflict between Russia and Ukraine will affect our ability to transact with our suppliers, see —*Market Risks—The international economic environment, inflationary pressures, geopolitical developments and unexpected global events could cause our business to decline*. Furthermore, even if an entity is not formally subject to sanctions, customers and business partners of such entity have decided and may decide to reevaluate or cancel projects with such entity for reputational or other reasons. Depending on the extent and breadth of sanctions, export controls and other measures that may be imposed in connection with the conflict in Ukraine and the response of our business partners in response to such controls, our business, financial condition and results of operations could be materially and adversely affected.

We do not have direct operational or financial control over our key suppliers and have limited influence with respect to the manner in which these key suppliers conduct their businesses. Our business, including key network and IT projects, could be materially impacted by disruptions to our key suppliers' businesses or supply chains, due to factors, such as significant geopolitical events, changes in law or regulation, the introduction of restrictions to curb epidemics or pandemics, as seen in the current COVID-19 pandemic, trade tensions and export and re-export restrictions. Any of these factors could affect our suppliers' ability to procure goods, software or technology necessary for the service, production and satisfactory delivery of the supplies, support services, and equipment that we source from them. For example, in May and August 2019, the U.S. Department of Commerce added Huawei and 114 of its affiliates to its "Entity List", prohibiting companies globally from directly or indirectly exporting, re-exporting or transferring (in-country) all items subject to U.S. export control jurisdiction to Huawei without authorization and procuring items from Huawei when they know or have reason to know that the items were originally procured by Huawei in violation of U.S. export control regulations. In August 2020, the U.S. Department of Commerce further expanded its export control restrictions targeting Huawei. This development continues to be a factor in the management of our supply chain. Further restrictions adopted by the United States, or any other applicable jurisdiction, on Huawei could potentially have a significant impact on our operations in certain markets where we are reliant on Huawei equipment or services. Specifically, any restriction on Huawei's ability to deliver equipment or services, or on our ability to receive such equipment or services, could adversely impact our business, the operation of our networks and our ability to comply with the terms of our operating licenses and local laws and regulations.

We have and may continue to outsource all or a portion of construction, maintenance services, IT infrastructure hosting and network capabilities in certain markets. For example, our digital stacks and data management platforms are dependent on third parties and we have also entered into outsourcing initiatives in a number of our countries of operation, including Kazakhstan. As a result, our business could be materially harmed if our agreements with third parties were to terminate, if our partners experience certain negative developments (financial, legal, regulatory or otherwise), if they become unwilling or unable to service our businesses in Ukraine or elsewhere, or a dispute between us and such parties occurs, which causes our suppliers to be unable to fulfill their obligations under our agreements with them on a timely basis, or at all. If such events occur, we may attempt to renegotiate the terms of such agreements with the third parties. However, there can be no assurance that the terms of such amended agreements will be more favorable to us than those of the original agreements. For more information, see *Item 4.D—Property, Plants and Equipment*. We also depend on third parties, including software providers and service providers, for our day-to-day business operations. Many of our mobile products and services are sold to customers through third party channels. These third-party retailers, agents and dealers that we use to distribute and sell products are not under our control and may stop distributing or selling our products at any time or may more actively promote the products and services of our competitors. Should this occur with particularly important retailers, agents or dealers, we may face difficulty in finding new retailers, sales agents or dealers that can generate the same level of revenue. In addition, mobile handset providers are at times subject to supply constraints, particularly when there is high demand for a particular handset or when there is a shortage of components.

We cannot assure you that our suppliers will continue to provide services and products to us at attractive prices or that we will be able to obtain such services and products in the future from these or other suppliers on the scale and within the time frames we require, if at all. If our suppliers are unable to provide us with adequate services and products or provide them in a timely manner, our ability to attract customers or offer attractive product offerings could be negatively affected, which in turn could materially harm our business, financial condition, results of operations, cash flows or prospects.

Our business depends on our ability to effectively implement our strategic initiatives and if they are not successfully implemented, the benefits we expect to achieve may not be realized.

The success of our business depends, to a large extent, on our ability to effectively implement our corporate and operational strategies. We continue to transform our business with the aim of improving our operations across all our markets. Our strategy framework is comprised of three vectors: infrastructure, digital operator and ventures. As part of this strategy, we are focusing on growing customer engagement and retention and through expanding our growth opportunities beyond traditional voice and access data provision into new digitally-enabled services. We are also developing new IT capabilities, including local platforms that enable our customers to manage their accounts, services and customer relationship independently (“self-care”) and consume digital applications (e.g. mobile entertainment, financial services) for personal or business needs, in order to improve customer engagement. We have also been focused on identifying, acquiring and developing “know-how” and technologies that open up adjacent growth opportunities, updating our networks (including through an asset light strategy resulting in the sale or potential sale of some of our tower assets to reputable partners), developing enterprise resource management systems, human capital management systems and enterprise performance management systems, and reducing and simplifying our IT cost base. For example, through our Ukrainian subsidiary, Kyivstar, we expect to launch a national digital health search that will be made available to all Ukrainians as part of the country’s “Digital Ukraine” strategy. Such investment in digital health technology has been made possible through Kyivstar acquiring a controlling stake in Helsi Ukraine in August 2022, one of the country’s largest medical information systems and leading digital healthcare providers. In addition, we implemented a distributed governance model in 2022 that empowers operating companies with the authority and accountability to manage their operations (subject to certain limits) more and efficiently capitalize on local insight.

We cannot assure you that we will be able to implement this strategy fully, within our estimated budget and/or on time, or that it will generate the results we expect. We may experience implementation issues due to a lack of coordination or cooperation with our operating companies or third parties, significant change in key personnel, economic and logistical effects of the ongoing conflict between Russia and Ukraine, or otherwise encounter unforeseen issues, such as technological limitations, regulatory constraints or lack of customer engagement, which could frustrate our expectations regarding cost-optimization and process redesign or otherwise delay or hinder execution of these initiatives. Any inability on our part to implement our strategy effectively could adversely affect our business, financial condition, results of operations, cash flows or prospects.

In addition, the onset of the Russia-Ukraine conflict disrupted our strategic plans in the short-term and diverted management’s attention from such initiatives while focusing on the impact the Russia-Ukraine conflict had and continues to have on our business, including managing the sanctions and liquidity challenges that arise for the Company as a result of the current sanctions regime and managing the sale of our Russian Operations. In addition, management’s attention has been diverted from operations in other countries, as management continues to focus on our operations in Ukraine. As the conflict continues, we may also have to divert and/or hold funds at the Group-level to respond to maintenance capital expenditure requirements in Ukraine instead of being able to incur strategic and growth-related capital expenditures in the other countries where we have operations. Alternatively, at the Group level, we might be unable to implement certain strategic initiatives if such initiatives require contributions from our operations in Ukraine, since tightened currency controls within Ukraine currently restrict cash upstreaming and may persist for some time. In addition, we also face restrictions for cash upstreaming from our operations in Pakistan due to the remittance and dividend restrictions implemented for corporations in Pakistan by the State Bank of Pakistan. The diversion of management’s attention or funds and the lack of upstreaming, and any resulting disruption to our strategic plans, could adversely affect our business, financial condition, results of operations, cash flows or prospects.

Our strategic partnerships and relationships carry inherent business risks.

We participate in strategic partnerships and joint ventures in a number of countries, including telecommunications providers in Kazakhstan (KaR-Tel LLP and TNS-Plus LLP), and Kyrgyzstan (“Sky Mobile” LLC) as well as an e-commerce platform in Bangladesh, which is held by a parent company in Singapore (Shopup Pte. Ltd.), and a digital health service platform in the Ukraine (Helsi Ukraine). We do not always have a controlling stake in our affiliated companies and even when we do, our actions with respect to these affiliated companies may be restricted by the shareholders’ agreements entered into with our strategic partners and our ability to withdraw funds and dividends from or exit our investment in these entities may depend on the consent and cooperation of our partners. If disagreements develop with our partners, or any existing disagreements are exacerbated, our business, financial condition, results of operations, cash flows or prospects may be harmed.

In addition, we do not have direct control over the conduct of our strategic partners. If any of them become the subject of an investigation, sanctions or liability, or do not act in accordance with our standards of conduct, our reputation and business might be adversely affected. Furthermore, strategic partnerships in emerging markets are accompanied by risks inherent to those markets, such as an increased possibility of a partner defaulting on obligations or losing a partner with important insights in that region. In addition, some of the businesses for which we are not a controlling shareholder operate in highly-regulated markets, such as ShopUp, and as a result we cannot ensure that these business remain compliant with intellectual property, licensing and content restrictions. We could also determine that a partnership or joint venture no longer yields the benefits that we expected to achieve and may decide to exit such initiative, which may result in significant transaction costs or an inferior outcome than was expected when we entered into the partnership or joint venture. For a discussion of how the ongoing conflict between Russia and Ukraine could affect our ability to transact with strategic partners and joint ventures, see —*Market Risks— The international economic environment, inflationary pressures, geopolitical developments and unexpected global events could cause our business to decline.*

We depend on our senior management, board of directors, and highly skilled personnel, and, if we are unable to retain or motivate key personnel, hire qualified personnel, or implement our strategic goals or corporate culture through our personnel, we may not be able to maintain our competitive position or to implement our business strategy.

Our performance and ability to maintain our competitive position and to implement our business strategy is dependent on the continuity of our global senior management team and highly skilled personnel. Competition in our markets of operation for qualified personnel with relevant expertise is intense, and there can be a limited availability of individuals with the requisite knowledge and relevant experience of the telecommunications and digital services industries and, in the case of expatriates, the ability or willingness to accept work assignments in certain of the jurisdictions in which we operate. We have experienced in recent years, and may continue to experience, certain changes in key management and our board of directors. The ongoing conflict between Russia and Ukraine, including any adverse publicity relating to us as a result of our shareholder ties to Russia or otherwise, may make it more difficult for us to attract and retain key talent, including senior management, both at the Group level and also within our key markets.

Furthermore, we may not succeed in instilling our corporate culture and values in our personnel, which could delay or hamper the implementation of our strategic priorities, or our compensation schemes may not always be successful in attracting, retaining and motivating our personnel. Our success is also dependent on our personnel’s ability to adapt to rapidly changing environments and to perform in line with continuous innovations and industry developments. We also may, from time to time, make adjustments or changes to our operating and governance model and there is a risk in such instances that our personnel may not adapt effectively. For example, in line with our business strategy, we have relocated employees from our various regions of operations to Dubai. Although we devote significant attention to recruiting, training and instilling new personnel with our corporate values and culture, there can be no assurance that our existing personnel, including those who have relocated, will successfully be able to adapt to and support our strategic priorities.

The loss of any members of our senior management or our key personnel or an inability to attract, train, retain and motivate qualified members of senior management or highly skilled personnel could have an adverse impact on our ability to

compete and to implement our business strategy, which could harm our business, financial condition, results of operations, cash flows or prospects.

The telecommunications industry is highly capital intensive and requires substantial and ongoing expenditures of capital.

Our business is highly capital intensive and requires significant amounts of cash to improve and maintain our networks. In some of our countries of operation, the physical infrastructure, including transportation networks, power generation and transmission and communications systems is in poor condition. Supply chain issues arising from the geopolitical developments in Ukraine, component backlogs, or other issues, including but not limited to the conflict with Russia as well as export control regulations, may result in significant increases to our costs, capital expenditure or inability to access equipment and technology required for business continuity or expansion. Our success also depends to a significant degree on our ability to keep pace with new developments in technology, to develop and market innovative products and to update our facilities and process technology, which will require additional capital expenditure in the future.

We cannot provide any assurance that our business will generate sufficient cash flows from operations to enable us to fund our capital expenditures or investments. The amount and timing of our capital requirements will depend on many factors over which we have little or no control, including acceptance of and demand for our products and services, the extent to which we invest in new technology and research and development projects, the status and timing of competitive developments, and certain regulatory requirements. For example, if network usage develops faster than we anticipate, we may require greater capital investments in shorter time frames than originally anticipated and we may not have the resources to make such investments.

Furthermore, the ongoing conflict between Russia and Ukraine creates uncertainty regarding our capital expenditure plans as we need to retain more flexibility to maintain our infrastructure in Ukraine and respond to the conflict as it develops further, and investment in Ukraine may be complicated by sanctions, regulations, payment restrictions and geopolitical circumstances. Since the onset of the conflict, a material portion of our uncommitted capital expenditure plans throughout the Group have been delayed. See —*Market Risks—The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations* and —*Market Risks—We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine and the sanctions imposed*. Any further escalation or prolonged continuation of the conflict could lead to more damage to the network, change in customer behavior, declines in gross connections and lower than expected ARPU due to the decline in the Ukrainian economy. Such factors have and, if continued, may continue to limit our ability to fund capital expenditures in Ukraine. We may need to continue to spend a significant amount of capital to repair or replace infrastructure and other systems to ensure consistency of our services in Ukraine as the conflict continues.

Although we regularly consider and take measures to improve our capital efficiency, including selling capital intensive segments of our business and entering into managed services and network sharing agreements with respect to towers and other assets, our levels of capital expenditure will remain significant. If we do not have sufficient resources from our operations to finance necessary capital expenditures or we are unable to access funds sufficient to finance necessary capital expenditures, we may be required to raise additional debt or equity financing, which may not be available when needed or on terms favorable to us or at all. See —*Liquidity and Capital Risks—We may not be able to raise additional capital, or we may only be able to raise additional capital at significantly increased costs* for a further discussion. We cannot assure you that we will generate sufficient cash flows in the future to meet our capital expenditure needs, develop or enhance our products, take advantage of future opportunities or respond to competitive pressures, which could have an adverse impact on our business, financial condition, results of operations, cash flows or prospects. For more information on our future liquidity needs, see *Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Future Liquidity and Capital Requirements*.

Initiatives to merge with or acquire other companies or businesses, divest our companies, businesses or assets or to otherwise invest in or form strategic partnerships with third parties may divert management attention and resources away from our underlying business operations, and such efforts may not yield the benefits that were expected, or subject us to additional liabilities and higher costs from integration efforts or otherwise.

As part of our business strategy, we seek from time to time to: merge with or acquire other companies or businesses; divest our companies or businesses or assets; and form strategic partnerships through investments, the formation of joint ventures, commercial cooperation, or otherwise. We may pursue one or a number of these strategies for various reasons, including to: simplify our corporate structure; pursue optimal competitive positions in markets in which we have operations; divest certain operations, business lines or assets, including infrastructure and tower assets; acquire more frequency spectrum; acquire new technologies and service capabilities; share our networks or infrastructure; add new customers; increase market penetration; expand into new or enhance “non-telecommunications” services such as DFS, mobile entertainment, or other forms of digital content; and expand into new markets.

Our ability to implement successful mergers, acquisitions, strategic partnerships or investments depends upon our ability to identify, evaluate, negotiate the terms of, complete and integrate suitable businesses and to obtain any necessary financing and the prior approval of any relevant regulatory bodies. These efforts could divert the attention of our management and key personnel from our underlying business operations. Following any such merger, acquisition, strategic partnerships or investment or failure of any such transaction to materialize (including any such failure caused by regulatory or third-party challenges), we may experience:

- difficulties in realizing expected synergies and investment returns from acquired companies, joint ventures, investments or other forms of strategic partnerships;
- unsuccessful integration of personnel, products, property and technologies of the acquired business or assets;
- higher or unforeseen costs of integration or capital expenditures (including the time and resources of our personnel required to successfully integrate any combined businesses);
- adverse changes in our operating efficiencies and structure;
- difficulties relating to the combined business’s compliance with telecommunications or other regulatory licenses and permissions, compliance with laws, regulations and contractual obligations, ability to obtain and maintain favorable commercial terms, and ability to optimize and protect our assets (including spectrum and intellectual property);
- adverse market reactions stemming from competitive and other pressures;
- difficulties in retaining key employees of the merged or acquired business or strategic partnerships who are necessary to manage the relevant businesses;
- risks related to loss of full control of a merged business, or not having the ability to adequately control and manage an acquired business, strategic partnership or investment, including disagreements or difference in strategy with joint venture partners;
- risks that different geographic regions present, such as currency exchange risks, competition, regulatory, political, economic and social developments, which may, among other things, restrict our ability to successfully capitalize on our acquisition, merger, joint venture or investment;
- adverse customer reaction to the business acquisition or combination;

- increased liability and exposure to unforeseen contingencies and liabilities that we did not contemplate at the time of the merger, acquisition, strategic partnership or investment, including tax liabilities or claims by the counterparty or regulator related to the transaction, for which we may not have obtained contractual protections; and
- a material impairment of our operating results by causing us to incur debt or requiring us to amortize merger or acquisition expenses and merged or acquired assets.

For more information about our recent transactions, see *Note 9—Significant Transactions* to our Audited Consolidated Financial Statements.

From time to time, we may also seek to divest some of our businesses or assets, including divestitures of operations in certain markets, infrastructure or tower assets or business lines. For example, on November 24, 2022, we announced the divestment of our Russian Operations. For more information in relation to the sale of our Russian Operations, see *—Risks Related to the Sale of our Russian Operations, Item 4—Information on the Company* and *Note 10—Held for Sale and Discontinued Operations* of the Audited Consolidated Financial Statements. Such divestitures may take longer than anticipated or may not happen at all. If these or other divestitures do not occur, close later than expected or do not deliver expected benefits, this may result in decreased cash proceeds and continued operations of non-core businesses that divert the attention of our management. Our success with any divestiture is dependent on effectively and efficiently separating the divested asset or business and reducing or eliminating associated overhead costs which may prove difficult or costly for us. There could also be transitional or business continuity risks or both associated with these divestitures that may impact our service levels and business targets. Furthermore, in some cases, we may agree to indemnify acquiring parties for certain liabilities arising from our former businesses or assets. For example, following the sale of our Russian Operations, we may incur increased separation costs and additional licensing costs. Failure to successfully implement or complete a divestiture could also materially harm our business, financial condition, results of operations, cash flows or prospects.

We face uncertainty regarding our frequency allocations and may experience limited spectrum capacity for providing wireless services or be required to transfer our existing spectrum allocations, which would have a negative impact on our growth.

We are dependent on access to adequate frequency allocation within the right spectrum bands in each of our markets in order to launch mobile and fixed wireless telecommunications networks and maintain and expand our customer base. However, the availability of spectrum is limited, closely regulated and can be expensive, and we may not be able to obtain the frequency allocations we need from the relevant regulator or third party, without the imposition of burdensome service obligations or incurring commercially unreasonable costs, given that the interest from various parties frequently exceeds available spectrum.

In the past, we have experienced difficulties in obtaining adequate frequency allocation in some of the markets in which we operate. For example, until March 2021, we held a disproportionately small amount of the available spectrum in Bangladesh given the size of our operations. In addition, we are also vulnerable to government action that impairs our frequency allocations. For example, the government of Uzbekistan ordered the equitable reallocation among all telecommunications providers in the market, which has affected approximately half of the 900 MHz and 1800 MHz radio frequencies of our Uzbek subsidiary, Unitel LLC, which came into effect in 2018. We were unable to obtain frequency spectrum licenses for 5G in Kazakhstan, after the Telecommunications Committee of Kazakhstan’s Ministry of Digital Development, Innovation and Aerospace Industry auction for two blocks of 5G mobile frequency spectrum licenses were won by a consortium of two competitor telecommunications operators in Kazakhstan in December 2022. Frequency allocations may also be issued for periods that are shorter than the terms of our licenses to provide telecommunications services in our countries of operation, and such allocations may not be renewed in a timely manner, or at all. In the event that we are unable to acquire sufficient frequency allocations in each of our countries of operations to support the growth of our customer base and products, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected.

We may also be subject to increases in fee payments for frequency allocations under the terms of some of our licenses or to obtain new licenses.

Legislation in most of the countries in which we operate, including Pakistan, requires that we make payments for frequency spectrum usage. The fees for all available frequency assignments, as well as allotted frequency bands for different mobile communications technologies, are significant. For example, in Pakistan, the PTA issued a license renewal decision on July 22, 2019 requiring payment of an aggregate price of approximately US\$450 million. The license renewal was signed under protest on October 18, 2021 and payments of US\$225 million, US\$58 million, US\$51.5 million, US\$49.0 million, and US\$48.4 million were made in September 2019, May 2020, May 2021 and May 2022, and January 2023 respectively. We have challenged the PTA license renewal decision before Pakistani courts. However, we await final resolution from the Supreme Court of Pakistan as the review petition against the decision remains pending which has not been fixed yet.

Any significant increase in the fees payable for the frequencies that we use or for additional frequencies that we need could have a negative effect on our financial results. We expect that the fees we pay for radio-frequency spectrum, including radio-frequency spectrum renewals, could substantially increase in some or all of the countries in which we operate, and any such increase could harm our business, financial condition, results of operations, cash flows or prospects.

If our frequency allocations are limited, we are unable to renew our frequency allocations or obtain new frequencies to allow us to provide mobile or fixed wireless services on a commercially feasible basis, our network capacity and our ability to provide these services would be constrained and our ability to expand would be limited, which could harm our business, financial condition, results of operations, cash flows or prospects.

Our ability to profitably provide telecommunications services depends in part on the terms of our interconnection agreements and access to third-party owned infrastructure and networks, over which we have no direct control.

Our ability to provide high quality telecommunications services depends on our ability to secure and maintain interconnection and roaming agreements with other mobile and fixed-line operators and access to infrastructure, networks and connections that are owned or controlled by third parties and governments. Interconnection is required to complete calls that originate on our respective networks but terminate outside our respective networks, or that originate from outside our respective networks and terminate on our respective networks. While we have interconnection agreements in place with other operators, we do not have direct control over the quality of their networks and the interconnection and roaming services they provide. Outages, disconnections or restrictions, including governmental, to access affecting these international connections can have a significant impact on our ability to offer services and data connectivity to our customers. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnection or roaming services to us on a consistent basis, could result in a loss of customers or a decrease in traffic, which would reduce our revenues and harm our business, financial condition, results of operations, cash flows or prospects. For more information on our interconnection agreements, see *Item 4.B —Business Overview*.

Securing these interconnection and roaming agreements and access on cost-effective terms is critical to the economic viability of our operations. Our countries of operation have a limited number of international cable connections providing access to internet, data service and call interconnection and such international connections may be controlled by national governments that may seek to control or restrict access from time to time or impose conditions on pricing and availability which may impact our access and the competitiveness of our pricing. In certain of the markets in which we operate, the relevant regulator sets mobile termination rates (“MTRs”), which are fees for access and interconnection that mobile operators charge for calls terminating on their respective networks. If any such regulator sets MTRs that are lower for us than the MTRs of our competitors, our interconnection costs may be higher and our interconnection revenues may be lower, relative to our competitors. Moreover, even in cases of equal MTRs on the market for all players, the lowered MTR significantly impacts our revenue on a particular market. A significant increase in our interconnection costs, or decrease in our interconnection rates, as a result of new regulations, commercial decisions by other operators, increased inflation rates in the countries in which we operate or a lack of available line capacity for interconnection could harm our ability to provide services, which could in turn harm our business, financial condition, results of operations, cash flows or prospects.

The loss of important intellectual property rights, as well as third-party claims that we have infringed on their intellectual property rights, could significantly harm our business.

We regard our copyrights, service marks, trademarks, trade names, trade secrets, know-how and similar intellectual property, including our rights to certain domain names, as important to our continued success. For example, our widely recognized logos, such as “VEON”, “Kyivstar” (Ukraine), “Jazz” (Pakistan), and “Banglalink” (Bangladesh), have played an important role in building brand awareness for our services and products. We rely on trademark and copyright law, trade secret protection and confidentiality or license agreements with our employees, customers, partners and others to protect our proprietary rights. However, intellectual property rights are especially difficult to protect in many of the markets in which we operate. In these markets, the regulatory agencies charged to protect intellectual property rights are inadequately funded, legislation is underdeveloped, piracy is commonplace and the enforcement of court decisions is difficult. We also face intellectual property risk with respect to our License Agreements with VimpelCom for the use of “Beeline” by certain of our operating companies. See *—Risks Related to the Sale of our Russian Operations—Following the sale of our Russian Operations, we will rely on trademark license agreements with our former subsidiary, VimpelCom, to continue our use of the “Beeline” name and mark. Our reputation could be adversely impacted by negative developments in respect of the Beeline brand following the sale of our Russia Operations. If we elect to undertake a rebranding exercise it may involve substantial costs and may not produce the intended benefits if it is not favorably received by our existing and potential customers, suppliers and other persons with whom we have a business relationship.*

In addition, as we continue our investment into a growing ecosystem of local digital services and execute our “digital operator 1440” strategy, we will need to ensure that we have adequate legal rights to the ownership or use of necessary source code, content, and other intellectual property rights associated with our systems, products and services. For example, a number of platforms and non-connectivity services we offer are developed using source code created in conjunction with third parties. Even though we rely on a combination of contractual provisions and intellectual property law to protect our proprietary technology and software, access to and use of source code and other necessary intellectual property, third parties may still infringe or misappropriate our intellectual property. We may be required to bring claims against third parties in order to protect our intellectual property rights, and we may not succeed in protecting such rights. As a result, we may not be able to use intellectual property that is material to the operation of our business.

We are in the process of registering, and maintaining and defending the registration of, the VEON name and logo as trademarks in the jurisdictions in which we operate and other key territories, along with our other key trademarks and trade names, logos and designs. As of May 31, 2023, we have achieved registration of the VEON name in 16 of the 17 jurisdictions sought (although in only certain classes were sought in the European Union), with Bangladesh pending for all classes and Egypt pending for only one class. With respect to the logo, we have achieved registration in 16 of the 17 jurisdictions sought (although in only certain classes were they sought in the European Union and Bermuda), with Bangladesh pending for all classes and Egypt pending only for one class. The timeline and process required to obtain trademark registration can vary widely between jurisdictions.

In addition, as the number of convergent product offerings, such as JazzCash, Toffee and Tamasha, and overlapping product functions increase as we execute our “ventures” and “digital operator” strategies, we need to ensure that such brands and associated intellectual property are protected through trademark and copyright law in the same way as our legacy brands and products. Furthermore, with the introduction of new product offerings, the possibility of intellectual property infringement claims against us may correspondingly increase. For example, in the context of mobile entertainment producers and distributors of content face potential liability for negligence, copyright and trademark infringement and other claims based on the nature and content of materials, such as morality laws in Bangladesh and Pakistan. As we expand our digital services offerings, our ability to provide our customers with content depends on obtaining various rights from third parties on terms acceptable to us.

Current and new intellectual property laws may affect our ability to protect our innovations and defend against third-party claims of intellectual property rights infringement. The costs of compliance with these laws and regulations are high and are likely to increase in the future. Claims have been, or may be, threatened and/or filed against us for intellectual property infringement based on the nature and content in our products and services, or content generated by our users. Any such claims

or lawsuits, whether with or without merit, could result in substantial costs and diversion of resources, could cause us to cease offering or licensing services and products that incorporate the challenged intellectual property, or could require us to develop non-infringing products or services, if feasible, which could divert the attention and resources of our technical and management personnel. We cannot assure you that we would prevail in any litigation related to infringement claims against us. A successful claim of infringement against us could result in us being required to pay significant damages, cease the development or sale of certain products and services that incorporate the challenged intellectual property, obtain licenses from the holders of such intellectual property which may not be available on commercially reasonable terms, or otherwise redesign those products to avoid infringing upon others' intellectual property rights, any of which could harm our business and our ability to compete.

Regulatory, Compliance and Legal Risks

The telecommunications industry is a highly regulated industry and we are subject to an extensive variety of laws and operate in uncertain judicial and regulatory environments, which may result in unanticipated outcomes that could harm our business.

Our operations are subject to different and occasionally conflicting laws and regulations in each of and between the jurisdictions in which we operate, which could result in market uncertainty and the lack of clear criteria. Regulatory compliance may be costly and involve a significant expenditure of resources, thus negatively affecting our financial condition. In addition, any significant changes in such laws or regulations or their interpretation, or the introduction of higher standards, additional obligations or more stringent laws or regulations, could result in significant additional costs, including fines and penalties, operational burdens and other difficulties associated with not complying in a timely manner, or at all, with new or existing legislation or the terms of any notices or warnings received from the telecommunications and other regulatory authorities. In addition, the application of the laws and regulations of any particular country is frequently unclear and may result in adverse rulings or audit findings by courts or government authorities resulting from a change in interpretation or inconsistent application of existing law. Our operations may also be subject to regulatory audits in relation to prior compliance. For example, our operating company in Bangladesh has recently been subject to an extensive audit conducted by the Bangladesh Telecommunication Regulatory Commission ("BTRC") concerning past compliance with all relevant license terms, laws and regulations for the period covering 1996 (inception of our operating company in Bangladesh) to December 2019. Competitor operators in the Bangladesh telecommunications industry have been subject to similar audits and have been fined. On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US\$76 million) which includes BDT 4,307 million (approximately US\$40 million) for interest. The Company is currently reviewing the findings and Banglalink may challenge certain proposed penalties and interest which may result in adjustments to the final amount to be paid by Banglalink. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable. As a result of the ongoing conflict between Russia and Ukraine, these risks are compounded in those jurisdictions, as there is a risk that laws and regulations affecting telecommunications companies operating in those jurisdictions may be changed dramatically and in ways that are adverse to our operations and results. For a further discussion on the ongoing conflict between Russia and Ukraine and its impact on our business, see —*Market Risks—The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations*. For a discussion on the risks associated with operating in emerging markets, see —*Market Risks—Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks*.

Mobile, internet, fixed-line, voice, content and data markets generally are subject to extensive regulatory requirements, such as strict licensing regimes, antitrust and consumer protection regulations. Our ability to provide our mobile services is dependent on obtaining and maintaining the relevant licenses. These licenses are limited in time and subject to renewal. While we are confident in our ability to obtain renewals upon request, we may not reliably predict the financial and other conditions at which such renewals will be granted. See— *Regulatory, Compliance and Legal Risks—Our licenses are granted for specific periods and may be suspended, revoked or we may be unable to extend or replace these licenses upon expiration and we may be fined or penalized for alleged violations of law, regulations or license terms*. In addition, regulations may be especially strict in those countries in which we are considered to hold a significant market position (Ukraine, Pakistan and Uzbekistan), a dominant market position (Kazakhstan) or are considered a dominant company (Kyrgyzstan). The applicable rules are generally subject to different interpretations and the relevant authorities may challenge the positions that we take, resulting in unpredictable outcomes such as restrictions or delays in obtaining additional numbering capacity, receiving new licenses and frequencies, receiving regulatory approvals for rolling out our networks in the regions for which we have licenses, receiving

regulatory approvals for the use of changes to our frequency, receiving regulatory approvals of our tariffs plans and importing and certifying our equipment.

As we expand certain areas of our business and provide new services, such as DFS, banking, digital content, other non-connectivity services, or value-added and internet-based services, we may be subject to additional laws and regulations. For more on risks related to DFS, see —*Regulatory, Compliance and Legal Risks—Our DFS offering is complex and increase our exposure to fraud, money laundering, reputational and regulatory risk.*

In addition, certain regulations may require us to reduce retail prices, roaming prices or MTR and/or fixed-line termination rates, require us to offer access to our network to other operators, or result in the imposition of fines if we fail to fulfill our service commitments. In some of our countries of operation, we are required to obtain approval for offers and advertising campaigns, which can delay our marketing campaigns and require restructuring of business initiatives. We may also be required to obtain approvals for certain acquisitions, reorganizations or other transactions, and failure to obtain such approvals may impede or harm our business and our ability to adjust our operations or acquire or divest of businesses or assets. Laws and regulations in some jurisdictions oblige us to install surveillance, interception and data retention equipment to ensure that our networks are capable of allowing the government to monitor data and voice traffic on our networks. Violation of these laws by an operator may result in fines, suspension of activities or license revocation. The nature of our business also subjects us to certain regulations regarding open internet access or net neutrality.

Regulatory requirements and compliance with such regulations may be costly and involve a significant expenditure of resources, which could impact our business operations and may affect our financial performance. We face regulatory risks and costs in each of the markets in which we operate and may be subject to additional regulations in future. In particular, our ability to compete effectively in existing or new markets could be adversely affected if regulators decide to expand the restrictions and obligations to which we are subject, or extend such restrictions and obligations to new services and markets, or otherwise withdraw or adopt regulations, which may cause delays in implementing our strategies and business plans and create a more challenging operating environment. Furthermore, our ability to introduce new products and services may also be affected if we do not accurately predict how existing or future laws, regulations or policies would apply to such products and services, which could prevent us from realizing a return on our investment in their development. Any failure on our part to comply with existing or new laws and regulations can result in negative publicity, the risk of prosecution or the suspension or loss of our licenses, frequency allocations, authorizations or various permissions, diversion of management time and effort, increased competitive and pricing pressure on our operations, significant fines and liabilities, third party civil claims, and other penalties or otherwise harm our business, financial condition, results of operations, cash flows or prospects.

For more information on the regulatory environment in which we operate, certain regulatory developments and trends and their impact on our business, see *Exhibit 99.2—Regulation of Telecommunications.*

Violations of and changes to applicable sanctions and embargo laws, including export control restrictions, may harm our business.

Various governmental authorities have imposed significant penalties on companies that fail to comply with the requirements of applicable sanctions and embargo laws and regulations, as well as export control restrictions. We must comply with sanctions and embargo laws and regulations and export control restrictions of the United States, the United Nations, the European Union, the United Kingdom and the jurisdictions in which we operate, including those that have been imposed in response to the ongoing conflict between Russia and Ukraine. Sanctions and embargo and export control laws and regulations generally establish the scope of their own application, which arise for different reasons and can vary greatly by jurisdiction. For the risks and challenges we face as a result of sanctions in relation to our Russian Operations, see *—Risks Related to the Sale of our Russian Operations—In the event the sale of our Russian Operations does not complete, or the sale is significantly delayed, we will continue to be exposed to risks relating to operating in Russia—Sanctions, Export Controls, Capital Controls, Corporate Restrictions and Other Responses.*

The scope of such laws and regulations may be expanded, sometimes without notice, in a manner that could materially adversely affect our business, financial condition, results of operations, cash flows or prospects. For example, in the United States, Congress enacted the Export Controls Act of 2018 (“ECA”) which aims to enhance protection of U.S. technology resources by imposing greater restrictions on the transfer to non-U.S. individuals and companies, particularly through exports to China, of certain key foundational and emerging technologies and cyber-security considered critical to U.S. national security. In recent years, the Department of Commerce has also broadened the scope of U.S. export controls measures to protect a wider range of national security interests, including telecommunications technology, against perceived challenges presented by China, and has introduced heightened export restrictions targeting parties identified as military end-users and military intelligence end-users, including parties in China. This has had an effect on our ability to procure certain supplies for our business and transact with certain business partners. In response to these developments, countries, such as China, have also adopted sanctions countermeasures that may impact our future ability to ensure our suppliers’ compliance with these laws.

Until our delisting from MOEX is complete, our unsponsored listing on MOEX also exposes us to increased risk that designated individuals and entities may buy, sell or otherwise transact with VEON Ltd.’s shares, as certain brokers do not have policies against providing services to designated individuals or entities. In the event that such designated individuals or entities buy, sell or otherwise transact with VEON Ltd.’s shares, this could cause reputational harm to us, particularly if they were significant shareholders, and we would expect to be able to have limited ability to engage with any such shareholders. See *—Market Risks—We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine and the sanctions imposed* for a discussion of how exposure to designated individuals at the shareholder level exposes us to risk.

Notwithstanding our policies and compliance controls, we may be found in the future to be in violation of applicable sanctions and embargo laws, particularly as the scope of such laws, including those recently imposed following the Russia-Ukraine conflict, may be unclear and subject to discretionary interpretations by regulators, which may change over time. If we fail to comply with applicable sanctions or embargo laws and regulations, we could suffer severe operational, financial or reputational consequences. Moreover, certain of our financing arrangements include representations and covenants requiring compliance with or limitation of activities under sanctions and embargo laws and regulations of certain additional jurisdictions, the breach of which may trigger defaults or cross-defaults of mandatory prepayment requirements in the event of a breach thereof. For a discussion of risks related to export and re-export restrictions, see *—Operational Risks—We depend on third parties for certain services and equipment, infrastructure and other products important to our business.* *We could be subject to tax claims and repeated tax audits that could harm our business.*

Tax declarations together with related documentation are subject to review and investigation by a number of authorities in many of the jurisdictions in which we operate, which are empowered to impose fines and penalties on taxpayers. Tax audits may result in additional costs to our Group if the relevant tax authorities conclude that an entity of our Group did not satisfy their relevant tax obligations in any given year. Such audits may also impose additional burdens on us by diverting the attention of management resources.

Tax audits in the countries in which we operate are conducted regularly, but their outcomes may not be fair or predictable. In the past, we have been subject to substantial claims by tax authorities in Egypt, Italy, Belgium, Pakistan, Bangladesh, Ukraine, Kazakhstan, Uzbekistan, and Kyrgyzstan. These claims have resulted, and future claims may result, in additional payments, including interest, fines and other penalties, to the tax authorities.

There can be no assurance that we will prevail in litigation with tax authorities and that the tax authorities will not claim the additional taxes, interest, fines and other penalties that are owed by us for prior or future tax years, or that the relevant governmental authorities will not decide to initiate a criminal investigation or prosecution, or expand existing criminal investigations or prosecutions, in connection with claims by tax inspectorates, including those relating to individual employees and for prior tax years. We have been the subject of repeated complex and thematic tax audits in Italy, Kyrgyzstan and Pakistan, which, in some instances, have resulted in payments made under protest pending legal challenges and/or to avoid the initiation or continuation of associated criminal proceedings. The outcome of these audits or the adverse or delayed resolution of other tax matters, including where the relevant tax authorities may conclude that we had significantly underpaid taxes relating to earlier periods, could harm our business, financial condition, results of operations, cash flows or prospects.

For more information regarding tax claims and tax provisions and liabilities and their effects on our financial statements, see *Note 7—Provisions and Contingent Liabilities* and *Note 8—Income Taxes*, respectively of our Audited Consolidated Financial Statements.

Changes in tax treaties, laws, rules or interpretations could harm our business, and the unpredictable tax systems in the markets in which we operate give rise to significant uncertainties and risks that could complicate our tax and business decisions.

The introduction of new tax laws or the amendment of existing tax laws, such as those relating to transfer pricing rules or the deduction of interest expenses in the markets in which we operate, may also increase the risk of adjustments being made by the tax authorities and, as a result, could have a material adverse impact on our business, financial condition, results of operations, cash flows or prospects. For example, within the Organization for Economic Co-operation and Development (“OECD”) there is an initiative aimed at avoiding base erosion and profit shifting (“BEPS”) for tax purposes. This OECD BEPS project has resulted in further developments in other countries and in particular in the European Union.

Our business decisions take into account certain taxation scenarios, which could be proven to be untrue in the event of adverse decisions by tax authorities or changes in tax treaties, laws, rules or interpretations. For example, we are vulnerable to changes in tax laws, regulations and interpretations in the Netherlands, our current resident state for tax purposes, and in our other countries of operation.

These considerations are compounded by the fact that the interpretation and enforcement of tax laws in the emerging markets in which we operate tend to be unpredictable and give rise to significant uncertainties, which could complicate our tax planning and business decisions. Any additional tax liability imposed on us by tax authorities in this manner, as well as any unforeseen changes in applicable tax laws or changes in the tax authorities’ interpretations of the respective double tax treaties in effect, could harm our future results of operations, cash flows or the amounts of dividends available for distribution to shareholders in a particular period. For example, as a result of the termination of the double tax treaty between Russia and the Netherlands that became effective on December 31, 2021, Russian interest withholding tax increased from 0% to 20% on our existing intercompany loans between our Dutch and Russian entities. We have incurred costs and diverted personnel resources to reduce the impact of this increase in withholding tax on our financing operations. The total withholding tax expense on interest payments by VimpelCom to VEON Holdings BV in 2022 was RUB 238 million (US\$3 million equivalent). Furthermore, we may be required to accrue substantial amounts for contingent tax liabilities and the amounts accrued for tax contingencies may not be sufficient to meet any liability we may ultimately face. From time to time, we may also identify tax contingencies for which we have not recorded an accrual. Such unaccrued tax contingencies could materialize and require us to pay additional amounts of tax.

The tax laws and regulations in our jurisdictions of operation are complex and subject to varying interpretations and degrees of enforcement, and we cannot be sure that our interpretations are accurate or that the responsible tax authority agrees with our views. If our tax positions are challenged by the tax authorities or if there are any unforeseen changes in applicable tax laws, we could incur additional tax liabilities, which could increase our costs of operations and harm our business, financial condition, results of operations, cash flows or prospects.

Laws restricting foreign investment could materially harm our business.

In recent years, an increasing number of jurisdictions have introduced rules restricting foreign investment or have strengthened existing rules, and our business could be materially harmed by such new or existing laws.

There is a law restricting foreign investment in Kazakhstan. The national security law of Kazakhstan states that a foreign company or individual cannot directly or indirectly own more than a 49% stake in an entity that carries out long-distance or international telecommunications or owns fixed communication lines, without the consent of the Ministry of Digital Development, Innovation and Aerospace Industry and national security authorities in Kazakhstan. While this regulation does not currently apply to KaR-Tel, our mobile telecommunications subsidiary in Kazakhstan, it does apply to TNS+ which specializes in internet access for telecom operators, organizing international communication channels, renting long-distance communication channels and transiting voice traffic. For more information, see *Exhibit 99.2—Regulation of Telecommunications—Regulation of Telecommunications in Kazakhstan*.

The existence of such laws that restrict foreign investment could hinder potential business combinations or transactions resulting in a change of control, or our ability to obtain financing from foreign investors should prior regulatory approval be refused, delayed or require foreign investors to comply with certain conditions, which could materially harm our business, financial condition, results of operations, cash flows or prospects.

New or proposed changes to laws or new interpretations of existing laws in the markets in which we operate may harm our business.

As a telecommunications operator, with DFS, banking, digital content and other non-connectivity offerings, we are subject to a variety of national and local laws and regulations in the countries in which we do business. These laws and regulations apply to many aspects of our business. Violations of applicable laws or regulations could damage our reputation or result in regulatory or private actions with substantial penalties or damages, including the revocation of some of our licenses. In addition, any significant changes in such laws or regulations or their interpretation, or the introduction of higher standards, additional obligations or more stringent laws or regulations, including revision in regulations for license and frequency allocation and changes in foreign policy or trade restrictions and regulations (including in all respects in Ukraine as a consequence of the ongoing conflict between Russia and Ukraine) could have an adverse impact on our business, financial condition, results of operations, cash flows or prospects.

For example, in some of the markets in which we operate, SIM verification and re-verification initiatives have been implemented, which could result in the loss of some of our customer base in a particular market. In addition to customer losses, such requirements can result in claims from legitimate customers who are incorrectly blocked, fines, license suspensions and other liabilities for failure to comply with the requirements. To the extent re-verification and/or new verification requirements are imposed in the jurisdictions in which we operate, it could have an adverse impact on our business, financial condition, results of operations and prospects. In addition, many jurisdictions in which we operate have seen the adoption of data localization and protection laws that prohibit the collection of certain personal data through servers located outside of the respective jurisdictions.

In some jurisdictions in which we operate legislation is being implemented to extend data protection laws. For example, in Kazakhstan the government has commenced consultation on data protection measures to increase regulation over

the recollection and processing of personal data. For a discussion of certain regulatory developments and trends and their impact on our business, see *Exhibit 99.2—Regulation of Telecommunications*.

We may not be able to detect and prevent fraud or other misconduct by our employees, joint venture partners, non-controlled subsidiaries, representatives, agents, suppliers, customers or other third parties.

We may be exposed to fraud or other misconduct committed by our employees, joint venture partners, representatives, agents, suppliers, customers or other third parties undertaking actions on our behalf that could subject us to litigation, financial losses and fines or penalties imposed by governmental authorities, and affect our reputation.

Such misconduct could include, but is not limited to, misappropriating funds, conducting transactions that are outside of authorized limits, engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities, including activities in exchange for personal benefit or gain or activities that otherwise do not comply with applicable laws or our internal policies and procedures. The risk of fraud or other misconduct could increase as we expand certain areas of our business. See—*Regulatory, Compliance and Legal Risks—Our DFS offering is complex and increase our exposure to fraud, money laundering, reputational and regulatory risk* below for further discussion of this increased risk.

In addition to any potential legal and financial liability, our reputation may also be adversely impacted by association, action or inaction that is either real or perceived by stakeholders or customers to be inappropriate or unethical. Reputational risk may arise in many different ways, including, but not limited to any real or perceived:

- failure to act in good faith and in accordance with our values, Code of Conduct, other policies, procedures, and internal standards;
- failure to comply with applicable laws or regulations or association, real or perceived, with illegal activity;
- failure in corporate governance, management or systems;
- association with controversial practices, customers, transactions, projects, countries or governments;
- association with controversial business decisions, including but not limited to those relating to existing or new products, delivery channels, promotions/advertising, acquisitions, representations, sourcing/supply chain relationships, locations, or treatment of financial transactions; or
- association with poor employment or human rights practices.

We regularly review and update our policies and procedures and internal controls, which are designed to provide reasonable assurance that we and our personnel comply with applicable laws and our internal policies. We have also issued a Business Partner Code of Conduct that we expect our representatives, agents, suppliers and other third parties to follow and conduct risk-based training for our personnel. However, there can be no assurance that such policies, procedures, internal controls and training will, at all times, prevent or detect misconduct and protect us from liability arising from actions of our employees, representatives, agents, suppliers, customers or other third parties.

We are subject to anti-corruption laws in multiple jurisdictions.

We operate in countries which pose elevated risks of corruption and are subject to a number of anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, the anti-corruption provisions of the Dutch Criminal Code in the Netherlands and local laws in the jurisdictions in which we operate. An investigation into allegations of non-compliance or a finding of non-compliance with anti-corruption laws or other laws governing the conduct of business may subject us to administrative and other financial costs, reputational damage, criminal or civil penalties or other remedial

measures, which could harm our business, financial condition, results of operations, cash flows or prospects. Anti-corruption laws generally prohibit companies and their intermediaries from promising, offering or giving a financial or other things of value or advantage to someone for the purpose of improperly influencing a matter or obtaining or retaining business or rewarding improper conduct. The FCPA further requires issuers, including foreign issuers with securities registered on a U.S. stock exchange, to maintain accurate books and records and a system of sufficient internal controls. We regularly review and update our policies and procedures and internal controls to provide reasonable assurance that we and our personnel comply with the applicable anti-corruption laws, although we cannot guarantee that these efforts will be successful.

We maintain a Business Partner Code of Conduct and attempt to obtain assurances from distributors and other intermediaries, through contractual and other legal obligations, that they also will comply with anti-corruption laws applicable to them and to us. However, these efforts to secure legal commitments are not always successful. There are inherent limitations to the effectiveness of any policies, procedures and internal controls, including the possibility of human error and the circumvention or overriding of the policies, procedures and internal controls. There can be no assurance that such policies or procedures or internal controls will work effectively at all times or protect us against liability under anti-corruption or other laws for actions taken by our personnel, distributors and other intermediaries with respect to our business or any businesses that we may acquire. Our Business Partner Code of Conduct is available on our website at <http://www.veon.com>.

In addition, as previously disclosed, the Deferred Prosecution Agreement (“DPA”) that VEON entered into with the U.S. Department of Justice (“DOJ”) on February 18, 2016 has concluded and the criminal charges that had been deferred by the DPA have been dismissed. Since concluding the DPA, we have provided, and may in the future provide, updates on certain internal investigations related to potential misconduct to the U.S. authorities. In the event that any of these matters lead to governmental investigations or proceedings, it could lead to reputational harm and have an adverse impact on our business, financial condition, results of operations, cash flows or prospects.

Our DFS offering is complex and increase our exposure to fraud, money laundering, reputational and regulatory risk.

Our DFS offering is complex and subject to regulatory requirements which are different from the traditional regulatory requirements of a telecommunications business. They may involve cash handling or other value transfers, exposing us to the risk that our customers or business partners engage in fraudulent activities, money laundering or terrorism financing. Violations of anti-money laundering and counter-terrorist financing laws, know-your-customer rules, and customer name screening and monitoring requirements or other regulations applicable to our DFS offering could result in legal and financial liability or reputational damage and harm our business, financial condition, results of operations, cash flows or prospects. The regulations governing these services are evolving and, as they develop, regulations could become more onerous, impose additional controls, reporting or disclosure obligations, or limit our flexibility to rapidly deploy new products, which may limit our ability to provide our services efficiently or in the way originally envisioned. In addition, as we seek to execute our “digital operator 1440” and “ventures” strategies, we may seek to expand our DFS offering, thereby compounding our exposure to such risks.

For example, Mobilink Bank in Pakistan carries on a microfinance banking business and provides certain DFS (some provided in conjunction with Jazz through JazzCash) and traditional banking services in Pakistan under a license that was granted by the State Bank of Pakistan and is subject to regulation by the State Bank of Pakistan. Such regulations and banking laws are subject to change from time to time, including with respect to capitalization requirements and we may be required to increase the capitalization of Mobilink Bank from time to time and may be required to inject funds to cover any losses that the bank suffers. Due to the deteriorating macroeconomic environment in Pakistan (which could adversely impact Mobilink Bank’s loan and deposit portfolio), coupled with a rising capital adequacy ratio rate (which was increased to 15% on May 31, 2023), Mobilink may face challenges in meeting its capital adequacy ratio in the coming months. Should Mobilink Bank fail to meet the required capital adequacy ratio, it may need to reduce or halt certain lending activities until it can meet its capital adequacy ratio requirement, which would result in a loss of revenue, and any failure to meet its capital adequacy ratio could lead to reputational damage to Mobilink Bank and loss of customer confidence in it. In addition, Mobilink Bank’s activities may expose us to a risk of liability under banking and financial services compliance laws, including, for example, anti-money laundering and counter-terrorist financing regulations.

In addition, because our DFS offering requires us to process personal data (such as, consumer names, addresses, credit and debit card numbers and bank account details), we must comply with strict data privacy and consumer protection laws. For more information on the risks associated with possible unauthorized disclosure of such personal data, see—*Regulatory, Compliance and Legal Risks—We collect and process sensitive personal data, and are therefore subject to an increasing number of data privacy laws and regulations that may require us to incur substantial costs and implement certain changes to our business practices that may adversely affect our results of operations.*

Our DFS business also requires us to maintain availability of our systems and platforms, and failure to maintain agreed levels of service availability or to reliably process our customers' transactions due to performance, administrative or technical issues, system interruptions or other failures could result in a loss of revenue, violation of certain local banking regulations, payment of contractual or consequential damages, reputational harm, additional operating expenses to remediate any failures, or exposure to other losses and liabilities.

We collect and process sensitive personal data, and are therefore subject to an increasing number of data privacy laws and regulations that may require us to incur substantial costs and implement certain changes to our business practices that may adversely affect our results of operations.

We are subject to various, and at times conflicting, data privacy laws and regulations that apply to the collection, use, storage, disclosure and security of personal data which is generally understood to be any data or information that identifies or may be used to identify an individual, including names and contact information, IP addresses, (e-mail) correspondence, call detail records and browsing history. Many countries have additional laws that regulate the processing, retention and use of communications data (including both content and metadata), as well as health data and certain other forms of personal data which have been designated as being particularly sensitive. These laws and regulations are subject to frequent revisions and differing interpretations and are becoming more stringent over time.

In certain jurisdictions in which we operate, we are subject to other data protection laws and regulations that establish different categories of information such as state secrets and personal data of our customers, which have different registration and permitted disclosure rules and require different corresponding levels of protection and safeguards. In each case, we are required to implement the appropriate level of data protection measures and cooperate with government authorities with regards to law enforcement disclosures for state secrets and personal data of our customers. In our operating jurisdictions, new laws and regulations may be introduced subjecting us to more rigorous and stringent data protection or privacy requirements which may result in increased compliance costs and business risks or increased risk of liability and exposure to regulatory fines and sanctions. In addition, in the European Union, the General Data Protection Regulation ("EU GDPR"), has an extraterritorial effect further to Article 3(2) GDPR and may therefore apply outside of the European Union. The absence of an establishment in the European Union does not necessarily mean that processing activities by a data controller or processor established in a third country will be excluded from the scope of the GDPR. The United Kingdom has retained its own version of GDPR as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 ("UK GDPR"). The provisions in the UK GDPR are currently broadly aligned with those in the EU GDPR, and include an analogous provision to Article 3(2) EU GDPR, which gives the UK GDPR extraterritorial effect. While the processing of personal data by a limited number of our entities, including our Amsterdam and London offices and central operating entities within the European Union and the United Kingdom are subject to the EU GDPR or the UK GDPR (as the case may be), our operations in other markets, such as Ukraine, may also become subject to the EU GDPR or UK GDPR (as the case may be) considering the extraterritorial effect of this legislation. For example, if such operations involve the offering of goods or services to, or monitoring the behavior of, individuals in the European Union or the United Kingdom (as the case may be).

Many of the jurisdictions in which we operate have laws that restrict cross border data transfers unless certain criteria are met and/or are developing or implementing data localization laws requiring that certain types of data be stored locally. These laws may restrict our flexibility to leverage our data and build new, or consolidate existing, technologies, databases and IT systems, limit our ability to use and share personal data, cause us to incur costs (including those related to storing data in multiple jurisdictions), require us to change our business practices in a manner adverse to our business or conflict with other

laws to which we are subject, thereby exposing us to regulatory risk. The stringent cross-border transfer rules in certain jurisdictions may also prohibit us from disclosing data to foreign authorities upon their request, which may generate a scenario where it is not possible for us to comply with both laws. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business and results of operations.

Furthermore, the laws and regulations regarding data privacy may become more stringent over time. For example, the European Commission has also proposed a draft of the new ePrivacy Regulation on January 10, 2017, which was intended to replace the 2002/58 e-Privacy Directive. As of March 2023, the current draft of the ePrivacy Regulation is still going through the EU legislative process. When it comes into effect, it is expected to regulate the processing of electronic communications data carried out in connection with the provision and the use of publicly available electronic communications services to users in the European Union, regardless of whether the processing itself takes place in the European Union. Unlike the current ePrivacy Directive, the draft ePrivacy Regulation will likely apply to Over the Top (“OTT”) service providers as well as traditional telecommunications service providers (including the requirements on data retention and interception and changes to restrictions on the use of traffic and location data). Our entities established in the European Union, which process such electronic communications data are likely to be subject to this regime. The current draft of the ePrivacy Regulation also regulates the retention and interception of communications data as well as the use of location and traffic data for value added services, imposes stricter requirements on electronic marketing, and changes to the requirements for use of tracking technologies, such as cookies. This could broaden the exposure of our business lines based in the European Union to data protection liability, restrict our ability to leverage our data and increase the costs of running those businesses. The draft law also significantly increases penalties for non-compliance with fines of up to €20 million or 4% of a company’s global annual revenue, whichever is higher, for serious violations under the current draft. For a discussion of other telecommunications related data protection related laws and regulations that affect our business, see *Exhibit 99.2—Regulation of Telecommunications*.

Any failure or perceived failure by us to comply with privacy or security laws, policies, legal obligations or industry standards may result in governmental enforcement actions and investigations, blockage or limitation of our services, fines and penalties. In general, mobile operators are directly liable for actions of third parties to whom they forward personal data for processing. If the third parties we work with violate applicable laws, contractual obligations or suffer a security breach, such violations may also put us in breach of our obligations under privacy laws and regulations and/or could in turn harm our business. In addition, concerns regarding our practices with regard to the collection, use, disclosure or security of personal information or other privacy-related matters could result in negative publicity and have an adverse effect on our reputation. Violation of these data privacy laws and regulations may lead to a seizure of our database and equipment, imposition of administrative sanctions (including in the form of fines, suspension of activities or revocation of license) or result in a ban on the processing of personal data, which, in turn, could lead to the inability to provide services to our customers. The occurrence of any of the aforementioned events, individually or in the aggregate, could harm our brand, business, financial condition, results of operations, cash flows or prospects.

We are, and may in the future be, involved in, associated with, or otherwise subject to legal liability in connection with disputes and litigation with regulators, competitors and third parties, which when concluded, could harm our business.

We are party to a number of lawsuits and other legal, regulatory or antitrust proceedings and commercial disputes, the final outcome of which are uncertain and inherently unpredictable. We may also be subject to claims concerning certain third-party products, services or content we provide by virtue of our involvement in marketing, branding, broadcasting or providing access to them, even if we do not ourselves host, operate, provide, or provide access to, these products, services or content. In addition, we currently host and provide a wide variety of services and products that enable users to engage in various online activities. The law relating to the liability of providers of these online services and products for the activities of their users is still unsettled in some jurisdictions. Claims may be threatened or brought against us for defamation, negligence, breaches of contract, copyright or trademark infringement, unfair competition, tort, including personal injury, fraud or other grounds based on the nature and content of information that we use and store. In addition, we may be subject to domestic or international actions alleging that certain content we have generated, user-generated content or third-party content that we have made available within our services violates applicable law.

Any such disputes or legal proceeding, whether with or without merit, could be expensive and time consuming, and could divert the attention of our senior management. Any adverse outcome in these or other proceedings, including any that may be asserted in the future, could harm our reputation and have an adverse impact on our business, financial condition, results of operations, cash flows or prospects. We cannot assure you what the ultimate outcome of any particular dispute or legal proceeding will be. For more information on current disputes, see *Note 7—Provisions and Contingent Liabilities* to our Audited Consolidated Financial Statements.

Our licenses are granted for specific periods and may be suspended, revoked or we may be unable to extend or replace these licenses upon expiration and we may be fined or penalized for alleged violations of law, regulations or license terms.

The success of our operations is dependent on the maintenance of our licenses to provide telecommunications services in the jurisdictions in which we operate. Most of our licenses are granted for specified terms, and there can be no assurance that any license will be renewed upon expiration. Some of our licenses will expire in the near term. For more information about our licenses, including their expiration dates, see *Item 4.B—Business Overview*. These licenses and the frameworks governing their renewals are subject to ongoing review by the relevant regulatory authorities. If renewed, our licenses may contain additional obligations, including payment obligations (which may involve a substantial renewal or extension fee), or may cover reduced service areas or scope of service. Furthermore, the governments in certain jurisdictions in which we operate may hold auctions (including auctions of spectrum for the 4G/LTE or more advanced services, such as 5G) in the future. If we are unable to maintain or obtain licenses for the provision of telecommunications services or more advanced services, or if our licenses are not renewed or are renewed on less favorable terms, our business and results of operations could be materially harmed. We are required to meet certain terms and conditions under our licenses (such as nationwide coverage, quality of service parameters and capital expenditure, including network build-out requirements), including meeting certain conditions established by the legislation regulating the communications industry. From time to time, we may be in breach of such terms and conditions. If we fail to comply with the conditions of our licenses or with the requirements established by the legislation regulating the communications industry, or if we do not obtain or comply with permits for the operation of our equipment, use of frequencies or additional licenses for broadcasting directly or through agreements with broadcasting companies, the applicable regulator could decide to levy fines, suspend, terminate or refuse to renew the license or permit. Such regulatory actions could adversely impact our ability to continue operating our business in the current or planned manner or to carry out divestitures in the relevant jurisdictions.

The occurrence of any of these events could materially harm our ability to build out our networks in accordance with our plans, our ability to retain and attract customers, our reputation and our business, financial condition, results of operations, cash flows or prospects. For more information on our licenses and their related requirements, see *Item 4.B—Business Overview*.

For a discussion of the risks related to operating in emerging markets, see —*Market Risks—Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks.*

It may not be possible for us to procure in a timely manner, or at all, the permissions and registrations required for our base stations.

Our mobile network is supported by numerous base station transmission systems. Given the multitude of regulations that govern such equipment and the various permits required to operate our base stations, it is frequently not possible for us to procure in a timely manner, or at all, the permissions and registrations required for our base stations, including construction permits and registration of our title to land plots underlying our base stations, or to amend or maintain the permissions in a timely manner when it is necessary to change the location or technical specifications of our base stations. For a discussion of the risks associated with the export controls that could impact our ability to update and maintain our equipment and infrastructure, see —*Operational Risks—We depend on third parties for certain services and equipment, infrastructure and other products important to our business.* As a result, there could be a number of base stations or other communications facilities and other aspects of our networks for which we are awaiting final permission to operate for indeterminate periods.

We also regularly receive notices from regulatory authorities in countries in which we operate, warning us that we are not in compliance with aspects of our licenses and permits and requiring us to cure the violations within a certain time period. In the past, we have closed base stations on several occasions in order to comply with regulations and notices from regulatory authorities. Any failure by our company to cure such violations could result in the applicable license being suspended and subsequently revoked through court action. Although we look to take all necessary steps to comply with any license violations within the stated time periods, including by switching off base stations that do not have all necessary permits until such permits are obtained, we cannot assure you that our licenses or permits will not be suspended or revoked in the future.

If we are found to operate telecommunications equipment without an applicable license or permit, we could experience a significant disruption in our service or network operation, which could harm our business, financial condition, results of operations, cash flows or prospects.

Our Egyptian holding company may expose us to legal and political risk and reputational harm.

Our subsidiary in Egypt, Global Telecom Holding S.A.E. (“GTH”), is an Egyptian private company and is subject to corresponding laws and regulations. Although GTH is no longer operating any business activities and GTH entered into a tax settlement agreement with the Egyptian tax authorities for certain historic periods, GTH may in the future be subject to further unmerited or unfounded tax claims for other tax periods under existing or new Egyptian tax law or upon winding up or liquidation. The winding up of GTH and its subsidiaries may take some time and may expose the Company to additional costs and expenses or liabilities. In particular, GTH still has a large number of private investors holding less than 0.5% of GTH’s share capital and they may subject VEON Ltd. or GTH to claims in the future and may delay the winding up or liquidation of GTH.

Regulatory developments and government action on climate change issues may drive medium-to-long term increases in our operational costs.

Our business operations and financial condition are subject to regulatory developments and government action on climate change. Governments across the world are responding to climate change by adopting ambitious climate policies as public awareness of and concern about climate change continues to grow. Government climate policies include the enactment of circular economy regulations, regulating greenhouse gas (“GHG”) emissions, carbon pricing and increasing energy and fuel costs. Increased fuel and energy prices and taxes and pricing of GHG emissions could make it more expensive for us to power our networks and operations, and may also result in VEON being subject to carbon emission taxation directly for our limited

carbon emissions as a telecommunications operator, which would drive medium-to-long term increases in our operational costs. In addition, there are initial capital costs that we will have to incur as we transition towards the use of renewable energy across our operations.

There could also be increases in our operational costs due to changing levels of precipitation, increased severity and frequency of storms and other weather events, extreme temperatures and rising sea levels, which could cause potential damage to vital infrastructure and utilities. Increased risk of flooding to low-lying facilities and infrastructure due to longer-term increases in precipitation patterns could increase operating costs to maintain and/or repair facilities and network equipment. Decreased precipitation and rising and extreme temperatures could generate drought conditions that could create an increased burden to local power and water resources, which are required to operate our cooling infrastructure. In addition, these climate change impacts could also result in drops in productivity or increased operational costs for our suppliers, which in turn may be passed on to us, which could harm our business, financial condition, results of operations, cash flows or prospects.

General Risk Factors

If we fail to develop and maintain an effective system of internal controls covering financial reporting, we may be unable to accurately or timely report our financial results or prevent fraud, and investor confidence and the market price of our shares may be materially and adversely impacted.

Effective internal controls over financial reporting, together with adequate disclosure controls and procedures, are necessary for us to provide reliable financial reports and are designed to prevent fraud. In connection with the audit of our consolidated financial statements for the year ended December 31, 2022, management identified a material weakness in our internal controls over financial reporting.

As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a “material weakness” is a deficiency, or combination of deficiencies, in internal controls covering financial reporting, such that there is a reasonable possibility that a material misstatement of the financial statements will not be detected or prevented on a timely basis.

On June 25, 2023, we published our Dutch Annual Report 2022 (“Dutch Annual Report”), which included our consolidated financial statements for the year ended December 31 2022, prepared in accordance with IFRS. After we published our Dutch Annual Report and prior to the publication of this Annual Report on Form 20-F, management concluded that there was an error related to the presentation of the derecognition of non-controlling interests in relation to the disposal of our stake in our Algerian subsidiary, Omnium Telecom Algérie SpA, in our 2022 Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Equity. Specifically, the error related to the treatment of the derecognition of non-controlling interest (“NCI”) within the Consolidated Statement of Changes in Equity and Consolidated Statement of Comprehensive Income. Under Dutch law, the Company determined the error does not result in financial statements that are seriously defective in providing a view that enables a sound judgment to be formed on assets, liabilities, equity and results of the Company and, insofar as the nature of financial statements permit, of its solvency and liquidity. In accordance with IFRS and Dutch law, the Company will correct and disclose the error retrospectively in its statutory accounts in its half-yearly financial statements and subsequently in the full year 2023 Dutch annual report. As a result, the Company will not correct the previously issued consolidated financial statements, VEON Ltd.’s Dutch statutory financial statements for the year ended December 31, 2022, through an additional filing of the 2022 Dutch Annual Report in the Netherlands. This Annual Report on Form 20-F has corrected this error and properly derecognized the non-controlling interest of \$824 million related to the sale of our Algerian subsidiary within other equity in the Consolidated Statement of Changes in Equity with no impact on other comprehensive income and corrected this error in the Consolidated Statement of Comprehensive Income. The correction of this error does not impact the total consolidated equity. Refer to [Note 24](#) for further details.

Due to the size of the disposal, we determined the misstatement represented a material misstatement and reflected a material weakness related to the accounting and financial statement presentation for disposals of businesses. This material weakness, if not remediated in a timely manner, may lead to material misstatements in our future consolidated financial statements. See *Item 15. Controls and Procedures* for further information about the material weakness and management’s assessment of our internal controls over financial reporting.

As a public company, we are required to maintain internal control over financial reporting, including adequate disclosure controls and procedures, and to report any material weaknesses in those internal controls. For example, we are

required to perform system and process evaluation and testing of our internal control over financial reporting to allow our management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. If we are unable to successfully remediate the identified material weakness, if we discover any additional material weaknesses or if we are otherwise unable to report financial statements accurately or in a timely manner, we would be required to continue disclosing any such material weaknesses in future filings with the SEC, which could adversely affect our business, investor confidence in the company and the market price of our ordinary shares and could subject us to litigation or regulatory enforcement actions. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the market value of our ordinary shares.

Following the identification of the material weakness, we have begun taking measures, and we will continue to take measures, to remediate control deficiencies. See *Item 15. Controls and Procedures* for further information about the remediation plan for the material weakness.

However, the implementation of these measures may not fully address the material weakness in our internal controls covering financial reporting, and we cannot yet conclude that they have been fully remediated. Our failure to correct the material weakness or the failure to discover and address any other deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

Adoption of new accounting standards and regulatory reviews could affect reported results and financial position.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Accounting standard-setting bodies, including the International Accounting Standards Board, may change accounting regulations that govern the preparation and presentation of our financial statements, and those who interpret the accounting standards, including the U.S. Securities and Exchange Commission (the “SEC”) and the Dutch Authority for the Financial Markets (the “AFM”) may amend or even reverse their previous interpretations or positions on how various accounting standards should be applied. Those changes may be difficult to predict and could have a significant impact on the way we account for certain operations and present our financial position and operating income. In some instances, a modified standard or interpretation thereof, an outcome from a unfavorable regulatory review relating to our financial reporting or new requirement may have to be implemented with retrospective effect, which requires us to restate or make other changes to our previously issued financial statements and other financial information issued and such circumstances may involve the identification of one or more significant deficiencies or material weaknesses in our internal control over financial reporting, or may otherwise impact how we prepare and report our financial statements, and may impact future financial covenants in our financing documents. For example, we were engaged in a comment letter process with the AFM regarding our financial statements as of and for the six and three-month periods ended June 30, 2020 in which the AFM indicated that our goodwill impairment tests may have been applied incorrectly and that an additional goodwill impairment charge may be necessary, which concluded in December 2021. While the outcome of this particular process did not require us to restate previously issued financial statements or result in other changes to our goodwill impairment testing being imposed, there can be no assurance that the AFM will not raise new comments on our financial statements in the future that will be resolved without adverse consequences.

For more information on the impact of IFRS on our Audited Consolidated Financial Statements and on the implementation of new standards and interpretations issued, see *Note 25—Significant Accounting Policies* to our Audited Consolidated Financial Statements.

Our business may be adversely impacted by work stoppages and other labor matters

Although we consider our relations with our employees to be generally good, there can be no assurance that our operations will not be impacted by unionization efforts, strikes or other types of labor disputes or disruptions. For instance, employee dissatisfaction or labor disputes could result from the implementation of cost savings initiatives, which included redundancies in our Amsterdam and London offices, most recently in 2023. We may also experience strikes or other labor disputes or

disruptions in connection with social unrest or political events. For a discussion of our employees represented by works councils, unions or collective bargaining agreements, see *Item 6.D—Employees*.

Work stoppages could also occur due to natural disasters, civil unrest (including potential dissatisfaction with regards to our response to the ongoing conflict between Russia and Ukraine) or security breaches/threats, such as due to the ongoing conflict between Russia and Ukraine, which would make access to work places and management of our systems difficult and may mean that we are not able to timely or cost effectively meet the demands of our customers. In Ukraine, we may experience work perturbation and deficiencies due to loss of key personnel to mobilization efforts in connection with the conflict and migration outside of Ukraine which may affect the quality of service delivery and timeliness of service restoration in connection with our Ukrainian operations. Furthermore, work stoppages or slow-downs experienced by our customers or suppliers could result in lower demand for our services and products. In the event that we, or one or more of our customers or suppliers, experience a labor dispute or disruption, it could result in increased costs, negative media attention and political controversy, which could harm our business, financial condition, results of operations, cash flows or prospects.

Risks Related to the Ownership of our ADSs

The price of our ADSs may be volatile, and holders of ADSs could incur substantial losses.

Volatility in the market price of our ADSs may prevent holders of our ADSs from selling their ADSs at or above the price at which they purchased our ADSs. The trading price for our ADSs may be subject to wide price fluctuations in response to many factors, including:

- adverse geopolitical and macroeconomic developments, including those caused by the ongoing conflict between Russia and Ukraine;
- involuntary deconsolidation of our operations in Ukraine;
- breach or default of the covenants in our financing agreements;
- the success of competitive products or technologies;
- the issuance of new shares or sales of shares by major shareholders or the perception that such issuances or sales could occur;
- regulatory developments in the foreign countries in which we operate;
- developments or disputes concerning licenses or other proprietary rights;
- the recruitment or departure of key personnel;
- quarterly or annual variations in our financial results or those of companies that are perceived to be similar to us;
- market conditions in the industries in which we compete and issuance of new or changed securities analysts' reports or recommendations;
- the failure of securities analysts to cover our shares or changes in financial estimates by analysts;
- any subsequent ratings downgrades (in the event we are able to obtain credit ratings again);
- the inability to comply with, or notices of non-compliance with, certain NASDAQ listing rules;
- investor perception of our company and of the industry in which we compete, as well as of the countries in which we operate; and

- other general economic, political and market conditions.

These and other factors, including the other factors listed in this *Item 3.D—Risk Factors* might cause the market price of our ADSs to fluctuate substantially, which might limit or prevent holders of our ADSs from readily selling their ADSs and may otherwise negatively affect the liquidity of our ADSs. In addition, in recent years, the stock market has experienced extreme volatility that has often been unrelated to the operating performance of particular companies, including at the outset of the COVID-19 pandemic and in connection with the ongoing conflict between Russia and Ukraine.

Various factors may hinder the declaration and payment of dividends.

The payment of dividends is subject to the discretion of our board and VEON Ltd.'s assets consist primarily of investments in its operating subsidiaries. For the years ended December 31, 2022, 2021 and 2020, we did not pay a dividend. Various factors may cause our board to determine not to pay dividends or not to increase dividends. Such factors include our financial condition and prospects, our earnings, shareholders equity and equity free cash flow, the movement of the U.S. dollar against our local currencies, such as the Ukrainian hryvnia, our leverage, our capital requirements, contractual and currency restrictions, the economic outlook of markets in which we operate, legal proceedings and other such factors as our board may consider relevant. For more information on our policy regarding dividends, see *Item 8.A—Consolidated Statements and Other Financial Information—Policy on Dividend Distributions* and *—Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers.*

Holders of our ADSs may not receive distributions on our common shares or any value for them if it is illegal or impractical to make them available to them.

The depositary of our ADSs has agreed to pay holders of our ADSs the cash dividends or other distributions it or the custodian for our ADSs receive on our common shares (or other deposited securities) after deducting its fees and expenses. Holders of our ADSs will receive these distributions in proportion to the number of our common shares that their ADSs represent. However, the depositary is not responsible for making such payments or distributions if it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs, if such distribution consists of securities that require registration under the Securities Act but that are not properly registered or distributed pursuant to an applicable exemption from registration. The depositary is not responsible for making a distribution available to any holders of ADSs if any government approval or registration required for such distribution cannot be obtained after reasonable efforts made by the depositary. We have no obligation to take any other action to permit the distribution of our ADSs, common shares, rights or anything else to holders of our ADSs. This means that holders of our ADSs may not receive the distributions we make on our common shares or any value for them if it is illegal or impractical for the depositary to make them available, including in the case of sanctioned holders. These restrictions may materially reduce the value of the ADSs.

Our ADSs and common shares represented by ADSs trade on more than one market and this may result in reduced liquidity, increased volatility and price variations between such markets.

Our ADSs trade on NASDAQ and our common shares trade on Euronext Amsterdam. We also have unsponsored common shares trading on MOEX, over which we have limited visibility and which is subject to a delisting process by MOEX. On March 8, 2023, we changed the ratio in the Company's ADR program, comprising a change in the ratio of American Depositary Shares (the "ADSs") to VEON common shares (the "Shares") from one ADS representing one Share, to one ADS representing 25 Shares (the "Ratio Change"). Trading in our securities occurs on different markets, in different currencies (U.S. dollars on NASDAQ and euro on Euronext Amsterdam), at a different ratio (since March 8, 2023) and at different times as a result of different time zones, trading days and public holidays in the United States and the Netherlands. The trading prices of our securities on these markets may differ due to these and other factors, including the inability of market participants to take advantage of arbitrage opportunities and price differentials arising between the trading venues.

The liquidity in our securities may be limited. Listing of our ADSs and common shares on multiple trading venues and convertibility of our ADSs into common shares may further contribute to the split of liquidity between NASDAQ, Euronext Amsterdam and any other venues where our securities may be admitted to trading. This may impair your ability to sell your ADSs at the time you wish to sell them or at a price that you consider reasonable. Furthermore, any decrease in the trading price of our ADSs or Shares on one of these markets could cause a decrease in the trading price of our securities on the other markets. While our securities are fungible between the markets or can be made fungible via deposit and cancellation procedures as set out in the deposit agreement, our depository has in the past and could in the future restrict the conversion of our Shares into ADSs (or vice versa) on the basis of sanction restrictions or due to other restrictions.

VEON Ltd. is a Bermuda incorporated exempt company that, while headquartered in the Netherlands with its principal place of business in Amsterdam, is governed by Bermuda law, which may affect your rights as a shareholder or holder of ADSs, including your ability to enforce civil liabilities under U.S. securities laws.

VEON Ltd. is a Bermuda incorporated exempted company. As a result, the rights of VEON Ltd.'s shareholders are governed by Bermuda law and by its bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. In addition, holders of ADSs do not have the same rights under Bermuda law and VEON Ltd.'s bye-laws as registered holders of VEON Ltd.'s common shares. As substantially all of our assets are located outside the United States, it may be difficult for investors to enforce in the United States judgments obtained in U.S. courts against VEON Ltd. or its directors and executive officers based on civil liability provisions of the U.S. securities laws. Uncertainty exists as to whether courts in Bermuda will enforce judgments obtained in other jurisdictions, such as the United States and the Netherlands, under the securities laws of those jurisdictions, or entertain actions in Bermuda under the securities laws of other jurisdictions.

As a foreign private issuer within the meaning of the rules of NASDAQ, we are subject to different NASDAQ governance standards than domestic U.S. issuers, which may afford less protection to holders of our ADSs.

As a Bermuda incorporated exempt company with ADSs listed on the NASDAQ Capital Market, we are permitted to follow "home country practice" in lieu of certain corporate governance provisions under the NASDAQ listing rules that are applicable to a U.S. company. Accordingly, VEON's shareholders do not have the same protections as are afforded to shareholders of companies that are subject to all of NASDAQ's corporate governance requirements. Certain corporate governance practices in Bermuda, may differ significantly from the NASDAQ corporate governance listing standards. For more information on the significant differences between our corporate governance practices and those followed by U.S. companies under the NASDAQ listing rules, see *Item 16.G—Corporate Governance*.

Holders of ADSs may be restricted in their ability to exercise voting rights and the information provided with respect to shareholder meetings.

Holders of ADSs generally have the right under the deposit agreement to instruct the depository to exercise the voting rights for the equity shares represented by such holders' ADSs. At our request, the depository will mail to holders any notice of shareholders' meeting received from us together with information explaining how to instruct the depository to exercise the voting rights of the common shares represented by ADSs. If the depository timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities represented by the holder's ADSs in accordance with such voting instructions. However, the ability of the depository to carry out voting instructions may be limited by practical and legal limitations and the terms of the common shares on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depository in a timely manner.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

We are a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act, and therefore, we are not required to comply with all the periodic disclosure and current reporting requirements of the Exchange Act and related rules and regulations.

The rules governing the information that foreign private issuers are required to disclose differ from those governing U.S. corporations pursuant to the Exchange Act. Although we currently report periodic financial results and certain material events, we are not required to file quarterly reports on Form 10-Q or provide current reports on Form 8-K disclosing significant events within four business days of their occurrence. In addition, we are exempt from the SEC's proxy rules and proxy statements that we distribute are not subject to review by the SEC and Section 16 of the Exchange Act regarding sales of our shares by insiders.

In the future, we could cease to be considered a foreign private issuer if a majority of our outstanding voting securities are directly or indirectly held of record by U.S. residents and a majority of our directors or management are U.S. citizens or residents. Based on a review of our register of members maintained in Bermuda, as of June 15, 2023, a total of 1,038,276,403 common shares representing approximately 59.1% of VEON Ltd.'s issued and outstanding shares were held of record by BNY (Nominees) Limited in the United Kingdom as custodian of The Bank of New York Mellon for the purposes of our ADS program, a total of 492,341,642 common shares representing approximately 28.0% of VEON Ltd.'s issued and outstanding shares were held of record by Nederlands Centraal Instituut Voor Giraal Effectenverkeer B.V. and where ING Bank N.V. is acting as custodian of The Bank of New York Mellon, for the purposes of our ADS program, a total of 36,113,090 common shares representing approximately 2.1% of VEON Ltd.'s issued and outstanding shares were held of record by Nederlands Centraal Instituut Voor Giraal Effectenverkeer B.V., for the purposes of our common shares listed and tradable on Euronext Amsterdam, and a total of 190,000,000 common shares representing approximately 10.8% of VEON Ltd.'s issued and outstanding shares were held of record by LIT VIP Holdings S.a.r.l. As of June 15, 2023, 19 record holders of VEON Ltd.'s ADRs, holding an aggregate of 763,528,350 common shares (representing approximately 43.5% of VEON Ltd.'s issued and outstanding shares), were listed as having addresses in the United States. As of June 15, 2023, less than a majority of our directors and management are U.S. citizens or residents. In the event that we lose our foreign private issuer status, the regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher than costs we incur as a foreign private issuer.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

VEON is a leading global provider of connectivity and internet services. Present in some of the world's most dynamic markets, VEON currently provides more than 157 million customers with voice, fixed broadband, data and digital services (which excludes customers provided by the Group's Russian Operations which have been classified as discontinued operations). VEON currently offers services to customers in the following countries: Pakistan, Ukraine, Kazakhstan, Bangladesh, Uzbekistan, and Kyrgyzstan. VEON's reportable segments currently consist of the following five segments: Pakistan, Ukraine, Kazakhstan, Bangladesh and Uzbekistan. Kyrgyzstan is not a reportable segment; we therefore present our result of operations in Kyrgyzstan separately under "Other". We provide key services, among others, under the "Kyivstar," "Banglalink," and "Jazz" brands. As of December 31, 2022, we had 16,422 employees. For a breakdown of total revenue by category of activity and geographic segments for each of the last three financial years, see *Item 5—Operating and Financial Review and Prospects*.

Our predecessor PJSC VimpelCom (formerly OJSC "VimpelCom") was founded in 1992. In 1996, VimpelCom listed on the New York Stock Exchange. Its successor, VimpelCom Ltd., a Bermuda company, remained listed on the New York Stock Exchange until 2013 when its listing moved to the NASDAQ Global Select Market. In March 2017, the company rebranded as VEON and on April 4, 2017, VEON began trading its ordinary shares on Euronext Amsterdam. In October 2022, our listing was transferred to the NASDAQ Capital Market.

In the early 2000s, we began an expansion into certain markets in Eastern Europe and Central Asia by acquiring local operators or entering into joint ventures with local partners, including, but not limited to, in Kazakhstan (2004), Ukraine (2005), Uzbekistan (2006), Armenia (2006) and Georgia (2006). In 2009 and 2010, PJSC VimpelCom and Ukrainian mobile operator, Kyivstar, combined, and we subsequently established our headquarters in Amsterdam. In 2011, we completed the acquisition of Wind Telecom S.p.A., an international provider of mobile and fixed-line telecommunications and internet services with operations in Italy, through Wind Telecom, and in Bangladesh and Pakistan, through Global Telecom Holding (GTH, previously known as Orascom Telecom Holding S.A.E.).

In November 2016, the Group combined its Italian mobile telecommunications business with that of CK Hutchison Holdings Ltd. in a joint venture company named Wind Tre. In July 2018, the Group announced the sale of its 50% stake in Wind Tre to CK Hutchison Holdings Ltd. which was completed in September 2018. In July 2019, VEON Holdings B.V. launched a mandatory tender offer ("MTO") to purchase the shares of GTH, a subsidiary of VEON which consolidated the Group's operations in Bangladesh and Pakistan. At the close of the MTO in August 2019, VEON held approximately 98.24% of GTH's total outstanding shares. VEON subsequently embarked on a comprehensive restructuring of GTH, including a successful offer to acquire substantially all of GTH's operating assets in Pakistan and Bangladesh following the delisting of GTH from the Egyptian Exchange in September 2019. In late 2020, we sold our operating subsidiary in Armenia. In March 2021, the Group successfully completed its acquisition of the 15% minority stake in Pakistan Mobile Communication Limited ("PMCL"), its Pakistan operating business, from the Dhabi Group for US\$273 million. In July 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algérie SpA, which owns Algerian mobile network operator, Djezzy, to the Algerian National Investment Fund, Fonds National d'Investissement (FNI). Following the exercise of the put option for our stake in Algeria on July 1, 2021, the sale of our stake in Djezzy Algeria was completed on August 5, 2022 for a sale price of US\$682 million. On November 24, 2022, following a competitive process, we entered into an agreement to sell our Russian Operations to certain senior members of the management team of VimpelCom, led by its current CEO, Aleksander Torbakhov. Under the agreement, we will receive consideration of RUB 130 billion (approximately US\$1,900 million equivalent). The SPA contains provisions amongst others that in the event VimpelCom acquires VEON Holdings B.V.'s debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction is subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (United States, United Kingdom, European Union, and Bermuda) for the proposed structure of the sale. As of July 24, 2023, Russian regulatory approvals have been obtained as well as the OFAC license and required authorizations from the United Kingdom and Bermudan authorities. The remaining closing conditions to be satisfied include, amongst others, any required license from the European Union or any required consent from VEON creditors in order to cancel the debt provided as consideration and/or complete the sale. The

result is that Russian Operations is classified as held-for-sale and discontinued operations and we no longer account for depreciation and amortization expenses of Russia assets.

In late 2019, we announced a new strategic framework at the Group level to boost long-term growth beyond traditional connectivity services. This is laid out over three vectors: “Infrastructure” – its fundamental mobile and fixed line connectivity services and the drive of 4G adoption; “Digital Operator” – a portfolio of new services built around digital technologies with the active involvement of big data and artificial intelligence; and “Ventures” – assets which seeks to identify, acquire and develop “know-how” and technologies that open up adjacent growth opportunities. Since 2021, as part of our “Digital Operator” vector, our operating companies have been executing our “digital operator 1440” model pursuant to which we aim to enrich our connectivity offering with proprietary digital applications and services. With this model, we aspire to grow not only the market share of our operators, but also the relevance and the wallet share of our businesses and industry by delivering value via, for example, mobile entertainment, mobile health, mobile education, and mobile financial services.

As part of our initiative to digitize our core telecommunications business, ensuring we address 4G penetration levels across the Group is vital as 4G services remain a core enabler of our digital strategy. We intend to continue focusing on increasing our capital investment efficiency, including with respect to our IT, network, and distribution costs. We have secured network sharing agreements and intend to maintain our focus on achieving an asset-light business model in certain markets, where we own only the core assets needed to operate our business. For further information on our capital expenditures, see *Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Future Liquidity and Capital Requirements*. We anticipate that we will finance the investments with operational cash flow, cash on our balance sheet and external financing. For more information on our recent developments, see *Item 5—Operating and Financial Review and Prospects—Key Developments for the year ended December 31, 2022* and *Item 5—Operating and Financial Review and Prospects—Key Developments after the year ended December 31, 2022*.

VEON Ltd. is an exempted company limited by shares registered under the Companies Act 1981 of Bermuda, as amended (the “Companies Act”), incorporated on June 5, 2009, and our registered office is located at Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda. Our headquarters are located at Claude Debussylaan 88, 1082 MD, Amsterdam, the Netherlands. Our telephone number is +31 20 797 7200. VEON Ltd. is registered with the Dutch Trade Register (registration number 34374835) as a company formally registered abroad (*formeel buitenlandse kapitaalvennootschap*), as this term is referred to in the Dutch Companies Formally Registered Abroad Act (*Wet op de formeel buitenlandse vennootschappen*), which means that we are deemed a Dutch resident company for tax purposes in accordance with applicable Dutch tax regulations. Our website is www.veon.com. The information presented on our website is not part of this Annual Report on Form 20-F.

Our legal representative in the United States is Puglisi & Associates, 850 Library Ave, Suite 204, Newark, DE 19711 (+1 (302) 738 6680). Our agent for service of process in the United States is CT Corporation, 11 Eighth Avenue, New York, NY 10011 (+1 (212) 894 8400). In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, which can be accessed over the internet at <http://www.sec.gov>.

B. Business overview

Business Units and Reportable Segments

VEON Ltd. is the holding company for a number of operating subsidiaries and holding companies in various jurisdictions. We currently operate and manage VEON on a geographical basis. These segments are based on the different economic environments and varied stages of development across the geographical markets we serve, each of which requires different investment and marketing strategies.

Our reportable segments currently consist of the following five geographic segments: Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh. We also present our results of operations for “Others” and “HQ” separately, although these are not

reportable segments. “Others” represents our operations in Kyrgyzstan and “HQ” represents transactions related to management activities within the Group in Amsterdam, London, Luxembourg and Dubai and costs relating to centrally managed operations and reconciles the results of our reportable segments and our total revenue and Adjusted EBITDA. See *Item 5—Operating and Financial Review and Prospects—Reportable Segments* and *Note 2—Segment Information* to our Audited Consolidated Financial Statements for further details.

This *Item 4*, unless indicated otherwise, information on the Company provides a description of our business that is current as of December 31, 2022. Important aspects of our business operations may be subject to change, including licensing, our product offering, our market position and contractual arrangements with governments and key third parties. For a further discussion on the potential impact of the ongoing conflict between Russia and Ukraine on our business, see *Item 3.D—Risk Factors* and *Item 5—Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations—The Conflict between Russia and Ukraine*.

Subsidiaries

The table below sets forth our significant subsidiaries as of December 31, 2022. The equity interest presented represents our ownership interest, direct and indirect. Our percentage ownership interest is identical to our voting power for each of the subsidiaries listed below.

Name of significant subsidiary	Country of incorporation	Nature of subsidiary	Percentage of ownership interest
VEON Amsterdam B.V.	Netherlands	Holding	100.0 %
VEON Holdings B.V.	Netherlands	Holding	100.0 %
PJSC VimpelCom	Russia	Operating	100.0 %
JSC “Kyivstar”	Ukraine	Operating	100.0 %
LLP “KaR-Tel”	Kazakhstan	Operating	75.0 %
LLC “Unitel”	Uzbekistan	Operating	100.0 %
VEON Finance Ireland Designated Activity Company	Ireland	Holding	100.0 %
LLC “Sky Mobile”	Kyrgyzstan	Operating	50.1 %
VEON Luxembourg Holdings S.à r.l.	Luxembourg	Holding	100.0 %
VEON Luxembourg Finance Holdings S.à r.l.	Luxembourg	Holding	100.0 %
VEON Luxembourg Finance S.A.	Luxembourg	Holding	100.0 %
Global Telecom Holding S.A.E	Egypt	Holding	99.6 %
Pakistan Mobile Communications Limited	Pakistan	Operating	100.0 %
Banglalink Digital Communications Limited	Bangladesh	Operating	100.0 %

* PJSC VimpelCom was classified as held-for-sale as of December 31, 2022. For discussion of our Russian Operations interests as a discontinued operation see *Note 10—Held for Sale and Discontinued Operations of the Audited Consolidated Financial Statements*. See *Note 9—Significant Transactions of the Audited Consolidated Financial Statements for details on the sale of Georgia operations*.

VEON, through its operating companies, provides customers with mobile telecommunication services in Pakistan, Ukraine, Kazakhstan, Bangladesh, Uzbekistan and Kyrgyzstan. We also provide fixed-line telecommunications services Pakistan, Ukraine, Kazakhstan and Uzbekistan as well as business-to-consumer and business-to-business OTT (over-the-top) services on mobile and fixed networks in certain markets, each of which is described more fully below.

Our mobile and fixed-line businesses are dependent on interconnection services. The table below presents certain of the primary interconnection agreements that we have with mobile and fixed-line operators in Pakistan, Ukraine, Kazakhstan, Uzbekistan, and Bangladesh.

Pakistan	In the territories of Pakistan and Azad Jammu and Kashmir (“AJK”) and Gilgit-Baltistan, we have several interconnection agreements with mobile and fixed-line operators. Our mobile termination rate (MTR) was PKR 0.7 in 2020 and 2021 and PKR 0.50 from January 1, 2022 up until June 30, 2022 and then PKR 0.4 from July 1, 2022 up until December 31, 2022.
Ukraine	We have interconnection agreements with various mobile and fixed-line operators. As of December 31, 2022, in Ukraine, the effective MTR was UAH 0.8/min and effective IMTR equaled US\$0.0212/min.
Kazakhstan	We have interconnection agreements with mobile and fixed operators. Our MTR for 2022 for local mobile operators was KZT 5.60/min and for fixed operators was KZT 14.80/min, except for those with Kazakhtelecom. For Kazakhtelecom, our MTR is KZT 16.66/min and our IMTR is KZT 53.76/min.
Bangladesh	We have interconnection agreements with interconnection exchange (“ICX”) operators, international gateway (“IGW”) operators, mobile operators, internet protocol telephony service providers (“IPTSPs”) and fixed-line operators. The domestic termination rate remains unchanged since August 14, 2018, at BDT 0.14/min (terminating mobile operator receives BDT 0.10 and ICX receives BDT 0.04). In July 2020, the BTRC imposed asymmetric mobile termination rates on the SMP operators. The minimum termination rate of international calls was changed to US\$ 0.004/min with effect from February 2, 2022. Henceforth, IGW operators are required to share 22.5% of international call termination revenue with mobile operators based on the minimum international call termination rate.
Uzbekistan	We have interconnection agreements with various mobile and fixed-line operators. The MTR rate in 2022 was UZS 0.05/minute and remains unchanged in comparison to 2021.

Description of Our Mobile Telecommunications Business

The table below presents the primary mobile telecommunications services we offer to our customers and a breakdown of prepaid and postpaid subscriptions as of December 31, 2022.

Mobile Service Description	Pakistan	Bangladesh	Ukraine	Uzbekistan	Kazakhstan	Others⁽³⁾
Value added and call completion services ⁽¹⁾	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
National and international roaming services ⁽²⁾	<i>Yes</i>	<i>Yes⁽⁷⁾</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
Wireless Internet access	<i>Yes</i>	<i>Yes</i>	<i>Yes⁽⁴⁾</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
Mobile financial services	<i>Yes</i>	<i>No⁽⁸⁾</i>	<i>No</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes⁽⁵⁾</i>
Mobile bundles	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes⁽⁶⁾</i>

(1) Value added services include messaging services, content/infotainment services, data access services, location based services, media, and content delivery channels.

(2) Access to both national and international roaming services allows our customers and customers of other mobile operators to receive and make international, local and long-distance calls while outside of their home network.

(3) For a description of the mobile services we offer in Kyrgyzstan, see “—*Mobile Business in Others.*”

(4) Includes 4G.

(5) Only reflects services offered in Kyrgyzstan.

(6) Only reflects mobile bundles provided in Kyrgyzstan.

(7) National Roaming has not been introduced yet in Bangladesh

(8) As per regulation, mobile network operators are not allowed to provide mobile financial services in Bangladesh.

Mobile Business in Pakistan

We operate in Pakistan through our operating company, Pakistan Mobile Communication Limited (“PMCL”) and our brand, “Jazz,” which is the historic Mobilink brand together with the merged Warid brand. In 2022, customers continued to migrate to 4G/LTE services following its launch in 2017 and PMCL provided 3G services in over 300 towns and cities and 4G/LTE services in 277 cities.

In Pakistan, we offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2022, approximately 97.20% of our customers in Pakistan were on prepaid plans.

We also provide a full spectrum of digital services on mobile and web platforms to our customers, and some of these services are also accessible and used by connectivity users of other operators. These include our self-care application JazzWorld, TV platform Tamasha, and mobile financial services platform JazzCash, as well as services in music, gaming, and insurance and etc.

The table below presents the primary mobile telecommunications services we offer in Pakistan.

Voice
<ul style="list-style-type: none"> airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime charges when customers travel abroad
Internet and data access
<ul style="list-style-type: none"> GPRS, EDGE, 3G and 4G/LTE
Roaming
<ul style="list-style-type: none"> active roaming agreements with 313 GSM networks in 166 countries GPRS roaming with 243 networks in 138 countries CAMEL roaming through 129 networks in 88 countries LTE roaming through 97 networks in 67 countries roaming agreements generally state that the host operator bills PMCL for the roaming services; PMCL pays these charges and then bills the customer for these services on a monthly basis
VAS
<ul style="list-style-type: none"> caller-ID; voicemail; call forwarding; missed call alert; credit balance; balance share; conference calling; call blocking and call waiting
Messaging
<ul style="list-style-type: none"> SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail), and mobile instant messaging
Content/infotainment
<ul style="list-style-type: none"> ecosystem of digital services: self-care application JazzWorld, mobile TV, platform Tamasha, gaming platform Game Now, music and live audio streaming services, mobile learning, Jazz Cricket sports app, mobile magazine, other lifestyle services.
Mobile financial services ⁽¹⁾
<ul style="list-style-type: none"> Mobile financial services through JazzCash including mobile payments and transfers, digital lending, banking card trusted payment; banks notification. Insurance services via BIMA Seyah (tele-medicine and hospital insurance).

(1) Mobilink Microfinance Bank Limited (“Mobilink Bank”), our wholly owned subsidiary, carries on a microfinance banking business and provides certain DFS and traditional banking services (including the granting of microfinance loans, provision of credit, payment and transfer services and a variety of other banking services) in Pakistan under license granted by the State Bank of Pakistan and is subject to regulation by the State Bank of Pakistan. In partnership with Jazz, Mobilink Bank offers mobile wallets and payment services under the brand “JazzCash”.

The table below presents a description of business licenses relevant to our mobile business in Pakistan. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration.

Services	License ⁽¹⁾⁽³⁾	Expiration
2G ⁽⁴⁾	Nationwide	2037
	Nationwide	2034 ⁽²⁾
3G	Nationwide	2029
4G/LTE (NGMS) ⁽⁴⁾	Nationwide	2032

- (1) Warid (now merged with Jazz) acquired a 15-year technology neutral license in 2004 for US\$291 million. US\$145.5 million was paid upfront with the remainder paid in ten equal annual installments starting with a four-year grace period, with the last payment made in May 2018. The same 2G license was amended in December 2014 by the Pakistan Telecommunication Authority (“PTA”) to allow Warid to provide 4G/LTE services in Pakistan. Additionally, the National Accountability Bureau (NAB) is conducting an investigation into certain former PTA and other officials, and has requested information from Jazz concerning Warid’s 2014 license amendment while the investigation is ongoing. The inquiry was closed by the NAB as of 17 May 2023.
- (2) The ex-Warid license renewal was due in May 2019 and was renewed by signing under protest on October 18, 2021 as a result of a pending appeal by Jazz since August 17, 2019 against the PTA’s renewal decision. We have challenged the PTA license renewal decision before Pakistani courts. However, we await final resolution from the Supreme Court of Pakistan as the review petition against the decision remains pending which has not been fixed yet. See *Note 9—Significant Transactions* to our Audited Consolidated Financial Statements for a more detailed discussion.
- (3) In addition, PMCL and its subsidiaries have other licenses, including LDI, WLL, TTP, local loop licenses, licenses to provide non-voice communication services, and licenses to provide class VAS in Pakistan, AJK and Gilgit-Baltistan. The licensees must also pay annual fees (0.5%) to the PTA and make universal service fund contributions (1.5%) and/or research and development fund contributions (0.5%), as applicable, in a total amount equal to a percentage of the licensees’ annual gross revenues (less certain allowed deductions) for such services.
- (4) In 2022, PMCL renewed its 2G/4G license at initial license fee USD 486.2 million for a further term of 15 years which was previously renewed in 2007. PMCL is entitled to provide NGMS (3G/4G) under the same renewed license. 50% of initial license fee (i.e. USD 243.1 million) was paid in 2022 at the time of renewal while the remaining 50% will be payable in equal yearly installments as per terms & conditions of license. PMCL has one 15-year license for the provision of cellular mobile 2G and NGMS services in AJK and Gilgit-Baltistan which was renewed for a further term of 15 years in 2021.

LICENSE FEES

Under the terms of its 2G, 3G and 4G/LTE licenses, as well as its license for services in AJK and Gilgit-Baltistan, PMCL must pay annual fees to the PTA and make universal service fund contributions and/or research and development fund contributions, as applicable (not all of the foregoing are applicable to all licenses), in a total amount equal to 2.5% of PMCL’s annual gross revenues (less certain allowed deductions) for such services, in addition to spectrum administrative fees.

PMCL’s total license fees (annual license fees plus revenue sharing) in Pakistan (excluding the yearly installments noted above) were US\$26.85 million, US\$24.6 million, and US\$23.7 million for the years ended December 31, 2022, 2021 and 2020, respectively. PMCL’s total spectrum administrative fee payments, including for Warid’s spectrum, were US\$1.84 million, US\$1.7 million, and US\$1.9 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Mobile bundles

We continue to focus on a technology agnostic mobile internet portfolio, which means that we offer the same pricing across our 2G, 3G and 4G/LTE technologies. In Pakistan, we offer a portfolio of tariffs and products designed to cater to the needs of specific market segments, including mass-market customers, youth customers, personal contract customers, SOHOs (with one to three employees), SMEs (with four to 249 employees) and enterprises (with more than 249 employees). We offer corporate customers several postpaid plan bundles, variable discounts for closed user groups and follow-up minutes based on bundle commitment. In addition to our core products and services, we have also started developing and offering digital solutions and products to our customers, in both business and customer segments, as well as offering dedicated account management to our large corporate customers and a 24x7 business support helpline.

Digital Services

Pakistan is a significantly underserved market in terms of financial services, with one of the highest unbanked population rates across the world. JazzCash (the country’s leading mobile finance platform accessible to users of all operators on feature and smartphones) and Mobilink Bank address this gap, providing services in micro-lending, mobile money transfers, mobile payments and the like. As of December 31, 2022, JazzCash has reached 16.4 million monthly active users and has grown the total value of transactions on the platform by 31.3% year-on-year.

Jazz’s video streaming app Tamasha provides access to the best in premium TV channels, movies, dramas and live sport, each delivered in HD format. Providing mobile infotainment services to users of other operators as well as Jazz, Tamasha’s monthly active user base reached 4.3 million customers as of December 31, 2022. Jazz also offers a wider portfolio of digital services in music streaming, gaming, sports, insurance, learning, and lifestyle etc. In December 2022, Jazz also announced a partnership with Turkcell for the expansion of BiP, an instant communication application allowing instant messaging and voice calls among other features.

Distribution

As of December 31, 2022, our sales channels in Pakistan included 10 business centers, a direct sales force of 533 employees looking after indirect sales channels, 448 exclusive franchise stores currently active and over 178,000 non-exclusive third-party retailers. For top-up services, we offer prepaid scratch cards and electronic recharge options, which are distributed through the same channels. As of December 31, 2022, Jazz brand SIMs are sold through more than 34,800 retailers, supported by biometric verification devices.

Competition

The following table shows our and our competitors' respective customer numbers in Pakistan as of December 31, 2022:

Operator	Customers in Pakistan (in millions)
PMCL ("Jazz")	73.7
Telenor Pakistan	48.4
Zong	45.4
Ufone	23.6

Source: The Pakistan Telecommunications Authority.

According to the PTA, there were approximately 191.1 million mobile connections in Pakistan as of December 31, 2022, compared to approximately 187.1 million mobile connections in Pakistan as of December 31, 2021, representing a mobile penetration rate of approximately 86.34% compared to approximately 85.9% as of December 31, 2021.

Mobile Business in Ukraine

We operate in Ukraine with our operating company "Kyivstar JSC" and our brand, "Kyivstar." Kyivstar provides mobile connectivity services on 2G, 3G and 4G/LTE networks. Kyivstar also offers voice and data services on fixed networks, including mobile and fixed converged services in consumer and business segments. Its digital portfolio in 2022 included Kyivstar TV, offered on IPTV platforms as well as mobile, self-care application MyKyivstar and consumer cloud offerings as well as B2B services.

In 2022, Kyivstar acquired a controlling stake in Ukraine's leading digital health platform Helsi – a digital data management platform supporting provision of healthcare services by medical institutions and doctors, and patients' access to healthcare including remote provision of consultations. Through this strategic investment, Kyivstar aims to extend telemedicine to the Ukrainian population and develop the leading B2B and B2C e-Health provider.

In 2022, Kyivstar prioritized keeping Ukrainians connected inside and outside of Ukraine. The company maintained network availability c.90% levels at most times in the areas where it could control its network assets. Starting in March, Ukrainian mobile operators went into national roaming for all markets. For Ukrainians forced into seeking refugee abroad, Kyivstar provided roaming services including – but not limited to "Roam like Home" offers – in cooperation with partnering mobile operators in destination countries. In addition, we have suspended charges for customers on the front line of hostilities who are without traffic and suspended cancellations for customers on the front lines with expired mobile numbers. We also have in place dedicated programs to provide some free traffic support in territories directly affected by the conflict.

The table below presents the primary mobile telecommunications services we offer in Ukraine.

Voice
<ul style="list-style-type: none"> airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime charges when customers travel abroad
Internet and data access
<ul style="list-style-type: none"> GPRS/EDGE, 3G and 4G/LTE
Roaming
<ul style="list-style-type: none"> active roaming agreements for 497 networks in 189 countries GPRS roaming on 439 networks in 167 countries 3G roaming on 331 networks in 131 countries 4G/LTE roaming on 169 networks in 87 countries
Messaging
<ul style="list-style-type: none"> SMS; voice messaging and SMS services (including information services such as news, weather, entertainment chats and friend finder)
Content, infotainment, Entertainment
<ul style="list-style-type: none"> Voice- and SMS-based value-added services (information, content, customer care) Customer care via mobile OTT app and web portal “MyKyivstar” and call centers Kyivstar TV provided both as a mobile OTT application and a fixed/IPTV service Digital health services via Helsi, offering end-user solutions and digitization of healthcare provision for medical institutions and doctors Cloud solutions including consumer storage apps and business-to-business products M2M and productivity solutions to businesses Radio Kyivstar Other content and entertainment services provided via OTT applications and web-based services Ringback tone Mobile safety service (lost & found, insurance, family tracker) Device remote support service (for smartphones/laptops/personal computers)

The table below presents a description of business licenses relevant to our mobile business in Ukraine. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration, however the spectrum needs of our operations and intentions may change.

Services	License	Expiration
GSM900 and GSM1800 ⁽¹⁾⁽²⁾	Nationwide	October 5, 2026 ⁽⁵⁾
3G ⁽³⁾	Nationwide	April 1, 2030
4G/LTE ⁽⁴⁾	Nationwide	July 1, 2033 (1800 MHz)
4G/LTE ⁽⁴⁾	Nationwide	March 5, 2033 (2600 MHz)
4G/LTE ⁽⁶⁾	25 Regions (excl. Crimea & Sevastopol)	July 1, 2040 (900 MHz)

(1) Licenses were received on October 5, 2011 for a term of 15 years each.

(2) The license was issued on April 1, 2015 for a term of 15 years.

(3) Services provided in the 2100 MHz band.

(4) Kyivstar secured 4G/LTE licenses and spectrum in two separate transactions in 2018. Following the auction held on January 31, 2018, Kyivstar acquired 15 MHz (paired) of contiguous frequency in the 2600 MHz band for UAH 0.9 billion. In addition, on March 6, 2018, Kyivstar secured the following spectrum through auction in the 1800MHz band: 25MHz (paired) for UAH 1.325 billion and two lots of 5MHz (paired) for UAH 1.512 billion.

(5) The date that was initially determined as the expiration date of the license was October 5, 2026, however, with certain regulatory changes that came into force on December 24, 2019, telecommunications operations no longer require a license to provide telecommunication services. Thus, the relevant licenses cease to be valid and it is not expected that there will be a need to extend or renew these licenses in the future.

(6) The licenses for the radio frequency resource in 900 MHz are re-issued (July 1, 2020) as part of a government project on 900 MHz redistribution and refarming as a way to introduce 4G/LTE into 900 MHz. As a result of this project, Kyivstar returned 12.5 MHz and received back on average across the country 11.9 MHz, out of which 6.2 MHz was provided with technological neutrality license conditions. We have also obtained a range of national and regional radio frequency licenses for the use of radio frequency resources in the referred standards and in specified standards radio relay and WLAN (5.4 GHz).

LICENSE FEES
In 2022, Kyivstar PJSC made spectrum and license payments as follows: annual fee for the use of radio frequency spectrum – UAH 1,009.2 million (US\$27.6 million) (paid to the State Budget); EMC and monitoring – UAH 369.6 million (US\$10.1 million) (paid to Ukrainian State Center of Radio Frequencies).

Mobile bundles

Kyivstar offers bundles including combinations of voice, SMS, mobile data, OTT services and swappable benefits (telecommunications and non-telecommunications). As of December 31, 2022, approximately 82% of our customers were on Prepaid plans.

Digital Services

In August 2022, Kyivstar announced an investment in Helsi Ukraine, the country's largest medical information system and a leading digital healthcare provider. With 23 million registered users, Helsi enables access to 1,600 public and private medical institutions and 49,000 doctors. Helsi reported nearly 1.6 million appointments booked and conducted through the platform in the final quarter of 2022.

The media streaming service Kyivstar TV reached more than 1.1 million monthly active users, representing 60.5% YoY growth. Kyivstar TV also continued to offer free access to e-learning platforms so that students can continue their education wherever they are located.

MyKyivstar, Kyivstar's self-care platform, also continues to be a significant interface for digital interactions with Kyivstar customers. MyKyivstar served 3.9m monthly active users at the end of 2022.

Distribution

Kyivstar's strategy is to maintain a leadership position by using the following distribution channels: distributors (35% of all connections), local chains (24%), monobrand stores (23%), active sales (7%), national chains (6%) and direct sales (6%).

Competition

The following table shows our and our primary mobile competitors' respective customer numbers as of December 31, 2022:

Operator	Customers (in millions)
Kyivstar	24.8
"VF Ukraine" JSC	15.4
"lifecell" LLC	8.5

Source: Official reporting by competitors. As a result of martial law declared in Ukraine, government figures are not available.

Mobile Business in Kazakhstan

In Kazakhstan, we operate as Beeline Kazakhstan, the country's largest independent mobile operator. As of December 31, 2022, approximately 91.2% of our customers in Kazakhstan were on prepaid plans.

Beeline Kazakhstan offers a wide range of B2C digital services and solutions, as well as being a leader provider of B2B digital services and systems integration services to corporate clients.

The table below presents the primary mobile telecommunications services we offer in Kazakhstan.

Voice
<ul style="list-style-type: none"> • standard voice services • VoLTE services • prepaid and postpaid airtime charges from customers, including monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime usage when customers travel abroad
Internet and data access
<ul style="list-style-type: none"> • 3G and 4G/LTE service • technology neutral licenses
Roaming
<ul style="list-style-type: none"> • voice roaming with 494 networks in 192 countries • 4G/LTE roaming with 280 networks in 107 countries • 3G roaming with 376 networks in 139 countries • GPRS roaming with 445 networks in 160 countries • CAMEL roaming through 404 networks in 168 countries • roaming agreements generally state that the host operator bills us for roaming services; we pay these charges and then bill the customer for these services on a monthly basis
VAS
<ul style="list-style-type: none"> • caller-ID; Sim in safe • Missed Call (notify me, notify about me) • SMS inform, toll-free helplines for B2B customers (Voice CPA)
Messaging
<ul style="list-style-type: none"> • SMS; display of Beeline account balance information
Content/infotainment
<ul style="list-style-type: none"> • BeeTV offered as a digital OTT service on mobile as well as IPTV/fixed service • MyBeeline self-care application and web portal including additional content features such as gaming services and Video • Music app hitter, second brand and entertainment/content/self-care application Izi, among others
Mobile financial services
<ul style="list-style-type: none"> • mobile payments (including Kazeuomobile and Woopay payment organizations) • mobile transfers (including Sim2Sim, Sim2Card, Sim2IBAN, Sim2ATM, Sim2post) • digital wallet, card “Simply” • trusted payment • direct carrier billing

The table below presents a description of business licenses relevant to our mobile business in Kazakhstan.

Licenses (as of December 31, 2022)	Expiration
Mobile services (GSM900/1800, UMTS/WCDMA2100, 4G/LTE800/1800) ⁽¹⁾⁽²⁾⁽³⁾	Unlimited term

1. License received on August 24, 1998.
2. KaR-Tel has permission to use spectrum in 800 MHz, 900 MHz, 1800 MHz and 2100 MHz for mobile services and in 2.5-2.6 GHz, 3.3-3.5 GHz, and 5.5 GHz for wireless access to internet (WLL).
3. Upfront payments in US\$ are: 800 MHz (US\$62,691,378) in 2016, 900 MHz (US\$67,500,000) in 1998, 1800 MHz (US\$10,958,904) for 4G in 2016, 2G (US\$20,783,107) in 2008, and 2100 MHz (US\$34,106,412) in 2010.

LICENSE FEES
Under the Kazakhstan tax code, in 2022 KaR-Tel was required to pay: (i) an annual fee for the use of radio frequency spectrum amounting to KZT 1,304,684,031 (US\$ 2,833,313) (for mobile and KZT 258,061,963 (US\$560,419) for a wireless local loop (WLL)); and (ii) a mobile services provision payment amounting to 1.3992% of corporate revenues from provided communications services, which totaled KZT 2,720,782,728 (US\$5,908,580).

Mobile bundles

Our bundles are designed for active mobile data users and we have different options for our customers, from data bundles to customized and family plans. Starting in 2022, we focus on the promotion of our own digital products and the development of subscription projects for our customers and customers on other networks. All of our bundles are billed using a mixed payment system and there is an automatic switch to a daily payment schedule if there is an insufficient balance in the customer's account for full payment. In addition, from time to time, we run promotions to encourage early and on time payments, such as by offering to double the customer's monthly allowance or allowing the rollover of unused data to the following month. As of September 30, 2022, the penetration of bundles into our active base is 92%.

As of December 31, 2022, approximately 91.2% of our customers in Kazakhstan were on Prepaid plans.

Digital Services

MyBeeline self-care app is a digital gateway for Beeline Kazakhstan's mobile bundles as well as other digital applications and services. In 2022, MyBeeline increased its monthly active users by 33.1% YoY to 3.9 million. The BeeTV entertainment platform is available on mobile devices as well as web and IPTV services and reached 860,000 monthly active users at the end of 2022. Simply is Kazakhstan's first mobile online-only neobank, and it served 246,000 monthly active users at the end of 2022. Beeline Kazakhstan's digital-first sub-brand izi is another strategic digital product and grew its customer base by nearly 90% year-on-year as of the end of 2022.

Distribution

We distribute our products in Kazakhstan through owned monobranding stores, franchises and other distribution channels. As of December 31, 2022, we had a total of 40 stores in Kazakhstan, as well as 10,542 other points of sale and 764 electronics stores.

Competition

The following table shows our and our primary mobile competitors' respective customers in Kazakhstan as of December 31, 2022:

Operator	Customers (in millions)
Beeline Kazakhstan	10.601
Kcell	7.986
Tele2/Altel	6.594

Source: Ministry of National Economy of the Republic of Kazakhstan, Statistics Committee, Agency for strategic planning and reforms of the Republic of Kazakhstan, Beeline Kazakhstan data and Kcell Q3 2022 public disclosure

According to the Ministry of National Economy of the Republic of Kazakhstan, Statistics Committee and other data sources noted above, as of December 31, 2022, there were approximately 25.18 million mobile connections in Kazakhstan, representing a mobile penetration rate of approximately 129.2% compared to approximately 24.5 million customers and a mobile penetration rate of approximately 128.7% in 2021.

Mobile Business in Bangladesh

We operate through our operating company, Banglalink Digital Communications Limited ("BDCL" or "Banglalink") with our brand "Banglalink" in Bangladesh.

Banglalink offers 4G connectivity since 2018 and has focused on 4G-based growth, including through network expansion, since the end of 2019. In 2022, the operator started pursuing a nation-wide growth strategy in its 4G network, expanding its regional footprint. As of December 31, 2022, Banglalink had 14,100 4G sites which results in a 4G population coverage of 81.1% and is recognized by Ookla Speedtest as the nation’s fastest 4G network provider for the last three consecutive years 2020 to 2022. At the spectrum auction organized by Bangladesh telecommunications regulator BTRC in March 2022, Banglalink acquired 40 MHz of spectrum in the 2300 MHz band, doubling its spectrum holding.

The telecommunications market in Bangladesh is largely comprised of prepaid customers. As of December 31, 2022, approximately 94% of our customers were on prepaid plans.

Banglalink also owns Toffee, a mobile TV application available as a web- and OTT-based service to users of all operators in Bangladesh. In the last quarter of 2022, Toffee aired FIFA World Cup 2022 matches, and closed the year with 21.2 million monthly active users – a 3.3 fold growth year-on-year.

In 2022, Banglalink started evolving its self-care application MyBL into a super-app providing services in mobile learning, mobile health and music, among others. MyBL recorded a 79.9% YoY increase in monthly active users, reaching 5.7 million at the end of the quarter.

The table below presents the primary mobile telecommunications services we offer in Bangladesh.

Voice
<ul style="list-style-type: none"> voice telephony to postpaid and prepaid customers through voice packs and mixed bundles
Internet and data access
<ul style="list-style-type: none"> GPRS, EDGE, 3G and 4G/LTE technology data services provided via pay-per-use and via bundles
Roaming
<ul style="list-style-type: none"> active roaming agreements with 287 GSM networks in 138 countries GPRS roaming with 195 networks in 110 countries maritime roaming and in-flight roaming roaming agreements generally state that the host operator bills BDCL for roaming services; BDCL pays these charges and subsequently bills the customer for these services on a monthly basis
VAS
<ul style="list-style-type: none"> call forwarding; conference calling; call waiting; caller line identification presentation; voicemail; and missed call alert
Messaging
<ul style="list-style-type: none"> SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail) and mobile instant messaging
Content/infotainment
<ul style="list-style-type: none"> TV platform Toffee, as a web- and mobile OTT-based offering open to users of all operators Web- and OTT-based customer care services via MyBL super app Access to digital health, mobile learning and music streaming services via MyBL super app Ad-tech capabilities deployed on Banglalink digital channels and are being offered as B2B digital products to business clients news alert service; sports related content; job alerts; religious content; Vibe music services; health services (doctor appointment, discounts on health check-up and diagnosis); education contents and games.

The table below presents a description of business licenses relevant to our mobile business in Bangladesh. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration.

Services	License	Expiration
2G ⁽¹⁾	Nationwide	2026
3G ⁽²⁾	Nationwide	2028
4G/LTE ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Nationwide	2033

- (1) In November 1996, BDCL was awarded a 15-year GSM license to establish, operate and maintain a digital mobile telephone network to provide 2G services throughout Bangladesh. The license was renewed in November 2011 for a further 15-year term.
- (2) In September 19, 2013, following a competitive auction process, Banglalink was awarded a 15-year license to use 5 MHz of technology neutral spectrum in the 2100MHz band and was also awarded a 3G license, for which it paid a total cost of BDT 8,677.4 million (US\$ 111.7 million) (inclusive of 5% VAT), including both a license acquisition fee and a spectrum assignment fee.
- (3) On February 19, 2018, Banglalink acquired a 4G/LTE license for US\$1.2 million. Banglalink also acquired the right to use 10.6 MHz technology neutral spectrum in the 1800 MHz (5.6) and 2100 MHz bands for US\$323 million including VAT (33.34% of the fee has been considered as tariff value for 15% VAT). Banglalink also converted 15MHz of existing 2G spectrum for US\$37.01 million into 4G spectrum.
- (4) In March 2021, Banglalink acquired the right to use 4.4 MHz of technology neutral spectrum in the 1800 MHz band and 5 MHz technology neutral spectrum in the 2100 MHz band effective from April 9, 2021.
- (5) In March 2022, Banglalink acquired the right to use 40 MHz of technology neutral spectrum in the 2.3 GHz band which has been effective from August 16, 2022 until February 18, 2033 to enhance 4G data speed, which could be used at a later date to deploy 5G technology.
- (6) On April 1, 2022, VEON announced that Banglalink, the Company's wholly-owned subsidiary in Bangladesh, has acquired new spectrum, doubling the company's spectrum holding. Banglalink acquired 40 MHz of spectrum from the 2300 Mz band for US\$205 for a duration of 15 years, payable in ten installments over next 11 years.

LICENSE FEES
<p>Under the terms of its 2G, 3G and 4G/LTE mobile licenses, Banglalink is required to pay to the Bangladesh Telecommunication Regulatory Commission (i) an annual license fee of BDT 50.0 million (US\$0.5 million) for each mobile license; (ii) 5.5% of Banglalink's annual audited gross revenue, as adjusted pursuant to the applicable guidelines; and (iii) 1% of its annual audited gross revenue (payable to Bangladesh's social obligation fund), as adjusted pursuant to the applicable guidelines. The annual license fees are payable in advance of each year, and the annual revenue sharing fees are each payable on a quarterly basis and reconciled at the end of each year.</p> <p>Banglalink's total license fees (annual license fees plus revenue sharing) in Bangladesh were equivalent to US\$39.20 million, US\$38.6 million, and US\$36.8 million for the year ended December 31, 2022, 2021, and 2020, respectively. In addition to license fees, Banglalink pays annual spectrum charges to the BTRC, calculated according to the size of BDCL's network, its frequencies, the number of its customers and its bandwidth. The annual spectrum charges are payable on a quarterly basis and reconciled at the end of each year. The BTRC has recently revised the formula for annual spectrum charges with the intention to apply a single formula to calculate the charge for all of the different licenses.</p> <p>BDCL's annual spectrum charges were equivalent to US\$11.9 million, US\$13.7 million, and US\$10.3 million for the years ended December 31, 2022, 2021, and 2020, respectively.</p>

Distribution

As of December 31, 2022, our sales and distribution channels in Bangladesh included 83 monobrand stores, a direct sales force of 78 corporate account managers and 125 zonal sales managers (for mass market retail sales), 74,699 retail SIM outlets, 387,135 top-up selling outlets and the online sales channels. We provide a top-up service through mobile financial services, ATMs, recharge kiosks, international top-up services, SMS top-up and the Banglalink online recharge system. We provide customer support through our contact center, which operates 24 hours a day and seven days a week. The contact center caters to several after-sales services to all customer segments with a special focus on a "self-care" app to empower customers and minimize customers' reliance on call center agents. In order to stimulate data usage and fast track 4G smartphone penetration in the Banglalink network, we conducted strategic campaigns with leading Smartphone brands. In addition, we drive the fastest 4G experience from top smartphone retail stores.

Competition

The mobile telecommunications market in Bangladesh is highly competitive. The following table shows our and our competitors' respective customer numbers in Bangladesh as of December 31, 2022.

Operator	Customers in Bangladesh (in millions)
Grameenphone	79.29
Robi Axiata	54.40
Banglalink	39.81
Teletalk	6.69

Source: Bangladesh Telecommunication Regulatory Commission.

According to the Bangladesh Telecommunication Regulatory Commission, the top three mobile operators, Grameenphone, Robi Axiata and Banglalink, collectively held approximately 96.28% of the mobile market which consisted of approximately 180.20 million customers as of December 31, 2022, compared to approximately 181.02 million customers as of December 31, 2021.

Mobile Business in Uzbekistan

In Uzbekistan, we operate through our operating company, LLC “Unitel,” and our brand, “Beeline.”

Our 4G/LTE services were commercially launched in 2014. Unitel was the first mobile operator in Uzbekistan to provide 4G/LTE services. It is currently offering a digital portfolio that includes mobile financial services, web- and OTT-based content applications and B2B services including big data analytics.

The table below presents the primary mobile telecommunications services we offer in Uzbekistan.

Voice
<ul style="list-style-type: none"> airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime charges when customers travel abroad GSM service is provided in 2G and 3G networks; call duration for one session is limited to 60 minutes
Internet and data access
<ul style="list-style-type: none"> GPRS/EDGE/3G/4G/LTE networks
Roaming
<ul style="list-style-type: none"> active roaming agreements with 493 GSM networks in 185 countries GPRS roaming with 422 networks in 164 countries CAMEL roaming through 288 networks in 126 countries roaming agreements generally state that the host operator bills us for roaming services; we pay these charges and then bill the customer for these services on a monthly basis
VAS
<ul style="list-style-type: none"> call forwarding; conference calling; call blocking; and call waiting the process of implementation of two-step verification for VAS subscriptions (the “double yes” program) is ongoing and is a prerequisite for the launching of new products
Messaging
<ul style="list-style-type: none"> SMS
Entertainment
<ul style="list-style-type: none"> Beeline TV (+70 channels, +16K films and series); Beeline Music (+18 mln. tracks); Games (+1000 mobile games), Beeline Press (newspaper and magazine aggregator)
FinTech
<ul style="list-style-type: none"> Beepul is a popular local fintech application. A full range of financial services is available to users including telco, commodity payments and 800 more. Another main stream is P2P transfers that helps users send money fast and easy. Furthermore, a distinctive feature of Beepul is strong integration with telco services that involves users into combined ecosystem.
Self-care
<ul style="list-style-type: none"> Beeline app and Beeline web (+1 mln MAU YoY, UX/UI updated)
Others
<ul style="list-style-type: none"> Launched new products in Big Data (scoring, geo analytics), E-commerce (+1500 SKU) and EduTech (+700 localized articles and videos)

The table below presents a description of business licenses relevant to our mobile business in Uzbekistan. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration.

Services	License	Expiration
GSM900/1800 ⁽¹⁾	Nationwide	August 7, 2031
3G ⁽¹⁾	Nationwide	August 7, 2031
4G/LTE ⁽¹⁾	Nationwide	August 7, 2031
International Communication Services License	Nationwide	2026
Data Transfer	Nationwide	Unlimited/Unlimited ⁽²⁾
Inter-city communication services license	Nationwide	2026
TV broadcasting	Nationwide	2023

(1) Requires annual license fee payments.

(2) License for exploitation of the data transfer network does not have a fixed term, and the license for design, construction and service provision of data transfer network was renewed in June 2020 with an unlimited term.

LICENSE FEES

In 2022, Unitel LLC made payments for spectrum and licenses with the following split: the annual fee for use of radio frequency spectrum in the total amount of US\$ 5,453,802 and renewal of existing licenses (three licenses in total) in the total amount of US\$ 3,868,445 paid to the state budget of Ministry for Development of Information Technologies and Communications.

Mobile bundles

In March 2022, Beeline became the first operator in the market to launch a bundled offer which combined connectivity with digital services including Beeline TV & Beeline Music service. In summer 2022, we offered a new price plan constructor where the users can construct their bundles on their own, which is unique for Beeline subs.

We offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2022, approximately 89.3% of our customers in Uzbekistan were on prepaid plans. In Uzbekistan, we offer a portfolio of tariffs and products for the prepaid system designed to cater to the needs of specific market segments, including mass-market customers, youth customers and high value contract customers. In addition, we have the following four segments in our postpaid system: large accounts, business to government, SME and SOHO.

Digital services

Beeline Uzbekistan offers a full portfolio of digital services to its customers, including services in mobile TV, music, gaming and mobile financial services. In 2022, the company started offering big data solutions to its B2B customers.

In line with the increasing focus on digital services, we invest in local talent upskilling and jobs creation in the ICT industry. In 2022, we expanded our local BeeLab software team from 15 to 100 employees and are investing in a Beeline IT Academy in Uzbekistan to provide our own digital education hub across areas including IT skills and cybersecurity.

Distribution

As of December 31, 2022, our sales channels in Uzbekistan include 41 owned offices, 763 exclusive stores and 2,265 multi-brand stores.

Competition

The following table shows our and our primary mobile competitors' respective customers in Uzbekistan as of December 31, 2022:

Operator	Customers (in millions)
LLC "Unitel"	8.4
Ucell	11.0
UzMobile (Uzbektelecom)	9.3
UMS	4.5
Perfectum	0.1

Source: GSMA Intelligence. Regulatory disclosures are not available in Uzbekistan, and sources may cite different numbers, including the considerably lower customer base reference by one of our competitors.

According to GSMA, as of December 31, 2022, there were approximately 32.3 million mobile connections in Uzbekistan, representing a mobile penetration rate of approximately 93.4% compared to approximately 29.9 million connections and a mobile penetration rate of approximately 89.7% as of December 31, 2021.

Mobile Business in Others

The "Others" category represents our operations in Kyrgyzstan and Georgia (included until the sale thereof on June 8, 2022). Our Kyrgyzstan business operates under the brand name "Beeline Kyrgyzstan" and provides mobile and fixed connectivity services as well as mobile financial services through its Balance KG application. For information on reportable segments, see *Item 5—Operating and Financial Review and Prospects—Reportable Segments*.

As of December 31, 2022, Beeline Kyrgyzstan served 91% of its mobile customer base with prepaid offers and 9% with postpaid.

The table below presents the primary mobile telecommunications services we offer in Kyrgyzstan.

Voice
<ul style="list-style-type: none"> • standard voice services • prepaid and postpaid airtime charges from customers, including weekly and monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime usage when customers travel abroad.
Internet and Data Access
<ul style="list-style-type: none"> • 3G and 4G/LTE services • technology neutral licenses
Roaming
<ul style="list-style-type: none"> • Voice: 444 networks in 130 countries • GPRS: 307 networks in 107 countries • 4G/LTE: 205 networks in 86 countries • CAMEL: 273 networks in 100 countries
<ul style="list-style-type: none"> • roaming agreements generally state that the host operator bills for roaming services; for outbound roaming: prepaid customers are billed online, and postpaid customers are billed on a monthly basis; for inbound roamers: we send the data for roaming charges to our RPs online (prepaid) and offline (postpaid), and then bill these charges to our RPs.
VAS
<ul style="list-style-type: none"> • caller-ID; voicemail; call forwarding; conference calling; call blocking, call hold and call waiting
Messaging
<ul style="list-style-type: none"> • SMS, MMS, voice messaging and mobile instant messaging
Content/Infotainment/Entertainment
<ul style="list-style-type: none"> • SMS CPA, Voice CPA, RBT, voice services (including referral services), geolocation based services, content downloadable to telephone (including music, pictures, games and video); access to radio/television/VOD broadcasting online or via mobile app • Beeball
DFS
<ul style="list-style-type: none"> • balance transfer, trusted payment, mobile wallet • Balance.kg

The table below presents a description of business licenses relevant to our mobile business in Kyrgyzstan. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration.

Licenses (as of December 31, 2022)	Expiration
Radio spectrum of 2600 MHz for the certain territory of Kyrgyzstan (technology neutral) 2530-2550MHz/2650-2670MHz	February 2030
Radio spectrum of 800 MHz for the entire territory of Kyrgyzstan (technology neutral) 796-801MHz/837-842MHz	September 2025
Radio spectrum of 800 MHz for the entire territory of Kyrgyzstan (technology neutral) 791-796MHz/832-837MHz	December 2026
Radio spectrum of 900 MHz, 1800 MHz and 2100 MHz for the entire territory of Kyrgyzstan (technology neutral)	October 2024
National license for electric communication service activity	Unlimited term
National license for base station transmission	December 2024
National license for services on data traffic	Unlimited term
Radio spectrum for one site (transmission)	May 2023
Radio spectrum of 2360 – 2400 MHz (technology TDD) for Bishkek city	October 2031

Wireless internet services

In 2023, we are aiming to focus on improving network capacity in the north of Kyrgyzstan and complete spectrum refarming in the south of Kyrgyzstan.

Distribution

We distribute our products in Kyrgyzstan through owned monobranding stores, franchises and other distribution channels. As of December 31, 2022, we had 77 stores in Kyrgyzstan (as well as 7000+ other points of sale).

Mobile customers and mobile penetration rate

The table below presents our total number of customers and the total mobile penetration rate for all operators in Kyrgyzstan as of December 31, 2022 and December 31, 2021.

2022⁽¹⁾ <i>(millions of customers)</i>	Mobile Penetration	2021 <i>(millions of customers)</i>	Mobile Penetration
7.4	104.7%	7.3	110.3%

(1) Source: Annual report of State Communication Agency under the State committee of information technology and communications of Kyrgyz Republic.

Description of Our Fixed-line Telecommunications Services

In Pakistan, we offer internet and data connectivity services over a wide range of access media, covering major cities of Pakistan. We also provide cross border transit services. In Ukraine we offer voice, data and internet services to corporations, operators and consumers using a metropolitan overlay network in major cities and fixed-line telecommunications using inter-city fiber optic networks. We also offer Internet-TV using FTTB (Fiber to the building) technology in Ukraine. In Kazakhstan, we offer a range of fixed-line business services for B2O, B2B and B2C segments. In Uzbekistan, we offer voice, data and internet services to corporations, operators and consumers using a metropolitan overlay network in major cities and fixed-line telecommunications using inter-city fiber optic and satellite-based networks. We do not offer fixed-line telecommunications services in Bangladesh or Kyrgyzstan.

Fixed-line Business in Pakistan

The table below presents a description of the fixed-line telecommunications services we offer in Pakistan.

Services
<ul style="list-style-type: none"> • data and voice services over a wide range of access media, covering more than 225 locations, including all the major cities • data services being provided to the enterprise customers include: dedicated internet access, VPN (virtual private networking), leased lines & fixed telephony • domestic and international transit leased lines, domestic and international MPLS, and IP transit services through our access network • high-speed internet access (including fiber optic lines) • telephony • telephone communication services, based on modern digital fiber optic network • value added services including Universal Access Number (UAN) and Toll Free numbering (TFN) services • cloud based contact center and helpdesk solutions and enterprise surveillance bundled with Fixed voice and data connectivity • dedicated lines of data transmission • dedicated line access and fixed-line mobile convergence
Coverage
<ul style="list-style-type: none"> • wired and wireless access services include FTTx, PMP (point to multipoint), point-to-point radios, VSAT and Microwave links connecting more than 225 locations across Pakistan
Operations
<ul style="list-style-type: none"> • long-haul fiber optic network covers more than 13,000 kilometers and is supplemented by wired and wireless networks
Customers
<ul style="list-style-type: none"> • enterprise customers • domestic and international carriers • corporate and individual business customers

Distribution

We utilize a direct sales force in Pakistan for enterprise customers. This dedicated sales force has three channels dedicated to SMEs, large/key accounts and business-to-government. These channels are led by individual channel heads who further employ a team of regional sales managers in different regions, which are further supported by a sales force, including team leads and key account managers. Keeping in view the growing shift towards digitization we have enabled a new sales team specifically targeting all digital solutions led by a Digital Sales head. There is also a centralized telesales executive team led by a manager who upsells through targeted campaigns.

Competition

In Pakistan, our fixed-line business operates in a competitive environment with other providers of fixed-line corporate services, carrier and operator services and consumer internet services. The table below presents our competitors in the internet services, carrier and operator services and fixed-line broadband markets in Pakistan.

Internet Services		
• PTCL	• Transworld	• World Call
• Wateen	• Cybernet	• Multinet
Carrier and Operator Services		
• PTCL	• Transworld	• World Call
• Wateen	• Telenor Pakistan	
Fixed-line Broadband		
• Pakistan Telecommunication Company Limited, or “PTCL”	• Cybernet	• Supernet
• Multinet	• Nexlinx	
• Wateen	• Nayatel	

Licenses

The table below presents a description of business licenses relevant to our fixed-line business in Pakistan. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration.

Services	License	Expiration
Long Distance & International (“LDI”)	Nationwide and International	2024
Local Loop (“LL”) (fixed line and/or wireless local loop with limited mobility)	Regional	2024
Telecom Tower Provider (“TTP”)	Nationwide	2032

Fixed-line Business in Ukraine

The table below presents a description of the fixed-line telecommunications services we offer in Ukraine.

Services
<ul style="list-style-type: none"> Corporate internet access using various last mile technologies (optical and copper lines, FTTB, xDSL, MW RRL, WiMax, Wi-Fi, 2/3/4G) at speeds ranging from 2 Mbit/s to 10 Gbit/s and additional services (IP-addresses, BGP, Backup, SLA, corporate Wi-Fi, DDos protection)
<ul style="list-style-type: none"> Fixed-line telephony: IP-lines, SIP-Trunk, analog telephony, ISDN PRI, 0-800, Virtual PBX
<ul style="list-style-type: none"> Data transmission (IPVPN and VPLS)
<ul style="list-style-type: none"> FMC
<ul style="list-style-type: none"> FTTB services tariffs for fixed-line broadband internet access targeted at different customer segments
Coverage
<ul style="list-style-type: none"> provided services in 130 cities in Ukraine (including 10 cities located in the occupied territory and excluding cities in Crimea and the ATO zone)
<ul style="list-style-type: none"> engaged in a project to install FTTB for fixed-line broadband services in approximately 44,393 residential buildings including 2,138 residential buildings in the cities located in the occupied territory in 125 cities (including 10 cities located in the occupied territory and excluding cities in Crimea and the ATO zone), providing over 61,389 access points (including 2,959 access points located in the occupied territory)

Our joint carrier and operator services division in Ukraine provides local, international and intercity long-distance voice traffic transmission services to Ukrainian fixed-line and mobile operators on the basis of our proprietary domestic long-distance/ILD network, as well as IP transit and data transmission services through our own domestic and international fiber optic backbone and IP/MPLS data transmission network. We derive most of our carrier and operator services revenue in Ukraine from voice call termination services to our own mobile network and voice transit to other local and international destinations.

Competition

As a result of martial law declared in Ukraine, government figures on the voice services, data services and retail internet services market for the end of 2021 and 2022 are not available. Based on data from the NCCIR as of September 30, 2021, we estimate that there are more than 3,000 internet service providers in Ukraine. According to the NCCIR, as of September 30, 2021, Kyivstar led the fixed broadband market with 1.2 million customers, which corresponded to a 14.5% market share. The table below presents our primary competitors in Ukraine in the services indicated according to the latest published information from NCCIR available to us (which is as of September 30, 2021). The market share information of the top five ISPs has not been provided due to the lack of current figures from the NCCIR.

Voice Services ⁽¹⁾ and Data Services ⁽²⁾		
Ukrtelecom	Data Group	Farlep-Invest (Vega)
Retail Internet Services		
Kyivstar	Ukrtelecom	Data Group and Volia

(1) Voice service market for business customers only.

(2) Data services for corporate market only.

Source: NCCIR as of September 30, 2021

Distribution

Our company emphasizes high customer service quality and reliability for its corporate large accounts while at the same time focusing on the development of its SME offerings. We sell to corporate customers through a direct sales force and various alternative distribution channels such as IT servicing organizations and business center owners, and to SME customers through dealerships, direct sales, own retail and agent networks. We use a customized pricing model for large accounts which includes service or tariff discounts, volume discounts, progressive discount schemes and volume lock pricing. We use standardized and campaign-based pricing for SME customers. Our residential marketing strategy is focused on attracting new customers. We offer several tariff plans, each one targeted at a different type of customer. In addition, we have been able to benefit from cross-selling our products. As of December 31, 2022, our penetration of fixed-mobile convergence (“FMC”) in fixed broadband was 83%, due to a high level of migration of mobile customers to FMC.

Licenses

Following legislative changes, including the changes to the Law “On Telecommunications” made in 2019 by the Ukrainian Parliament, state licensing of fixed-line telecommunications services has now been abolished. Accordingly, our fixed-line business in Ukraine no longer requires licensing in order to operate. However, the licensing requirements in respect of radio frequency resource (RFR) use remains unchanged following the changes to the Law “On Telecommunications” made in 2019.

Fixed-line Business in Kazakhstan

The table below presents a description of the fixed-line telecommunications services we offer in Kazakhstan.

Services
<ul style="list-style-type: none"> • high-speed internet access • local, long distance and international voice services over IP • local, intercity and international leased channels and IP VPN services • cloud services, BeeTV, Internet of things (IoT) • integrated corporate networks (including integrated network voice, data and other services) • FMC product, including mobile bundles and video content from Amediateka and IVI, and additional SIM cards for family • ADSL, FTTB, Wi-Fi, WiMax, VSAT, GPON, WTTX

Distribution

We are focusing on customer base and revenue growth, which we aim to promote by expanding our transport infrastructure, developing unique products, strengthening our position in the market and enhancing our sales efforts and data services, and Fixed Virtual Network Operator (FVNO) activity.

Competition

The table below presents our competitors in the fixed-line telecommunications services market in Kazakhstan.

Internet, Data Transmission and Traffic Termination Services	
• Kazakhtelecom	• TransTelecom (owned by Kazakhstan Temir Zholy, the national railway company)
• KazTransCom, Jusan mobile (Kcell own a 20% share)	• Astel (a leader in the provision of satellite services)
• Alma TV	

Licenses

The table below presents a description of business licenses relevant to our fixed-line business in Kazakhstan. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration.

Services	License	Expiration
Long-distance and International	Nationwide	Unlimited

Fixed-line Business in Uzbekistan

The table below presents a description of the fixed-line telecommunications services we offer in Uzbekistan.

Services
<ul style="list-style-type: none"> • fixed-line services, such as network access • internet and hardware and software solutions, including configuration and maintenance • high-speed internet access (including fiber optic lines and xDSL) • telephony • long distance and international long-distance telephony on prepaid cards • telephone communication services, through our copper cable network and our modern digital fiber optic network • dedicated lines of data transmission • dedicated line access and fixed-line mobile convergence
Coverage
• provided services in Tashkent and other regions such as Navoi, Samarkand, Uchkuduk and Zaravshan

Distribution

One of our priorities in Uzbekistan is the development of information and communications technology, which supports economic development in Uzbekistan. Our strategy includes maintaining our current market position by retaining our large corporate client customer base.

Competition

There is a high level of competition in the capital city of Tashkent, but the fixed-line internet market in most of the other regions remains undeveloped. The table below presents our competitors in the fixed-line services market in Uzbekistan.

Fixed-line Services	
• Uztelecom	• Sharq Telecom
• East Telecom	• TPS
• Sarkor Telecom	• EVO

Licenses

The table below presents a description of business licenses relevant to our fixed-line business in Uzbekistan. Unless noted otherwise, we plan to apply for renewal of these licenses prior to their expiration.

Services	License	Expiration
Fixed-line, long distance and international	Nationwide	Unlimited
Data	Nationwide	Unlimited

Regulatory

For a description of certain laws and government regulations to which our main telecommunications businesses are subject, see *Exhibit 99.2—Regulation of Telecommunications*.

The voice, data and connectivity services we provide may also expose us to sanctions and embargo laws and regulations of the United States, the United Nations, the European Union, the United Kingdom and the jurisdictions in which we operate. We currently face civil instability within our geographic footprint, and in this context, changes in local regulation and laws can be unpredictable, arbitrary and/or politically motivated, and such changes may result in material adverse consequences for the Group. Under circumstances of the military conflict, governments can pass and enforce sanctions and other measures that materially and adversely impact our operations or our ownership in our businesses, without regard to pre-existing laws and foreign investment assurances. In addition, as a global telecommunications company, we have roaming and interconnect arrangements with mobile and fixed-line operators located in the majority of countries throughout the world, including in countries that are the target of certain sanctions restrictions. For a discussion of the sanctions regimes we are subject to, including the risks related to such exposure, see *Item 3.D—Risk Factors—Regulatory, Compliance and Legal Risks—Violations of and changes to applicable sanctions and embargo laws, including export control restrictions, may harm our business*.

Seasonality

Telecommunications services are often impacted by seasonality, with certain months seen as higher consumption periods and others as low. Given the geographical diversity of our markets and the re-distribution of our Group revenues in a way that each operating company has a noticeable impact, it is not possible to talk about high and low seasons for the Group as a whole. Seasonality trends might be further disrupted, somewhat materially, but not fully predictably, by the changing time of Ramadan and the Islamic religious festivals in Pakistan and Bangladesh, the timing or timings of our operating companies' repricing actions and the large-scale network rollouts. In 2022, our business was impacted, to some extent, by each of these trends. In addition, we also experienced impacts on business as a result of the onset of the conflict in Ukraine (including the infrastructure damage and the population displacement it generated), a second wave of unpredictable changes in Ukraine in the fourth quarter of 2022 due to the attacks on energy infrastructure and the ensuing blackouts, the population movements towards Kazakhstan and Uzbekistan due to the conflict, as well as the floods in Pakistan and Bangladesh. These irregularities, as well as some residual impacts of COVID in 2021 and 2020, make it impossible to isolate the specific impact of seasonality, if any, on our business through 2022.

Corporate Governance

The Company recognizes the importance of, and is committed to, instilling good corporate governance across the Group. Under accounting provisions applicable to us, if we deviate from the Dutch Corporate Governance Code, the reason for such deviation must be explained in our board report. As a Bermuda incorporated exempt company with ADSs listed on the NASDAQ Capital Market, the Company follows a set of governance principles other than the Dutch ones, and as the Dutch Corporate Governance Code only applies to companies incorporated in the Netherlands, we have chosen not to comply with the best practice provisions of the Dutch Corporate Governance Code as at the date of this report. There is also no other external corporate governance code that the Company follows.

The Company will continue to assess whether compliance with the Dutch Corporate Governance Code might have merit in the future. The Company has implemented a Code of Conduct (https://www.veon.com/media/5826/code_of_conduct_2022.pdf) that sets forth the framework and principles in key areas, including our zero tolerance for bribery, to ensure we adhere to the highest standards of ethical conduct. Effective, February 1, 2023 the Company has also implemented the Business Partner Code of Conduct (<https://www.veon.com/media/2896/business-partner-code-of-conduct-final.pdf>) which establishes basic requirements and responsibilities for each of our business partners (vendors, suppliers, agents, contractors, consultants, intermediaries, resellers, distributors, third party service providers) on corruption.

Information Technology and Cybersecurity

As part of our overall strategy and ambition, in 2022, a special focus was given to the development, improvement and maintenance of our IT and cybersecurity systems. In 2022, we completed the upgrade of the digital business support systems (DBSS) across our operating companies in Bangladesh, Pakistan, Ukraine, and Kyrgyzstan. DBSS enhancements are currently ongoing in Uzbekistan and Kazakhstan.

The enhancement of our IT and cybersecurity capabilities optimizes controls, performance and the experience of our stakeholders as they use our core services. At the same time VEON's advanced capabilities enables our operators to offer IT, cybersecurity and big data/artificial intelligence-based products as a part of their B2B portfolios. Our portfolio of advanced IT/big data services includes data-driven marketing ("AdTech"), risk scoring models, geo-analytics, video/audio analytics, cybersecurity as a service, private industrial networks, integration and cloud infrastructure services. Jazz, our operating company in Pakistan, completed and unveiled Pakistan's largest Tier III certified data center on January 25, 2022, which serves the business needs of our Pakistan operations, as well as those of the broader business community in Pakistan. A major technical upgrade was executed in Bangladesh to ensure efficient operations of our TV/media service enjoying 24 million monthly active users during the Football World Cup. Our operations in Kyrgyzstan and Kazakhstan started to offer a cybersecurity as a service proposition on a commercial basis to major clients in the banking sector.

Cybersecurity governance, policies, procedures and strategies

Cybersecurity and compliance with data protection regulations remain key priorities. The Audit and Risk Committee receives reports on our IT and cybersecurity activities on a semi-annual basis and any significant cybersecurity developments or incidents are reported to the Board of Directors if and when they arise. At the operational level, each operating company has appointed a chief cyber security officer to ensure operational focus and consistency of our cyber security function.

Our updated cybersecurity policy came into effect on February 2022. We regularly run cybersecurity forums to allow for structured and consistent governance throughout VEON, which is used to enforce the implementation of our cybersecurity policy, share best practices, lessons learned, industry developments, and other industries' experiences. We have also established and continue to improve our VEON group-wide horizontal experience exchange mechanism to share best practices in cybersecurity as well as to report and track operational alarms, ongoing attacks and more across operating companies to enable us to respond to cyber threats of global scale.

Furthermore, our cybersecurity policy requires each of our operating companies to meet international best practice standards including ISO 27001. Our operating companies in Bangladesh and Pakistan completed ISO 27001 (Information Security Management System) certification during 2022.

Penetration tests and so-called “ethical hacking” tests are being carried out frequently across our operating companies to assess the current cybersecurity levels and proactively detect possible weaknesses in different systems. This allows us to act on potential cybersecurity problems before they materialize. To increase cybersecurity awareness even further a new email “phishing campaign” has been launched. As a next step, employees’ cybersecurity awareness will be regularly monitored through new campaigns and an online awareness test.

Cybersecurity incidents

We had no material cybersecurity incidents in 2022.

Intellectual Property

We rely on a combination of trademarks, service marks and domain name registrations, copyright protection and contractual restrictions to establish and protect our technologies, brand name, logos, marketing designs and internet domain names. We have registered and applied to register certain trademarks and service marks in connection with our telecommunications and digital businesses in accordance with the laws of our operating companies. Our registered trademarks and service marks include our brand name, logos and certain advertising features. Our copyrights and know-how are principally in the area of computer software for service applications developed in connection with our mobile and fixed-line network platform, our internet platforms and non-connectivity service offerings and for the language and designs we use in marketing and advertising our communication services. For a discussion of the risks associated with new technology, see *Item 3.D.—Risk Factors—Operational Risks—The loss of important intellectual property rights as well as third-party claims that we have infringed on their intellectual property rights could significantly harm our business.*

Sustainability

The Group Chief Corporate Affairs Officer oversees the corporate sustainability (ESG) program and confers with our management in connection with executing its duties.

Our approach to sustainability goes beyond corporate philanthropy, and is centered around the idea of using technology to empower communities. The approach consists of two important elements: our “license to grow” and our “license to operate” initiatives, and reflects our desire to forge valuable partnerships that benefit all our stakeholders. The first element, our license to grow initiative, is supported by our digital entrepreneurship and digital skills and literacy programs, which help us to contribute long-term socioeconomic value to the communities we serve. Through promoting digital inclusion and creating new opportunities for participants, these programs also contribute to the demand for digital products and services, which in turn creates new opportunities for our business. In parallel, the second element of our approach to sustainability, the license to operate initiative, is focused on efforts aimed at improving and sustaining our global operations. It emphasizes services that provide long-term benefits to the societies we operate in, as well as good corporate citizenship, ethical behavior and operational performance. VEON is committed to creating social and business value by making impactful investments that help create new services, partnerships and forums, which in turn enable and empower the people we serve across our markets.

Our Integrated Annual Report 2022 describes this approach to sustainability and meets Global Reporting Initiative standards at the “core” level, follow the guidance in the AA1000 Accountability Principles Standard and is influenced by International Integrated Reporting Council guidance. The Integrated Annual Report 2020 has also obtained a “limited” level of assurance in various “subject matters” to meet the requirements of the International Standard on Assurance Engagements (ISAE) 3000 (revised). For the AA1000 Principles, our assurance engagement was planned and performed to meet the requirements of a Type 1 “moderate level” of assurance as defined by AA1000 Assurance Standard (AA1000AS) 2008.

- As part of our reporting cycle, we assess the effectiveness of our sustainability strategy and revise it when needed.
- Our approach to the identification, management and evaluation of sustainability is guided by three main principles:

- Stakeholders: By engaging with our stakeholders, we understand their concerns and expectations, and we follow a number of stakeholder-defined standards and guidelines;
- Materiality: Using pre-defined criteria, we prioritize materiality by assessing individual opportunities against our strategy and their importance to our stakeholders; and
- Accountability: We are accountable to our stakeholders through the publication of our Integrated Annual Report. We also share periodic updates with internal stakeholders, including members of management, to inform them about key sustainability-related developments and our sustainability performance.

MSCI ESG Ratings rated VEON ‘BBB’ in its most recent assessment of our resilience to long-term environmental, social and governance risks. The assessment, dated April 2022, cited our performance in corporate governance as a particular area of strength relative to its industry peers. We are also proud to be a member of the GSM Association’s (GSMA) climate action taskforce and are planning to align with the organization’s goal of achieving net-zero GHG emissions for the industry by 2050. By taking this step, we are working towards setting climate action targets for our business that help our industry meet its emissions objectives.

Our support for the GSMA’s ambitions corresponds with a variety of existing initiatives to reduce the energy intensity of our business. We are committed to mitigating our carbon footprint and the rollout of network energy-efficiency measures, which will contribute to a low-carbon economy as well as offer us the potential to reduce our operating costs over time. We continue to upgrade existing diesel- and petrol-powered units with more energy-efficient, hybrid and renewable energy-powered network equipment and, where practical, increase the number of base transceiver stations situated outside to reduce the energy use involved in keeping them cool. In some markets we share tower capacity with other operators, which has had a direct positive impact on our energy consumption and our environmental footprint. We keep abreast of local environmental legislation and strive to reduce the environmental impact of our operations through responsible use of natural resources and by reducing waste and emissions.

Our operating companies continue to develop innovative solutions to reduce energy intensity, such as powering telephone exchange stations on solar energy, installing state-of-the-art on-grid photovoltaic systems and carrying out training on renewable energy solutions to ensure stakeholders are aware of our carbon- and cost-saving benefits. Across our organization, we continued working on reducing the carbon footprint of our offices, with a variety of initiatives including switching to LED lighting. Additionally, our recent decision to encourage home-working as a permanent change to our HR policy at our Amsterdam headquarters will enable us to make an additional contribution to reducing the carbon footprint of our headquarters function.

EU Taxonomy Regulation

As of 2021, we started applying the EU Taxonomy regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

After a thorough review, we concluded that our core economic activities are not covered by the Climate Delegated Act and consequently are Taxonomy-non-eligible. It is therefore concluded that VEON Group with its core business activities is not identified as a relevant source of GHG emissions under the EU Taxonomy regime. Additionally, as our core economic activities are not covered by the Climate Delegated Act and are consequently Taxonomy-non-eligible, we have not provided any Taxonomy-Alignment assessment herein.

Disclosure of Activities under Section 13(r) of the Exchange Act

Under Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) to the Exchange Act, we are required to disclose whether we or any of our affiliates are knowingly engaged in certain activities, transactions or dealings relating to Iran or certain designated individuals or entities. Disclosure is required even when the activities were conducted outside the United States by non-U.S. entities—including non-U.S. entities that are not otherwise owned or controlled by U.S. entities or persons—and even when such activities were conducted in compliance with applicable law.

The following information is disclosed pursuant to Section 13(r) of the Exchange Act.

We do not have any subsidiaries, affiliates, other equity investments, assets, facilities or employees located in Iran, and we have made no capital investment in Iran. Except as specified below, we do not believe we have provided any products, equipment, software, technology, information, support or services into Iran, or had any agreements, arrangements, or other contacts with the government of Iran or entities owned or controlled by the government of Iran.

As is standard practice for global telecommunications companies, we have, via certain non-U.S. subsidiaries, wholesale roaming and interconnect arrangements with mobile and fixed line operators located in the majority of countries throughout the world, including Iran. These agreements allow our customers to make and receive calls internationally, including when our customers are on other networks. In addition, a selection of our non-U.S. subsidiaries also provide telecommunications services to Iranian embassies located in certain of our countries of operation. We intend to continue these agreements in compliance with applicable U.S. sanctions laws.

Our non-U.S. subsidiaries have roaming agreements with the following GSM mobile network operators in Iran which may be owned, controlled or otherwise affiliated with the government of Iran: MTN Irancell and RighTel. During 2022, our gross revenue received from roaming arrangements with MTN Irancell and RighTel was approximately US\$1,490 and US\$59 respectively. We recorded approximate net losses from roaming arrangements with MTN Irancell and RighTel of US\$115,708 and US\$4,106.

Our non-U.S. subsidiaries have the following agreements with Iranian embassies. During 2001, VimpelCom began providing telecommunications services, including mobile and fixed-line services, to the Embassy of Iran in Moscow. The approximate gross revenue for these services in 2022 was US\$35,441. During 2013, our Pakistan subsidiary, Jazz, began providing mobile telecommunications services to the Embassy of Iran in Islamabad. The approximate gross revenue for these services in 2022 was US\$4,536. During 2004, our Kyrgyzstan subsidiary, Sky Mobile LLC, began providing mobile telecommunications services to the Embassy of Iran in Bishkek. The approximate gross revenue and net profits for these services in 2022 was US\$492 and US\$371, respectively.

During 2009, our former subsidiary in Algeria, OTA, and subsequently its wholly owned subsidiary, Optimum Telecom Algérie S.p.A., began providing mobile telecommunications services to the Embassy of Iran in Algiers. In response to our inquiry relating to the amount of such services provided, OTA informed us that through August 5, 2022 (the date of the completion of the sale of our stake in OTA), the approximate gross revenue and net profit for these services in 2022 was US\$245 and US\$109, respectively. During 2007, our Bangladesh subsidiary, Banglalink, began providing telecommunications services to the Embassy of Iran in Dhaka.

On April 15, 2021, the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") designated Pozitiv Teknologzhiz, AO ("Positive Technologies") on the Specially Designated Nationals and Blocked Persons List (the "SDN List") pursuant to Executive Order 14024, "Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation," and Executive Order 13382, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters." Following the sanctions designation, VEON identified that its joint venture/strategic partnership in Kazakhstan (Kar-Tel LLP) and its subsidiary in Russia (VimpelCom) had relationships with either Positive Technologies or its affiliate PT Global Solutions Limited ("PT Global"). These relationships involved Positive Technologies and/or PT Global either providing cybersecurity assessment services to, or receiving telecommunications services from, these VEON entities. The telecommunications customer services transactions with Positive Technologies and/or PT Global in 2022

have resulted in aggregate revenue of approximately US\$132,662. These activities with Positive Technologies and/or PT Global were in compliance with applicable laws, including sanctions regulations administered by OFAC, as well as VimpelCom's legal obligations under Russian law to provide certain telecommunications services.

C. Organizational Structure

See —*Business Overview*.

D. Property, Plants and Equipment

Buildings

Our office in Amsterdam is leased. Our global headquarters activities are hosted in Amsterdam which consists of a 1020 square meter office with 33 work places, and we have subleased parts of our Amsterdam office since February 2020. Our London office at 15 Bonhill Street, London EC2A 4DN has been fully subleased since January 2019, and accordingly, we no longer have any designated office space in London. Since March 2022 we have had a relatively small satellite office in Dubai and, on December 31, 2022, we entered into a lease for a larger office in Dubai consisting of 500 square meters with 26 workspaces which is expected to be operational in mid-June 2023. Our subsidiaries, including those in Pakistan and Ukraine, both own and lease property used for a variety of functions, including administrative offices, technical centers, data centers, warehouses, operating facilities, main switches for our networks and IT centers. We also own office buildings in some of our regional license areas and lease space on an as-needed basis.

Telecommunications Equipment and Operations

The primary elements of our material tangible fixed assets are our networks.

Mobile network infrastructure

Our mobile networks, which use mainly Ericsson, Huawei, ZTE, and Nokia equipment, are integrated wireless networks of radio base station equipment, circuit and packet core equipment and digital wireless switches connected by fixed microwave transmission links, fiber optic cable links and leased lines. We select suppliers based mainly on compliance with technical and functional requirements and total cost.

Since late 2019, as part of our “infrastructure” strategy, we have been focused on optimizing our tower portfolio by selling certain mobile tower assets and concurrently entering into lease arrangements with the buyer for the same assets, thereby monetizing our asset base while increasing operating costs.

For the mobile network structure that we do not own, we enter into agreements for the location of base stations in the form of either leases or cooperation agreements that provide us with the use of certain spaces for our base stations and equipment. Under these leases or cooperation agreements, we typically have the right to use such property to place our towers and equipment shelters. We are also party to certain network managed services agreements to maintain our networks and infrastructure.

We also enter into agreements with other operators for radio network sharing, where we either share the passive equipment, physical site and towers or combine the operation of the radio equipment with other operators. Network sharing brings not only substantial savings on site rentals and maintenance costs but also on investments in equipment for the rollout of new base stations.

Fixed-lined infrastructure

Our infrastructure supports our mobile businesses in all of our markets and enables provision of fixed-line services to our customers in Ukraine, Uzbekistan and Kazakhstan. Our infrastructure in these markets include: a transport network designed and continually developed to carry voice, data and internet traffic of mobile network, FTTB and our fixed-line

customers using fiber optics and microwave links; and a transport network based on our optical cable network utilizing DWDM, SDH and IP/MPLS equipment with all DWDM and SDH optical networks being fully ring-protected (except for secondary towns).

For more information on our property, plants and equipment, see *Note 12—Property and Equipment* to our Audited Consolidated Financial Statements.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

For discussion related to our financial condition, changes in financial condition, and the results of operations for 2021 compared to 2020, refer to this Item 5—Operating and Financial Review and Prospects in our Annual Report on Form 20-F for the fiscal year ended December 31, 2021, which was filed with the United States Securities and Exchange Commission on April 29, 2022, excluding the discussion related to the adjustments to our Consolidated Income Statement, Consolidated Statement of Cash Flows and capital expenditures that have been made following the classification of Russia as a discontinued operation (see Note 10—Held for Sale and Discontinued Operations in our Audited Consolidated Financial Statements), which is discussed in this Item 5.

The following discussion and analysis should be read in conjunction with our Audited Consolidated Financial Statements and the related Notes included in this Annual Report on Form 20-F. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements due to numerous factors, including the risks discussed in Item 3.D—Risk Factors.

Overview

VEON is a leading global provider of connectivity and internet services, headquartered in Amsterdam. Present in some of the world's most dynamic markets, VEON currently provides more than 157 million customers with voice, fixed broadband, data and digital services. VEON, through its operating companies, offers services to customers in several countries: Pakistan, Ukraine, Kazakhstan, Uzbekistan, Bangladesh, and Kyrgyzstan. We provide services under the “Jazz,” “Kyivstar,” “banglalink” and “Beeline” brands.

VEON generates revenue from the provision of voice, data and other telecommunication services through a range of wireless, fixed and broadband internet services, as well as selling equipment, infrastructure and accessories.

Reportable Segments

We present our reportable segments based on economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies.

As of December 31, 2022, our reportable segments consist of the following segments: Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh.

On November 24, 2022, VEON announced the sale of its Russian operations, and the Russian business has, in line with the IFRS 5 requirements, become a discontinued operation, accounted for as an “Asset held for sale”. Our Algerian business, following the exercise of the put option for our stake in Algeria on July 1, 2021 and subsequent completion of sale transaction on August 5, 2022, was disposed of (refer to *Note 10 —Held for sale and discontinued operations* in our Audited Consolidated Financial Statements attached hereto for further details).

We also present our results of operations for “Others” and “HQ” separately, although these are not reportable segments. “Others” represents our operations in Kyrgyzstan and Georgia (included until the sale thereof on June 8, 2022) and “HQ”

represents transactions related to management activities within the Group in Amsterdam, London and Luxembourg and costs relating to centrally managed operations, and reconciles the results of our reportable segments and our total revenue and Adjusted EBITDA. See [Note 9—Significant Transactions](#) of our Audited Consolidated Financial Statements attached hereto for details on the sale of Georgia operations.

For more information on our reportable segments, refer to [Note 2—Segment Information](#) in our Audited Consolidated Financial Statements attached hereto for further details.

Basis of Presentation of Financial Results

Our Audited Consolidated Financial Statements attached hereto have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, effective at the time of preparing the Audited Consolidated Financial Statements and applied by VEON.

Critical Accounting Estimates

For a discussion of our accounting policies please refer to [Note 25—Significant Accounting Policies](#) of our Audited Consolidated Financial Statements attached hereto.

Key Developments for the year ended December 31, 2022

Announced sale of Russian operations

On November 2, 2022, VEON announced that it was conducting a competitive sales process in relation to its Russian operations, while exploring options in an effort to ensure that an optimal outcome is achieved for all relevant stakeholders, including VEON, its Russian operations, its shareholders, its creditors, its customers and its employees working both in and outside of Russia.

On November 24, 2022, VEON entered into an agreement to sell its Russian operations to certain senior members of the management team of VimpelCom, led by its current CEO, Aleksander Torbakhov. Under the agreement, VEON will receive consideration of RUB 130 billion (approximately US\$1,900 million). As a result of the expected disposal the Company classified its operations in Russia as an “Asset held for sale” and discontinued operations. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of Russia assets. The results for Russia in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 have been presented separately. For further details of this transaction, please refer to [Note 10—Held for sale and discontinued operations](#) of our Audited Consolidated Financial Statements attached hereto.

Sale of Algeria operations

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnimium Telecom Algerie SpA (Algeria) to the Fonds National d’Investissement (FNI). Omnimium owns Algerian mobile network operator, Djezzy. Under the terms of the Shareholders’ Agreement, the transaction was completed on August 5, 2022 for a sale price of US\$682 million. For further details of this transaction, please refer to [Note 10—Held for sale and discontinued operations](#) of our Audited Consolidated Financial Statements attached hereto.

Sale of Georgia operations

On March 31, 2022, VEON Georgia Holdings B.V. entered into a non-binding share purchase agreement with Miren Invest LLC, VEON’s former local partner, for the sale of VEON Georgia LLC, our operating company in Georgia, for US\$45 million, subject to VEON corporate approvals and regulatory approvals. The sale was completed on June 8, 2022 (see [Note 9—Significant Transactions](#) of our Audited Consolidated Financial Statements attached hereto).

Financing activities

VEON US\$1,250 multi-currency revolving credit facility agreement

In February 2022, the maturity of the multi-currency revolving credit facility originally entered into in March 2021 for US\$1,250 million (the “RCF”) was extended for one year until March 2025; two banks did not agree to extend, and therefore US\$250 million will mature at the original maturity date in March 2024 and US\$ 805 million will mature in March 2025.

In February 2022, VEON Holdings B.V. drew US\$430 million under the RCF. Subject to the terms set out in the RCF, the outstanding balance can be rolled over until final maturity.

In March 2022, Alfa Bank (US\$125 million commitment) and Raiffeisen Bank Russia (US\$70 million commitment) notified the Agent under the RCF that as a result of new Russian regulatory requirements following a presidential decree, they could no longer participate in the RCF. As a result, their available commitments were cancelled and the total RCF size reduced from US\$1,250 million to US\$1,055 million. The drawn portion from Alfa Bank (US\$43 million) was subsequently repaid in April 2022 and the drawn portion from Raiffeisen Bank Russia (US\$24 million) was repaid in May 2022.

In April and May 2022, VEON Holdings B.V. received US\$610 million following a utilization under the RCF. The remaining US\$82 million was received in November. The RCF was fully drawn at year-end with US\$1,055 million outstanding. As of December 31, 2022, the outstanding amounts have been rolled-over until April 2023, US\$692 million, and May 2023, US\$363 million. Subject to the terms set out in the RCF, these amount can be rolled until maturity. Refer to the section below, *Key Developments after the year ended December 31, 2022*, for further developments.

Financing activities other than RCF

In February 2022, VEON Holdings B.V. repaid its 7.50% Note of US\$417 million originally maturing in March 2022.

In February 2022, VEON Holdings B.V. prepaid RUB 30 billion (US\$396 million equivalent) of outstanding loans to VTB Bank originally maturing in July 2025.

In February 2022, VEON Finance Ireland DAC signed a RUB 30 billion (US\$400 million equivalent) term loan facility with VTB Bank with a floating rate. This facility was guaranteed by VEON Holding B.V. and had a maturity of February 2029. The proceeds from this facility were used for general corporate purposes, including the financing of intercompany loans to VimpelCom.

In March 2022, Pakistan Mobile Communication Limited (“PMCL”) fully utilized the remaining PKR 40 billion (US\$222 million equivalent) available under its existing credit line.

In March 2022 when VTB bank became subject to further sanctions, VEON Finance Ireland DAC prepaid its RUB 30 billion (US\$259 million equivalent) term loan facility with VTB Bank in accordance with its terms, and the facility was cancelled.

In April 2022, VEON Finance Ireland DAC novated its Sberbank (RUB 45 billion (US\$556 million equivalent)) and Alfa Bank (RUB 45 billion (US\$556 million equivalent)) term loans totaling RUB 90 billion (US\$1,112 million equivalent) to VimpelCom, resulting in the release of the former borrower, VEON Finance Ireland DAC and guarantor, VEON Holdings B.V., from their obligations.

In April 2022, PMCL signed a PKR 40 billion (US\$217 million equivalent) syndicated loan with a ten-year maturity. The drawn amount under the facility is PKR 30 billion (US\$156 million equivalent).

In April 2022, Banglalink signed a BDT 12 billion (US\$139 million) syndicated loan with a five year maturity till April 2027. During May 2022, Banglalink utilized BDT 9 billion (US\$103) of the syndicated loan which was partially used to fully repay its existing loan of BDT 3 billion (US\$38 million). In July, August and September 2022, Banglalink fully utilized the remaining BDT 3 billion (US\$32 million) under its BDT syndicated loan facility.

In March, April, May and June 2022, Kyivstar fully prepaid a UAH 1,350 million (US\$46 million equivalent) loan with JSC CitiBank, a UAH 1,275 (US\$44 million equivalent) million loan with JSC Credit Agricole, a UAH 1,677 million (US\$57 million equivalent) loan with Alfa Bank, and also prepaid a portion of a UAH 1,250 million loan with OTP Bank (UAH 490 million (US\$17 million equivalent)).

For a summary of all outstanding indebtedness as of December 31, 2022, please refer to —*Liquidity and Capital Resources—Indebtedness* and to *Note 16 —Investments, Debt and Derivatives* of our Audited Consolidated Financial Statements.

Other Developments

On February 24, 2022, a military conflict began between Russia and Ukraine and as of June 30, 2023 the conflict is still ongoing. Refer to [Note 24—Basis of Preparation of the Consolidated Financial Statements](#) of our Audited Consolidated Financial Statements for further details.

On March 31, 2022, Banglalink acquired additional spectrum for a fee of US\$205 million payable in ten installments over eleven years, doubling its spectrum holding in Bangladesh. Banglalink acquired 40 MHz of spectrum from the 2,300 MHz band.

On April 12, 2022, Jazz signed a 2G/4G license renewal with the PTA for a fee of PKR 95 billion (US\$486 million equivalent) for 15 years, of which 50% has been settled, and the remaining amount will be paid in five equal annual installments.

On April 12, 2022, VEON confirmed that on April 7, 2022 VEON received notification from the Listing Qualifications Department of NASDAQ that VEON was not in compliance with the minimum bid price requirement set forth in NASDAQ's Listing Rule 5550(a)(2) (the "Minimum Bid Price"). Refer to — *Key Developments after the year ended December 31, 2022* below and [Note 23 — Events After the Reporting Period](#) of our Audited Consolidated Financial Statements for further developments relating to our return to compliance with the Minimum Bid Price.

On July 1, 2022, equity-settled awards granted to key senior managers under the 2021 Deferred Shares Plan vested and on July 14, 2022, equity-settled awards granted to key directors under the 2021 Deferred Shares Plan vested. Subsequently, 2,659,740 shares in the Company were transferred to key senior managers and directors from shares held by a subsidiary of the Company during the three months ended September 30, 2022. Refer to [Note 22—Related Parties](#) of our Audited Consolidated Financial Statements attached hereto for further details.

On August 3, 2022, VEON announced that Banglalink reached an agreement with Bangladesh Telecommunications Company Limited (BTCL) to share its tower infrastructures with Banglalink.

On September 20, 2022, the VEON Board of Directors approved a share grant to the VEON Group Chief Executive Officer, Kaan Terzioglu, under the 2021 Deferred Shares Plan with a grant date of October 1, 2022. On October 1, 2022 1,569,531 shares were transferred to Kaan Terzioglu under the 2021 Deferred Shares Plan. Refer to [Note 22 —Related Parties](#) of our Audited Consolidated Financial Statements attached hereto for further details.

On October 13, 2022, PMCL received a favorable decision from the Islamabad High Court regarding the outstanding litigation, the financial impact of which amounting to US\$92 million was recorded as of December 31, 2022.

On October 14, 2022, VEON invited the Note holders of the 2023 Notes to contact VEON Ltd. in order to engage in discussions with these Note holders, with the aim to maintain a stable capital structure in the longer-term. On November 24, 2022, VEON announced the launch of a scheme of arrangement in England (the "Scheme") via the issuance of a Practice Statement Letter to extend the maturity of the 2023 Notes by eight months from their respective maturity dates. On December 9, 2022, VEON issued a Supplemental Practice Statement Letter including an increase to the Amendment Fee as well as the inclusion of a put right (the "Put Right") requiring the Company to repurchase the 2023 Notes in an aggregate amount of up to US\$600 million. On December 26, 2022, VEON announced that the OFAC License was obtained for the Scheme meeting, which authorizes all noteholders (and their funds, fund managers, investment advisors or subadvisors), financial institutions, clearing and trading systems, trustees, paying and security agents, registrars, and other service providers, intermediaries, and third parties, to participate in (including, but not limited to, voting on) the Scheme, provided they are not precluded from doing so by law or regulation.

On October 18, 2022, equity-settled awards were granted to key senior managers under the 2021 Long-Term Incentive Plan. Refer to [Note 22 —Related Parties](#) of our Audited Consolidated Financial Statements attached hereto for further details.

On November 18, 2022, VEON announced that the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") issued General License 54 authorizing all transactions ordinarily incident and necessary to the purchase and receipt of any debt or equity securities of VEON Ltd. that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071. Refer to [Note 23](#) and [Note 24](#) of our Audited Consolidated Financial Statements attached hereto for further details.

Management Changes

On October 17, 2022, VEON announced the appointment of Matthieu Galvani as Chief Corporate Affairs Officer, effective immediately, and Mr. Galvani was also made a member of the Group Executive Committee (“GEC”).

On January 1, 2022, Victor Biryukov was appointed Group General Counsel and a member of the GEC. On November 1, 2022, Mr. Biryukov was appointed in a special capacity to manage the sale of the Russian operations.

A. Omiyinka Doris was appointed as Acting Group General Counsel and a member of the GEC from November 1, 2022.

Changes to Board of Directors

On January 5, 2022, VEON announced the appointment of Karen Linehan to the Board of Directors as a non-executive director, following the resignation of Steve Pusey in 2021.

On March 1, 2022, VEON announced the resignation of Mikhail Fridman from the Board of Directors, effective from February 28, 2022.

On March 8, 2022, VEON announced the resignation of Robert Jan van de Kraats from the Board of Directors, effective from March 7, 2022.

On March 16, 2022, VEON announced the appointment of Michiel Soeting to the Board of Directors as a non-executive director and Chairman of the Audit and Risk Committee, following the resignation of Robert Jan van de Kraats on March 7, 2022.

On May 25, 2022 VEON announced that its Board of Directors and its Nominating and Corporate Governance Committee have recommended 11 individuals for the Board, including eight directors currently serving on the Board and three new members. The Board also announced that Gennady Gazin, Leonid Boguslavsky and Sergi Herrero did not put themselves up for re-election.

On June 29, 2022, at the Annual General Meeting, shareholders elected three new directors: Augie Fabela, Morten Lundal and Stan Miller as well as eight previously serving directors: Hans-Holger Albrecht, Yaroslav Glazunov, Andrei Gusev, Gunnar Holt, Karen Linehan, Irene Shvakman, Vasily Sidorov and Michiel Soeting.

Key Developments after the year ended December 31, 2022

VEON’s Scheme of creditors

On January 31, 2023 VEON confirmed that, further to the announcement issued on January 30, 2023 regarding the Scheme Sanction Hearing, at which the Court made an order sanctioning the Scheme (the “Order”), the Order has been delivered to the Registrar of Companies. VEON announced that each of the conditions to the Scheme has been fulfilled in accordance with the terms of the Scheme (and therefore, the Scheme has become effective and binds the Company and all Scheme Creditors), including, among other things, the imposition of the Scheme Standstill, which will restrict 2023 Noteholders from taking Enforcement Action (and other related actions) in accordance with the terms described in the Scheme.

The amendments to the 2023 Notes were subject to the receipt of relevant licenses to become effective, at which time the maturity dates of the February 2023 and April 2023 notes will be amended to October and December 2023, respectively. On April 3, 2023, VEON announced that each of the conditions has been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective.

Pursuant to the amendments, Noteholders are entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right is granted requiring the Company to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount (“2023 Put Option”), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US\$165 of the October 2023 Notes and holders of US\$294 of the December 2023 Notes exercising the Put Option.

On April 20, 2023, VEON announced that the 2023 Notes accepted for repurchase pursuant to the 2023 Put Option were repurchased by the issuer, VEON Holdings B.V. and cancelled on April 26, 2023.

VEON US\$1,250 million multi-currency revolving credit facility agreement

On April 20, 2023 and May 30, 2023, the outstanding amounts under RCF facility have been rolled-over until October, US\$692 million and November, US\$363 million, 2023.

Ukraine prepayment

In April 2023, Kyivstar fully prepaid its external debt which included a UAH 1,400 million (US\$38 million) loan with Raiffeisen Bank and UAH 760 million loan with OTP Bank (US\$21 million).

PMCL syndicated credit facility

Pakistan Mobile Communication Limited ("PMCL") fully utilized the remaining PKR 10 billion (US\$41 million) under existing 40 billion facility through drawdown in January and April 2023.

U.S. Treasury expands general license to include both VEON Ltd. and VEON Holdings B.V.

On January 18, 2023, VEON announced that the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) replaced the General License 54 originally issued on November 18, 2022 with General License 54A to now include both VEON Ltd. and VEON Holdings B.V. (VEON Holdings).

This general license authorizes all transactions ordinarily incident and necessary to the purchase and receipt of any debt or equity securities of VEON Ltd. or VEON Holdings B.V. that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071. OFAC General License 54A applies to all debt and equity securities of VEON Ltd. or VEON Holdings B.V. that were issued before June 6, 2022, and confirms that the authorization applies not only to the purchase and receipt of debt and equity securities, but also to transactions ordinarily incident and necessary to facilitating, clearing, and settling of such transactions. This General License ensures that all market participants can trade the relevant securities with confidence that such trading is consistent with E.O. 14071, which targeted "new investment" in Russia.

VEON's ratio change under its American Depositary Receipt ("ADR") program and NASDAQ compliance

On February 6, 2023, VEON announced that its Board of Directors approved a change of ratio in the Company's ADR program, comprising a change in the ratio of American Depositary Shares (the "ADSs") to VEON common shares (the "Shares") from one (1) ADS representing one (1) Share, to one (1) ADS representing twenty-five (25) Shares (the "Ratio Change"). The effective date of the Ratio Change was March 8, 2023.

As a result of the Ratio Change, the trading price of the Company's ADSs is expected to automatically increase proportionally, but the Company can give no assurance that the ADS trading price following the Ratio Change will be at least equal to the ADS trading price before the Ratio Change multiplied by the new 25:1 ratio. On March 23, 2023, VEON was notified by NASDAQ that VEON had regained compliance with the Minimum Bid Price contained in Listing Rule 5550(a)(2). For further details refer to *Note 23* of our Audited Consolidated Financial Statements.

VEON announced regulatory approval for sale of its Russian Operations.

On February 8, 2023, VEON announced that on February 7, 2023 the Sub-Commission of the Government Commission for Control over Foreign Investments in the Russian Federation issued its approval of the proposed sale of VEON's Russian operations to certain senior members of the management of VimpelCom.

On April 15, 2023, OFAC issued a license authorizing U.S. persons to engage in all transactions ordinarily incident and necessary to the divestment of VimpelCom. In addition to this OFAC license, VEON has also determined that it has the requisite authorizations required by the UK and Bermudan authorities to proceed with the divestment of VimpelCom. VEON does not believe that a license is required from the EU to execute the sale and is seeking a no-license-required confirmation from the relevant EU authorities.

On May 30, 2023, VEON announced that it has submitted all necessary documentation to Euroclear, Clearstream and registrars for cancellation of VEON's Eurobonds held by its subsidiary, PJSC VimpelCom. With this, the Company enters the final stages in the closing of the sale of VEON's Russia operations, which was announced on November 24, 2022. According to the terms of the VEON Bonds (Notes), the registrar is required to cancel the VEON Bonds purchased by a subsidiary of VEON and surrendered to the registrar for cancellation.

Purchase of VEON Group Debt

As of June 30, 2023, VimpelCom independently commenced and concluded the purchase of US\$1,572 million of VEON Holdings B.V. Notes in order to satisfy certain Russian regulatory obligations. Pursuant to the purchase in 2023 these Notes were reclassified to intercompany debt with the equivalent reduction in gross debt for VEON Group. PJSC VimpelCom has funded the purchase primarily by issuing new notes of longer maturity.

VEON Management increases ownership

On December 31, 2022, equity-settled awards granted to the Chief Internal Audit & Compliance Officer, Mr. Joop Brakenhoff, under the 2021 Deferred Share Plan vest. On February 21, 2023, VEON announced the completion of a further share transfer to GEC member, Group Chief Internal Audit & Compliance Officer, Joop Brakenhoff. A total of 104,047 shares vested as part of VEON's Deferred Share Plan. Subsequently, 52,543 shares in the Company were transferred to Mr. Brakenhoff from shares held by a subsidiary of the Company and 51,504 shares were withheld to cover local withholding tax.

On April 14, 2023, VEON announced that equity-settled awards were grants to 5 members of VEON's Group Executive Committee (GEC) under the STI Scheme (154,876 shares) and the LTIP (643,286 shares).

On July 1, 2023, 1,395,358 common shares granted to current and former members of VEON's GEC vested as part of the 2021 Deferred Shares Plan. As of July 24, 2023, VEON had initiated the transfer of 32,976 ADSs, representing 824,400 common shares, to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares, were granted with immediate vesting to members of VEON's GEC and 70,000 ADSs, representing 1,750,000 common shares, were granted with immediate vesting to current and former members of VEON's Board. As of July 24, 2023, VEON had initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares, to the respective executives and Board members.

Additionally, as of July 24, 2023, VEON had initiated the transfer of 24,727 ADSs, representing 618,175 common shares, to a former Board member in relation to a grant of 1,224,086 common shares that vested in June 2022 but for which transfer was delayed.

For each of the above transfers, a portion of the granted ADSs/common shares may have been withheld to cover tax obligations.

Changes in Key Senior Managers

On March 15, 2023, VEON announced the appointment of Joop Brakenhoff as Group Chief Financial Officer (CFO), effective from May 1, 2023. Mr. Brakenhoff replaced Serkan Okandan whose three-year contract as Group CFO expired at the end of April 2023. Mr. Okandan will continue to serve VEON as a special advisor to the Group CEO and CFO.

On June 16, 2023, VEON announced that Omiyinka Doris has been appointed Group General Counsel in a permanent capacity, effective June 1, 2023, and will continue to serve as a member of the GEC.

On July 19, 2023, VEON announced that Group Head of Portfolio Management, Dmitry Shvets, Group Chief People Officer, Michael Schulz and Group Chief Corporate Affairs Officer, Matthieu Galvani will be stepping down from their executive roles effective October 1, 2023.

Bangladesh Telecommunication Regulatory Commission ("BTRC") regulatory audit report

On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US\$76 million) which includes BDT 4,307 million (approximately US\$40 million) for interest. The Company is currently reviewing the findings and Banglalink may challenge certain proposed penalties and interest which may result in adjustments to the final amount to be paid by Banglalink. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable.

Change in Board of Directors

On June 29, 2023, at its Annual General Meeting, VEON shareholders approved the Board recommended slate of seven directors, including six directors currently serving on the Board – Augie Fabela, Yaroslav Glazunov, Andrei Gusev, Karen Linehan, Morten Lundal and Michiel Soeting – and Kaan Terzioğlu, the Chief Executive Officer (CEO) of the VEON Group. The Board elected Morten Lundal as the Chair in its first meeting following the AGM.

Italy Tax Matter

On July 17, 2023, VEON signed an agreement with the Italy Tax Authorities for the settlement of an ongoing tax claim dispute which was fully provided for as of December 31, 2022.

Canadian Sanctions

On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including PJSC VimpelCom. Refer to [Note 24](#) for further details.

Factors Affecting Comparability and Results of Operations

The Conflict Between Russia and Ukraine

The conflict between Russia and Ukraine has had a significant impact on our business. As the conflict commenced in February 2022 and is ongoing, we anticipate that our future results of operations will be adversely impacted and not comparable to past results of operations due to the volatility in foreign currency exchange rates, the potential loss of some customers in Ukraine, the impact of sanctions and export control restrictions and numerous other factors. Since the conflict began, we have faced and expect to continue to face challenges with our performance in Ukraine, which will be exacerbated as the conflict continues. Furthermore, if there is an extended continuation or further increase in the severity of the ongoing conflict between Russia and Ukraine, it could result in further instability and/or worsening of the overall political and economic situation in Ukraine, Europe and/or the global economy and capital markets generally. These are highly uncertain times and it is not possible to predict with precision how certain developments will impact our results and operations, nor is it possible to execute comprehensive contingency planning in Ukraine due to the ongoing conflict and inherent danger in the country. See *Item 3.D—Risk Factors—Market Risks—The ongoing conflict between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects outside of our Russian Operations.*

Foreign Currency Translation

Our Audited Consolidated Financial Statements are presented in U.S. dollars and in accordance with IAS 21, using the current rate method of currency translation with the U.S. dollar as the reporting currency. Our results of operations are affected by increases or decreases in the value of the U.S. dollar or our functional currencies. A higher average exchange rate will correlate to a weaker functional currency. The functional currencies of our Group are the Pakistani rupee in Pakistan, the Bangladeshi taka in Bangladesh, the Ukrainian hryvnia in Ukraine, the Uzbekistani som in Uzbekistan, and the Kazakhstani tenge in Kazakhstan. See *Item 11—Quantitative and Qualitative Disclosures about Market Risk* for a further discussion. For a discussion on risks associated with foreign currency translations related to the ongoing conflict between Russia and Ukraine see *Item 3.D—Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine.*

Economic Trends

As a global telecommunications company with operations in a number of markets, we are affected by a broad range of international economic developments. Unfavorable economic conditions may impact a significant number of our customers, which includes their spending patterns, both in terms of the products they subscribe for and usage levels. As a result, it may be more difficult for us to attract new customers, more likely that customers will downgrade or disconnect their services and more difficult for us to maintain mobile ARPUs at existing levels. Therefore, downturns in the economies of markets in which we operate or may operate in the future could also, among other things, increase our costs, prevent us from executing our business strategies, hurt our liquidity or prevent us to meet unexpected financial requirements. The ongoing conflict between Russia and Ukraine, and the responses of governments and multinational businesses to it, created critical challenges for our business and operations, significantly affected our operations and financial condition in 2022, and will likely continue to have a significant impact for the foreseeable future both in Ukraine and globally.

Furthermore, the increasing price for fossil fuels and rising inflation rates are expected to have broader adverse effects on many of the economies in which we operate and may result in recessionary periods and lower corporate investment, which, in turn, could lead to economic strain on our business and on current and potential customers. Sustained high levels of inflation or hyperinflation in Ukraine, in addition to deteriorating economic conditions as a result of the ongoing conflict with Russia, may create significant imbalances in the Ukraine economy and undermine any efforts the government is taking to create conditions that support economic growth in the wake of the conflict with Russia, which in turn may have an adverse impact on our results of operations. For more information regarding economic trends and how they affect our operations, see *Item 3.D—Risk Factors—Market Risks*.

Acquisitions, Dispositions and Divestitures

From time to time, we undertake acquisitions, dispositions and divestitures, which may affect comparability across periods and our results of operations. Our decision to engage in such transactions will be opportunistic and subject to market conditions. Consummation of such transactions may have an effect on comparability of our results of operations and financial condition across certain periods as changes to our asset base and revenue streams will be reflected in our financial statements.

For example, on July 1, 2021, we exercised our put option in Algeria to sell the entirety of our stake in our Algerian subsidiary to the Algerian National Investment Fund, *Fonds National d'Investissement*. In line with the requirements of IFRS 5, the Algerian business has become a discontinued operation, and was accounted for as an “Asset held for sale” commencing in the third quarter of 2021. As a result, the Algerian operations do not contribute to the comparison base or our actual reported numbers, without any change in the net economic value of this business. Furthermore, in December 2021, we concluded the sale of our network of approximately 15,400 mobile network towers in Russia to Service-Telecom for RUB 70.65 billion. We received a payment of RUB 64.4 billion at closing, and the balance of certain deferred amounts will be due and payable over the next three years, which allowed us to record a US\$225 million gain including tax benefits for the year ended December 31, 2021. During 2022, we also sold our operating company in Georgia and entered into an agreement to sell our Russian Operations. The sale of our Georgia operating company was completed on June 8, 2022 (see *Note 9—Significant Transactions of our Audited Consolidated Financial Statements*) and as a result of the expected disposal of our Russian Operations, we classified them as held-for-sale and discontinued operations upon the signing of the agreement on November 24, 2022, see *Note 10—Held for Sale and Discontinued Operations* to our Audited Consolidated Financial Statements for a more detailed discussion.

Execution of Business Strategies and Initiatives

In September 2019, we announced a strategy framework comprising of three vectors: infrastructure, digital operator and ventures. See *Item 4A—History and Development of the Company* for further information on what this strategic framework entails, and in the first quarter of 2021, we initiated a cost efficiency program called Project Optimum to cultivate a mindset of continuous efficiency building and an improvement of actual costs. Major saving initiatives since the launch of Project Optimum include bandwidth cost optimizations, content costs reduction through vendor negotiations and in-house development, network maintenance optimizations and the implementation of smart-metering solutions. In 2022, a total of 167 savings initiatives in Pakistan, Bangladesh, Kazakhstan and Uzbekistan contributed to considerable organic savings. Still, no assurances can be given for the achievement of intended results or further savings within the mentioned timeframes, though the impact of these initiatives are routinely reported in our investor communications.

Changes in Tax Regimes

Changes in tax regimes have the potential to affect our business and results of operations. For example, as a result of the changes in tax legislation in Kazakhstan that became effective on January 1, 2023, the withholding tax rate applicable to profit distributions from Kazakhstan to the Netherlands increased from 0% to 5%, which contributed to restrictions on the distributable profits at VEON Ltd. For a further discussion of the risks relating to VEON Ltd.'s ability to withdraw funds and dividends from our subsidiaries and operating companies, see *Item 3.D—Risk Factors—Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers.*

Certain Performance Indicators

The following discussion provides a description of certain operating data that is not included in our financial statements. We provide this operating data because it is regularly reviewed by our management and our management believes it is useful in evaluating our performance from period to period as set out below. Our management believes that presenting information about Adjusted EBITDA, Adjusted EBITDA Margin, mobile customers, mobile ARPU, mobile data customers, capital expenditures (excluding licenses and right-of-use assets) and local currency financial measures is useful in assessing the usage and acceptance of our mobile and broadband products and services.

For an explanation of how we calculate Adjusted EBITDA, Adjusted EBITDA Margin, capital expenditures (excluding licenses and right-of-use assets), and local currency financial measures, please see *Explanatory Note—Non-IFRS Financial Measures*. For a description of how we define mobile customers, mobile data customers and mobile ARPU, please see the discussion below.

Mobile customers

Mobile customers are generally customers in the registered customer base as of a given measurement date who engaged in a revenue generating activity at any time during the three months prior to such measurement date. Such activity includes any outgoing calls, customer fee accruals, debits related to service, outgoing SMS and MMS, data transmission and receipt sessions, but does not include incoming calls, SMS and MMS or abandoned calls. Our total number of mobile customers also includes customers using mobile internet service via USB modems.

Mobile data customers

Mobile data customers are mobile customers who have engaged in revenue generating activity during the three months prior to the measurement date as a result of activities including USB modem Internet access using 2.5G/3G/4G/LTE/HSPA+ technologies.

Mobile ARPU

Mobile ARPU measures the monthly average revenue per mobile user. We generally calculate mobile ARPU by dividing our mobile service revenue during the relevant period, including data revenue, roaming revenue and interconnect revenue, but excluding revenue from connection fees, sales of handsets and accessories and other non-service revenue, by the average number of our mobile customers during the period and dividing by the number of months in that period.

Results of Operations

<i>In millions of U.S. dollars</i>	Year ended December 31,		
	2022	2021*	2020*
Consolidated income statement data:			
Service revenues	3,600	3,690	3,355
Sale of equipment and accessories	28	35	22
Other revenues	127	125	105
Total operating revenues	3,755	3,850	3,482
Other operating income	1	—	—
Service costs	(448)	(448)	(431)
Cost of equipment and accessories	(28)	(36)	(23)
Selling, general and administrative expenses	(1,533)	(1,526)	(1,403)
Depreciation	(557)	(605)	(553)
Amortization	(221)	(194)	(177)
Impairment (loss) / reversal	107	(27)	(62)
(Loss) / gain on disposal of non-current assets	(1)	9	(10)
(Loss) / gain on disposal of subsidiaries	88	—	—
Operating profit	1,163	1,023	823
Finance costs	(583)	(591)	(569)
Finance income	32	13	19
Other non-operating gain / (loss)	9	26	84
Net foreign exchange gain / (loss)	181	(7)	16
Profit / (loss) before tax	802	464	373
Income taxes	(69)	(344)	(279)
Profit / (loss) from continuing operations	733	120	94
Loss after tax from discontinued operations and disposals of discontinued operations	(742)	681	(410)
(Loss) / profit for the period	(9)	801	(316)
Attributable to:			
The owners of the parent (continuing operations)	656	75	102
The owners of the parent (discontinued operations)	(818)	599	(451)
Non-controlling interest	153	127	33
	(9)	801	(316)

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see Note 10—Held for Sale and Discontinued Operations in our Audited Consolidated Financial Statements).

Total Operating Revenue

<i>In millions of U.S. dollars, includes intersegment revenue</i>	Year ended December 31,		
	2022	2021	2020
Pakistan	1,285	1,408	1,233
Ukraine	971	1,055	933
Kazakhstan	636	569	479
Uzbekistan	233	194	198
Bangladesh	576	564	537
Others	66	81	125
HQ and eliminations	(12)	(21)	(23)
Total	3,755	3,850	3,482

For the year ended December 31, 2022, our consolidated total operating revenue decreased to US\$3,755 million as compared to US\$3,850 million for the year ended December 31, 2021. This was a decrease of 2.5% primarily due to currency depreciation in countries where we operate. At a constant currency level year on year there was an increase in service revenue driven by increased 4G penetration, content revenue and higher customer base in Pakistan coupled with the mobile data growth in Ukraine, Kazakhstan, Bangladesh and Uzbekistan operations. This organic growth was offset by the depreciating currencies in the countries where we operate. For further details, please refer to —*Results of our Reportable Segments* below.

For the year ended December 31, 2021, our consolidated total operating revenue increased to US\$3,850 million as compared to US\$3,482 million for the year ended December 31, 2020. This was an increase of 10.6% primarily due to higher mobile data revenue in Pakistan that was driven by increased 4G penetration and an increase in our data customer base, continued growth in mobile data revenue in Ukraine, Bangladesh and Kazakhstan, and an increase in financial services revenue in Kazakhstan and Pakistan. For further details, please refer to *Item 5—Operating and Financial Review and Prospects—Reportable Segments* in our Annual Report on Form 20-F for the fiscal year ended December 31, 2021, which was filed with the U.S. Securities and Exchange Commission on April 29, 2022.

Operating Profit

For the year ended December 31, 2022, our consolidated operating profit increased to US\$1,163 million as compared to US\$1,023 million for the year ended December 31, 2021.

For the year ended December 31, 2021, our consolidated operating profit increased to US\$1,023 million compared to US\$823 million for the year ended December 31, 2020 primarily due to higher revenues.

Non-Operating Profits And Losses

Finance Costs

For the year ended December 31, 2022, our consolidated finance costs were US\$583 million as compared to US\$591 million for the year ended December 31, 2021. This was a decrease of 1.4% that was primarily driven by a decrease in borrowings.

For the year ended December 31, 2021, our consolidated finance costs were US\$591 million as compared to US\$569 million for the year ended December 31, 2020. This was an increase of 3.9% that was primarily driven by increased borrowings.

Finance Income

For the year ended December 31, 2022, our consolidated finance income was US\$32 million as compared to US\$13 million for the year ended December 31, 2021. This was an increase of 146.2% that was primarily due to higher short-term deposit balances held in our accounts and increases in interest rates.

For the year ended December 31, 2021, our consolidated finance income was US\$13 million as compared to US\$19 million in 2020. This was a decrease of 31.6% primarily due to lower cash and deposit balances and partially due to currency devaluation on cash and deposits in the local currencies of our operating companies.

Other Non-Operating Gain / (Loss)

For the year ended December 31, 2022, we recorded other non-operating gains of US\$9 million as compared to a non-operating gain of US\$26 million for the year ended December 31, 2021. This decrease was mainly driven by a gain on money market fund classified as cash and cash equivalents.

For the year ended December 31, 2021, we recorded another non-operating gain of US\$26 million as compared to a non-operating gain of US\$84 million for the year ended December 31, 2020. The driver for this decrease related to non-operating gains in 2021 as follows: (1) a revaluation of contingent consideration liability; and (2) a gain upon reaching a settlement in connection with the dispute concerning the sale of Telecel Globe Limited. For more information on these items please refer to *Note 16—Investments, Debt and Derivatives* and *Note 7—Provisions and Contingent Liabilities* respectively of our Audited Consolidated Financial Statements.

Net Foreign Exchange Gain / (Loss)

For the year ended December 31, 2022, we recorded a net foreign exchange gain of US\$181 million as compared to a net foreign exchange loss of US\$7 million for the year ended December 31, 2021. This change was primarily due to the fluctuation in the value of the Russian ruble against the U.S. dollar that resulted in the gain on our loans denominated in Russian ruble, which was partially offset by the impact of the deterioration in the value of the Pakistani rupee and Bangladeshi taka against the U.S. dollar in 2022. For a discussion of risks related to foreign currency fluctuation and translation, see *Item 3.D—Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine.*

For the year ended December 31, 2021, we recorded a loss net foreign exchange loss of US\$7 million as compared to a net foreign exchange gain of US\$16 million for the year ended December 31, 2020. The change was primarily due to a deterioration in the value of the Pakistani rupee against the U.S. dollar in 2021, which had a negative impact on profit or loss upon translation of U.S. dollar-denominated monetary liabilities, such as trade payables and debt.

Income Tax Expense

For the year ended December 31, 2022, our consolidated income tax expense decreased by 79.9% to US\$69 million as compared to US\$344 million for the year ended December 31, 2021. For more information regarding the factors affecting our total income tax expenses, please refer to *Note 8—Income Taxes* of our Audited Consolidated Financial Statements attached hereto.

For the year ended December 31, 2021, our consolidated income tax expense increased by 23.3% to US\$344 million compared to US\$279 million in 2020. For more information regarding the factors affecting our total income tax expenses, please refer to *Note 8—Income Taxes* of our Audited Consolidated Financial Statements.

Profit / (Loss) after Tax from Discontinued Operations

For the year ended December 31, 2022, we recorded a loss after tax from discontinued operations of US\$742 million as compared to a profit after tax from discontinued operations of US\$681 million for the year ended December 31, 2021. The year on year change is mainly associated with the loss of US\$722 million recognized during the year 2022 on sale of our Algerian operations and loss after tax on Russian Operations of US\$202 million, which includes an impairment of US\$446 million recognized in 2022, compared to the profit after tax in our Russian Operations for the year 2021 that included a gain of US\$101 million relating to sale of towers in Russia. Please refer to *Note 9 —Significant transactions* of our Audited Consolidated Financial Statements attached hereto.

For the year ended December 31, 2021, we recorded a profit after tax from discontinued operations of US\$681 million as compared to a loss after tax from discontinued operations of US\$410 million for the year ended December 31, 2020. The increase was mainly due to profit after tax from our Russia operations (now classified as held for sale), while the 2020 loss for Russian Operations of US\$489 million included an impairment charge of US\$723 million impairment resulting from the impact of a weaker Russian ruble and the negative impact of the COVID-19 pandemic on consumer spending. Likewise the Algerian 2020 results were adversely impacted by the economic slowdown caused by the COVID-19 pandemic. For a discussion of the sale of our Algeria and Russia operations, please refer to *Note 10 —Held for sale and discontinued operations* of our Audited Consolidated Financial Statements attached hereto.

Profit / (Loss) For The Period Attributable To The Owners Of The Parent From Continuing Operations

For the year ended December 31, 2022, we recorded a profit attributable to the owners of the parent from continuing operations of US\$656 million as compared to US\$75 million in 2021, that was mainly due to a decrease in operating profit as offset by the decrease in consolidated income tax expense and increase in net foreign exchange gain as discussed above.

For the year ended December 31, 2021, we recorded a profit attributable to the owners of the parent from continuing operations of US\$75 million as compared to a loss attributable to the owners of the parent from continuing operations of US\$102 million in 2020, that was mainly due to an increase in operating profit in 2021 as compared to 2020 as discussed above.

Profit / (Loss) For The Period Attributable To Non-Controlling Interest

For the year ended December 31, 2022, we recorded a profit attributable to non-controlling interest of US\$153 million as compared to a profit of US\$127 million for the year ended December 31, 2021, which was mainly driven by an increase in operating profit of our discontinued operations in Algeria.

For the year ended December 31, 2021, we recorded a profit attributable to non-controlling interest of US\$127 million as compared to a profit of US\$33 million for the year ended December 31, 2020, which was mainly driven by an increase in operating profit for our discontinued operations in Algeria.

Adjusted EBITDA

In millions of U.S. dollars

	Year ended December 31,		
	2022	2021	2020
Pakistan	654	643	612
Ukraine	575	704	630
Kazakhstan	322	307	265
Uzbekistan	124	89	68
Bangladesh	210	235	228
Others	26	41	22
HQ and eliminations	(164)	(179)	(200)
Total	1,747	1,840	1,625

For the year ended December 31, 2022, our total Adjusted EBITDA was US\$1,747 million as compared to US\$1,840 million for the year ended December 31, 2021. This was a decrease of (5.1)% that was mainly due to lower operating revenue as discussed above, as well as higher operating costs owing to the significant increase in energy prices in our Pakistan, Ukraine and Bangladesh operations coupled with higher technical support costs.

For the year ended December 31, 2021, our total Adjusted EBITDA was US\$1,840 million as compared to US\$1,625 million for the year ended December 31, 2020. This was an increase of 13.2% mainly due to higher revenues as discussed above as well as lower marketing costs and a favorable change in the tax regime in Bangladesh, which was partially offset by an increase in advisory costs in Pakistan and Bangladesh and local currency devaluation against the U.S. dollar in 2021.

For more information on how we calculate Adjusted EBITDA and for the reconciliation of consolidated profit / (loss) before tax from continuing operations, the most directly comparable IFRS financial measure, to Adjusted EBITDA, for the years ended December 31, 2022, 2021 and 2020, please refer to the table below.

In millions of U.S. dollars

	2022	2021	2020
Profit / (loss) before tax from continuing operations	802	464	373
Depreciation	557	605	553
Amortization	221	194	177
Impairment loss / (reversal)	(107)	27	62
(Gain) / loss on disposal of non-current assets	1	(9)	10
(Gain) / loss on disposal of subsidiaries	(88)	—	—
Finance costs	583	591	569
Finance income	(32)	(13)	(19)
Other non-operating (gain) / loss	(9)	(26)	(84)
Net foreign exchange (gain) / loss	(181)	7	(16)
Total Adjusted EBITDA	1,747	1,840	1,625

Results of our Reportable Segments

Pakistan

Results of Operations in US\$

<i>In millions of U.S. dollars (except as indicated)</i>	Year ended December 31,									
	2022	2021	2020	'21-22 % change	'20-21 % change					
Total operating revenue	1,285	1,408	1,233	-8.7	%	14.2	%			
Mobile service revenue	1,169	1,285	1,134	-9.0	%	13.3	%			
- of which mobile data	521	534	426	-2.4	%	25.4	%			
Sales of equipment, accessories and other	116	123	99	-5.7	%	24.2	%			
Operating expenses	631	765	620	-17.5	%	23.4	%			
Adjusted EBITDA	654	643	612	1.7	%	5.1	%			
Adjusted EBITDA margin	50.9	%	45.7	%	49.6	%	5.2	pp	-3.9	pp

Results of Operations in PKR

<i>In millions of PKR (except as indicated)</i>	Year ended December 31,									
	2022	2021	2020	'21-22 % change	'20-21 % change					
Total operating revenue	261,621	228,927	199,280	14.3	%	14.9	%			
Mobile service revenue	238,084	208,923	183,367	14.0	%	13.9	%			
- of which mobile data	105,960	86,977	68,965	21.8	%	26.1	%			
Sales of equipment, accessories and other	23,537	20,004	15,913	17.7	%	25.7	%			
Operating expenses	127,574	124,360	100,092	2.6	%	24.2	%			
Adjusted EBITDA	134,047	104,567	99,188	28.2	%	5.4	%			
Adjusted EBITDA margin	51.2	%	45.7	%	49.8	%	5.6	pp	-4.1	pp

Selected Performance Indicators

	Year ended December 31,						
	2022	2021	2020	'21-22 % change	'20-21 % change		
Mobile							
Customers in millions	73.7	72.6	66.4	1.5	%	9.3	%
Mobile data customers in millions	52.8	50.9	44.0	3.7	%	15.7	%
ARPU in US\$	1.3	1.5	1.5	-13.3	%	0.0	%
ARPU in PKR	269.0	248.0	239.0	8.5	%	3.8	%

Total Operating Revenue

For the year ended December 31, 2022, our Pakistan total operating revenue decreased by 8.7% (in US\$ terms) and increased by 14.3% (in local currency terms), as compared to the year ended December 31, 2021. This change is mainly due to increased 4G penetration, higher customer base and higher volume content services relating to application to person product that generated a growth in mobile data revenue along with the one-off SIM issuance tax release. This organic local currency increase was offset by the deterioration in Pakistani rupee during the year 2022.

Adjusted EBITDA

For the year ended December 31, 2022, our Pakistan Adjusted EBITDA increased by 1.7% (in US\$ terms) and by 28.2% (in local currency terms), as compared to the year ended December 31, 2021. This change is primarily attributable to higher revenues (in local currency terms) as discussed above partially offset by increased operational expenses associated with general and administrative and structural operating costs owing to higher energy prices and increased marketing cost as well as the positive impact of one-off Pakistan SIM tax reversals. The deterioration of Pakistani rupee was the main reason for year-on-year change in US\$ terms that offset the positive local currency growth in EBITDA during 2022.

Number of Mobile Customers

As of December 31, 2022, we had 73.7 million mobile customers in Pakistan, representing an increase of 1.5% as compared to December 31, 2021. This was driven primarily by growth in our mobile data customers, which increased by 3.7% over the same period. The increase was mainly due to the continued expansion of our 4G data network in Pakistan.

Mobile ARPU

For the year ended December 31, 2022, our mobile ARPU in Pakistan was lower as compared to 2021 by 13.3% (in US\$ terms) due to devaluation of the PKR against US\$, and increased by 8.5% (in local currency terms). These changes are mainly the result of an increase in mobile data revenues as discussed above.

Ukraine

Results of Operations in US\$

<i>In millions of U.S. dollars (except as indicated)</i>	Year ended December 31,									
	2022	2021	2020	'21-22 % change	'20-21 % change					
Total operating revenue	971	1,055	933	-8.0	%	13.1	%			
Mobile service revenue	906	980	869	-7.6	%	12.8	%			
- of which mobile data	527	590	489	-10.7	%	20.7	%			
Fixed-line service revenue	59	68	59	-13.2	%	15.3	%			
Sales of equipment, accessories and other	6	7	5	-14.3	%	40.0	%			
Operating expenses	396	351	303	12.8	%	15.8	%			
Adjusted EBITDA	575	704	630	-18.3	%	11.7	%			
Adjusted EBITDA margin	59.2	%	66.7	%	67.5	%	-7.5	pp	-0.8	pp

Results of Operations in UAH

<i>In millions of UAH (except as indicated)</i>	Year ended December 31,									
	2022	2021	2020	'21-22 % change	'20-21 % change					
Total operating revenue	31,092	28,748	25,158	8.2	%	14.3	%			
Mobile service revenue	29,014	26,712	23,418	8.6	%	14.1	%			
- of which mobile data	16,837	16,092	13,191	4.6	%	22.0	%			
Fixed-line service revenue	1,879	1,859	1,602	1.1	%	16.0	%			
Sales of equipment, accessories and other	198	176	138	12.5	%	27.5	%			
Operating expenses	12,795	9,556	8,181	33.9	%	16.8	%			
Adjusted EBITDA	18,301	19,196	16,979	-4.7	%	13.1	%			
Adjusted EBITDA margin	58.9	%	66.8	%	67.5	%	-7.9	pp	-0.7	pp

Selected Performance Indicators

	Year ended December 31,						
	2022	2021	2020	'21-22 % change		'20-21 % change	
Mobile							
Customers in millions	24.8	26.2	25.9	-5.3	%	1.2	%
Mobile data customers in millions	17.5	18.5	17.1	-5.4	%	8.2	%
ARPU in US\$	3.0	3.1	2.8	-3.2	%	10.7	%
ARPU in UAH	95.0	85.0	75.0	11.8	%	13.3	%

Total Operating Revenue

For the year ended December 31, 2022, our Ukraine total operating revenue decreased by 8.0% (in US\$ terms) and increased by 8.2% (in local currency terms) as compared to the year ended December 31, 2021. The change in local currency terms is primarily due to changes in tariff plans and higher international interconnect usage and roaming traffic which was in turn offset by the loss of customers as a result of the ongoing conflict in Ukraine. US\$ change is mainly driven by deterioration of local currency against US\$ in 2022.

Adjusted EBITDA

For the year ended December 31, 2022, our Ukraine Adjusted EBITDA decreased by 18.3% (in US\$ terms) and by 4.7% (in local currency terms) as compared to the year ended December 31, 2021. This change is primarily due to the increase in our total operating revenue (as discussed above), which was offset by higher energy costs (as a result of a significant increase in prices) and increased personnel costs (as a result of higher additional compensation owing to the ongoing conflict).

Number of Mobile Customers

As of December 31, 2022, we had 24.8 million mobile customers in Ukraine representing a decrease of 5.3% year-on-year. This change is primarily due to a loss of subscribers as a result of the ongoing conflict in Ukraine.

Mobile ARPU

For the year ended December 31, 2022, our mobile ARPU in Ukraine decreased by 3.2% (in US\$ terms) and increased by 11.8% (in local currency terms). These changes are primarily due to a growth in mobile data consumption and a loss of subscribers that resulted in a lower baseline for calculation of ARPU during 2022.

Kazakhstan

Results of Operations in US\$

	Year ended December 31,						
	2022	2021	2020	'21-22 % change		'20-21 % change	
<i>In millions of U.S. dollars (except as indicated)</i>							
Total operating revenue	636	569	479	11.8	%	18.8	%
Mobile service revenue	497	459	392	8.3	%	17.1	%
- of which mobile data	293	265	199	10.6	%	33.2	%
Fixed-line service revenue	116	91	78	27.5	%	16.7	%
Sales of equipment, accessories and other	23	19	9	21.1	%	111.1	%
Operating expenses	316	262	214	20.6	%	22.4	%
Adjusted EBITDA	322	307	265	4.9	%	15.8	%
Adjusted EBITDA margin	50.6	% 54.0	% 55.3	-3.3	pp	-1.3	pp

Results of Operations in KZT

<i>In millions of KZT (except as indicated)</i>	Year ended December 31,							
	2022	2021	2020	'21-22 % change	'20-21 % change			
Total operating revenue	293,057	242,509	197,775	20.8	%	22.6	%	
Mobile service revenue	228,084	195,583	161,873	16.6	%	20.8	%	
- of which mobile data	134,484	113,045	82,383	19.0	%	37.2	%	
Fixed-line service revenue	54,312	38,676	32,198	40.4	%	20.1	%	
Sales of equipment, accessories and other	10,661	8,250	3,704	29.2	%	122.7	%	
Operating expenses	145,351	111,449	88,403	30.4	%	26.1	%	
Adjusted EBITDA	147,784	131,060	109,373	12.8	%	19.8	%	
Adjusted EBITDA margin	50.4	%	54.0	%	55.3	%	-3.6	pp
						-1.3	pp	

Selected Performance Indicators

	Year ended December 31,						
	2022	2021	2020	'21-22 % change	'20-21 % change		
Mobile							
Customers in millions	10.6	9.9	9.5	7.1	%	4.2	%
Mobile data customers in millions	8.6	7.9	7.2	8.9	%	9.7	%
ARPU in US\$	4.0	3.9	3.3	2.6	%	18.2	%
ARPU in KZT	1,844.0	1,671.0	1,364.0	10.4	%	22.5	%

Total Operating Revenue

For the year ended December 31, 2022, our Kazakhstan total operating revenue increased by 11.8% (in US\$ terms) and increased by 20.8% (in local currency terms) as compared to the year ended December 31, 2021. These changes were primarily driven by higher data usage and 4G subscribers, higher fixed line services usage and repricing during the year 2022.

Adjusted EBITDA

For the year ended December 31, 2022, our Kazakhstan Adjusted EBITDA increased by 4.9% in (US\$ terms) and increased by 12.8% (in local currency terms) as compared to the year ended December 31, 2021. These changes are primarily due to higher total operating revenue as described above. The increase was partially offset by increased marketing spend, and higher number of FTEs.

Number of Mobile Customers

As of December 31, 2022, we had 10.6 million mobile customers in Kazakhstan representing an increase of 7.1% as compared to December 31, 2021. This increase was driven by growth in mobile data customers which increased by 8.9% over the reporting period as a result of improved mobile data services and the continuous expansion of our 4G network.

Mobile ARPU

For the year ended December 31, 2022, our mobile ARPU in Kazakhstan increased by 2.6% (in USD terms) and increased by 10.4% (in local currency terms) as compared to the year ended December 31, 2021. This increase is primarily due to the rise in the demand for mobile data due to the growth in our 4G customer base and digital services.

Uzbekistan

Results of Operations in US\$

<i>In millions of U.S. dollars (except as indicated)</i>	Year ended December 31,					
	2022	2021	2020	'21-22 % change	'20-21 % change	
Total operating revenue	233	194	198	20.1	% -2.0	%
Mobile service revenue	232	193	196	20.2	% -1.5	%
- of which mobile data	159	122	111	30.3	% 9.9	%
Fixed-line service revenue	1	1	1	-16.9	% -11.0	%
Sales of equipment, accessories and other	—	—	1	0.0	% -100.0	%
Operating expenses	109	105	130	3.8	% -19.2	%
Adjusted EBITDA	124	89	68	39.3	% 30.9	%
Adjusted EBITDA margin	53.2	% 45.9	% 34.3	% 7.3	pp 11.6	pp

Results of Operations in UZS

<i>In millions of UZS (except as indicated)</i>	Year ended December 31,					
	2022	2021	2020	'21-22 % change	'20-21 % change	
Total operating revenue	2,575,184	2,056,545	1,985,465	25.2	% 3.6	%
Mobile service revenue	2,563,793	2,043,366	1,966,778	25.5	% 3.9	%
- of which mobile data	1,762,342	1,298,999	1,114,049	35.7	% 16.6	%
Fixed-line service revenue	8,169	9,404	11,489	-13.1	% -18.1	%
Sales of equipment, accessories and other	3,223	3,774	7,198	-14.6	% -47.6	%
Operating expenses	1,210,233	1,112,252	1,307,334	8.8	% -14.9	%
Adjusted EBITDA	1,371,642	944,432	679,613	45.2	% 39.0	%
Adjusted EBITDA margin	53.3	% 45.9	% 34.2	% 7.3	pp 11.7	pp

Selected Performance Indicators

	Year ended December 31,					
	2022	2021	2020	'21-22 % change	'20-21 % change	
Mobile						
Customers in millions	8.4	7.1	6.8	18.3	% 4.4	%
Mobile data customers in millions	7.2	5.7	4.8	26.3	% 18.8	%
ARPU in US\$	2.5	2.3	2.2	8.7	% 4.5	%
ARPU in UZS	27,228	24,217	21,758	12.4	% 11.3	%

Total Operating Revenue

For the year ended December 31, 2022, our Uzbekistan total operating revenue increased by 20.1% (in US\$ terms) and increased by 25.2% (in local currency terms) as compared to the year ended December 31, 2021. These increases are primarily due to a higher subscriber base, higher interconnect rates, and lower excise tax rate.

Adjusted EBITDA

For the year ended December 31, 2022, our Adjusted EBITDA in Uzbekistan increased by 39.3% (in US\$ terms) and increased by 45.2% (in local currency terms) as compared to the year ended December 31, 2021. These increases are due to higher revenues as discussed above along with a reversal of a property tax provision in selling and administrative cost that was partially offset by the higher technology and marketing costs during the year 2022.

Number of Mobile Customers

As of December 31, 2022, the number of mobile customers in Uzbekistan increased by 18.3% to 8.4 million. This increase was primarily driven by growth in our mobile data customers which increased by 26.3% as compared to December 31, 2021 (mainly due to the continued expansion of our 4G network in Uzbekistan).

Mobile ARPU

For the year ended December 31, 2022, our mobile ARPU in Uzbekistan increased by 8.7% (in US\$ terms) and increased by 12.4% (in local currency terms) as compared to December 31, 2021. These increases are primarily attributable to growth in our mobile data customer base and focus on high value customers.

Bangladesh

Results of Operations in US\$

<i>In millions of U.S. dollars (except as indicated)</i>	Year ended December 31,					
	2022	2021	2020	'21-22 % change	'20-21 % change	
Total operating revenue	576	564	537	2.1	% 5.0	%
Mobile service revenue	566	553	527	2.4	% 4.9	%
- of which mobile data	184	160	133	15.0	% 20.3	%
Sales of equipment, accessories and other	10	11	10	-9.1	% 10.0	%
Operating expenses	366	329	310	11.2	% 6.1	%
Adjusted EBITDA	210	235	228	-10.6	% 3.1	%
Adjusted EBITDA margin	36.5	% 41.7	% 42.5	% -5.2	pp -0.8	pp

Results of Operations in BDT

<i>In millions of BDT (except as indicated)</i>	Year ended December 31,					
	2022	2021	2020	'21-22 % change	'20-21 % change	
Total operating revenue	53,742	47,941	45,601	12.1	% 5.1	%
Mobile service revenue	52,819	47,050	44,726	12.3	% 5.2	%
- of which mobile data	17,277	13,647	11,286	26.6	% 20.9	%
Sales of equipment, accessories and other	923	891	875	3.6	% 1.8	%
Operating expenses	34,188	27,975	26,286	22.2	% 6.4	%
Adjusted EBITDA	19,554	19,966	19,315	-2.1	% 3.4	%
Adjusted EBITDA margin	36.4	% 41.6	% 42.4	% -5.3	pp -0.8	pp

Selected Performance Indicators

	Year ended December 31,					
	2022	2021	2020	'21-22 % change	'20-21 % change	
Mobile						
Customers in millions	37.6	35.1	33.2	7.1	% 5.7	%
Mobile data customers in millions	24.4	22.1	19.9	10.4	% 11.1	%
ARPU in US\$	1.3	1.3	1.3	0.0	% 0.0	%
ARPU in BDT	119.7	115.0	111.0	4.1	% 3.6	%

Total Operating Revenue

For the year ended December 31, 2022, our Bangladesh total operating revenue increased by 2.1% (in US\$ terms) and increased by 12.1% (in local currency terms) as compared to the year ended December 31, 2021. This was primarily due to an increase in mobile data revenue which is attributed to personalized data offers that increased our 4G user base and the demand for data, as well as an increase in voice revenue.

Adjusted EBITDA

For the year ended December 31, 2022, our Bangladesh Adjusted EBITDA decreased by 10.6% (in US\$ terms) and decreased by 2.1% (in local currency terms) as compared to the year ended December 31, 2021. This was mainly due to increase in marketing, personnel and technology costs, coupled with reclassification of operating minimum taxes into income tax lines in 2021, which were reported in selling, general and administrative expenses in 2022.

Number of Mobile Customers

As of December 31, 2022, the number of mobile customers in Bangladesh increased by 7.1% to 37.6 million as compared to December 31, 2021. This was primarily driven by growth in mobile data customers, which increased by 10.4% as compared to 2021, which was primarily due to our continued investment in the 4G network and focus on growing our 4G user base.

Mobile ARPU

For the year ended December 31, 2022, our mobile ARPU in Bangladesh remained stable in US\$ terms and increased by 4.1% in local currency terms as compared to December 31, 2021. This was primarily driven by growth in mobile data and voice revenue and as described above.

Liquidity and Capital Resources

Working Capital

As of December 31, 2022, we had negative working capital of US\$664 million, compared to negative working capital of US\$830 million as of December 31, 2021. Working capital is defined as current assets less current liabilities. The change was primarily due to an increase in cash and cash equivalents as compared to 2021 mainly as a result of proceeds from sale of Algeria operations which was partially offset by the decreased trade and other receivables when compared to 2021.

Our working capital is monitored on a regular basis by management. Our management expects to repay our debt, as it becomes due, from our operating cash flows or refinanced through additional borrowings. Although we have a negative working capital, our management believes that our cash balances and available credit facilities are sufficient to meet our present requirements. For a further discussion of our liquidity profile and the impact of the conflict between Russia and Ukraine, see — *Future Liquidity and Capital Requirements* below.

The consolidated financial statements included in this Annual Report on Form 20-F have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and satisfaction of liabilities and commitments in the normal course of business. As such, the consolidated financial statements included in this Annual Report on Form 20-F do not include any adjustments that might result from an inability to continue as a going concern. If we cannot continue as a going concern, adjustments to the carrying values and classification of our assets and liabilities and the reported amounts of income and expenses could be required and could be material. See [Note 24—Basis of Preparation of the Consolidated Financial Statements](#) of our Audited Consolidated Financial Statements for a further discussion on our going concern disclosure.

Consolidated Cash Flow Summary

<i>(In millions of U.S. dollars)</i>	2022	2021*	2020*
Net cash flows from operating activities from continuing operations	933	961	844
Net cash flows from operating activities from discontinued operations	1,624	1,677	1,599
Net cash flows from / (used in) investing activities from continuing operations	(1,057)	(967)	(816)
Net cash flows from / (used in) investing activities from discontinued operations	(599)	(213)	(1,050)
Net cash flows from / (used in) financing activities from continuing operations	456	(192)	174
Net cash flows from / (used in) financing activities from discontinued operations	(340)	(552)	(277)
Net increase / (decrease) in cash and cash equivalents	1,017	714	474
Net foreign exchange difference related to continuing operations	(95)	(18)	(51)
Net foreign exchange difference related to discontinued operations	(21)	(5)	—
Cash and cash equivalent classified as held for sale	(33)	(113)	—
Cash and cash equivalent at beginning of period	2,239	1,661	1,238
Cash and cash equivalents at end of period, net of overdraft	3,107	2,239	1,661

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see Note 10—Held for Sale and Discontinued Operations in our Audited Consolidated Financial Statements).

For more details, see *Consolidated Statement of Cash Flows* in our Audited Consolidated Financial Statements.

Operating Activities

For the year ended December 31, 2022, net cash flows from operating activities decreased to US\$933 million from US\$961 million for the year ended December 31, 2021. The decrease was primarily attributable to lower group EBITDA and an improvement in working capital as compared to 2021.

For the year ended December 31, 2021, net cash flows from operating activities increased to US\$961 million from US\$844 million for the year ended December 31, 2020. The increase was mainly due to an increased group EBITDA as well as improved working capital position during 2021 compared to 2020.

Investing Activities

For the year ended December 31, 2022, net cash outflow from investing activities was US\$1,057 million compared to net cash outflow of US\$967 million for the year ended December 31, 2021. This increase was primarily relating to increased capital expenditures due to acceleration of our investment in 4G networks. Furthermore there was year on year decrease in the proceeds from sale of subsidiaries (US\$682 million relating to Algeria received during 2022 compared to the proceeds of US\$861 million from the sale of our tower assets in Russia received in 2021). Our total payments for the purchase of property, equipment and intangible assets amounted to US\$634 million in 2022 compared to US\$699 million in 2021.

For the year ended December 31, 2021, we recorded an outflow of US\$967 million from investing activities, compared to an outflow of US\$816 million for the year ended December 31, 2020. This decrease was mainly due to proceeds received from the sale of our towers assets in Russia. Our total payments for the purchase of property, equipment and intangible assets amounted to US\$858 million in 2021 compared to US\$682 million in 2020.

Financing Activities

For the year ended December 31, 2022, net cash inflow from financing activities was US\$456 million compared to net cash outflow of US\$192 million for the year ended December 31, 2021. The higher net cash inflow from financing activities in 2022 was mainly driven by drawing down our RCF in full during 2022 while retaining significant amounts of cash available on the balance sheet to manage our liquidity, as well as net inflow from other bank loans and bonds, among others in Pakistan, which was partially offset by lease payments and repayments of loans. The net outflow from financing activities from 2021 was

mainly driven by the acquisition of non-controlling interests in PMCL and lease payments which are partially offset by net inflow from bank loans and bonds.

For the year ended December 31, 2021, net cash outflow for financing activities was US\$192 million compared to net cash inflow of US\$174 million for the year ended December 31, 2020. The change of net cash flows used for financing activities was mainly driven by higher lease payments and the acquisition of non-controlling interests in PMCL during 2021.

Indebtedness

As of December 31, 2022, the principal amounts of our external indebtedness represented by bank loans and bonds amounted to US\$6,670 million, compared to US\$7,595 million as of December 31, 2021. During 2022 US\$1.2 billion of RUB denominated loans were novated from VEON Finance Ireland DAC to PJSC VimpelCom and are part of liabilities classified as held-for-sale as of December 31, 2022.

As of December 31, 2022, our debt does not include any overdrawn bank accounts related to our cash-pooling program.

As of December 31, 2022, VEON had the following principal amounts outstanding for interest-bearing loans and bonds as well as cash-pool overdrawn bank accounts:

Entity	Type of debt/ original lenders	Interest rate	Debt currency	Outstanding debt (mln)	Outstanding debt (US\$ mln)	Maturity date
VEON Holdings B.V.	Notes	5.95%	USD	529	529	02.13.2023
VEON Holdings B.V.	Revolving Credit Facility	SOFR + 1.7%	USD	692	692	04.20.2023
VEON Holdings B.V.	Notes	7.25%	USD	700	700	04.26.2023
VEON Holdings B.V.	Revolving Credit Facility	SOFR + 1.7%	USD	363	363	05.30.2023
VEON Holdings B.V.	Notes	4.95%	USD	533	533	06.16.2024
VEON Holdings B.V.	Notes	4.00%	USD	1,000	1,000	04.09.2025
VEON Holdings B.V.	Notes	6.30%	RUB	20,000	284	06.18.2025
VEON Holdings B.V.	Notes	6.50%	RUB	10,000	143	09.11.2025
VEON Holdings B.V.	Notes	8.13%	RUB	20,000	284	09.16.2026
VEON Holdings B.V.	Notes	3.38%	USD	1,250	1,250	11.25.2027
VEON Holdings B.V. Total					5,778	
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	33,848	149	09.02.2026
PMCL	Loan from Habib Bank Limited	6M KIBOR + 0.55%	PKR	14,369	63	09.02.2026
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	15,000	66	05.18.2028
PMCL	Syndicated Loan Facility	3M KIBOR + 0.60%	PKR	50,000	221	07.05.2031
PMCL	Syndicated Loan Facility	6M KIBOR + 0.60%	PKR	30,000	132	04.19.2032
PMCL	Others				31	
Pakistan Mobile Communications Limited Total					662	
PJSC Kyivstar	Loan from OTP Bank	10.15%	UAH	760	21	12.22.2023
PJSC Kyivstar	Loan from Raiffeisen Bank	11.00%	UAH	1,400	38	11.26.2025
PJSC Kyivstar Total					59	
Banglalink	Syndicated Loan Facility	Average bank deposit rate + 4.25%	BDT	11,370	110	04.26.2027
Other					14	
Banglalink Digital Communications Ltd. Total					124	
Other entities	Cash-pool overdrawn accounts and other				47	
Total VEON					6,670	

We may from time to time seek to purchase our outstanding debt through cash purchases and/or exchanges for new debt securities in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

The following table reflects our financial liabilities, net of derivative assets, classified further by maturity date, as of December 31, 2022.

<i>(In millions of U.S. dollars)</i>	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Bank loans and bonds	2,796	2,671	2,013	351	7,831
Lease liabilities	95	423	327	402	1,247
Purchase obligations	285	—	—	—	285
Total financial liabilities, net of derivative assets	3,176	3,094	2,340	753	9,363

For further discussion of these contractual obligations, please refer to *Note 12—Property and Equipment*, *Note 13—Intangible Assets*, *Note 16—Investments, Debt and Derivatives* and *Note 18—Financial Risk Management* of our Audited Consolidated Financial Statements attached hereto. We did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

For additional information on our outstanding indebtedness, please refer to *Note 16—Investments, Debt and Derivatives* of our Audited Consolidated Financial Statements attached hereto and —*Key Developments after the year ended December 31, 2022—Purchase of VEON Group Debt*. For a description of some of the risks associated with certain of our indebtedness, see *Item 3.D—Risk Factors—Liquidity and Capital Risks—Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition*.

Cash Subject to Currency and Contractual Restrictions

Following the onset of the conflict between Russia and Ukraine, our ability to exchange U.S. dollars and other currencies into Russian rubles was adversely impacted due to certain restrictions imposed on Russian financial institutions, Russian counter-measures and the instability of the Russian financial sector in general. In light of these difficulties, we implemented the Scheme. For information on the Scheme, see —*Key Developments after the year ended December 31, 2022—VEON’s Scheme of creditors*. For more information on these risks, see *Item 3.D—Risk Factors—Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers*.

Future Liquidity and Capital Requirements

Telecommunications service providers require significant amounts of capital to construct networks and attract customers. In the foreseeable future, our further expansion will require significant investment activity, including the purchase of equipment and possibly the acquisition of other companies.

In 2022, our capital expenditures (excluding licenses and right-of-use assets) were US\$841 million compared to US\$806 million in 2021 and US\$776 million in 2020. These investments related to upgrades and expansions of high-speed data networks across all our countries of operations.

While our medium-term plan for capital expenditures (excluding licenses and right-of-use assets) is to invest in high-speed data networks to continue to capture mobile data growth, including the continued roll-out of 4G/LTE networks in Pakistan, Ukraine and Bangladesh, and upgrade of our 3G networks in Bangladesh, the ongoing conflict in Russia and Ukraine has caused us to reconsider our capital outlay to ensure we have sufficient liquidity for maintenance capital expenditures and other key operational spend while at the same time servicing our indebtedness. As a result, capital expenditures that are more discretionary in nature may be put on hold until the impact of the ongoing conflict between Russia and Ukraine, and particularly its effects on our liquidity and financial profile, becomes more certain.

Management anticipates that the funds necessary to meet our current and expected capital requirements in the foreseeable future (including with respect to any possible acquisitions) will continue to come from:

- cash we currently hold;

- operating cash flows;
- proceeds of assets classified as held for sale;
- borrowings under syndicated bank financings, including credit lines currently available to us; and
- issuances of debt securities on local and international capital markets, with international capital markets expected to be reestablished as a viable funding source following the sale of our Russian Operations.

Following the onset of the conflict between Russia and Ukraine, our ability to generate cash to service our indebtedness has been materially impaired, due to expected lower revenues in Ukraine, the significant volatility of the Russian ruble, sanctions in relation to the conflict and tightened currency controls within Ukraine. The availability of external financing depends on many factors, including, but not limited to, the success of our operations, contractual restrictions, the financial position of international and local banks, the willingness of international and local banks to lend to our companies and the liquidity and strength of international and local capital markets. Due to the adverse impact the ongoing conflict between Russia and Ukraine has had on us, including credit rating agencies withdrawing their ratings of VEON after first downgrading VEON, the terms of such external financing may be less favorable than our existing financing, including due to the reputational harm we have suffered. See *—Item 3.D.—Risk Factors—Market Risks—We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine.*

As of December 31, 2022, we had an undrawn amount of US\$44 million under the existing PMCL Term facility. For additional information on our outstanding indebtedness, please refer to *Note 18—Financial Risk Management* of our Audited Consolidated Financial Statements attached hereto. On December 31, 2022, VEON had approximately US\$2.5 billion of cash held at the level of its headquarters (“HQ”) in Amsterdam, which was deposited with international banks and invested in money market funds and which is fully accessible at HQ. In addition, VEON’s operating companies had a total cash position equivalent to over US\$0.6 billion. However, there can be no assurance that our existing cash balances and revolving credit lines will be sufficient over time to service our existing indebtedness, including to address our upcoming bond maturities. See *Item 3.D—Risk Factors—Liquidity and Capital Risks—Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition.*

While we currently have sufficient liquidity to satisfy our current obligations at least over the next 12 months, Management identified material uncertainties as a result of the conflict. Based on the material uncertainties our independent auditor included an emphasis of matter paragraph in their Independent Auditor’s Report. See *Item 3.D—Risk Factors—Market Risks—Our independent auditors have included a going concern emphasis paragraph in their opinion as a result of the effects of the ongoing conflict between Russia and Ukraine* and [Note 24—Basis of Preparation of the Consolidated Financial Statements](#) of our Audited Consolidated Financial Statements for our going concern disclosure.

Below is the reconciliation of capital expenditures (excluding licenses and right-of-use assets) to cash flows used to Purchase of property, plant and equipment and intangible assets:

<i>(In millions of U.S. dollars)</i>	2022	2021*	2020*
Capital expenditures (excluding licenses and right-of-use assets) **	841	806	776
<i>Adjusted for:</i>			
Additions of licenses	526	482	38
Difference in timing between accrual and payment for capital expenditures (excluding licenses and right-of-use assets)	(357)	(430)	(132)
Purchase of property, plant and equipment and intangible assets	1,010	858	682

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia and Algeria as a discontinued operation (see *Note 10—Assets Held for Sale and Discontinued Operations of our Audited Consolidated Financial Statements*)

** Refer to *Note 2—Segment information of the Audited Consolidated Financial Statements*

Quantitative And Qualitative Disclosures About Market Risk

For information on quantitative and qualitative disclosures about market risk, see *Item 11—Quantitative and Qualitative Disclosures About Market Risk*.

Research and Development

We now have the capacity to launch 4G/LTE services in each of our reportable segments. We have acquired new spectrum in several operating companies to boost our network capacity, enhance spectral efficiency and enable the launch of new radio access networks technologies. For a discussion of the risks associated with new technology, see *Item 3.D—Risk Factors—Market Risks—We may be unable to keep pace with technological changes and evolving industry standards, which could harm our competitive position and, in turn, materially harm our business*.

Related Party Transactions

We have entered into transactions with related parties and affiliates. See *Item 7.B—Related Party Transactions* and *Note 22—Related Parties* to our Audited Consolidated Financial Statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Up to June 29, 2023, the date of our 2023 annual general meeting of shareholders (the “2023 AGM”), our directors, their respective ages, positions, dates of appointment and assessment of independence were as follows:

Name	Age	Position	First Appointed	Independent
Gunnar Holt	69	Chairman of Board of Directors	2022 (as Chairman); 2015 (as member)	<input checked="" type="checkbox"/>
Michiel Soeting	62	Director	2022	<input checked="" type="checkbox"/>
Hans-Holger Albrecht	59	Director	2020	<input checked="" type="checkbox"/>
Morten Lundal	58	Director	2022	<input checked="" type="checkbox"/>
Augie K Fabela II	57	Director	2022	<input checked="" type="checkbox"/>
Vasily Sidorov	52	Director	2021	<input checked="" type="checkbox"/>
Irene Shvakman	55	Director	2021	<input checked="" type="checkbox"/>
Yaroslav Glazunov	43	Director	2020	
Karen Linehan	64	Director	2022	<input checked="" type="checkbox"/>
Stan Miller	64	Director	2022	<input checked="" type="checkbox"/>
Andrei Gusev	50	Director	2014	

Up to the date of our 2023 AGM, the board of directors of VEON (“Board of Directors”) consisted of eleven members, nine of whom we deemed to be independent. See *Item 10.B—Memorandum and Articles of Association—Board of Directors*. See also —*Updates to the Board of Directors following the Annual General Meeting of Shareholders on June 29, 2023*—for the Board composition following our 2023 AGM. In analyzing the independence of the members of the Board of Directors for this purpose, we are guided by the NASDAQ listing rules, the rules promulgated by the SEC and the Dutch Corporate Governance Code, as if those rules applied to us.

All members of the Board of Directors are elected by our shareholders through a cumulative voting process. Nominations to the board of directors were managed by its nominating and corporate governance committee (“NCGC”), which up to the date of our 2023 AGM was led by Gunnar Holt, whom we deemed to be an independent member of the Board of Directors. The NCGC looked to ensure that the membership of the Board of Directors consists of individuals with sufficiently diverse and independent backgrounds, who possess experience, knowledge, and expertise most relevant to our strategic priorities and challenges. All members of the board of directors possess relevant industry experience and have additionally been selected to provide the requisite experience required of the committees of our Board of Directors.

At the 2023 AGM, VEON shareholders elected six previously serving directors and one new member to the VEON Board of Directors. Following our 2023 AGM, the Board amended certain of our committees, including the NCGC. See — *Updates to the Board of Directors following the Annual General Meeting of Shareholders on June 29, 2023*—for the Board composition and following our 2023 AGM and —*Updates to the Committees of the Board of Directors following the 2023 AGM* for the changes to our committees adopted by our board of directors on July 6, 2023.

On July 30, 2018, we amended and restated our bye-laws to, among other things, eliminate our two-tier board structure. As a result, we have a board of directors and a management leadership team known as the Group Executive Committee (“GEC”).

Our bye-laws empower the Board of Directors to direct the management of VEON Ltd.’s business and affairs, and require that the Board of Directors approves important matters including, among others, the annual budget and audited accounts, organizational or reporting changes to the management structure, significant transactions and changes to share capital or other significant actions. Additionally, under Bermuda law, the Board of Directors has the right to require that any matter come to the Board of Directors for approval and any member of the Board of Directors may bring forward an item for the agenda of the Board of Directors, which helps to ensure that the Board of Directors provides appropriate oversight over our matters.

Updates to the Board of Directors following the Annual General Meeting of Shareholders on June 29, 2023.

At the 2023 AGM, VEON shareholders elected six previously serving directors: Mr. Lundal (who has been appointed as the Chairman of the Board of Directors), Mr. Fabela, Ms. Linehan, Mr. Soeting, Mr. Glazunov and Mr. Gusev. Shareholders also elected Mr. Terzioğlu, the current Group CEO, as a new member of the VEON Board of Directors. Mr. Holt, Mr. Albrecht, Mr. Miller, Ms. Shvakman, and Mr. Sidorov did not put themselves up for re-election at the 2023 AGM. The Board shall, following the 2023 AGM consist of such number of Directors being not less than five Directors and not more than nine Directors. The Board of Directors only put forward seven nominees for appointment, as it believed a smaller Board of Directors will improve business efficacy and allow for more stream-lined decision making process. All members of our Board of Directors will serve until the next annual general meeting, unless any members are removed from office or their offices are vacated in accordance with our bye-laws. Alternate directors will be summoned to act as regular directors in a temporary or permanent manner in case of absence, vacancy or demise. Of the seven members of the Board of Directors elected at the 2023 AGM, four are deemed to be independent. In analyzing the independence of the members of the Board of Directors for this purpose, we are guided by the NASDAQ listing rules, the rules promulgated by the SEC and the Dutch Corporate Governance Code, as if those rules applied to us.

The GEC is comprised of the Group Chief Executive Officer, the Group Chief Financial Officer, the Group General Counsel, the Group Chief People Officer, the Group Corporate Affairs Officer and the Group Head of Portfolio Management. The GEC is focused on the management of the business affairs of VEON Ltd. and its subsidiaries as a whole, including execution of our competitive strategy, driving financial performance and overseeing and coordinating Group-wide initiatives. On an annual basis, the GEC, the audit and risk committee (the “Audit and Risk Committee”) and the Board of Directors define our risk profile for the categories of risk we encounter in operating our business, which are then integrated into our business through global policies and procedures.

As of June 30, 2023, the members of our GEC, their respective ages, positions and dates of appointment were as follows:

Name	Age	Position	First Appointed
Kaan Terzioğlu	54	Group Chief Executive Officer	March 2020 (as co-CEO)
A. Omiyinka Doris ⁽¹⁾	47	Group General Counsel	June 2023
Michael Schulz	56	Group Chief People Officer	July 2021
Joop Brakenhoff ⁽²⁾	58	Group Chief Financial Officer	May 2023
Matthieu Galvani	53	Chief Corporate Affairs Officer	October 2022
Dmitry Shvets	50	Group Head of Portfolio Management	April 2021

⁽¹⁾A. Omiyinka Doris served on the GEC as Acting Group General Counsel from November 1, 2022 for the reporting period ending December 21, 2022. Effective from June 1, 2023, she became the Group General Counsel.

⁽²⁾Serkan Okandan and Joop Brakenhoff served on the GEC as Group Chief Financial Officer and Chief Internal Officer respectively for the reporting period ending December 21, 2022. Effective from May 1, 2023, Joop Brakenhoff replaced Serkan Okandan as Group Chief Financial Officer.

Board of Directors Prior to the 2023 AGM

Mr. Gunnar Holt (Chairman of Board of Directors) served as the Chairman of the VEON Ltd. Board of Directors since June 2022 and a director of the Company since June 2015 and up to the date of the 2023 AGM and we deem Mr. Holt to be an independent director through his term of appointment. Mr. Holt served as a member of VEON Ltd.'s Audit and Risk Committee and a chairman of the Nominating and Corporate Governance Committee. Mr. Holt has served on a number of corporate Boards and was a senior adviser at Telenor ASA from 2006 to 2017 and previously served as Group Finance Director for the Company from 2000. From 1995 to 1999, he worked at Aker ASA and Aker RGI ASA, serving as Vice President and CFO. From 1986 to 1995, he held various leadership positions in the Aker Group, including deputy president of Norwegian Contractors AS, executive Vice President and Chief Financial Officer of Aker Oil and Gas Technology AS, president of Aker Eiendom AS, and finance and accounting director of Aker Norcem AS. From 1978 to 1986, he served as executive officer and special adviser in the Norwegian Ministry of Petroleum and Energy. Mr. Holt holds a Doctor of Business Administration degree from Henley Management College, Brunel University in the United Kingdom; an MBA from the University of Queensland in Australia; and an MBA in finance from the University of Wisconsin. He received a Diplomøkonom from the Norwegian School of Management.

Mr. Hans Holger Albrecht (Director) served as a director of VEON Ltd. since June 2020 and up to the date of the 2023 AGM and we deem Mr. Albrecht to be an independent director through his term of appointment. Mr. Albrecht was chair of the Strategy & Innovation Committee. Mr. Albrecht is currently a member of the Board of Directors of the following publicly listed entities: Scout24 AG (Chairman of the Board since June 2018), Storytel AB (Chairman of the Board since February 2022), and Deezer SA (non-executive Board member since October 2022). Mr. Albrecht is currently a senior adviser to EQT Group. He was the CEO of Deezer Group, a French online music streaming service between 2015 and 2021. Prior to that, Mr. Albrecht was president and Chief Executive Officer of Millicom International Cellular S.A., a telecom and media group offering digital services to over 50 million customers in Africa and Latin America from 2012 to 2015; a director at Ice Group ASA, a Norwegian mobile network operator from 2015 to 2021; Chairman of the digital advisory Board at Deutsche Postbank Group from 2016 to 2019; and president and CEO at Modern Times Group MTG AB, a publicly traded Swedish digital entertainment company from 2000 to 2012. Mr. Albrecht holds a doctorate from Ruhr-Universität Bochum in Germany and a Master of Law from the University of Freiburg.

Mr. Augie K Fabela II (Director) has been a director of VEON Ltd. since June 2022 and we deem Mr. Fabela to be an independent director through his term of appointment. Mr. Fabela served as a member of both the Compensation and Talent Committee as well as the Strategy and Innovation Committee. Mr. Fabela was also a director of VEON Ltd. from June 2011 to December 2012, during which time he served as Chairman of the Board. Mr. Fabela received nominations to the Board from 14.8% minority independent shareholders of VEON. Mr. Fabela is chairman emeritus and co-founder of VEON Ltd. He is executive chairman and co-founder of FastForward.ai. In addition, he is also a director (Finance Committee) at Shareability, Inc. since 2019. Mr. Fabela is a #1 bestselling author of "The Impatience Economy." He graduated from Stanford University with a B.A. and M.A. in International Relations and International Policy Studies.

Mr. Yaroslav Glazunov (Director) has been a director of VEON Ltd. since November 2020. Mr. Glazunov served as the Chairman of the Compensation and Talent Committee and was a member of the Nominating and Corporate Governance Committee. Mr. Glazunov is currently a partner at the publicly listed entity Korn Ferry (partner since 2021). Mr. Glazunov is a senior adviser at the international investment firm LetterOne where he focuses on long-term investment portfolio management. He oversees portfolio strategy and governance, as well as leadership performance, drawing upon more than two decades of advisory experience in Europe, Asia and the Middle East. He is Chairman for Central Eurasia at Korn Ferry, the world's largest organizational consulting company. In addition to his commercial roles, Mr. Glazunov chairs an NGO engaged in the advancement of arts education.

Mr. Andrei Gusev (Director) has been a director of VEON Ltd. since April 2014. Mr. Gusev was the Chairman of the Finance Committee. Mr. Gusev is a senior partner at LetterOne Technology (UK) LLP, joining in 2014, and was a managing

director at Altimo from 2013 to 2014. Mr. Gusev was Chief Executive Officer of X5 Retail Group N.V. from 2011 to 2012 and prior to that, served as its director of business development and M&A from 2006 to 2010. From 2001 to 2005, Mr. Gusev served as managing director of the Alfa Group with overall responsibility for investment planning. Prior to that, Mr. Gusev worked at Bain & Company and Deloitte Consulting. Mr. Gusev received an MBA from the Wharton School at the University of Pennsylvania in 2000 and a diploma with honors from the Department of Applied Mathematics and Computer Science at Lomonosov Moscow State University in 1994.

Mr. Morten Lundal (Director) has been a director of VEON Ltd. since June 2022 and we deem Mr. Lundal to be an independent director through his term of appointment. Mr. Lundal was a member of the Nominating and Corporate Governance Committee and Strategy and Innovation Committee. Mr. Lundal has over 20 years' experience as an executive in the telecoms sector with extensive experience in emerging markets, having held key positions at Telenor Group in Oslo and Vodafone Group in London as well as CEO of Maxis Bhd and Digi.Com Bhd in Malaysia. In addition, Mr. Lundal has served as a non-executive director of Digital National Bhd, Malaysia since 2020. Mr. Lundal completed his Master of Business and Economics at the Norwegian School of Management and holds an MBA from the International Institute for Management Development in Lausanne.

Mr. Stan Miller (Director) served as a director of VEON Ltd. since June 2022 and up to the date of the 2023 AGM and we deem Mr. Miller to be an independent director through his term of appointment. Stan Miller has over 30 years of experience in the start-up, successful turnaround and running of companies in both the telecommunication and media industries (TMT)– experienced executive– CEO, NED, INED of listed companies on JSE, NYSE, MOEX, AEX, NASDAQ bourses. He has served as a member of, and has a deep experience in audit, risk, compliance, strategy, remuneration and nomination, ESG committees of boards. From 2016 he is member of the board of MTN Group (South Africa) the largest telecommunication company in Africa– JSE listed– 280 million subscribers– member strategy, risk, ESG, corporate governance committees; From June 2022, he is a member of the board VEON Ltd Telecom operator – 220 million subs (NASDAQ/AEX) member of Strategy & Nomco, Remco committees; He is also CEO & Owner of Athena Investment Holdings SPF SA (Luxembourg); Leaderman NV (Belgium); Leaderman SARL (Luxembourg); Investor, shareholder & director of other own private companies. Senior advisor to PE / Hedge funds in TMT sector. From 2010–2019 he was a member of the board MTS OJSC– NY/MOEX listed, where he also served on Audit/Risk, Nomco/Remco & Strategy committees. From 2011-2016 he was Executive Chairman, director and minority shareholder of AINMT AB/ICE Group a telecom operator in Sweden, Norway, Denmark, Indonesia & Brazil (later listed on Oslo Stock Exchange after split of international operations) - majority owned by Access Industries. From 1999 till 2010 he was a member of the board of Royal KPN, CEO KPN Mobile and CEO of the Mobile International Business. He was responsible for the sale of non-core assets when KPN faced financial ruin in 2000. He was responsible for the successful turnaround in The Netherlands, Germany, Belgium, and building new businesses (MVNO) in France, Spain. He introduced a “Challenger” strategy & business model as Chairman of E-Plus (Germany) and BASE (Belgium) where he introduced – changed the business model, creating significant value of Euro 12 billion for KPN and its shareholders from basically bankrupt businesses. He also served as Chief Executive Officer & chairman of BASE N.V. in Belgium, a company that he successfully launched as KPN- Orange in 1998. From 1991 – 1997 prior to joining KPN he held leading positions in the pan-European Pay TV operator Nethold (DSTV, MultiChoice) a joint venture between MNET & Richemont. His last assignment being as Chief Executive Officer of its operations in Italy, where the first European digital satellite offering was launched at Telepiu. Nethold was sold to Vivendi/Canal Plus in 1997. Prior to 1991 he held several senior management positions at M-Net / DSTV / MultiChoice Electronic Media pay television in South Africa (part of NASPERS-PROSUS) and was one of the founding executives of MNET in South Africa and General manager of its operations in South Africa – relocating to Europe in 1991 to join Nethold. Stan has a deep understanding of different cultures and the diversity of running businesses across Europe, Africa and beyond and the impact that has on business. In Europe he has lived and worked in Italy, The Netherlands, Belgium, Germany, Greece, Norway, Sweden and Denmark. He also has a deep understanding of emerging markets in Africa, Eastern Europe and beyond. He has both Belgian & South African nationalities and is a Luxembourg resident.

Ms. Karen Linehan (Director) has been a director of VEON Ltd. since January 2022 and we deem Ms. Linehan to be an independent director through her term of appointment. Ms. Linehan is a member of the Audit and Risk Committee and also served on the Nominating and Corporate Governance Committee. Ms. Linehan is currently a member of the Board of Directors of publicly listed entities Aelis Farma SA (Board member, Chairwoman of the Audit Committee and member of the Compensation Committee since January 2022), and CNH Industrial N.V. (Board member since April 2022 and Chairwoman of the Audit Committee since September 2022). Ms. Linehan retired at the end of 2021 as the executive Vice President and

general counsel of Sanofi, a CAC 40 global healthcare company, and as a member of the supervisory Boards of Sanofi Aventis Deutschland GmbH and Euroapi, which were both Sanofi subsidiaries. She is an independent Board member of GARDP North America Inc. (Global Antibiotic Research and Development Partnership), a non-profit organization that develops new treatments for drug-resistant infections and a member of the Board of Visitors at Georgetown University Law Center. Ms. Linehan graduated from Georgetown University with Bachelor of Arts and Juris Doctorate degrees. Prior to practicing law at an associate at Townley & Updike in New York, NY from September 1986 until December 1990, Ms. Linehan served on the Congressional Staff of the Speaker of the U.S. House of Representatives from September 1977 to August 1986.

Ms. Irene Shvakman (Director) was a director of VEON Ltd. since June 2021 and up to the date of the 2023 AGM and we deem Ms. Shvakman to be an independent director through her term of appointment. Ms. Shvakman was a member of the Strategy and Innovation Committee. Ms. Shvakman is co-founder and Chairwoman of Revo Technologies and has more than 25 years of experience in fintech, financial services and technology development. Until 2016, Ms. Shvakman was a senior partner at McKinsey & Company, where she advised top executives at leading banks, insurers, and regulators across emerging markets on strategy, organization and performance transformation. Ms. Shvakman holds an MBA from Harvard Business School and a Bachelor of Science in Biochemistry from Brown University in the United States. Since 2020, Ms. Shvakman serves as a member of the European Advisory Board of Harvard Business School.

Mr. Vasily Sidorov (Director) was a director of VEON Ltd. since June 2021 and up to the date of the 2023 AGM and we deem Mr. Sidorov to be an independent director through his term of appointment. Mr. Sidorov was a member of the Audit and Risk Committee as well as the Finance Committee. Mr. Sidorov has over 25 years' experience in top management and non-executive directorship roles in telecoms, technology, transport and other industries. His executive roles include president and Chief Executive Officer of MTS from 2003 to 2006, first VP for finance and investments at Sistema-Telecom (Russia) from 2000 to 2003, and Chief Financial Officer of Svyazinvest (Russia) from 1997 to 2000. He was a key investor and founder of a number of telecoms-related businesses and non-executive director at a number of technology ventures. Mr. Sidorov has served on Boards of large public and non-public corporations, such as Russian Railways from 2012 to 2018, Aeroflot from 2013 to 2020, Russian Post from 2019 to 2020, and G-Group from 2022 to present. He is currently a principal venture capital, private equity and special situations investor in Continental Europe, Middle East, Africa, and the United States. Mr. Sidorov serves as a member of the Board of AS RUS MEDIA, publisher of Forbes Russia, since 2018. Mr. Sidorov completed a Bachelor of Science in Economics and the Wharton School of Business University of Pennsylvania and a Master of International Public Law from the Moscow State Institute of International Relations.

Mr. Michiel Soeting (Director) has been a director of VEON Ltd. since March 2022 and we deem Mr. Soeting to be an independent director through his term of appointment. Mr. Soeting is the Chairman of the Audit and Risk Committee and was a member of the Finance Committee and Nominating and Corporate Governance Committee. Mr. Soeting has 32 years of experience with KPMG, one of the leading audit firms worldwide. While at KPMG, he worked in key locations in the EMEA, ASPAC and the Americas regions, becoming KPMG partner in 1998 and leading some of its largest global advisory and audit clients, including BHP Group, Equinor, LafargeHolcim, Philips Electronics, RD Shell, and Wolters Kluwer. From 2008, Mr. Soeting served as a global head of the KPMG Energy and Natural Resources (ENR) sector, and as a global Chairman of the KPMG ENR Board. From 2009 to 2014, he was a member of the KPMG Global Markets Steering Committee. From 2012 to 2014, Mr. Soeting served as a member of the European Resource Efficiency Platform of the European Commission. From 2019, Mr. Soeting has taken on various oversight roles, in particular, as a member of the Advisory Board of Parker College of Business of Georgia Southern University in the United States and, from January 2021, as a member of the Board of Governors of Reed's Foundation in the United Kingdom. Mr. Soeting graduated from Vrije University of Amsterdam, the Netherlands as a Chartered Accountant where he completed his Doctoral studies in Economics. He holds an MBA from Georgia Southern University in the United States. In addition, Mr. Soeting is a qualified Chartered Accountant in the United Kingdom.

Group Executive Committee

Mr. Kaan Terzioğlu has been serving VEON Group as the Group Chief Executive Officer since June 2021 and was appointed as a Director at our 2023 AGM. As the Group CEO, Terzioğlu leads the executive teams of the Company's digital operators providing connectivity and digital solutions, empowering their customers with digital finance, education, entertainment and health services, among others, and supporting the economic growth of the Company's operating markets.

Prior to being appointed as the Group CEO, Mr. Terzioglu served the Company as Group Co-CEO from March 2020 to June 2021, Group Co-CEO from November 2019 to March 2020 and a Board director from July 2019 to October 2019. Mr. Terzioglu is currently a Board Member of the GSMA and of the GSMA Foundation, and also serves on the board of Digicel. Prior to joining the Company, Mr. Terzioglu held regional and global leadership roles in management consulting, technology and telecoms with Arthur Andersen, CISCO and Turkcell in Belgium, United States and Turkey. In 2019, Mr. Terzioglu received GSMA's "Outstanding Contribution to the Industry" award for his leadership in creating a digital transformation model for the telecoms industry and for his contributions to socially responsible business in telecommunications industry. Mr. Terzioglu holds a Bachelor's Degree in Business Administration from Bogazici University and is also a Certified Public Accountant (Istanbul Chamber of Certified Independent Public Accountants).

Mr. Serkan Okandan served as VEON's Group Chief Financial Officer since May 2020 until the end of April 2023. Mr. Okandan brings more than 25 years' experience to VEON, including as group chief financial officer at the Etisalat Group and Turkcell, telecommunications providers in the Middle East, Eastern Europe, Asia and Africa. Mr. Okandan also held senior management positions at the Group level and board positions of subsidiaries in Ukraine, Bangladesh and Pakistan. Mr. Okandan is a graduate of the Faculty of Economics and Administrative Sciences at Bosphorus University in Istanbul, Turkey.

Ms. Asabi Omiyinka Doris was appointed as Acting Group General Counsel and a member of the Group Executive Committee effective November 2022 and was subsequently appointed as Group General Counsel effective June 2023. Previously, she held the position of Deputy General Counsel SEC/Disclosure, Finance and Governance based in Amsterdam at VEON from July 2015 until October 2022. Prior to joining VEON, Ms. Doris was Chief Counsel, Africa for Vale based in Maputo, Mozambique from 2011 to 2014. Prior to that, she worked at Norton Rose from 2006 to 2011 in its London and Milan offices, Freshfields Bruckhaus Deringer from 2005 to 2006 in its London offices and at Davis Polk & Wardwell from 2000 to 2005 in its New York office. Ms. Doris holds a B.A. magna cum laude from Harvard and Radcliffe Colleges and a J.D. from Harvard Law School.

Mr. Michael Schulz was appointed as VEON's Chief People Officer in July 2021 and is a member of VEON's Group Executive Committee. Mr. Schulz joined VEON from Puma Energy, where he was Chief People & Culture Officer and worked closely with the Company's Board of Directors as a member of its Group Executive Committee. Prior to Puma Energy, Mr. Schulz led the Human Resources function for two of Petrofac plc's global Oil & Gas Services businesses, its Turn-Key Facilities business as well as its Engineering Services business as Senior Vice President of Human Resources, based in Dubai. A lawyer by training, Mr. Schulz was previously Legal Counsel for BRAAS, a subsidiary of Redland plc and had a wide-ranging career at Lafarge (now Holcim) following the company's acquisition of Redland in 1997, including the role of Legal Counsel in Germany, Vice President of Organizational Effectiveness in Paris and Vice President of Human Resources for Middle East and North Africa, based in Cairo. Mr. Schulz graduated from the University of Bayreuth, Bavaria, with a degree in Law. He also specialized in parallel in Organizational Psychology and Business Finance. Mr. Schulz holds an MSc equivalent in Law from the State of Rhineland Palatine, qualifying him to serve as a solicitor, judge or Attorney at Law.

Mr. Joop Brakenhoff was appointed as Group Chief Internal Audit & Compliance Officer and a member of VEON's Group Executive Committee in July 2020. Mr. Brakenhoff served as the Group Chief Internal Audit & Compliance Officer until the end of April 2023, and effective from May 1, 2023 Mr. Brakenhoff serves as the Group Chief Financial Officer. Mr. Brakenhoff joined VEON as the Company's Head of Internal Audit in January 2019. Prior to this he was at Heineken International, where he was the head of Global Audit. Mr. Brakenhoff has also held senior financial and internal audit roles at Royal Ahold, prior to which he was Chief Financial Officer of Burg Industries B.V. and Head of Internal Audit at Heerema International. Mr. Brakenhoff started his career at KPMG in 1985 where he worked for nine years in a variety of financial audit roles. Mr. Brakenhoff is a Chartered Accountant (registered accountant) of the Royal Netherlands Institute of Chartered Accountants (NBA) and a Certified Operational Auditor.

Mr. Dmitry Shvets joined VEON as Group Head of Portfolio Management and was appointed as a member of Group Executive Committee in April 2021. Dmitry's role includes oversight of VEON's Performance Management and M&A teams. Mr. Shvets has a private equity background, most recently as Head of Russia and CIS for TPG Capital, where he focused on the operational performance of TPG's portfolio companies and investing activities. Mr. Shvets has management consulting experience from McKinsey and held a senior management role leading a large operational transformation program in metals and mining. He also has prior experience in channel management, pricing and distribution in the FMCG industry. Mr. Shvets

graduated from Moscow State Institute of International Relations with Honors and holds an MBA from Goizueta Business School of Emory University.

Mr. Matthieu Galvani was appointed Chief Corporate Affairs Officer in October 2022 and is a member of VEON's Group Executive Committee. Mr. Galvani has over 22 years' experience working in the telecommunications sector in the Middle East, North Africa and Sub-Saharan Africa. In this time, he developed significant experience in corporate affairs, brand strategy and reputation management. Mr. Galvani joined VEON Group in 2016 as Chief Commercial Officer for emerging markets, before becoming CEO and Chairman of the Board of VEON's Djezzy mobile operator in Algeria in 2020, serving over 14 million customers with more than 2,700 employees. Prior to his roles with VEON, Mr. Galvani held the positions of Chief Commercial Officer of Zain Kingdom of Saudi Arabia, Chief Commercial Officer of Tunisie Telecom, Chief Commercial Officer of Djezzy under Orascom Telecom Group ownership and Chief Marketing & Communication Officer of KenCell in Kenya.

B. Compensation

This section describes our compensation arrangements and process for our board of directors and GEC for 2022 and up to July 6, 2023 when our board of directors adopted a new committee structure. In order to ensure alignment with the long-term interests of the Company's shareholders, the Compensation and Talent Committee (CTC) periodically evaluated the compensation of the company's Board of Directors and the GEC taking into account the competitive landscape, the compensation of directors at other comparable companies and recommendations regarding best practices. Following review by the Compensation and Talent Committee (CTC), it made recommendations to the board of directors on compensation of the Board of Directors and the GEC.

We incurred remuneration expense in respect of our directors and senior managers in an aggregate amount of approximately US\$30 million for services provided during 2022. For more information regarding our director and senior management compensation, see *Note 22—Related Parties* to our Audited Consolidated Financial Statements.

To stimulate and reward leadership efforts that result in sustainable success, value growth cash-based multi-year incentive plans ("Incentive Plans") were designed for members of our recognized leadership community. The participants in the Incentive Plans may receive cash payouts or share awards after the end of each relevant award performance period.

The Company has adopted a malus and claw back policy in respect of short-term and long-term incentives. The provisions of the policy allow the Group to reduce or recoup short-term or long-term incentives awards in the event of fraud or gross negligence by an employee ("trigger events"). Malus applies before awards have vested or been paid to an employee while claw back applies for a period of three years from the date the award has vested or payment has been made to an employee.

Short Term Incentive Scheme

The Short Term Incentive ("STI") Scheme provides cash pay-outs and share rewards to participating employees based on the achievement of established Key Performance Indicators ("KPIs") over the period of one calendar year. Under the STI Scheme the target award for Group CEO is 125% of annual base salary and for the remainder of the executives is 100% of annual base salary, delivered 50% cash and 50% shares with the 50% share element deferred for two years. The shares vest two years after grant with no further performance conditions. The maximum opportunity for the executive is 120% of the target level. KPIs are set every year at the beginning of the year and evaluated in the first quarter of the next year. The KPIs are partially based on the financial (85%) and operational results (15%) of the Company, or the affiliated entity employing the employee, and partially based on individual targets that are agreed upon with the participant at the start of the performance period based on his or her specific role and activities. In 2022, financial KPIs consist of total operating revenue (25%), EBITDA (25%), equity-free cash flow (20%) and Project Optimum (15%). Project Optimum refers to a proven approach in cost reduction initiatives that focuses on target setting through a bottom-up generation of ideas. The weight of each KPI was decided on an individual basis and pay-out of the STI award was dependent upon final approval by the CTC.

The cash pay-out of the STI award is scheduled in March of the year following the assessment year and is subject to continued active employment during the year of assessment (except in limited “good leaver” circumstances in which case there is a pro-rata reduction) and is also subject to a pro-rata reduction if the participant commenced employment after the start of the year of assessment. The share awards is also scheduled to be granted in March of the year following the assessment year and subject to the same conditions. Both the cash pay-out of the STI award as well as any share awards granted were dependent upon final approval by the CTC.

Long Term Incentive Scheme

The LTI Scheme is granted in a rolling three-year performance cycle and subject to a three years vesting period from the date of the grant as well as a performance condition related to Target Shareholder Return (“TSR”) in line with shareholder interests. The TSR performance condition is relative to a customized peer group of companies. The threshold level (50% of base salary payout) is achieved at the median of the peer group and maximum payout (200% of base salary) at performance in the top quartile of the peer group. On-target vesting is 120% based on performance. The threshold level of vesting is 25% of the maximum vesting opportunity.

Vesting of certain of our share awards are based on the attainment of certain KPIs, such as absolute share price, total return per share or value growth of certain VEON businesses. Options may be exercised by the participant at any time during a defined exercise period, subject to the Company’s insider trading policy.

Other

Executive shareholding requirements are set at six times annual base salary for the Group CEO and two times annual base salary for the remaining members of the GEC. There is no post-employment holding period for the members of the GEC while the Group CEO must maintain his shareholding requirement for two years post-employment. The rationale behind the shareholding requirements is to align executive and shareholder interests by creating personal holdings of VEON equity.

See *Note 22—Related Parties* to our Audited Consolidated Financial Statements for further details of our various Incentive Plans.

Pursuant to our bye-laws, we indemnify and hold harmless our directors and senior managers from and against all actions, costs, charges, liabilities, losses, damages and expenses in connection with any act done, concurred in or omitted in the execution of our business, or their duty, or supposed duty, or in their respective offices or trusts, to the extent authorized by law. We may also advance moneys to our directors and officers for costs, charges and expenses incurred by any of them in defending any civil or criminal proceedings. The foregoing indemnity will not apply (and any funds advanced will be required to be repaid) with respect to a director or officer if any allegation of fraud or dishonesty is proved against such director or officer. We have also entered into separate indemnification agreements with our directors and senior managers pursuant to which we have agreed to indemnify each of them within substantially the same scope as provided in the bye-laws.

We have obtained insurance on behalf of our senior managers and directors for liability arising out of their actions in their capacity as a senior manager or director.

We do not have any pension, retirement or similar benefit plans available to our directors or senior managers.

Vesting deferred share awards

Individuals	Award	No of ADRs awarded	Vesting Date
Kaan Terzioglu	One-off Award	30,996	July 01, 2022
Serkan Okandan	One-off Award	8,887	July 01, 2022
Joop Brakenhoff	One-off Award	3,703	July 01, 2022
Michael Schulz	One-off Award	5,829	July 01, 2022
Dmitry Shvets	Phantom Share Award	3,829*	July 01, 2022
Kaan Terzioglu	CEO Share Award	62,782	October 01, 2022
Joop Brakenhoff	One-off Award	4,162	December 31, 2022

Former member

Alex Bolis	One-off Award	2,572	July 01, 2022
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*Issued as a Phantom share award due to current legal constraints and under identical terms as share awards.

Outstanding deferred share awards

Individuals	Award	No of ADRs/ awarded	Vesting date
Kaan Terzioglu	One-off Award	30,996	July 1, 2023
Serkan Okandan	One-off Award	8,887	July 1, 2023
Joop Brakenhoff	One-off Award	3,703	July 1, 2023
Michael Schulz	One-off Award	5,829	July 1, 2023
Dmitry Shvets	Phantom Share Award	3,829*	July 1, 2023
Kaan Terzioglu	CEO Share Award	146,490	September 1, 2023
Joop Brakenhoff	One-off Award	4,162	December 31, 2023
Kaan Terzioglu	STI 2022 Deferred Grant	65,761	March 15, 2025
Serkan Okandan	STI 2022 Deferred Grant	45,251	March 15, 2025
Joop Brakenhoff	STI 2022 Deferred Grant	18,855	March 15, 2025
Michael Schulz	STI 2022 Deferred Grant	19,728	March 15, 2025
Matthieu Galvani	STI 2022 Deferred Grant	5,281	March 15, 2025
Dmitry Shvets	STI 2022 Phantom Deferred Grant	20,727*	March 15, 2025

Former member

Alex Bolis	One-off Award	2,572	July 1, 2023
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*Issued as a Phantom share award due to current legal constraints and under identical terms as share awards.

LTI award in performance shares

Award in ADRs	2022	2021
Date awarded	October 18, 2022	February 24, 2022
Vesting date	December 31, 2024	December 31, 2023
ADR price at grant	US\$8.95	US\$22.09

Individuals

Kaan Terzioglu	123,087	103,320
Serkan Okandan	84,697	71,095
Joop Brakenhoff	35,291	29,623
Matthieu Galvani	29,409	—
Michael Schulz	36,924	23,315
Dmitry Shvets	37,747 *	30,629

Former member

Alex Bolis	—	20,572
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* Issued as a Phantom share award due to current legal constraints and under identical terms as share awards

GEC service contracts 2022*

Individuals	Position	Start date	Term	End date	complete (months)	solicitation (months)
Kaan Terzioglu	Group Chief Executive Officer	November 1, 2019	Permanent	Indefinite	12	12
Serkan Okandan	Group Chief Financial Officer	May 1, 2020	3 years	April 30, 2023	6	6
Michael Schulz	Group Chief People Officer	July 1, 2021	Permanent	Indefinite	6	6
Dmitry Shvets	Group Head of Portfolio Management	April 15, 2021	3 years**	March 14, 2025	6	6
Joop Brakenhoff	Chief Internal Audit and Compliance Officer	January 15, 2019	Permanent	Indefinite	6	6
Victor Biryukov	Group General Counsel	January 1, 2022	3 years**	April 30, 2025	6	6
Matthieu Galvani	Chief Corporate Affairs Officer	October 1, 2022	Permanent	Indefinite	6	6
Omiyinka Doris	Acting Group General Counsel	July 1, 2015	Permanent	Indefinite	n/a	n/a

*All current GEC members may give their notice no earlier than three months; the Company may give executives notice no earlier than six months; No GEC member has a contractual severance provision in their employment agreement.

** Maximum statutory contract duration.

C. Board Practices

Up to the date of our 2023 AGM, VEON Ltd. was governed by our Board of Directors, consisting of 11 directors. Up to the date of our 2023 AGM, our bye-laws provided that our Board of Directors shall consist of at least seven and no more than thirteen directors, as determined by the Board of Directors and subject to approval by a majority of the shareholders voting in person or by proxy at a general meeting. We have not entered into any service contracts with any of our current directors providing for benefits upon termination of service. See —*Updates to the Board of Directors following the Annual General*

Meeting of Shareholders on June 29, 2023—for updates to the VEON Ltd. Board practices following our 2023 annual general meeting.

The Board of Directors has delegated to the Chief Executive Officer (the “CEO”) the power to manage the business and affairs of the Company, subject to certain material business decisions reserved for the Board of Directors or shareholders in our bye-laws, within the framework of our new governance model announced in the third quarter of 2020. The CEO and his leadership team manage and operate the Company on a day-to-day basis. The Board of Directors may appoint such other senior executives as the Board may determine.

Under the new governance model, our Board of Directors and the CEO have delegated to each VEON operating company considerable authority to operate their businesses independently. A Group Authority Matrix and updated policy framework has also been implemented, establishing clear decision-making parameters, reporting and other requirements. Specifically, each operating company is accountable for operating its own business subject to oversight by their respective operating company boards and our Board of Directors; and they are also obligated to operate in accordance with Group policy and controls framework. The new governance model forms the cornerstone of governance and delegation of authority across the Group.

The Board of Directors has established a number of committees to support it in review and fulfillment of the Board’s oversight and governance duties. The charters establishing these committees set out the purpose, membership, meeting requirement, authorities and responsibilities of the committees.

VEON has adopted the criteria set forth in the Enterprise Risk Management – Integrating with Strategy and Performance – 2017, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as the foundation of our enterprise risk management (ERM) approach. Through VEON’s ERM framework, we aim to identify, assess, adequately manage, monitor and report risks that could jeopardize the achievement of our strategic objectives. On an annual basis, our GEC, the Audit and Risk Committee and the Board of Directors define our risk profile for the categories of risk we encounter in operating our business, which are then integrated into our business through global policies and procedures. Our GEC review significant risks assessed and prioritized based on the Group’s ERM framework. The top Group risks are also reported to the Board of Directors, in particular to the Audit and Risk Committee (at least on a quarterly basis), to evaluate material Group risks. In line with our new governance model, local risk assessments are also reviewed by the senior management of each operating company and are reported to the business risk committees of our operating companies (the “BRCs”) and the boards of our operating companies (“OpCo Boards”). The Board of Directors maintains the Audit and Risk Committee, OpCo Boards and BRCs, to provide independent oversight of the ERM framework and the timely follow-up on critical actions based on the progress updates.

In the composition of our Board of Directors and senior executives, we are committed to diversity of nationality, age, education, gender and professional background. In March 2021, we implemented a diversity and inclusion policy to formalize our commitment to diversity and inclusion at the Board of Directors’ level and throughout the organization.

On August 6, 2021, the SEC approved the NASDAQ Stock Market’s proposal to amend its listing standards to encourage greater board diversity and to require board diversity disclosures for NASDAQ-listed companies. Pursuant to the amended listing standards, we, as a foreign private issuer, are required to have at least two diverse Board members (including at least one Board member who self-identifies as female) or explain the reasons for not meeting this objective, starting with a phase-in during 2023 (at least one diverse Board member) that lasts until 2025 (at least two diverse Board members). Furthermore, a Board of Directors diversity matrix is required to be included in the Annual Report on Form 20-F, containing certain demographic and other information regarding members of the Board of Directors. To see our Board of Directors’ diversity matrix as of April 15, 2022, please see *Item 6.C—Board Practices from our Form 20-F filed with the SEC on April 29, 2022*. The Board of Directors’ diversity matrix up to the date of our 2023 AGM, is set out below followed by the Board of Directors’ diversity matrix following the 2023 AGM.

The Board of Directors’ diversity matrix up to the date of our 2023 AGM is set out below:

Country of Principal Executive Offices	The Netherlands			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	No			
Total Number of Board members	11			
Part I: Gender Identity				
	Female	Male	Non-Binary	Did Not Disclose
Directors	2	5	0	4

Part II: Demographic Background			
	Yes	No	Did not Disclose
Underrepresented individual in Home Country Jurisdiction	1	6	4
LGBTQI+	0	7	4

The Board of Directors' diversity matrix immediately following the 2023 AGM is set out below:

Country of Principal Executive Offices	The Netherlands			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	No			
Total Number of Board members	7			
Part I: Gender Identity				
	Female	Male	Non-Binary	Did Not Disclose
Directors	1	4	0	2

Part II: Demographic Background			
	Yes	No	Did not Disclose
Underrepresented individual in Home Country Jurisdiction	1	4	2
LGBTQI+	0	5	2

VEON's commitment to Diversity and Inclusion has been strengthened by appointing a Group Diversity and Inclusion Officer in December 2022, Ana de Kok-Reyes, ensuring our vision is aligned across our footprint and deploying best practices across our workforce. We are engaging with our leaders on devising a new policy at our Group HQ in Amsterdam to formalize Diversity and Inclusion as a permanent feature of our working practices going forward. Together, these initiatives contribute to employee satisfaction and retention, whilst increasing productivity across VEON's footprint.

Committees of the Board of Directors

Up to July 6, 2023, the committees of our Board of Directors consisted of: the Audit and Risk Committee (ARC), Compensation and Talent Committee (CTC), Finance Committee, Nominating and Corporate Governance Committee (NCGC), and Strategy and Innovation Committee. Our Board of Directors and committees meet at least quarterly. In 2022, our Board of Directors met 27 times, the Audit and Risk committee met 13 times, the CTC met 10 times, the Finance Committee met 20 times, the NCGC met 16 times, and the Strategy and Innovation Committee met 7 times. Each director who served on our Board of Directors during 2022 attended at least 79% of the meetings of the Board of Directors and committees on which he or she served that were held during his or her tenure on our Board.

Our committee compositions and the terms of reference for these committees during 2022 and up to July 6, 2023 are set out below. For a description of the committees composition after our 2023 AGM see —*Updates to the Committees of the Board of Directors following the 2023 AGM*.

Audit and Risk Committee

The charter of our Audit and Risk Committee provides that each committee member is required to satisfy the requirements of Rule 10A-3 under the Exchange Act and the rules and regulations thereunder as in effect from time to time. The Audit and Risk Committee is primarily responsible for the following: the integrity of the Company's financial statements and its financial reporting to any governmental or regulatory body and the public; the Company's audit process; the qualifications, engagement, compensation, independence and performance of the company's independent auditors, their conduct of the annual audit of the Company's financial statements and their engagement to provide any other services; VEON Ltd.'s process for monitoring compliance with legal and regulatory requirements as well as the Company's corporate compliance codes and related guidelines, including the Code of Conduct; the Company's systems of enterprise risk management and internal controls; the Company's compliance program; and oversight over IT and cybersecurity policies, procedures, strategies and risks related to the same. Up to the date of our 2023 AGM, the members of the Audit and Risk Committee were Michiel Soeting (chairman), Vasily Sidorov, Gunnar Holt and Karen Linehan.

Compensation and Talent Committee

The CTC was responsible for assisting and advising the Board of Directors in discharging its responsibilities with respect to overseeing the performance, selection and compensation of the CEO and all other individuals whose appointment, reappointment or early termination of employment require Board approval under the Company's bye-laws (including the members of the Company's group executive committee and the chief executive officers of the Company's operating subsidiaries). The CTC also had overall responsibility for approving and evaluating the Company's director, executive and employee compensation and benefit plans. The CTC advised the Board of Directors in relation to the Company's overall culture and values program, including by periodically assessing the substance and effectiveness of the program and considering overall employee feedback and other measurements of effectiveness. In addition, the CTC periodically evaluated the compensation of the members of the Board of Directors (including the annual board retainer fee, any equity-related compensation or incentive plan participation and fees for service on the committees of the Board of Directors), taking into account the competitive landscape, the compensation of directors at other comparable companies and recommendations regarding best practices. The CTC formulated recommendations to the Board of Directors regarding such director compensation and any adjustments in compensation and/or incentives that the CTC considered appropriate. Such recommendations were reviewed by the NCGC, and both committees jointly deliver to the Board of Directors such recommendations for consideration and approval. Finally, the CTC evaluated the Company's programs, priorities, and progress for recruiting, staffing, developing talent, motivating and retaining competent CEO and senior executives (and potential successors) for present and future company needs, including succession planning. Up to the date of our 2023 AGM, the members of the CTC were Yaroslav Glazunov (chairman), Augie Fabela and Stan Miller.

Finance Committee

The Finance Committee is responsible for assisting and advising the Board of Directors in discharging its responsibilities with respect to its oversight of our business plan, management of our capital structure and the execution of certain material transactions. In doing so, the Finance Committee reviews with our management and gives advice or makes recommendations to the Board of Directors in relation to mergers and acquisitions transactions and divestitures, financing transactions, the occurrence of indebtedness, finance policies, dividends, material litigation, arbitration or other proceedings, and certain material and outside of the ordinary course business contracts. Up to the date of our 2023 AGM, the members of the Finance Committee were Andrei Gusev (chairman), Vasily Sidorov and Michiel Soeting.

Nominating and Corporate Governance Committee

The NCGC was responsible for identifying and recommending to the Board of Directors individuals qualified to serve as members of the Board of Directors, making recommendations to the Board of Directors concerning committee structure, membership and operations, developing and advising the Board of Directors on the adoption of and periodically reviewing a set of corporate governance practices applicable to the conduct of our business, and periodically conducting an evaluation of the Board of Directors and its committees. In addition, the NCGC reviewed recommendations of the CTC regarding adjustments in director compensation, and both committees jointly deliver to the Board of Directors such recommendations for consideration and approval. Up to the date of our 2023 AGM, the members of the NCGC were Gunnar Holt (chairman), Yaroslav Glazunov, Morten Lundal, Karen Linehan and Michiel Soeting.

Strategy and Innovation Committee

The Strategy and Innovation Committee is responsible for advising on, and overseeing, the development of our digital strategy and digital initiatives. Up to the date of our 2023 AGM, the members of the Digital and Innovation Committee were Hans Holger Albrecht (chairman), Augie K Fabela II, Stan Miller, Morten Lundal and Irene Shvakman.

Updates to the Committees of the Board of Directors following the 2023 AGM

Since July 6, 2023, the committees established by the Board of directors are the Audit and Risk Committee and the remuneration and governance committee (RGC).

The charter of the current Audit and Risk Committee is the same as that set out above in — *Committees of the Board of Directors*, though we anticipate making updates to the charter to reflect the new committee structure in due course. The current members of the Audit and Risk Committee, Michiel Soeting (chair), Morten Lundal and Karen Linehan, are expected to serve until our next annual general meeting.

As of the date of this Annual Report on Form 20-F, the Board of Directors have not yet adopted a charter for the RGC. The current members of the RGC, Augie Fabela (chair), Yaroslav Glazunov and Morten Lundal, are expected to serve until our next annual general meeting.

D. Employees

The following chart sets forth the number of our employees as of December 31, 2022, 2021 and 2020, respectively:

	As of December 31, 2022		
	2022	2021	2020
Pakistan	5,114	5,091	4,539
Bangladesh	1,216	1,128	1,137
Ukraine	3,723	3,794	3,628
Uzbekistan	1,624	1,555	1,604
Kazakhstan	4,195	3,868	2,521
HQ	114	116	187
Others	456	799	824
Total*	16,442	16,351	14,440

* Total number of employees does not include the 27,717, the 28,235 and the 26,453 employees in our Russian Operations as of December 31, 2022, 2021 and 2020, respectively, since our Russian Operations have been classified as a discontinued operation.

From time to time, we also employ external staff, who fulfill a position at the Company for a temporary period. We do not consider these employees to constitute a significant percentage of our employee totals and have not included them above.

The following chart sets forth the number of our employees as of December 31, 2022, according to geographic location and our estimates of main categories of activities:

	As of December 31, 2022				
Category of activity ⁽¹⁾	Pakistan	Ukraine	Kazakhstan	Uzbekistan	Bangladesh
Executive and senior management	26	18	11	12	8
Engineering, construction and information technology	761	1,490	1,403	462	368
Sales, marketing and other commercial operations	3,156	871	1,574	398	590
Finance, administration and legal	571	450	247	128	139
Customer service	235	769	713	337	39
Procurement and logistics	77	60	62	35	25
Other support functions	288	65	185	252	47
Total	5,114	3,723	4,195	1,624	1,216

(1) A breakdown of employees by category of activity is not available for our HQ segment and our “Others” category.

(2) Total number of employees does not include employees in our Russian Operations, which has been classified as an “Asset held for sale” and is a discontinued operation.

We have established a joint works council (“Joint Works Council”) for VEON Ltd, VEON Holdings B.V., VEON Amsterdam B.V., and VEON Wholesale Services B.V. at our Amsterdam headquarters, and it has consultation or approval rights in relation to a limited number of decisions affecting our employees working at this location.

Our employees are represented by unions or operate collective bargaining arrangements in Kyrgyzstan and Ukraine. We consider relations with our employees to be generally good. For a discussion of risks related to labor matters, see *Item 3.D—Risk Factors—General Risk Factors—Our business may be adversely impacted by work stoppages and other labor matters.*

E. Share Ownership

To our knowledge, as of June 30, 2023, none of our directors or senior managers beneficially owned more than 1.0% of any class of our capital stock. See *Item 7.A—Major Shareholders.*

To our knowledge, as of June 30, 2023, Kaan Terzioğlu, Joop Brakenhoff and Michael Schulz owned ADS and/or Common Shares representing 900,000, 145,100, and 145,700 Common Shares, respectively. In addition, in 2022, Kaan Terzioğlu, Serkan Okandan, Dmitry Shvets, Joop Brakenhoff, and Michael Schulz were granted one-off share awards of 1,549,531, 444,343, 191,429, 393,236, and 291,429, respectively. These one-off share awards were granted in order to compensate GEC members for the initial loss of cash due to the introduction of 50% shares into the STI scheme effective in 2022, and were subject to finalization of the incentive plan rules that occurred on February 24, 2022 and are subject to an up to two year vesting period.

To our knowledge, as of June 30, 2023, Yaroslav Glazunov, Augie Fabela, and Hans-Holger Albrecht own ADSs representing 68,500, 2,373,050, and 1,360,075 Common Shares, respectively.

To our knowledge, as of June 30, 2023, apart from what has been disclosed above, no other members of the Board of Director owned any ADSs or Common Shares. To our knowledge, as of June 30, 2023, none of the Board of Directors or GEC members held any options to acquire our common shares.

For more information regarding share ownership, including a description of applicable stock-based plans and options, see *Note 22—Related Parties* to our Audited Consolidated Financial Statements.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information with respect to the beneficial ownership of VEON Ltd. as of June 15, 2023, by each person who is known by us to beneficially own 5.0% or more of our issued and outstanding shares. As of June 15, 2023, we had 1,756,731,135 issued and outstanding common shares. None of our shareholders has different voting rights.

Name	Number of VEON Ltd. Common Shares	Percent of VEON Ltd. Issued and Outstanding Shares
LIT VIP Holdings S.à r.l. ⁽¹⁾	840,625,000	47.9%
Stichting Administratiekantoor Mobile Telecommunications Investor ⁽²⁾	145,947,550	8.3%
Exor Capital LLP ⁽³⁾	134,633,500	7.7%
Shah Capital Management, Inc. ⁽⁴⁾	87,669,975	5.0%

(1) As reported on Schedule 13D, Amendment No. 20, filed on September 13, 2019, by LIT VIP Holdings S.à r.l. (“LIT”), LetterOne Core Investments S.à r.l. (“LCIS”) and LetterOne Investment Holdings S.A. (“LetterOne”) with the SEC, LIT is the direct beneficial owner of 840,625,001 common shares. LCIS is the sole shareholder of LIT, and LetterOne is the sole shareholder of LCIS and, in such capacity, each of LIT, LCIS and LetterOne may be deemed to be the beneficial owner of the 840,625,001 common shares held for the account of LIT. Each of LIT, LCIS and LetterOne is a Luxembourg company, with its principal business to function as a holding company.

(2) As reported on Schedule 13G, filed on April 1, 2016, by Stichting Administratiekantoor Mobile Telecommunications Investor (the “Stichting”) with the SEC, the Stichting is the direct beneficial owner of 145,947,562 of VEON Ltd.’s common shares. LetterOne is the holder of the depositary receipts issued by Stichting and is therefore entitled to the economic benefits (dividend payments, other distributions and sale proceeds) of such depositary receipts and, indirectly, of the 145,947,562 common shares represented by the depositary receipts. Based on information provided by the Stichting and public filings, (i) the Stichting is a legal foundation established under Dutch law solely for non-for-profit purposes with no beneficial owners in respect of equity held by the Stichting; (ii) the Stichting has no owners/shareholders; (iii) the Stichting holds title in VEON’s equity and votes and disposes of it in the sole discretion of its board and is exclusively controlled by its board; and (iv) the articles of association and the Conditions of Administration of the Stichting provide that the board members are fully independent from VEON, and LetterOne, its shareholders and any of their affiliates. Although LetterOne is contractually entitled to the economic benefits of the depositary receipts and, indirectly, of the common shares represented by the depositary receipts held by the Stichting (e.g., dividend payments, other distributions and sale proceeds), LetterOne has no control over voting or disposition of such equity.

(3) As reported on Schedule 13G, filed on February 14, 2023, by Giovanni Agnelli B.V. (“Giovanni”), Exor N.V. (“Exor”), Exor Investments Limited (“EIL”), and Exor Capital LLP (“ECL”), with the SEC, ECL is the direct beneficial owner of 131,068,288 common shares. ECL, which acquired the aforementioned common shares, is 99.7% owned by EIL. EIL is a wholly owned subsidiary of Exor N.V., which in turn is controlled by Giovanni, in such capacity, each of Giovanni, Exor, EIL and ECL may be deemed to be the beneficial owner of the 131,068,288 common shares held for the account of ECL. As reported on Form 13F, filed on May 15, 2023, by ECL, Giovanni, Exor, EIL and ECL hold 134,633,500 common shares.

(4) As reported on Schedule 13D, filed on April 17, 2023, by Shah Capital Management, Inc. (“SCM”), Shah Capital Opportunity Fund LP (“SCOF”) and Himanshu H. Shah (“Shah”), Shah may be deemed beneficial owner of 87,618,375 common shares, of which SCM may be deemed beneficial owner of 86,661,225 common shares and SCOF may be deemed beneficial owner of 83,061,200 common shares. As reported on Form 13F, filed on May 8, 2023, by SCM, SCM hold 87,669,975 common shares.

Based on a review of our register of members maintained in Bermuda, as of 15 June 2023, a total of 1,038,276,403 common shares representing approximately 59.1% of VEON Ltd.’s issued and outstanding shares were held of record by BNY (Nominees) Limited in the United Kingdom as custodian of The Bank of New York Mellon for the purposes of our ADS program and a total of 492,341,642 common shares representing approximately 28.0% of VEON Ltd.’s issued and outstanding shares were held of record by Nederlands Centraal Instituut Voor Giraal Effectenverkeer B.V. and where ING Bank N.V. is acting as custodian of The Bank of New York Mellon, for the purposes of our ADS program, a total of 36,113,090 common shares representing approximately 2.1% of VEON Ltd.’s issued and outstanding shares were held of record by Nederlands Centraal Instituut Voor Giraal Effectenverkeer B.V., for the purposes of our common shares listed and tradable on Euronext Amsterdam, and a total of 190,000,000 common shares representing approximately 10.8% of VEON Ltd.’s issued and outstanding shares were held of record by LIT VIP Holdings S.a.r.l. As of 15 June 2023, 19 record holders of VEON Ltd.’s ADRs, holding an aggregate of 763,528,350 common shares (representing approximately 43.5% of VEON Ltd.’s issued and outstanding shares), were listed as having addresses in the United States.

Changes in Percentage Ownership by Major Shareholders

As reported on Schedule 13G, filed with the SEC on February 14, 2023 by Giovanni, Exor, EIL and ECL owned 131,068,288 of VEON Ltd. common shares, in the form of ADSs. As reported on Form 13F, filed on May 15, 2023, by ECL, Giovanni, Exor, EIL and ECL hold 134,633,500 common shares, in the form of ADSs. This ownership represents approximately 7.7% of the total outstanding common stock of VEON Ltd.

As reported on Schedule 13D, filed on April 17, 2023, by SCM, Shah may be deemed beneficial owner of 87,618,375 common shares in the form of ADSs, of which SCM may be deemed beneficial owner of 86,661,225 common shares in the form of ADSs and SCOF may be deemed beneficial owner of 83,061,200 common shares in the form of ADSs. As reported on Form 13F, filed on May 8, 2023, by SCM, SCM holds 87,669,975 common shares in the form of ADSs. This ownership represents approximately 5.0% of total outstanding common stock of VEON Ltd.

B. Related Party Transactions

In addition to the transactions described below, VEON Ltd. has also entered into transactions with related parties as part of its day to day operations. These mainly relate to ordinary course telecommunications operations, such as interconnection, roaming, retail and management advisory services, as well as development of new products and services. Their terms vary according to the nature of the services provided thereunder. VEON Ltd. and certain of its subsidiaries may, from time to time, also enter into general services agreements relating to the conduct of business and financing transactions within the VEON Group.

For more information on our related party transactions, see *Note 22—Related Parties* to our Audited Consolidated Financial Statements.

Registration Rights Agreements

The Registration Rights Agreement, as amended, between VEON Ltd., Telenor East and certain of its affiliates, LetterOne Investment Holdings S.A., a *société anonyme* incorporated under the laws of Luxembourg and LIT VIP Holdings S.à r.l., a *société à responsabilité limitée* incorporated under the laws of Luxembourg, (“LIT”), requires us to use our best efforts to effect a registration under the Securities Act, if requested by one of the shareholders party to the Registration Rights Agreement, of our securities held by such party in order to facilitate the sale and distribution of such securities. Pursuant to the Registration Rights Agreement, we have filed a registration statement on Form F-3 with the SEC using a “shelf” registration process. However, our shelf registration statement was rendered ineffective as a result of the delay in our filing of this Annual Report on Form 20-F, for which periodic reporting is required under the Exchange Act to be filed on time to utilize a “shelf” registration process. As a result, in the event any of our shareholders under the Registration Rights Agreement elect to exercise their registration rights, we will likely incur additional expense to register such securities until we are able to once again utilize a Form F-3.

Board of Directors

Compensation paid to the Board of Directors is disclosed in *Item 6.B—Compensation*.

During 2022 and through the date of this Annual Report on Form 20-F, none of our Board of Directors have been involved in any material related party transactions with us.

C. Interests of Experts and Counsel

Not required.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See *Item 18—Financial Statements* and the financial statements referred to therein.

Legal Proceedings

For a discussion of legal or arbitration proceedings which may have, or have had in the recent past, significant effects on our financial position or profitability, see *Note 7—Provisions and Contingent Liabilities* to our Audited Consolidated Financial Statements.

We cannot predict the outcome of the various claims and legal actions in which we are involved beyond the information included in our financial statements, including any damages awards, fines or penalties that may be imposed, and such damages awards, fines or penalties could be significant. For information about certain risks related to current and potential legal proceedings, see *Item 3.D—Risk Factors—Regulatory, Compliance and Legal Risks*.

Policy on Dividend Distributions

Our current dividend policy targets paying at least 50% of prior year equity free cash flow after licenses in dividends to shareholders. Dividend payments will always remain subject to review by VEON's board of directors, taking into account medium-term investment opportunities and our capital structure, where the limit set by our dividend policy is a net debt/EBITDA ratio of 2.4x.

In February 2021 and 2022, we announced that we would not be paying a dividend for the years ended December 31, 2020 and 2021, respectively. See *Note 21—Dividends Paid and Proposed* to our Audited Consolidated Financial Statements. In keeping with our dividend policy, we also confirm that we are not paying a dividend for the year ended December 31, 2022.

Pursuant to Bermuda law, we are prohibited from declaring or paying a dividend if there are reasonable grounds for believing that (a) we are, or would after the payment be, unable to pay our liabilities as they become due, or (b) the realizable value of our assets would, as a result of the dividend, be less than our liabilities. The board of directors may, subject to our by-laws and in accordance with the Companies Act, declare a dividend to be paid to the shareholders holding shares entitled to receive dividends, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in shares or other assets, including through the issuance of our shares or other securities, in which case the board of directors may fix the value for distribution in specie of any assets, shares or securities. We are not required to pay interest on any unpaid dividend. In accordance with our bye-laws, dividends may be declared and paid in proportion to the amount paid up on each share. The holders of common shares are entitled to dividends if the payment of dividends is approved by the board of directors.

We cannot assure you we will pay dividends on our common shares and ADSs in the future and any decision by VEON Ltd. not to pay dividends or to reduce dividend payments in the future could adversely affect the value of our common shares or ADSs. For more information regarding certain risks involved in connection with the recommendation and payment of dividends, see *Item 10.B—Memorandum and Articles of Association—Dividends and Dividend Rights*, *Item 3.D—Risk Factors—Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers* and *Item 3.D—Risk Factors—Risks Related to the Ownership of Our ADSs—Various factors may hinder the declaration and payment of dividends*.

B. Significant Changes

Other than as disclosed in this Annual Report on Form 20-F, there have not been any significant changes since the date of the Audited Consolidated Financial Statements included as part of this Annual Report on Form 20-F.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Each of our ADSs currently represents 25 of our common shares. We listed our ADSs on the NASDAQ Global Select Market on September 10, 2013 and our listing was transferred to the NASDAQ Capital Market on October 5, 2022. We listed our common shares on Euronext Amsterdam on April 4, 2017.

B. Plan of Distribution

Not required.

C. Markets

Our ADSs are listed and traded on the NASDAQ Capital Market under the symbol “VEON.”

In April 2017, our common shares were listed on Euronext Amsterdam and are currently trading on the regulated market of Euronext Amsterdam under the symbol “VEON.”

In May 2017, our ADSs were listed on the Saint Petersburg Stock Exchange (“SPB Exchange”) on an unsponsored and unsolicited basis to trade in the unquoted part of the list of SPB Exchange under the symbol “VEON.” On March 10, 2023 the SPB Exchange made the decision to exclude our ADRs from the SPB Exchange from March 13, 2023.

In November 2021, our common shares were listed on MOEX on an unsponsored and unsolicited basis and are currently trading in the Level 3 quotation list of MOEX under the symbol “VEON-RX”. In March 2023, MOEX notified VEON that its common shares would be subject to delisting pursuant to Russian regulations since it no longer considered our primary listings on NASDAQ and Euronext Amsterdam as a “recognized foreign exchange.”

Under certain circumstances, holders of common shares may convert such shares to ADSs listed on NASDAQ.

D. Selling Shareholders

Not required.

E. Dilution

Not required.

F. Expenses of the Issue

Not required.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not required.

B. Memorandum and Articles of Association

We describe below the material provisions of our memorandum of association and bye-laws, certain provisions of Bermuda law relating to our organization and operation, and some of the terms of our share rights based on provisions of our memorandum of association, our bye-laws, applicable Bermuda law and certain agreements relating to our shares. Although we believe that we have summarized the material terms of our memorandum of association and bye-laws, Bermuda legal requirements and our share capital, this summary is not complete and is qualified in its entirety by reference to our memorandum of association, our bye-laws and applicable Bermuda law. All references to our bye-laws herein, unless otherwise noted, are to our further amended bye-laws, which were approved by our shareholders on June 2, 2021 and further amended by our shareholders on June 29, 2023.

The affirmative vote of at least 75.0% of the shares voted at a shareholders meeting is required to approve amendments to our bye-laws.

General

VEON Ltd. is an exempted company limited by shares incorporated under the Companies Act on June 5, 2009, and our registered office is located at Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda. Our registration number with the Registrar of Companies in Bermuda is 43271. As set forth in paragraph 6 of our memorandum of association, VEON Ltd. was formed with unrestricted business objects. We are registered with the Dutch Trade Register (registration number 34374835) as a company formally registered abroad (*formeel buitenlandse kapitaalvennootschap*), as this term is referred to in the Dutch Companies Formally Registered Abroad Act (*Wet op de formeel buitenlandse vennootschappen*), which means that we are deemed a Dutch resident company for tax purposes in accordance with applicable Dutch tax regulations.

Issued Share Capital

As of December 31, 2022, the authorized share capital was US\$1,849,190.67, divided into 1,849,190,667 common shares, par value US\$0.001, of which 1,756,731,135 common shares were issued and outstanding. All issued and outstanding shares are fully paid. See *Note 19 — Issued Capital and Reserves* to our Audited Consolidated Financial Statements.

Subject to our bye-laws and to any shareholders' resolution to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, our Board of Directors has the power to issue up to 5% of the total authorized capital of the company as common shares on such terms and conditions as the Board of Directors may determine; provided that this limitation does not apply to the issue of shares in connection with employee compensation awards.

We may increase, divide, consolidate, change the currency or denomination of or reduce our share capital with the approval of our shareholders.

We may purchase our own shares for cancellation or acquire them as treasury shares in accordance with Bermuda law on such terms as the Board of Directors may determine.

We may, under our bye-laws, at any time request any person we have cause to believe is interested in our shares to confirm details of our shares in which that person holds an interest.

Common Shares

The holders of common shares are, subject to our bye-laws and Bermuda law, generally entitled to enjoy all the rights attaching to common shares.

Except for treasury shares, each fully paid common share entitles its registered holder to:

- participate in shareholder meetings;
- have one vote on all issues voted upon at a shareholder meeting, except for the purposes of cumulative voting for the election of the Board of Directors, in which case each common share shall have the same number of votes as the total number of members to be elected to the Board of Directors and all such votes may be cast for a single candidate or may be distributed between or among two or more candidates;
- receive dividends approved by the Board of Directors (any dividend or other moneys payable in respect of a share which has remained unclaimed for six years from the date when it became due for payment shall, if the Board of Directors so resolves, be forfeited and cease to remain owing by VEON Ltd.);
- in the event of our liquidation, receive a pro rata share of our surplus assets; and
- exercise any other rights of a common shareholder set forth in our bye-laws and Bermuda law.

There are no sinking fund provisions attached to any of our shares. Holders of fully paid shares have no further liability to VEON Ltd. for capital calls.

All rights of any share of any class held in treasury are suspended and may not be exercised while the share is held by VEON Ltd. in treasury. As of December 31, 2022, we held zero shares in treasury.

Shareholders' Meetings

Shareholders' meetings are convened and held in accordance with our bye-laws and Bermuda law. Registered holders of shares as of the record date for the shareholder meeting may attend and vote at such shareholder meeting.

Annual General Meeting

Our bye-laws and Bermuda law provide that our annual general meeting must be held each year at such time and place as the CEO or the Board of Directors may determine.

Convening the annual general meeting requires that 30 clear days' prior notice be given to each registered shareholder entitled to attend and vote at such annual general meeting. The notice must state the date, place and time at which the meeting is to be held, that the election of directors will take place and, as far as practicable, any other business to be conducted at the meeting.

Under Bermuda law and our bye-laws, shareholders may, at their own expense (unless the Company otherwise resolves), require a company to: (a) give notice to all shareholders entitled to receive notice of the annual general meeting of any resolution that the shareholders may properly propose for consideration at the next annual general meeting; and (b) circulate to all shareholders entitled to receive notice of any general meeting a statement in respect of any matter referred to in the proposed resolution or any business to be conducted at such general meeting. The number of shareholders necessary for such a requisition is either: (1) any number of shareholders representing not less than 5.0% of the total voting rights of all shareholders entitled to vote at the meeting to which the requisition relates; or (2) not less than 100 registered shareholders.

Special General Meeting

The CEO or the Board of Directors may convene a special general meeting whenever in their judgment such a meeting is necessary. The Board of Directors must, on the requisition in writing of shareholders holding not less than 10.0% of our paid

up voting share capital, convene a special general meeting. Each special general meeting may be held at such time and place as the CEO or the Board of Directors may appoint.

Convening a special general meeting requires that 30 clear days' notice be given to each shareholder entitled to attend and vote at such meeting. The notice must state the date, place and time at which the meeting is to be held and as far as possible any other business to be conducted at the meeting.

Our bye-laws state that notice for all shareholders' meetings may be given by:

- delivering such notice to the shareholder in person;
- sending such notice by letter or courier to the shareholder's address as stated in the register of shareholders;
- transmitting such notice by electronic means in accordance with directions given by the shareholder; or
- accessing such notice on our website.

Shorter Notice for General Meetings

A shorter notice period will not invalidate a general meeting if it is approved by either: (a) in the case of an annual general meeting, all shareholders entitled to attend and vote at the meeting, or (b) in the case of a special general meeting, a majority of shareholders having the right to attend and vote at the meeting and together holding not less than 95.0% in nominal value of the shares giving a right to attend and vote at the meeting. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a general meeting by, any shareholder entitled to receive notice shall not invalidate the proceedings at that meeting.

Postponement or cancellation of general meeting

The Board of Directors may postpone or cancel any general meeting called in accordance with the bye-laws (other than a meeting requisitioned by shareholders) provided that notice of postponement or cancellation is given to each shareholder before the time for such meeting.

Quorum

Subject to the Companies Act and our bye-laws, at any general meeting, two or more persons present in person at the start of the meeting and having the right to attend and vote at the meeting and holding or representing in person or by proxy at least 50.0% plus one share of our total issued and outstanding shares at the relevant time will form a quorum for the transaction of business.

If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place, or to such other day, time or place as the CEO may determine.

Voting Rights

Under Bermuda law, the voting rights of our shareholders are regulated by our bye-laws and, in certain circumstances, the Companies Act.

Subject to Bermuda law and our bye-laws, a resolution may only be put to a vote at a general meeting of any class of shareholders if:

- it is proposed by or at the direction of the Board of Directors;
- it is proposed at the direction of a court;

- it is proposed on the requisition in writing of such number of shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Companies Act or our bye-laws; or
- the chairman of the meeting in his absolute discretion decides that the resolution may properly be regarded as within the scope of the business of the meeting.

In addition to those matters required by Bermuda law or by the NASDAQ rules to be approved by a simple majority of shareholders at any general meeting, the following actions require the approval of a simple majority of the votes cast at any general meeting:

- any sale of all or substantially all of our assets;
- the appointment of an auditor; and
- removal of directors.

Any question proposed for the consideration of the shareholders at any general meeting may be decided by the affirmative votes of a simple majority of the votes cast, except for:

- whitewash procedure for mandatory offers, which requires the affirmative vote of a majority of the shareholders voting in person or by proxy at a general meeting, excluding the vote of the shareholder or shareholders in question and their affiliates;
- voting for directors, which requires directors to be elected by cumulative voting at each annual general meeting;
- changes to our bye-laws, which require a resolution to be passed by shareholders representing not less than 75.0% of the total voting rights of the shareholders who vote in person or by proxy on the resolution;
- any merger, consolidation, amalgamation, conversion, reorganization, scheme of arrangement, dissolution or liquidation, which requires a resolution to be passed by shareholders representing not less than 75.0% of the total voting rights of the shareholders who vote in person or by proxy on the resolution;
- loans to any director, which require a resolution to be passed by shareholders representing not less than 90.0% of the total voting rights of the shareholders who vote in person or by proxy on the resolution; and
- the discontinuation of VEON Ltd. to a jurisdiction outside Bermuda, which requires a resolution to be passed by shareholders representing not less than 75.0% of the total voting rights of the shareholders who vote in person or by proxy on the resolution.

Our bye-laws require voting on any resolution at any meeting of the shareholders to be conducted by way of a poll vote. Except where cumulative voting is required for the election of directors, each person present and entitled to vote at a meeting of the shareholders shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot or, in the case of a general meeting at which one or more shareholders are present by electronic means, in such manner as the chairman of the meeting may direct. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

If no instruction is received from a holder of our ADSs, the Depositary shall give a proxy to an individual selected by the Board of Directors to vote the number of shares represented by the uninstructed ADSs at any shareholders' meeting. The Board of Directors' proxy designee will then vote the shares in accordance with the votes of all other shares represented and voting at the meeting, excluding any votes of any security holder of the Company beneficially owning more than 5% of the securities entitled to vote at the meeting.

Voting Rights of Common Shares

The registered holders of common shares, subject to the provisions of our bye-laws, are entitled to one vote per common share, except where cumulative voting applies when electing directors.

Transfer Restrictions

For such time as our common shares are fully paid and our ADSs listed on the NASDAQ Stock Market Inc., or our common shares are listed on Euronext Amsterdam (or another appointed exchange, as determined from time to time by the Bermuda Monetary Authority), there are no Bermuda law transfer restrictions applicable to our common shares. Were any of our common shares to not be fully paid, our bye-laws permit the Board of Directors to decline to register a transfer. At such time as our ADSs cease to be listed on the NASDAQ Stock Market Inc., or our common shares cease to be listed on Euronext Amsterdam (or another appointed exchange, as determined from time to time by the Bermuda Monetary Authority), the Bermuda Exchange Control Act 1972 and associated regulations require that the prior consent of the Bermuda Monetary Authority be obtained for any transfers of shares.

Foreign Shareholders

Our bye-laws have no requirements or restrictions with respect to foreign ownership of our shares.

Board of Directors

VEON Ltd. is governed by our Board of Directors, currently consisting of seven directors. Up to the date of our 2023 AGM, our bye-laws provided that the Board shall consist of such number of Directors being not less than seven Directors and not more than thirteen Directors, as the Board shall from time to time determine, subject to approval by our shareholders.

Subject to certain material business decisions that are reserved to the Board of Directors, the Board of Directors generally delegates day-to-day management of our company to our CEO.

All directors are elected by our shareholders to the Board through cumulative voting. Each voting share confers on its holder a number of votes equal to the number of directors to be elected. The holder may cast those votes for candidates in any proportion, including casting all votes for one candidate.

Under our bye-laws, the amount of any fees or other remuneration payable to directors is determined by the Board of Directors upon the recommendation of the compensation committee, which the Board can from time to time delegate certain of its powers to a committee with responsibility for compensation. We may repay to any director such reasonable costs and expenses as he or she may properly incur in the performance of his or her duties.

There is no requirement for the members of our Board of Directors to own shares. A director who is not a shareholder will nevertheless be entitled to attend and speak at general meetings and at any separate meeting of the holders of any class of shares.

Neither Bermuda law nor our bye-laws establish any mandatory retirement age for our directors or executive officers.

Changes to the Board following the Annual General Meeting of Shareholders on June 29, 2023

At the 2023 AGM our shareholders approved a proposal to further amend our bye-laws such that effective immediately following the 2023 AGM the Board shall consist of such number of Directors being not less than five Directors and not more than nine Directors, as the Board shall from time to time determine, subject to approval by our shareholders. See —“*Updates to the Board of Directors following the Annual General Meeting of Shareholders on June 29, 2023*”—for the Board composition following our 2023 AGM.

Dividends and Dividend Rights

Pursuant to Bermuda law, we are prohibited from declaring or paying a dividend if there are reasonable grounds for believing that (a) we are, or would after the payment be, unable to pay our liabilities as they become due, or (b) the realizable value of our assets would, as a result of the dividend, be less than the aggregate of our liabilities.

The Board of Directors may, subject to our bye-laws and in accordance with the Companies Act, declare a dividend to be paid to the shareholders holding shares entitled to receive dividends, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in shares or other assets, including through the issuance of our shares or other securities, in which case the board of directors may fix the value for distribution in specie of any assets, shares or securities. We are not required to pay interest on any unpaid dividend.

In accordance with our bye-laws, dividends may be declared and paid in proportion to the amount paid up on each share. The holders of common shares are entitled to dividends if the payment of dividends is approved by the Board of Directors.

Dividends unclaimed for a period of six years from the date of payment may be forfeited.

Our bye-laws and Bermuda law do not provide for pre-emptive rights of shareholders in respect of new shares issued by us.

There is no statutory regulation of the conduct of takeover offers and transactions under Bermuda law. However, our bye-laws include mandatory offer provisions, which provide that any person who, individually or together with any of its affiliates or any other members of a group, acquires beneficial ownership of any shares which, taken together with shares already beneficially owned by it or any of its affiliates or its group, in any manner, carry 50.0% or more of the voting rights of our issued and outstanding shares, must, within 30 days of acquiring such shares, make a general offer to all holders of shares to purchase their shares.

Interested Party Transactions

The Board of Directors have the right to approve transactions with interested parties, subject to compliance with Bermuda law and our bye-laws. Prior to consideration by the Board of Directors, to determine whether, on such transaction, the arrangements with the interested party may be approved, all interests must be fully disclosed at the earliest opportunity.

Liquidation Rights

If VEON Ltd. is wound up, the liquidator may, with the sanction of a resolution of the shareholders, divide among the shareholders in specie or in kind the whole or any part of our assets (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

The liquidator may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder may be compelled to accept any shares or other securities or assets on which there is any liability.

The holders of common shares, in the event of our winding-up or dissolution, are entitled to our surplus assets in respect of their holdings of common shares, *pari passu* and *pro rata* to the number of common shares held by each of them.

Share Registration, Transfers and Settlement

All of our issued shares are registered. The register of members of a company is generally open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than 30 days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

C. Material Contracts

The following is a summary description of certain material agreements to which we are a party. The description provided below does not purport to be complete and is qualified in its entirety by the complete agreements, which are attached as exhibits to this Annual Report on Form 20-F.

Sale of our Russian Operations

See *Item 4—Information on the Company—A. History and Development of the Company.*

D. Exchange Controls

We have been designated by the Bermuda Monetary Authority as non-resident of Bermuda for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to United States or other non-Bermuda residents who are holders of our common shares or our ADSs representing common shares.

For the purposes of Bermuda exchange control regulations, for such time as our ADSs remain listed on NASDAQ Stock Market Inc. or our common shares remain listed on an appointed stock exchange (which includes Euronext Amsterdam), there are no limitations on the issue and free transferability of our common shares or our ADSs representing common shares to and between non-residents of Bermuda for exchange control purposes. Certain issues and transfers of shares involving persons deemed resident in Bermuda for exchange control purposes may require the specific prior consent of the Bermuda Monetary Authority.

E. Taxation

U.S. Federal Income Tax Considerations

The following summary describes certain material U.S. federal income tax consequences to U.S. Holders (defined below) under present law of an investment in our ADSs or common shares. This summary applies only to U.S. Holders that hold the ADSs or common shares as capital assets within the meaning of Section 1221 of the Code (as defined below) and that have the U.S. dollar as their functional currency.

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), applicable U.S. Treasury regulations, as well as judicial and administrative interpretations thereof, all as of the date of this Annual Report on Form 20-F. All of the foregoing authorities are subject to change or differing interpretation, which change or differing interpretation could apply retroactively and could affect the tax consequences described below. The statements in this Annual Report on Form 20-F are not binding on the U.S. Internal Revenue Service (the “IRS”) or any court, and thus we can provide no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if

challenged by the IRS. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion addresses only certain tax consequences to U.S. Holders and does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- broker-dealers;
- traders that elect to mark to market;
- tax-exempt entities;
- persons liable for alternative minimum tax or the Medicare contribution tax on net investment income;
- certain U.S. expatriates;
- persons holding our ADSs or common shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
- persons that actually or constructively own, or are treated as owning, 10% or more of our stock by vote or value;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our ADSs or common shares being taken into account in an applicable financial statement;
- persons who acquired ADSs or common shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding ADSs or common shares through partnerships or other pass-through entities.

U.S. Holders of our ADSs or common shares are urged to consult their tax advisors about the application of the U.S. federal tax rules to their particular circumstances as well as the state, local and non-U.S. tax consequences to them of the purchase, ownership and disposition of our ADSs or common shares.

As used herein, the term “U.S. Holder” means a beneficial owner of our ADSs or common shares that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or

- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner (or other owner) in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds our ADSs or common shares generally will depend on such partner's (or other owner's) status and the activities of the partnership. A partnership and a U.S. Holder that is a partner (or other owner) in such a partnership should consult its tax advisor.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. Generally, a holder of an ADS should be treated for U.S. federal income tax purposes as holding the common shares represented by the ADS. As a result, no gain or loss will generally be recognized upon an exchange of ADSs for common shares. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the claiming of foreign tax credits for U.S. Holders of ADSs. Accordingly, the creditability of foreign taxes, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and us if as a result of such actions the holder of an ADS is not properly treated as the beneficial owner of underlying common shares.

Dividends and Other Distributions

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by us with respect to the ADSs or common shares (including the amount of non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income in the year received (or deemed received), but only to the extent such distributions are paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations.

Dividends received by certain non-corporate U.S. Holders (including individuals) may be "qualified dividend income," which is taxed at the applicable capital gains rate, provided that (1) either (a) the ADSs or common shares, as applicable, are readily tradable on an established securities market in the United States, or (b) we are eligible for the benefits of a qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are neither a passive foreign investment company (as discussed below) nor treated as such with respect to the U.S. Holder for our taxable year in which the dividend is paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. Under IRS authority, common shares, or ADSs representing such shares, generally are considered for purposes of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the NASDAQ Capital Market, as our ADSs are. Based on existing guidance, it is not entirely clear whether any dividends you receive with respect to the common shares will be taxed as qualified dividend income, because the common shares are not themselves listed on a U.S. exchange for trading purposes. However, if we are treated as a resident of The Netherlands for purposes of Dutch tax law, we may be eligible for the benefits of the income tax treaty between the United States and The Netherlands. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the ADSs or common shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received by the depository, in the case of ADSs, or by the U.S. Holder, in the case of common shares, regardless of whether the payment is in fact converted into U.S. dollars at that time. Any further gain or loss on a subsequent conversion or other disposition of the currency for a different U.S. dollar amount will be U.S. source ordinary income or loss.

The dividends will generally be foreign source and considered “passive category” income, and non-U.S. taxes withheld therefrom, if any, may be creditable against the U.S. Holder’s U.S. federal income tax liability, subject to applicable limitations. If the dividends constitute qualified dividend income as discussed above, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming an itemized deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

Sale or Other Taxable Disposition of the ADSs or Common Shares

Subject to the passive foreign investment company rules discussed below, upon a sale or other taxable disposition of the ADSs or common shares, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized and the U.S. Holder’s adjusted tax basis in such ADSs or common shares. Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder’s holding period in the ADSs or common shares exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of the ADSs or common shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes.

If the consideration received upon the sale or other disposition of the ADSs or common shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of the sale or other disposition. A U.S. Holder may realize additional gain or loss upon the subsequent sale or disposition of such currency, which will generally be treated as U.S. source ordinary income or loss. If the ADSs or common shares, as applicable, are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such U.S. Holder will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If the ADSs or common shares, as applicable, are not treated as traded on an established securities market, or the relevant U.S. Holder is an accrual basis taxpayer that does not elect to determine the amount realized using the spot rate on the settlement date, such U.S. Holder will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of sale or disposition (as determined above) and the U.S. dollar value of the currency received translated at the spot rate on the settlement date.

A U.S. Holder’s initial U.S. federal income tax basis in the ADSs or common shares generally will equal the cost of such ADSs or common shares, as applicable. If a U.S. Holder used foreign currency to purchase the ADSs or common shares, the cost of the ADSs or common shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the ADSs or common shares, as applicable, are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, the U.S. Holder will determine the U.S. dollar value of the cost of such ADSs or common shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company Rules

We will be classified as a passive foreign investment company (a “PFIC”) for any taxable year if either: (1) at least 75% of our gross income is “passive income” for purposes of the PFIC rules or (2) at least 50% of the value of our assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock. Under the PFIC rules, if we were considered a PFIC at any time that a U.S. Holder holds our ADSs or common shares, we would continue to be treated as a PFIC with respect to such investment unless (1) we cease to be a PFIC and (2) the U.S. Holder has made a “deemed sale” election under the PFIC rules.

Based on our financial statements and relevant market and shareholder data, we believe that we should not be treated as a PFIC with respect to our most recently closed taxable year. This is a factual determination, however, that must be made annually after the close of each taxable year and is subject to uncertainty in several respects. Therefore, there can be no assurance that we will not be classified as a PFIC for the current taxable year or for any future taxable year.

If we are considered a PFIC at any time that a U.S. Holder holds our ADSs or common shares, any gain recognized by the U.S. Holder on a sale or other disposition of our ADSs or common shares, as well as the amount of any “excess distribution” (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder’s holding period for our ADSs or common shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For the purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on its ADSs or common shares exceeds 125% of the average of the annual distributions on our ADSs or common shares received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of our ADSs or common shares if VEON Ltd. is considered a PFIC. We do not intend to provide the information necessary for U.S. Holders of our ADSs or common shares to make qualified electing fund elections, which, if available, would result in tax treatment different from the general tax treatment for an investment in a PFIC described above. If we are treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own shares in any of our subsidiaries that are also PFICs. However, an election for mark to market treatment would likely not be available with respect to any such subsidiaries.

If VEON Ltd. is considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in our ADSs or common shares.

U.S. Information Reporting and Backup Withholding

Dividend payments with respect to our ADSs or common shares and proceeds from the sale, exchange or redemption of our ADSs or common shares may be subject to information reporting to the IRS and possible U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct U.S. federal taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder’s U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional Information Reporting Requirements

Certain U.S. Holders who are individuals and certain entities may be required to file IRS Form 8938 (Statement of Specified Foreign Financial Assets) or otherwise report information relating to an interest in ADSs or common shares, subject to certain exceptions (including an exception for ADSs or common shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of our ADSs or common shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN OUR ADSS OR COMMON SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

Material Bermuda Tax Considerations

Under current Bermuda law, we are not subject to tax in Bermuda on our income or capital gains.

Furthermore, we have obtained from the Minister of Finance of Bermuda, under the Exempted Undertakings Tax Protection Act 1966, an undertaking that, in the event that Bermuda enacts any legislation imposing tax computed on any income or gains, that tax will not be applicable to us until March 31, 2035. This undertaking does not, however, prevent the imposition of any tax or duty on persons ordinarily resident in Bermuda or any property tax on real property interests we may have in Bermuda. We pay an annual government fee in Bermuda based on our authorized share capital and share premium. The annual government fee applicable to us is currently US\$8,780.

Under current Bermuda law, no income, withholding or other taxes or stamp or other duties are imposed in Bermuda upon the issue, transfer or sale of our common shares or ADSs representing common shares or on any payments in respect of our common shares or ADSs representing common shares (except, in certain circumstances, to persons ordinarily resident in Bermuda).

Dutch Tax Considerations

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of our ADSs or our common shares and does not purport to describe every aspect of taxation that may be relevant to a particular holder. Tax matters are complex, and the tax consequences of the acquisition, ownership and disposal to a particular holder of ADSs or common shares will depend in part on such holder's circumstances. Accordingly, you are urged to consult your own tax advisor for a full understanding of the tax consequences of the acquisition, ownership and disposal to you, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that VEON Ltd. is organized, and that its business will be conducted, in the manner outlined in this Annual Report on Form 20-F. A change to such organizational structure or to the manner in which VEON Ltd. conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Annual Report on Form 20-F. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary in this Dutch tax considerations paragraph does not address your Dutch tax consequences if you are a holder of ADSs or common shares who:

- may be deemed an owner of ADSs or common shares for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;
- is, although in principle subject to Dutch corporation tax, in whole or in part, specifically exempt from that tax in connection with income from ADSs or common shares;
- is an investment institution as defined in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- owns ADSs or common shares in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role which is taxed as employment income in the Netherlands;
- has a substantial interest in VEON Ltd. or a deemed substantial interest in VEON Ltd. for Dutch tax purposes. Generally, you hold a substantial interest if (a) you – either alone or, in the case of an individual, together with your partner or any of your relatives by blood or by marriage in the direct line (including foster children) or of those of your partner for Dutch tax purposes – own or are deemed to own, directly or indirectly, ADSs or common shares representing 5.0% or more of the shares or of any class of shares of VEON Ltd., or rights to acquire, directly or indirectly, ADSs or common shares representing such an interest in the shares of VEON Ltd. or profit participating certificates relating to 5.0% or more of the annual profits or to 5.0% or more of the liquidation proceeds of VEON Ltd., or (b) your ADSs or common shares, rights to acquire ADSs or common shares or profit participating certificates in VEON Ltd. are held by you following the application of a non-recognition provision; or
- is an entity resident of Aruba, Curacao or Sint Maarten and has an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the ADSs or common shares are attributable to such permanent establishment or permanent representative.

Taxes on Income and Capital Gains

Non-resident Individuals

If you are an individual who is neither resident nor deemed to be resident in the Netherlands for the purposes of Dutch income tax, you will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with your ADSs or common shares, except if:

- i you derive profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and your ADSs or common shares are attributable to such permanent establishment or permanent representative; or
- ii you derive benefits or are deemed to derive benefits from or in connection with ADSs or common shares that are taxable as benefits from miscellaneous activities performed in the Netherlands; or
- iii you are, other than by way of securities entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the ADSs or common shares are attributable.

Non-resident Corporate Entities

If you are a corporate entity, or an entity including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident, nor deemed to be resident in the Netherlands for purposes of Dutch corporation tax, you will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with ADSs or common shares, except if:

- i. you derive profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and to which permanent establishment or permanent representative your ADSs or common shares are attributable; or
- ii. you derive profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise your ADSs or common shares are attributable.

General

If you are neither resident nor deemed to be resident in the Netherlands, you will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of ADSs or common shares or the performance by VEON Ltd. of its obligations under such documents or under the ADSs' or common shares.

Dividend Withholding Tax

General

VEON Ltd. is generally required to withhold Dutch dividend withholding tax at a rate of 15.0% from dividends distributed by VEON Ltd., possibly subject to relief under Dutch domestic law or an applicable Dutch income tax treaty depending on a particular holder of ADSs' or common shares individual circumstances.

The concept "dividends distributed by VEON Ltd." as used in this Dutch tax considerations paragraph includes, but is not limited to, the following:

- distributions in cash or in kind, deemed and constructive distributions and repayments of capital not recognized as paid-in for Dutch dividend withholding tax purposes;
- liquidation proceeds and proceeds of repurchase or redemption of ADSs or common shares in excess of the average capital recognized as paid-in for Dutch dividend withholding tax purposes;
- the par value of ADSs or common shares issued by VEON Ltd. to a holder of its ADSs or common shares or an increase of the par value of ADSs or common shares, as the case may be, to the extent that it does not appear that a contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial repayment of capital, recognized as paid-in for Dutch dividend withholding tax purposes, if and to the extent that there are net profits, unless (a) VEON Ltd.'s shareholders have resolved in advance to make such repayment and (b) the par value of the ADSs or common shares concerned has been reduced by an equal amount by way of an amendment to its memorandum of association.

Gift and Inheritance Taxes

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of ADSs or common shares by way of gift by, or upon the death of, a holder of ADSs or common shares who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the holder of ADSs or common shares becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of ADSs or common shares made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

F. Dividends and Paying Agents

Not required.

G. Statement by Experts

Not required.

H. Documents on Display

We file and submit reports and other information with the SEC. Any documents that we file and submit with the SEC may be read and copied at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. We file our annual reports on Form 20-F and submit our quarterly results and other current reports on Form 6-K.

In addition, the SEC maintains a website that contains information filed electronically, which can be accessed over the internet at <http://www.sec.gov>.

I. Subsidiary Information

Not required.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from adverse movements in foreign currency exchange rates and changes in interest rates on our obligations.

As of December 31, 2022, the largest currency exposure risks for our Group were in relation to the Russian ruble, the Pakistani rupee, the Bangladeshi taka, the Ukrainian hryvnia, the Kazakhstani tenge and the Uzbekistani som, because the majority of our cash flows from operating activities in Russia, Pakistan, Bangladesh, Ukraine, Kazakhstan and Uzbekistan are denominated in each of these local currencies, respectively, while our debt, if not incurred in or hedged to the aforementioned currencies, is primarily denominated in U.S. dollars.

We hold approximately 82% of our cash and bank deposits in U.S. dollars in order to hedge against the risk of local currency devaluation.

To reduce balance sheet currency mismatches, we hold part of our debt in Russian ruble, Pakistani rupee, Ukrainian hryvnia and other currencies, as well as selectively enter into foreign exchange derivatives. Nonetheless, if the U.S. dollar value of the Bangladeshi taka, the Russian ruble, the Pakistani rupee, the Uzbekistani som, the Ukrainian hryvnia or the Kazakhstani tenge were to dramatically decline, it could negatively impact our ability to repay or refinance our U.S. dollar denominated indebtedness as well as could adversely affect our financial condition and results of operations.

In accordance with our policies, we do not enter into any treasury transactions of a speculative nature.

For more information regarding our translation of foreign currency-denominated amounts into U.S. dollars and our exposure to adverse movements in foreign currency exchange rates, see *Item 5—Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations—Foreign Currency Translation* and *Note 18—Financial Risk Management* to our Audited Consolidated Financial Statements.

Our treasury function has developed risk management policies that establish guidelines for limiting foreign currency exchange rate risk. For more information on risks associated with currency exchange rates, including those associated with the ongoing conflict between Russia and Ukraine, see *Item 3.D. Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine.*

The following table summarizes information, as of December 31, 2022, regarding the maturity of the part of our bank loans and bonds for which the foreign exchange revaluation directly affects our reported profit or loss:

	Aggregate nominal amount of bank loans and bonds denominated in foreign currency outstanding as of December 31,					Fair Value as of December 31,
	2022	2023	2024	2025	2026	2022
Total debt:						
Fixed Rate (in US\$ millions)	776	719	711	284	—	734
Average interest rate	6.6%	7.02%	7.07%	8.13%	—	
Variable Rate (in US\$ millions)	—	—	—	—	—	—
Average interest rate	—	—	—	—	—	
TOTAL	776	719	711	284	—	734

As of December 31, 2022, the variable interest rate risk on the financing of our Group was limited as 72% of the group's bank loans and bonds portfolio was fixed rate debt.

For more information on our market risks and financial risk management for derivatives and other financial instruments, see *Note 16—Investments, Debt and Derivatives* and *Note 18—Financial Risk Management* to our Audited Consolidated Financial Statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not required.

B. Warrants and Rights

Not required.

C. Other Securities

Not required.

D. American Depositary Shares

Fees Payable by our ADS holders

The Bank of New York Mellon, with its principal executive office located at 240 Greenwich St, NY, NY 10286, USA, is the depository for our ADSs. Our depository collects its fees for delivery and surrender of ADSs directly from investors (or their intermediaries) depositing shares or surrendering ADSs for the purpose of withdrawal. According to our amended and restated deposit agreement with our depository, dated December 29, 2017, as later amended, holders of our ADSs no longer have to pay our depository any cash distribution or depository service fees. Other fees or charges are set forth in the table below.

For:	Persons depositing or withdrawing shares or ADS holders must pay to the depository:
Issuance of ADSs, including issuances resulting from a distribution of our shares or rights or other property	US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)
Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates	US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)
Any cash distribution to ADS holders	—
Depository service	—
Distribution of securities distributed to holders of deposited securities that are distributed to ADS holders	A fee equivalent to the fee that would be payable if securities distributed had been shares and the shares had been deposited for ADS issuance
Transfer and registration of shares on our share register to or from the name of the depository or its agent when a shareholder deposits or withdraws shares	Registration or transfer fees
Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)	Expenses of the depository
Converting foreign currency to U.S. dollars	Expenses of the depository
Taxes and other governmental charges the depository or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the ADS depository or its agents for servicing the deposited securities	As necessary

Under certain circumstances, holders may convert their ADSs to common shares listed on Euronext Amsterdam. Holders of VEON common shares are not subject to the fees payable by ADS holders set forth above.

Fees Payable by the Depository to Us

Our depository has agreed to reimburse us or pay us for certain maintenance costs for the ADS program, including expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile and telephone calls.

In certain instances, our depository has agreed to waive certain fees and expenses.

Ratio Change Under the American Depositary Receipt Program

On March 8, 2023, we changed the ratio in the Company's ADR program, comprising a change in the ratio of American Depositary Shares (the "ADSs") to VEON common shares (the "Shares") from one (1) ADS representing one (1) Share, to one (1) ADS representing twenty-five (25) Shares (the "Ratio Change").

Pursuant to the Ratio Change, as of the Effective Date, record holders who directly held ADRs were required to exchange their existing ADRs for new ADRs on the basis of one (1) new ADR for every twenty-five (25) existing ADRs surrendered.

For ADS holders, the Ratio Change had the same effect as a one for twenty five reverse ADS split. No new Shares were issued in connection with the Ratio Change and the ADSs continue to be traded on the Nasdaq Capital Market under the symbol "VEON."

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

For a summary of the modifications made to our bye-laws in June 2021 and June 2023, see *Item 10.B—Memorandum and Articles of Association*.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation was carried out under the supervision of and with the participation of our management, including our Group Chief Executive Officer (“GCEO”) and Group Chief Financial Officer (“GCFO”) of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 20-F. These disclosure controls and procedures include our Disclosure and Review Committee’s review of the preparation of our Exchange Act reports. The Disclosure and Review Committee also provides an additional verification of our disclosure controls and procedures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon the evaluation, our GCEO and GCFO have concluded that as of December 31, 2022, our disclosure controls and procedures were not effective. They reached this conclusion due to the presence of the material weakness in internal control over financial reporting as described below.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of VEON Ltd.’s published consolidated financial statements under generally accepted accounting principles.

There are inherent limitations to the effectiveness of any system of controls and procedures, including the possibility of human error, the circumvention or overriding of the controls and procedures, and reasonable resource constraints. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the company’s policies and procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. In making its assessment, our management has utilized the criteria set forth in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and the Securities and Exchange Commission’s Guidance Regarding Management’s Report on Internal Control Over Financial Reporting Under Section 13(a) or 15(d) of the Exchange Act.

As a result of management’s assessment of our internal control over financial reporting as of December 31, 2022, our management concluded that our internal control over financial reporting was not effective as of December 31, 2022 due to the material weakness described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

We identified a material weakness related to the accounting and financial statement presentation for disposals of businesses. Specifically, we did not design and maintain effective controls to address and review the accounting treatment and appropriate financial statement presentation for disposals of businesses. The material weakness resulted in the restatement of our 2022 consolidated financial statements. It also resulted in adjustments to our 2022 consolidated financial statements related to classification of items within continuing and discontinued operations and to the accounting treatment of foreign currency translation. Additionally, the material weakness could result in a misstatement of any account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. The restatement is more fully described in [Note 24](#) to the financial statements included elsewhere in this annual report.

Notwithstanding such material weakness in internal control over financial reporting, our GCEO and GCFO have concluded that our consolidated financial statements included in this Annual Report on Form 20-F present fairly, in all material respects, our financial position, results of operations and cash flows at and for the periods presented in conformity with IFRS.

Remediation Plan for the Material Weakness

We are taking and will continue to take steps to remediate the material weakness. The steps will include designing and implementing control activities over disposals of businesses to specifically review the proper accounting treatment and the related presentation and accuracy of each component of a disposal of a subsidiary in the consolidated financial statements including within the income statement, statement of changes in equity and statement of comprehensive income. The process of implementing and operating an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satisfy our reporting obligations. Additional time is required to complete implementation as well as to assess and ensure the sustainability of these procedures. We believe that the actions we take will be effective in remediating the material weakness described above and we will continue to devote significant time and attention to these remediation efforts. As we continue to evaluate and take actions to improve our internal control over financial reporting, we may take additional actions to address control deficiencies or modify certain of the remediation measures described above. There can be no assurance that the actions we are taking and will take will be sufficient to remediate the material weakness by December 31, 2023. At this time, we cannot provide an estimate of costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time consuming and may incur significant costs.

Attestation report Independent Registered Public Accounting Firm

PwC, VEON Ltd.'s independent registered public accounting firm, has audited and issued an attestation report on the effectiveness of VEON Ltd.'s internal controls over financial reporting as of December 31, 2022, a copy of which appears in *Item 18—Financial Statements*.

Changes in Internal Control Over Financial Reporting

Except as described above in *Remediation Plan for the Material Weakness*, there have been no changes in our internal control over financial reporting identified in connection with an evaluation thereof that occurred during the period covered by this Annual Report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors has determined that Michiel Soeting, chair of our Audit and Risk Committee, is a “financial expert,” as defined in Item 16A of Form 20-F. Mr. Soeting is “independent,” as defined in Rule 10A-3 under the Exchange Act. For a description of Mr. Soeting’s experience, see *Item 6.A—Directors and Senior Management—Board of Directors—Michiel Soeting*.

ITEM 16B. CODE OF ETHICS

Our Group-wide Code of Conduct (“Code”) applies to all VEON employees, officers and directors, including its principal executive officer, principal financial officer, and principal accounting officer or controller. The Code includes a code of ethics, as defined in this *Item 16.B* of Form 20-F under the Exchange Act. Our Code is available on our website at <http://www.veon.com>, under “We are VEON /Values & Culture” (information appearing on the website is not incorporated by reference into this Annual Report on Form 20-F). The fundamental principles of the Code are: to deter wrongdoing and to promote honest and ethical conduct; full, fair, accurate, timely, and understandable disclosure; compliance with applicable laws, rules, and regulations; prompt internal reporting of violations of the Code; and accountability for adherence to the Code. When required, we will disclose on our website at the same address any amendment to or waiver of the Code, including any implicit waiver, that our board of directors may grant.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers Accountants N.V. (PCAOB ID: 1395) have served as our independent public accountants for the fiscal years ended December 31, 2022 and December 31, 2021, for which audited financial statements appear in this Annual Report on Form 20-F. The following table presents the aggregate fees for professional services and other services rendered by PricewaterhouseCoopers Accountants N.V. and their member firms in 2022 and 2021.

<i>(In millions of U.S. dollars)</i>	Year ended December 31,	
	2022	2021
Audit Fees	9.6	10.9
Audit-Related Fees	—	0.2
Tax Fees	—	—
All Other Fees	—	0.1
Total	9.6	11.2

Audit Fees

Audit Fees mainly consisted of fees for the audit of the consolidated financial statements as of and for the years ended December 31, 2022 and 2021, the review of quarterly consolidated financial statements and services provided in connection with regulatory and statutory filings, including Sarbanes-Oxley Section 404 attestation services.

Audit-Related Fees

Audit-Related Fees are fees for assurance and related services which are reasonably related to the performance of audit or review and generally include audit and assurance services related to transactional offerings and reporting procedures and other agreed-upon services related to accounting and billing records.

Tax Fees

None.

All Other Fees

None.

Audit Committee Pre-Approval Policies and Procedures

The Sarbanes-Oxley Act of 2002 required VEON Ltd. to implement a pre-approval process for all engagements with its independent public accountants. In compliance with Sarbanes-Oxley requirements pertaining to auditor independence, VEON Ltd.'s audit and risk committee pre-approves the engagement terms and fees of VEON Ltd.'s independent public accountant for audit and non-audit services, including tax services. VEON Ltd.'s audit and risk committee pre-approved the engagement terms and fees of PricewaterhouseCoopers Accountants N.V. and its affiliates for all services performed for the fiscal year ended December 31, 2022.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASES

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

In the second quarter of 2022, in connection with tender discussions to audit our fiscal year ended December 31, 2022, our independent registered public accounting firm, PricewaterhouseCoopers Accountants N.V. ("PwC"), informed us that they would not stand for re-election at the conclusion of their term of appointment, if appointed. PwC's term of appointment concluded upon the issuance of their audit report included in this Annual Report.

We have not yet appointed a new independent registered public accounting firm for the year ending December 31, 2023.

The reports of PwC for the fiscal years ended December 31, 2021 and December 31, 2022 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles, except for (a) the December 31, 2021 report includes an explanatory paragraph in such report regarding substantial doubt about the Company's ability to continue as a going concern and a paragraph on change in accounting principle and (b) the December 31, 2022 report includes (i) an explanatory paragraph in such report regarding substantial doubt about the Company's ability to continue as a going concern and (ii) an explanatory paragraph regarding the restatement of the Company's consolidated financial statements in this Annual Report on Form 20-F as of and for the year ended December 31, 2022.

During the two most recent fiscal years and the subsequent interim period through July 24, 2023, there have been no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to its satisfaction, would have caused PwC to make reference in connection with its reports, or any "reportable event" as such term is defined in Item 16F(a)(1)(v) of Form 20-F, other than as disclosed in this *Item 16F* and the material weakness in our internal control over financial reporting reported in *Item 15 — Controls and Procedures*.

The Company has provided PwC with a copy of the foregoing disclosure and has requested and received from PwC a letter addressed to the SEC stating whether they agree with the above statements. A copy of PwC's letter, dated July 24, 2023, is filed herewith as Exhibit 15.2.

ITEM 16G. CORPORATE GOVERNANCE

VEON is committed to delivering high standards of corporate governance. Our governance structure is designed to promote integrity in everything we do and we are committed to responsible and effective governance as a core element of our culture.

VEON appreciates the importance of good corporate governance in supporting the delivery of our strategy. We also recognize our duties to comply with the requirements of our ultimate parent company, a Bermuda corporation listed on NASDAQ and Euronext Amsterdam. We aspire to implement best practice in corporate governance as appropriate to our company structure and operating model. Our governance structure reinforces integrity by providing appropriate oversight over the decisions we make and the actions we take.

Accordingly, the Company has adopted corporate governance practices and bye-laws which establish clear rules of governance, ranging from matters requiring approval of the Company's shareholders and members of its board of directors, conflict of interest requirements, and director and management duties and obligations.

We are a "foreign private issuer" under applicable U.S. federal securities laws. We comply with the corporate governance rules applicable to foreign private issuers listed on the NASDAQ Capital Market. As a result, we are permitted to follow "home country practice" in Bermuda in lieu of the provisions of NASDAQ's corporate governance rules, except that we are required to: (1) have a qualifying audit committee under NASDAQ listing rule 5605(c)(3); (2) ensure that our audit committee's members meet the independence requirement under NASDAQ listing rule 5605(c)(2)(A)(ii); and (3) comply with the voting rights requirements under NASDAQ listing rule 5640.

In accordance with NASDAQ listing rule 5615(a)(3)(B), the following is a summary of the "home country practices" in Bermuda that we followed in lieu of the relevant NASDAQ listing rules based on our committees during 2022 and up to July 6, 2023. We will re-evaluate our practice against the relevant NASDAQ listing rules once our Board of Directors has adopted a charter for our newly established RGC and revised our Audit and Risk Committee charter to reflect our updated committee structure.

Disclosure of Third Party Director and Nominee Compensation

NASDAQ listing rule 5250(b)(3) provides that each U.S. company listed on NASDAQ must disclose the material terms of all agreements and arrangements between any director or nominee for director, and any person or entity other than the company, relating to compensation or other payment in connection with such person's candidacy or service as a director of the company. Bermuda law does not impose any such requirement on VEON Ltd. As a foreign private issuer, we are exempt from complying with this NASDAQ requirement, and some of our directors have agreements with persons or entities other than the company.

Director Independence

NASDAQ listing rule 5605(b)(1) provides that each U.S. company listed on NASDAQ must have a majority of independent directors, as defined in the NASDAQ rules. Bermuda law does not require that we have a majority of independent directors. Although as a foreign private issuer we are exempt from complying with this NASDAQ requirement, we currently have a majority of independent directors as defined in the NASDAQ rules.

Executive Sessions

NASDAQ listing rule 5605(b)(2) requires that the independent directors, as defined in the NASDAQ rules, of a U.S. company listed on the NASDAQ Global Select Market meet at regularly scheduled executive sessions at which only such independent directors are present. Bermuda law does not impose any such requirement on VEON Ltd. As a foreign private issuer, we are exempt from complying with this NASDAQ requirement and our internal corporate governance rules and procedures do not currently require independent directors to meet at regularly scheduled executive sessions.

From time to time, however, the board has requested that management not be present for portions of board meetings in order to allow the board to serve as a more effective check on management.

Independent Director Oversight of Director Nominations

NASDAQ rule 5605(e)(1) requires that director nominees of U.S. listed companies are selected, or recommended for the board's selection, either by (1) a majority of the board's independent directors, in a vote in which only such independent directors participate or (2) a nominations committee composed solely of independent directors, as defined in the NASDAQ rules. Bermuda law does not impose any such requirement on VEON Ltd. As a foreign private issuer, we are exempt from complying with the NASDAQ requirement regarding independent director oversight of director nominations. The NCGC, which is responsible for identifying and selecting candidates to serve as directors, is not completely comprised of independent directors.

Compensation and Talent Committee

NASDAQ rule 5605(d)(2) requires that U.S. listed companies have a compensation committee with at least two members and composed entirely of independent directors, as defined in the NASDAQ rules. In addition, the NASDAQ rules require a U.S. listed company's compensation committee to have a charter that meets the requirements of rule 5605(d)(1) and the responsibilities and authorities listed in rule 5605(d)(3). Bermuda law does not impose any such requirements on VEON Ltd. As a foreign private issuer, we are exempt from complying with the NASDAQ requirements described in this paragraph. However, our board of directors has established a compensation and talent committee, which currently comprises three directors, two of whom are independent as defined in the NASDAQ rules, and acts in an advisory capacity to our board of directors with respect to compensation and talent issues. The CTC is responsible for approving the compensation of the directors and officers of VEON Ltd. and the CEOs of our operating companies, employee benefit plans and any equity compensation plans of VEON Ltd.

Audit Committee

NASDAQ rule 5605(c)(2)(A) requires that U.S. listed companies have an audit committee composed of at least three members, each of whom is an independent director, as defined in the NASDAQ rules. Bermuda law does not impose any such requirement on VEON Ltd. As a foreign private issuer, we are exempt from complying with the NASDAQ requirement to have an audit committee with at least three members. However, our audit and risk committee currently comprises three directors, all of whom meet the criteria for independence set forth in Rule 10A-3 under the Exchange Act. The audit and risk committee is primarily responsible for the appointment, compensation, retention and oversight of the auditors, establishing procedures for addressing complaints related to accounting or audit matters and engaging necessary advisors.

Equity Compensation Plans

NASDAQ rule 5635(c) requires that U.S. listed companies give shareholders an opportunity to vote on all stock option or other equity compensation plans and material amendments thereto (with specific exceptions). Bermuda law does not impose any such requirement on VEON Ltd. As a foreign private issuer, we are exempt from complying with this NASDAQ requirement, and no equity compensation plans have been submitted for approval by our shareholders.

ITEM 16H. MINE SAFETY DISCLOSURE

Not required.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not required.

ITEM 16J. INSIDER TRADING POLICIES

Not required.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 in lieu of this Item.

ITEM 18. FINANCIAL STATEMENTS

The financial information required by this item, together with the report of PricewaterhouseCoopers Accountants N.V., is set forth on pages F-1 through F-93.

ITEM 19. EXHIBITS

Incorporated by Reference

Number	Description of Exhibit	Form	File No.	Exhibit	Date	Filed Herewith
1.1	Bye-laws of VEON Ltd., Further Amended June 29, 2023					*
1.2	Certificate of Incorporation, as amended, and Memorandum of Association	20-F	001-34694	1.2	04/03/2017	
2.1	Form of Deposit Agreement (common shares), as amended, between VEON Ltd. and The Bank of New York Mellon, as depositary	F-6	333-164781	1	12/22/2017	
2.2	Registration Rights Agreement, dated as October 4, 2009, between and among VimpelCom Ltd., Eco Telecom Limited, Altimo Holdings & Investments Ltd., Altimo Coöperatief U.A., Telenor Mobile Communications AS and Telenor East Invest AS	F-4	333-164770	2.3	2/8/2010	
2.3	Assignment, Assumption and Amendment Agreement to the Registration Rights Agreement, dated as of November 27, 2013, by and among VimpelCom Ltd., Altimo Holdings & Investments Ltd., Altimo Coöperatief U.A., Telenor Mobile Communications AS, Telenor East Invest AS and Telenor East Holding II AS	13D	005-85442	99.1	12/5/2013	
2.4	Assignment, Assumption and Second Amendment Agreement to the Registration Rights Agreement, dated as of September 21, 2016, by and among VimpelCom Ltd., Altimo Holdings & Investments Ltd., Altimo Coöperatief U.A., Letterone Investment Holdings S.A., LIT VIP Holdings S.à r.l., Telenor Mobile Communications AS and Telenor East Holding II AS	6-K	001-34694	4.1	9/26/2016	
2.5	Description of Securities Registered Under Section 12 of the Exchange Act	20-F	001-34694	2.6	03/14/2020	
4.1	Form of Indemnification Agreement	20-F	001-34694	4.1	3/15/2021	
4.2	Executive Investment Plan	S-8	333-180368	4.3	3/27/2012	
4.3	Director Investment Plan	S-8	333-183294	4.3	8/14/2012	
4.4	Vimpelcom 2010 Stock Option Plan	S-8	333-166315	4.3	4/27/2010	
4.5	VimpelCom 2000 Stock Option Plan	S-8	333-166315	4.4	4/27/2010	
4.6†#	Sale and Purchase Agreement in relation to the shares in PJSC Vimpel-Communications, dated November 24, 2022, between VEON Holdings BV and VEON LTD (as sellers), and Joint-Stock Company Kopernik-Invest 3 (as buyer), and Vimpel-Communications Public Joint Stock Company					*
8	List of Significant Subsidiaries					*
12.1	Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 15 U.S.C. Section 7241					*
12.2	Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 15 U.S.C. Section 7241					*
13.1	Certification of CEO and CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350					*
15.1	Consent of PricewaterhouseCoopers Accountants N.V. (VEON Ltd.)					*
15.2	Letter from PricewaterhouseCoopers Accountants N.V. to the SEC, dated July 24, 2023, regarding the change in independent registered public accounting firm					*
99.1	Glossary of Telecommunications Terms					*

99.2	Regulation of Telecommunications	*
101.INS	XBRL Instance Document ⁽¹⁾	*
101.SCH	XBRL Taxonomy Extension Schema ⁽¹⁾	*
101.CAL	XBRL Taxonomy Extension Scheme Calculation Linkbase ⁽¹⁾	*
101.DEF	XBRL Taxonomy Extension Scheme Definition Linkbase ⁽¹⁾	*
101.LAB	XBRL Taxonomy Extension Scheme Label Linkbase ⁽¹⁾	*
101.PRE	XBRL Taxonomy Extension Scheme Presentation Linkbase ⁽¹⁾	*

(1) The following materials from the our Annual Report on Form 20-F for the year ended December 31, 2022, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated income statement for the year ended December 31, 2022, 2021 and 2020; (ii) Consolidated statement of comprehensive income for the year ended December 31, 2022, 2021 and 2020; (iii) Consolidated statement of financial position for the year ended December 31, 2022 and 2021; (iv) Consolidated statement of changes in equity for the year ended December 31, 2022, 2021 and 2020; (v) Consolidated statement of cash flows for the year ended December 31, 2022, 2021 and 2020; and (vi) Notes to consolidated financial statements. Users of this data are advised, in accordance with Rule 406T of Regulation S-T promulgated by the SEC, that this Interactive Data File is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

† Confidential treatment has been requested over certain parts of this exhibit. Portions of this exhibit have been redacted in compliance with Item 601(a)(6) and Item 601(b)(10) of Regulation S-K.

Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to supplementally furnish copies of any omitted schedules to the Securities and Exchange Commission upon request.

VEON Ltd. has not filed as exhibits instruments relating to long-term debt, under which the total amount of securities authorized does not exceed 10% of the total assets of VEON Ltd. and its subsidiaries on a consolidated basis. VEON Ltd. agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F on its behalf.

VEON LTD.

By: /s/Kaan Terzioğlu
Name: Kaan Terzioğlu
Title: Chief Executive Officer
Date: July 24, 2023

Consolidated financial statements

VEON Ltd.

As of December 31, 2022 and
for the three years then ended



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of VEON Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statement of financial position of VEON Ltd. and its subsidiaries (the “Company”) as of December 31, 2022 and 2021, and the related consolidated income statement and statements of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because a material weakness in internal control over financial reporting existed as of that date related to the Company not designing and maintaining effective controls to address and review the accounting treatment and appropriate financial statement presentation for disposals of businesses.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 15. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2022 consolidated financial statements, and our opinion regarding the effectiveness of the Company’s internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Restatement of Previously Issued Financial Statements

As discussed in the section ‘Restatement of 2022 consolidated financial statements’ in Note 24 to the consolidated financial statements, the Company has restated its 2022 financial statements to correct an error.



Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in the section 'Ongoing conflict between Russia and Ukraine' in Note 24 to the consolidated financial statements, the Company has been negatively impacted and will continue to be negatively impacted by the consequences of the Russian government's invasion of Ukraine ('Ongoing conflict between Russia and Ukraine'), and has stated that these events or conditions indicate that a material uncertainty exists that may cast significant doubt (or raise substantial doubt as contemplated by PCAOB standards) on the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in the section 'Ongoing conflict between Russia and Ukraine' in Note 24. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting



A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of goodwill and accuracy of goodwill impairment charge for the Russia cash-generating unit

As described in Notes 10, 11 and 13 to the consolidated financial statements, the Company's consolidated goodwill balance amounts to \$394 million as of December 31, 2022, together with the amount of goodwill associated with the Russia cash-generating unit of \$617 million classified as held-for-sale as of December 31, 2022, and consolidated goodwill impairment losses of \$ 0 million, together with a \$ 446 million goodwill impairment loss for the Russia component as part of discontinued operations. Management conducts an annual impairment test as of September 30, or when circumstances indicate that the carrying value of goodwill may be impaired. Potential impairment is identified by comparing the recoverable value, in particular the fair value less cost of disposal, of a cash-generating unit to its carrying value. Fair value is estimated by management using a discounted cash flow model, based on cash flow projections from business plans adjusted for a market participant's view. In estimating the fair value of the cash-generating units, management uses assumptions relating to the discount rate as well as the projected revenue growth rate, projected operating margin, projected capital expenditure, and the related terminal rates. As of March 31, 2022 management identified circumstances



that indicated a trigger that the carrying value of the Russia cash-generating-unit might be impaired and performed an additional goodwill impairment test resulting in the impairment charge mentioned above. The fair value less cost of disposal ('FVLCD') for Russian operations as of September 30, 2022, was based on the expected sales proceeds from third party bids which have been substantiated by the final share price consideration of RUB 130 billion reflected in the SPA signed on November 24, 2022 (approximately US\$ 1,900 million as per December 31, 2022). Based on the annual goodwill impairment test in the current year, no additional impairment charge was recorded.

The principal consideration for our determination that performing procedures relating to the valuation of goodwill and the accuracy of the goodwill impairment charge for the Russia cash-generating unit is a critical audit matter is the application of significant judgment by management when developing the fair value measurement of the cash-generating unit. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's significant assumptions related to the discount rate as well as the projected revenue growth rate, projected operating margin, projected capital expenditure, and the related terminal rates. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the Russia cash-generating unit. These procedures also included, among others, testing the completeness, accuracy and relevance of underlying data used in the models, assessing the appropriateness of management's identification of the cash-generating unit, recalculating the carrying values and confirming the exchange rates applied, performing a retrospective review of the prior year estimates by comparing the current year actual results to those projected in the prior year, and testing the accuracy of the impairment charge recorded. Evaluating the composition of management's future cash flow forecasts and corresponding assumptions included consideration of (i) the current and past performance of the Russia cash-generating unit, (ii) the consistency with external market and industry data, (iii) the corroboration of strategic initiatives in Russia with evidence obtained in other areas of the audit, including the assessment of the impact of the political situation including sanction laws and regulations and the macroeconomic environments in Russia on the business plan, (iv) assessing any indications of management bias in determining the significant assumptions, and (v) assessing the adequacy of disclosures in the financial statements regarding assumptions, sensitivities, and headroom. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and significant assumptions.

Valuation of "uncertain income tax positions" and "non-income tax provisions" in Pakistan

As described in Notes 7 and 8 to the consolidated financial statements, the Company recorded total provisions of \$133 million related to uncertain income tax positions and \$49 million related to non-income tax as of December 31, 2022. "Uncertain income tax positions" and "non-income tax provisions" in Pakistan make up a significant portion of the total provisions recorded. Given that the tax legislation in the markets in which the Company operates is unpredictable and gives rise to significant uncertainties, management's estimate of tax



liabilities may differ from interpretations by the relevant tax authorities as to how regulations should be applied to actual transactions. Judgment is therefore required by management to determine whether it is probable that an uncertain income tax position will not be sustained and to estimate the amounts in the range of most likely outcomes. Judgment is also required by management in determining the degree of probability of an unfavorable outcome for non-income tax claims and the ability of management to make a reasonable estimate of the amount of loss.

The principal considerations for our determination that performing procedures relating to the valuation of “uncertain income tax positions” and “non-income tax provisions” in Pakistan is a critical audit matter are the application of significant judgment by management when (i) assessing the likelihood that an uncertain income tax treatment is accepted by a tax authority and estimating the effect of the uncertainty, and (ii) determining the degree of probability of an unfavorable non-income tax outcome and the ability to make a reasonable estimate of the amount of loss. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management’s estimation uncertainty, which included, among others, assessing facts and circumstances and interpretations of uncertain income tax treatments which support management’s judgments in the likelihood of sustaining an income tax position with the tax authorities and estimating the effect of the uncertainty based on the application of relevant tax laws as well as the likelihood of an unfavorable outcome for non-income tax claims and the reasonableness of the estimated amount of cash outflow. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, testing the effectiveness of controls over the timely identification of new or changes in existing local tax laws, regulations, and judicial decisions, controls over the timely recognition of the liability for “uncertain income tax positions” and “non-income tax provisions” and controls over the review of required disclosures. These procedures also included, among others (i) testing the information used in the calculation of the liability for “uncertain income tax positions” and “non-income tax provisions”, including evaluating correspondence with tax authorities and assessing the outcomes of court decisions for industry-wide issues; (ii) testing the calculation and underlying estimates of the liability for “uncertain income tax positions” and “non-income tax provisions” by jurisdiction, including management’s assessment of the technical merits of “uncertain income tax positions” as well as the technical merits of non-income tax claims; (iii) testing management’s assessment of both the identification of “uncertain income tax positions” and “non-income tax provisions” and possible outcomes; (iv) evaluating the status and results of tax audits with the relevant tax authorities; and (v) assessing the adequacy of the disclosures in the financial statements. Professionals with specialized skill and knowledge were used to assist in the evaluation of the measurement of the Company’s “uncertain income tax positions” and “non-income tax provisions”, including evaluating the reasonableness of management’s assessment of whether uncertain income tax positions are probable of being sustained and the amount of potential benefit to be realized, evaluating the reasonableness of management’s assessment of the probability of an unfavorable outcome of the non-income tax claims and the reasonableness of the estimated amount of loss, the application of relevant tax laws, and estimated interest and penalties.



Valuation of deferred tax assets in Bangladesh

As described in Note 8 to the consolidated financial statements, the Company recognized deferred tax assets for losses carried forward for \$108 million in Bangladesh as of December 31, 2022. As the company has a history of recent losses, management should exercise judgment to determine whether there is convincing evidence that sufficient taxable profit will be available against which tax losses and credits can be used. Significant judgment is required to determine the amount that can be recognized which depends foremost on the probability assessment of the uncertain tax positions related to historic tax loss calculations, availability of future taxable profits, and the existence of taxable temporary differences.

The principal considerations for our determination that performing procedures relating to the valuation of deferred tax assets in Bangladesh is a critical audit matter are the application of significant judgment by management on the first time recognition of deferred tax assets and valuation of related “uncertain income tax positions” when (i) assessing the amounts of losses available for recognition, including the interpretation of tax rules, and assessing the likelihood that an uncertain income tax treatment is accepted by a tax authority and estimating the effect of the uncertainty, and (ii) estimating the amounts of future taxable profit, and uncertainty concerning a new business plan. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management’s estimation uncertainty. Aforementioned included, among others, assessing facts and circumstances and interpretations of uncertain income tax treatments which support management’s judgments in the likelihood of sustaining an income tax position with the tax authorities and estimating the effect of the uncertainty based on the application of relevant tax laws, and evaluating the projections of future taxable profits. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, testing the effectiveness of controls relating to deferred tax assets and “uncertain income tax positions”, more specifically, controls assessing the recoverability of the deferred tax assets, including controls over the assumptions and judgments used in the projections of future taxable income, controls over the timely identification of new or changes in existing local tax laws, regulations, and judicial decisions, controls over the timely recognition of “uncertain income tax positions”, and controls over the review of required disclosures. These procedures also included, among others (i) assessing the breakdown of the historic losses by year, uncertain income tax positions and the composition of the carry-forward deferred tax asset relating to tax losses, (ii) evaluating and testing the corporate tax positions taken by management, (iii) assessing the recoverability of the deferred tax assets through agreeing the forecasted future taxable profits with approved business plans, (iv) assessing whether the underlying trends and assumptions in the forecasts used were consistent with those used in the impairment tests, (v) assessing the underlying assumptions and forecasted revenues and costs, ascertaining inclusion of all required elements in the forecast, and recalculating taxable profits based on the applicable tax rules, (vi) assessing the past performance against business plans used by the company to determine the ability of management to forecast future taxable income (vii) assessing whether there are any



local expiry periods together with any applicable restrictions in recovery, and (viii) assessing the adequacy of the disclosures in the financial statements. Professionals with specialized skill and knowledge were used to assist in the evaluation of the measurement of the Company’s “uncertain income tax positions”, including evaluating the reasonableness of management’s assessment of whether uncertain income tax positions are probable of being sustained, as well as in the evaluation of the valuation of the Company’s deferred tax assets, including the interpretation of local tax regulations, and evaluating the reasonableness of management’s assessment of whether deferred tax assets can be recognized in light of future taxable profits.

/s/ M. de Ridder RA
PricewaterhouseCoopers Accountants N.V.
Amsterdam, the Netherlands
July 24, 2023

We have served as the Company’s auditor since 2014.

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CONSOLIDATED INCOME STATEMENT

for the years ended December 31

(In millions of U.S. dollars, except per share amounts)

	Note	2022	2021*	2020*
Service revenues		3,600	3,690	3,355
Sale of equipment and accessories		28	35	22
Other revenues		127	125	105
Total operating revenues	3	3,755	3,850	3,482
Other operating income		1	—	—
Service costs		(448)	(448)	(431)
Cost of equipment and accessories		(28)	(36)	(23)
Selling, general and administrative expenses	4	(1,533)	(1,526)	(1,403)
Depreciation	12	(557)	(605)	(553)
Amortization	13	(221)	(194)	(177)
Impairment (loss) / reversal	11	107	(27)	(62)
(Loss) / gain on disposal of non-current assets		(1)	9	(10)
(Loss) / gain on disposal of subsidiaries	9	88	—	—
Operating profit		1,163	1,023	823
Finance costs		(583)	(591)	(569)
Finance income		32	13	19
Other non-operating gain / (loss)	15	9	26	84
Net foreign exchange gain / (loss)		181	(7)	16
Profit / (loss) before tax		802	464	373
Income taxes	8	(69)	(344)	(279)
Profit / (loss) from continuing operations		733	120	94
Loss after tax from discontinued operations and disposals of discontinued operations	10	(742)	681	(410)
(Loss) / profit for the period		(9)	801	(316)
Attributable to:				
The owners of the parent (continuing operations)		656	75	102
The owners of the parent (discontinued operations)		(818)	599	(451)
Non-controlling interest		153	127	33
		(9)	801	(316)
Basic and diluted gain / (loss) per share attributable to ordinary equity holders of the parent:**				
from continuing operations	20	\$0.37	\$0.04	\$0.06
from discontinued operations	20	(\$0.46)	\$0.34	(\$0.26)
Total	20	(\$0.09)	\$0.38	(\$0.20)

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see [Note 10](#)).

** In accordance with IAS 33, Earnings per Share, the shares vested on December 31, 2022 and subsequently issued after the reporting period date have been included in the Earnings per Share calculation (see [Note 20](#)).

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended December 31

<i>(In millions of U.S. dollars)</i>	2022 (as restated*)	2021	2020
Profit / (loss) for the period	(9)	801	(316)
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation	(480)	(200)	(623)
Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation	558	—	96
Other	—	(3)	(15)
<i>Items that will not be reclassified to profit or loss</i>			
Other	27	—	1
Other comprehensive income / (loss) for the period, net of tax	105	(203)	(541)
Total comprehensive income / (loss) for the period, net of tax	96	598	(857)
Attributable to:			
The owners of the parent	(14)	513	(800)
Non-controlling interests	110	85	(57)
	96	598	(857)
Total comprehensive income / (loss) for the period, net of tax from:			
Continuing operations	234	(5)	189
Discontinued operations	(138)	603	(1,046)
	96	598	(857)

*Refer to [Note 24](#) for further details with respect to the restatement.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31

<i>(In millions of U.S. dollars)</i>	Note	2022	2021
Assets			
Non-current assets			
Property and equipment	12	2,848	6,717
Intangible assets	13	1,960	3,244
Investments and derivatives	16	71	99
Deferred tax assets	8	274	228
Other assets	6	157	216
Total non-current assets		5,310	10,504
Current assets			
Inventories		18	111
Trade and other receivables	5	456	690
Investments and derivatives	16	120	86
Current income tax assets	8	72	70
Other assets	6	208	344
Cash and cash equivalents	17	3,107	2,252
Total current assets		3,981	3,553
Assets classified as held for sale	10	5,792	1,864
Total assets		15,083	15,921
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent	19	569	586
Non-controlling interests		198	919
Total equity		767	1,505
Non-current liabilities			
Debt and derivatives	16	5,336	9,404
Provisions	7	47	87
Deferred tax liabilities	8	36	115
Other liabilities	6	20	36
Total non-current liabilities		5,439	9,642
Current liabilities			
Trade and other payables		1,087	2,031
Debt and derivatives	16	2,844	1,242
Provisions	7	59	109
Current income tax payables	8	180	228
Other liabilities	6	475	773
Total current liabilities		4,645	4,383
Liabilities associated with assets held for sale	10	4,232	391
Total equity and liabilities		15,083	15,921

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2022 (as restated**)

(In millions of U.S. dollars, except for share amounts)	Note	Attributable to equity owners of the parent						Total	Non-controlling interests	Total equity
		Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation			
As of January 1, 2022		1,749,127,404	2	12,753	(1,990)	(1,246)	(8,933)	586	919	1,505
Profit / (loss) for the period		—	—	—	—	(162)	—	(162)	153	(9)
Transfer from OCI to income statement on disposal of subsidiary (reclassification adjustments)		—	—	—	—	—	558	558	—	558
Other comprehensive income / (loss) (excluding reclassification adjustments)		—	—	—	27	—	(437)	(410)	(43)	(453)
Total comprehensive income / (loss)		—	—	—	27	(162)	121	(14)	110	96
Dividends declared	21	—	—	—	—	—	—	—	(14)	(14)
Disposal of subsidiaries with non-controlling interests	10	—	—	—	—	—	—	—	(824)	(824)
Changes in ownership interest in a subsidiary		—	—	—	—	(3)	4	1	7	8
Other	22	4,229,272	—	—	(4)	—	—	(4)	—	(4)
As of December 31, 2022		1,753,356,676	2	12,753	(1,967)	(1,411)	(8,808)	569	198	767

**Refer to [Note 24](#) for further details with respect to the restatement.

for the year ended December 31, 2021

(In millions of U.S. dollars, except for share amounts)	Note	Attributable to equity owners of the parent						Total	Non-controlling interests	Total equity
		Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation			
As of January 1, 2021		1,749,127,404	2	12,753	(1,898)	(1,919)	(8,775)	163	850	1,013
Profit / (loss) for the period		—	—	—	—	674	—	674	127	801
Other comprehensive income / (loss)		—	—	—	(1)	(2)	(158)	(161)	(42)	(203)
Total comprehensive income / (loss)		—	—	—	(1)	672	(158)	513	85	598
Dividends declared	21	—	—	—	—	0	—	0	(89)	(89)
Acquisition of non-controlling interest		—	—	—	(76)	—	—	(76)	69	(7)
Acquisition of subsidiary	9	—	—	—	(16)	—	—	(16)	6	(10)
Other		—	—	—	1	1	—	2	(2)	—
As of December 31, 2021		1,749,127,404	2	12,753	(1,990)	(1,246)	(8,933)	586	919	1,505

* Certain of the consolidated entities of VEON Ltd. are restricted from remitting funds in the form of cash dividends or loans by a variety of regulations, contractual or local statutory requirements, refer to [Note 26](#) for further details.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2020

<i>(In millions of U.S. dollars, except for share amounts)</i>	Note	Attributable to equity owners of the parent						Total	Non-controlling interests	Total equity
		Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation			
As of January 1, 2020		1,749,127,404	2	12,753	(1,887)	(1,330)	(8,312)	1,226	994	2,220
Profit / (loss) for the period		—	—	—	—	(349)	—	(349)	33	(316)
Other comprehensive income		—	—	—	(10)	(4)	(437)	(451)	(90)	(541)
Total comprehensive income		—	—	—	(10)	(353)	(437)	(800)	(57)	(857)
Dividends declared	21	—	—	—	—	(262)	—	(262)	(87)	(349)
Changes in ownership interest in a subsidiary that do not result in a loss of control	9	—	—	—	—	—	—	—	—	—
Others		—	—	—	(1)	26	(26)	(1)	—	(1)
As of December 31, 2020		1,749,127,404	2	12,753	(1,898)	(1,919)	(8,775)	163	850	1,013

* Certain of the consolidated entities of VEON Ltd. are restricted from remitting funds in the form of cash dividends or loans by a variety of regulations, contractual or local statutory requirements, refer to [Note 26](#) for further details.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the years ended December 31

(In millions of U.S. dollars)

	Note	2022	2021*	2020*
Operating activities				
Profit / (loss) before tax		802	464	373
<i>Non-cash adjustments to reconcile profit before tax to net cash flows</i>				
Depreciation, amortization and impairment loss / (reversal)		671	826	792
(Gain) / loss on disposal of non-current assets		1	(9)	10
(Gain) / loss on disposal of subsidiaries		(88)	—	—
Finance costs		583	591	569
Finance income		(32)	(13)	(19)
Other non-operating (gain) / loss		(9)	(26)	(84)
Net foreign exchange (gain) / loss		(181)	7	(16)
Changes in trade and other receivables and prepayments		(154)	(141)	(18)
Changes in inventories		(12)	(4)	(5)
Changes in trade and other payables		52	63	39
Changes in provisions, pensions and other		48	(14)	(14)
Interest paid	16	(489)	(521)	(534)
Interest received		25	12	20
Income tax paid		(284)	(274)	(269)
Net cash flows from operating activities from continuing operations		933	961	844
Net cash flows from operating activities from discontinued operations		1,624	1,677	1,599
Investing activities				
Purchase of property, plant and equipment		(634)	(699)	(550)
Purchase of intangible assets		(376)	(159)	(132)
Receipts from / (Payments) on deposits		(54)	(58)	(69)
Receipts from / (Investment in) financial assets****		(14)	(48)	(8)
Acquisition of a subsidiary, net of cash acquired		(16)	—	—
Proceeds from sales of share in subsidiaries, net of cash		40	—	(10)
Other proceeds from investing activities, net		(3)	(3)	(47)
Net cash flows from / (used in) investing activities from continuing operations		(1,057)	(967)	(816)
Net cash flows from / (used in) investing activities from discontinued operations		(599)	(213)	(1,050)
Financing activities				
Proceeds from borrowings, net of fees paid **	16	2,087	2,081	4,621
Repayment of debt	16	(1,619)	(1,977)	(4,148)
Acquisition of non-controlling interest	16	—	(279)	(1)
Dividends paid to owners of the parent	21	—	—	(259)
Dividends paid to non-controlling interests		(12)	(17)	(39)
Net cash flows from / (used in) financing activities from continuing operations		456	(192)	174
Net cash flows from / (used in) financing activities from discontinued operations		(340)	(552)	(277)
Net increase / (decrease) in cash and cash equivalents		1,017	714	474
Net foreign exchange difference related to continuing operations		(95)	(18)	(51)
Net foreign exchange difference related to discontinued operations		(21)	(5)	—
Cash and cash equivalents classified as discontinued operations/held for sale at the beginning of the period		113	—	—
Cash and cash equivalents classified as discontinued operations/held for sale at the end of the period		(146)	(113)	—
Cash and cash equivalents at beginning of period****		2,239	1,661	1,238
Cash and cash equivalents at end of period, net of overdraft ***	17	3,107	2,239	1,661

* Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see note 10)

** Fees paid for borrowings were US\$11 (2021: US\$32, 2020: US\$29)

*** Overdrawn amount was US\$0 (2021: US\$13)

**** Certain comparative amounts have been reclassified, refer to Note 24 — for further details.

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL INFORMATION ABOUT THE GROUP

1 GENERAL INFORMATION

VEON Ltd. (“VEON” or the “Company”, and together with its consolidated subsidiaries, the “Group” or “we”) was incorporated in Bermuda on June 5, 2009. The registered office of VEON is Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda. VEON’s headquarters and the principal place of business are located at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands.

VEON generates revenue from the provision of voice, data and other telecommunication services through a range of wireless, fixed and broadband internet services, as well as selling equipment, infrastructure and accessories.

VEON’s American Depository Shares (“ADSs”) are listed on the NASDAQ Capital Market (“NASDAQ”) and VEON’s common shares are listed on Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V. (“Euronext Amsterdam”).

The consolidated financial statements prepared for Dutch statutory purposes were authorized by the Board of Directors for issuance on June 24, 2023 and filed on June 25, 2023. The Company has the ability to amend and reissue the consolidated financial statements. After the issuance of those financial statements, and prior to the filing of VEON Ltd.’s Annual Report on Form 20-F for the same period, the Company discovered an error in the consolidated statement of comprehensive income with respect to the derecognition of non-controlling interest for the sale of its Algerian operations (refer to [Note 10](#) for further details) which has been corrected in these financial statements. Refer to [Note 24](#) for further details. These consolidated financial statements included in this Annual Report on Form 20-F were re-authorized for issuance on July 24, 2023.

The consolidated financial statements are presented in United States dollars (“U.S. dollar” or “US\$”). In these Notes, U.S. dollar amounts are presented in millions, except for share and per share (or ADS) amounts and as otherwise indicated.

Due to the ongoing conflict between Russia and Ukraine, material uncertainties have been identified that may cast significant doubt on the Company’s ability to continue as a going concern which are discussed in detail in [Note 24](#) of these consolidated financial statements.

Major developments during the year ended December 31, 2022

Announced sale of Russia operations

On November 24, 2022, VEON entered into an agreement to sell VEON’s Russian operations to certain senior members of the management team of PJSC VimpelCom (“VimpelCom”), led by its current CEO, Aleksander Torbakhov. Under the agreement, VEON will receive consideration of RUB 130 billion (approximately US\$1,900). The SPA contains provisions amongst others that in the event Vimpelcom acquires VEON Holdings B.V.’s debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction is subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (United States, United Kingdom, European Union, and Bermuda) for the proposed structure of the sale. As of July 24, 2023, Russian regulatory approvals have been obtained as well as the OFAC license and required authorizations from the United Kingdom and Bermudan authorities. The remaining closing conditions to be satisfied include any required license from the European Union or any required consent from VEON creditors in order to cancel the debt provided as consideration and/or complete the sale. The transaction is expected to be completed in 2023.

As a result of the expected disposal, VEON has classified its Russian operations as held-for-sale and discontinued operations upon the signing of the agreement on November 24, 2022. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of the assets of its Russian operations. The results for Russian operations in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 have been presented separately. For further details of the transaction, refer to [Note 10](#).

Sale of Algeria operations

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algerie SpA (Algeria) (Omnium) to the Fonds National d’Investissement (FNI). Omnium owns Algerian mobile network operator, Djezzy. Under the terms of the Shareholders’ Agreement, the transaction was completed on August 5, 2022 for a sales price of US\$682 in cash. For further details of the transaction, refer to [Note 10](#).

Sale of Georgia operations

On March 31, 2022, VEON Georgia Holdings B.V. entered into a non-binding share purchase agreement with Miren Invest LLC ("Miren"), VEON's former local partner, for the sale of VEON Georgia LLC ("VEON Georgia"), our operating company in Georgia, for a sales price of US\$45 in cash, subject to VEON corporate approvals and regulatory approvals. The required approvals were subsequently obtained and the sale was completed on June 8, 2022.

On June 8, 2022, upon completion of the sale to Miren, control of VEON Georgia was transferred to Miren and VEON recognized a US\$88 gain on disposal of VEON Georgia, which includes the recycling of currency translation reserve in the amount of US\$78.

Financing activities

VEON US\$1,250 multi-currency revolving credit facility agreement

In February 2022, the maturity of the multi-currency revolving credit facility originally entered into in March 2021 for US\$1,250 (the "RCF") was extended for one year until March 2025; two banks did not agree to extend, as a result US\$250 will mature at the original maturity date in March 2024 and US\$805 will mature in March 2025.

In February 2022, VEON Holdings B.V. drew US\$430 under the RCF. Subject to the terms set out in the RCF, the outstanding balance can be rolled over until the respective final maturities.

In March 2022, Alfa Bank (US\$125 commitment) and Raiffeisen Bank Russia (US\$70 commitment) notified the Agent under the RCF that as a result of new Russian regulatory requirements following a presidential decree, they could no longer participate in the RCF. As a result, their available commitments were cancelled and the total RCF size reduced from US\$1,250 to US\$1,055. The drawn portion from Alfa Bank (US\$43) was subsequently repaid in April 2022 and the drawn portion from Raiffeisen Bank Russia (US\$24) was repaid in May 2022.

In April and May 2022, VEON Holdings B.V. received US\$610 following a utilization under the RCF. The remaining US\$82 was received in November. The RCF was fully drawn at year-end with US\$1,055 outstanding. As of December 31, 2022, the outstanding amounts have been rolled-over until April 2023, US\$692, and May 2023, US\$363. Subject to the terms set out in the RCF, these amounts can be rolled until the respective final maturities. Refer to Note 23 for further development,

Financing activities other than RCF

In February 2022, VEON Holdings B.V. repaid its 7.50% Note of US\$417 originally maturing in March 2022.

In February 2022, VEON Holdings B.V. prepaid RUB 30 billion (US\$396) of outstanding loans to VTB Bank originally maturing in July 2025.

In February 2022, VEON Finance Ireland DAC signed a RUB 30 billion (US\$400) term loan facility with VTB Bank with a floating rate. This facility was guaranteed by VEON Holding B.V. and had a maturity of February 2029. The proceeds from this facility were used for general corporate purposes, including the financing of intercompany loans to PJSC VimpelCom.

In March 2022, Pakistan Mobile Communication Limited ("PMCL") fully utilized the remaining PKR 40 billion (US\$222) available under its existing credit line.

In March 2022, VEON Finance Ireland DAC prepaid its RUB 30 billion (US\$259) term loan facility with VTB Bank in accordance with its terms, and the facility was cancelled.

In April 2022, VEON Finance Ireland DAC novated its Sberbank (RUB 45 billion (US\$556)) and Alfa Bank (RUB 45 billion (US\$556)) term loans totaling RUB 90 billion (US\$1,112), to PJSC VimpelCom, resulting in the former borrower, VEON Finance Ireland DAC, and guarantor, VEON Holdings B.V., having been released from their obligations.

In April 2022, PMCL signed a PKR 40 billion (US\$217) syndicated loan with a ten years maturity. The drawn amount under the facility is PKR 30 billion (US\$156).

In April 2022, Banglalink signed a BDT 12 billion (US\$139) syndicated loan with a five years maturity, with a proportion of the proceeds used to fully repay the existing loan of BDT 3 billion facility (US\$38). Banglalink fully utilized the remaining BDT 3 billion (US\$32) under its BDT syndicated loan facility in July, August and September 2022.

In March, April, May and June 2022, Kyivstar fully prepaid a UAH 1,350 million (US\$46) loan with JSC CitiBank, a UAH 1,275 (US\$44) million loan with JSC Credit Agricole and a UAH 1,677 million (US\$57) loan with Alfa bank, and also prepaid a portion of a UAH 1,250 million loan with OTP Bank (UAH 490 million (US\$17)).

Other developments

On January 1, 2022, Victor Biryukov was appointed Group General Counsel. On November 1, 2022, Mr. Biryukov was appointed in a special capacity to manage the sale of the Russian operations.

On February 24, 2022, a military conflict began between Russia and Ukraine and as of July 24, 2023, the conflict is still ongoing. Refer to [Note 24](#) for further details.

On March 31, 2022, Banglalink acquired additional spectrum for a fee of US\$205 payable in ten installments over eleven years, doubling its spectrum holding in Bangladesh. Banglalink acquired 40 MHz of spectrum from the 2,300 MHz band.

On April 12, 2022, Jazz signed a 2G/4G license renewal with the PTA for a fee of PKR 95 billion (US\$486) for fifteen years, of which 50% has been settled, and the remaining amount will be paid in five equal annual installments.

On April 12, 2022, VEON confirmed that on April 7, 2022 VEON received notification from Nasdaq that VEON was not in compliance with the minimum bid price requirement set forth in Nasdaq's Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), VEON had an initial grace period of 180 calendar days, or until October 4, 2022, to regain compliance with the minimum bid price requirement. As per the Nasdaq listing rules, VEON was eligible for an additional 180 calendar day compliance period, subject to meeting certain requirements. On October 5, 2022, Nasdaq confirmed that VEON met these requirements and granted VEON an additional 180 calendar day grace period, or until April 1, 2023, to comply with the minimum bid price requirement. In addition, VEON was transferred from the Nasdaq Global Select Market to the Nasdaq Capital Market as of October 7, 2022. In conjunction with its application for this additional compliance period, VEON committed to undertake certain corporate actions, if required, in order to ensure the minimum bid price requirement is met within the new compliance period. Refer to [Note 23](#) for further developments after the reporting period.

On July 1, 2022 equity-settled awards granted to key senior managers under the 2021 Deferred Shares Plan vested and on July 14, 2022, equity-settled awards granted to key directors under the 2021 Deferred Shares Plan vested. Subsequently, 2,659,740 shares in the Company were transferred to key senior managers and directors from shares held by a subsidiary of the Company during the three months ended September 30, 2022. Refer to [Note 22](#) for further details.

On August 3, 2022, VEON announced that Banglalink has reached an agreement with Bangladesh Telecommunications Company Limited (BTCL) to share its tower infrastructures with Banglalink.

On September 23, 2022, the VEON Board of Directors approved a share grant to the VEON Group Chief Executive Officer, Kaan Terzioglu under the 2021 Deferred Shares Plan with a grant date of October 1, 2022. On October 1, 2022 1,569,531 shares were transferred to Kaan Terzioglu under the 2021 Deferred Shares Plan. Refer to [Note 22](#) for further details.

On October 1, 2022, Matthieu Galvani was appointed Chief Corporate Affairs Officer.

On October 13, 2022, PMCL received a favorable decision from the Islamabad High Court regarding the outstanding litigation, the financial impact of which amounting to US\$92 was recorded for the year ended December 31, 2022. Refer to [Note 3](#) and [Note 4](#) for further details.

On October 14, 2022, VEON invited the Note holders of the 2023 Notes to contact VEON Ltd. in order to engage in discussions with these Note holders, with the aim to maintain a stable capital structure in the longer-term. On November 24, 2022, VEON announced the launch of a scheme of arrangement in England (the "Scheme") via the issuance of a Practice Statement Letter to extend the maturity of the 5.95% notes due February 2023 and 7.25% notes due April 2023 issued by the Company (together, the "2023 Notes") by eight months from their respective maturity dates. On December 9, 2022, VEON issued a Supplemental Practice Statement Letter including an increase to the Amendment Fee as well as the inclusion of a put right (the "Put Right") requiring the Company to repurchase 2023 Notes in an aggregate amount of up to US\$600. On December 26, 2022, VEON announced that the OFAC License was obtained for the Scheme meeting, which authorizes all noteholders (and their funds, fund managers, investment advisors or subadvisors), financial institutions, clearing and trading systems, trustees, paying and security agents, registrars, and other service providers, intermediaries, and third parties, to participate in (including, but not limited to, voting on) the Scheme, provided they are not precluded from doing so by law or regulation. Refer to [Note 23](#) and [Note 24](#) for further details.

On October 18, 2022, equity-settled awards were granted to key senior managers under the 2021 Long-Term Incentive Plan. Refer to [Note 22](#).

On November 1, 2022, A. Omiyinka Doris was appointed Acting Group General Counsel.

On November 18, 2022, VEON announced that the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") issued General License 54 authorizing all transactions ordinarily incident and necessary to the purchase and receipt of any debt or equity securities of VEON Ltd. that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071. Refer to [Note 23](#) and [Note 24](#) for further details.

Changes to Board of Directors

On January 5, 2022, VEON announced the appointment of Karen Linehan to the Board of Directors as a non-executive director, following the resignation of Steve Pusey in 2021.

On March 1, 2022, VEON announced the resignation of Mikhail Fridman from the Board of Directors, effective from February 28, 2022.

On March 8, 2022, VEON announced the resignation of Robert Jan van de Kraats from the Board of Directors, effective from March 7, 2022.

On March 16, 2022, VEON announced the appointment of Michiel Soeting to the Board of Directors as a non-executive director and Chairman of the Audit and Risk Committee, following the resignation of Robert Jan van de Kraats on March 7, 2022.

On May 25, 2022 VEON announced that its Board of Directors and its Nominating and Corporate Governance Committee have recommended eleven individuals for the Board, including eight directors currently serving on the Board and three new members. The Board also announced that Gennady Gazin, Leonid Boguslavsky and Sergi Herrero did not put themselves up for reelection.

On June 29, 2022, at the Annual General Meeting, shareholders elected three new directors: Augie Fabela, Morten Lundal and Stan Miller as well as eight previously serving directors: Hans-Holger Albrecht, Yaroslav Glazunov, Andrei Gusev, Gunnar Holt, Karen Linehan, Irene Shvakman, Vasily Sidorov and Michiel Soeting.

OPERATING ACTIVITIES OF THE GROUP

2 SEGMENT INFORMATION

Management analyzes the Company’s operating segments separately because of different economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies.

Management evaluates the performance of the Company’s segments on a regular basis, primarily based on earnings before interest, tax, depreciation, amortization, impairment, gain / loss on disposals of non-current assets, other non-operating gains / losses and share of profit / loss of joint ventures and associates (“**Adjusted EBITDA**”) along with assessing the capital expenditures excluding certain costs such as those for telecommunication licenses and right-of-use assets (“**CAPEX excl. licenses and ROU**”). Management does not analyze assets or liabilities by reportable segments.

Reportable segments consist of Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh for 2022 (in 2021, Russia was also considered a reportable segment). Following the announcement to sell the Russian operations on November 24, 2022, the Russian operations have, in line with the IFRS 5 requirements, been classified as a discontinued operation and accounted for as an “Asset held for sale”. Following the exercise of the related put option on July 1, 2021, the Algerian operations were classified as a discontinued operation and accounted for as an “Asset held for sale”, in line with the IFRS 5 requirements, and the sale of our stake in the Algerian operations was completed on August 5, 2022. Refer to [Note 10](#) for further details.

We also present our results of operations for “Others” and “HQ and eliminations” separately, although these are not reportable segments. “Others” represents our operations in Kyrgyzstan and Georgia and “HQ and eliminations” represents transactions related to management activities within the Group. See [Note 9](#) Significant Transactions for details on the sale of our former Georgia operations.

Financial information by reportable segment for the periods ended December 31 is presented in the following tables. Inter-segment transactions are not material and are made on terms which are comparable to transactions with third parties.

	Total revenue			Adjusted EBITDA			CAPEX excl licenses and ROU		
	2022	2021*	2020*	2022	2021*	2020*	2022	2021*	2020*
Pakistan**	1,285	1,408	1,233	654	643	612	258	318	249
Ukraine	971	1,055	933	575	704	630	177	203	179
Kazakhstan	636	569	479	322	307	265	122	134	119
Uzbekistan	233	194	198	124	89	68	64	34	52
Bangladesh	576	564	537	210	235	228	199	89	126
Others	66	81	125	26	41	22	16	25	33
HQ and eliminations	(12)	(21)	(23)	(164)	(179)	(200)	5	3	18
Total	3,755	3,850	3,482	1,747	1,840	1,625	841	806	776

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see [Note 10](#)).

***In 2022, Pakistan Adjusted EBITDA includes the impact of SIM tax reversal. refer to [Note 3](#) and [Note 4](#).*

The following table provides the reconciliation of consolidated Profit / (loss) before tax from continuing operations to Adjusted EBITDA for the years ended December 31:

	2022	2021*	2020*
Profit / (loss) before tax from continuing operations	802	464	373
Depreciation	557	605	553
Amortization	221	194	177
Impairment loss / (reversal)	(107)	27	62
(Gain) / loss on disposal of non-current assets	1	(9)	10
(Gain) / loss on disposal of subsidiaries	(88)	—	—
Finance costs	583	591	569
Finance income	(32)	(13)	(19)
Other non-operating (gain) / loss	(9)	(26)	(84)
Net foreign exchange (gain) / loss	(181)	7	(16)
Total Adjusted EBITDA	1,747	1,840	1,625

**Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see [Note 10](#)).*

3 OPERATING REVENUE

VEON generates revenue from the provision of voice, data and other telecommunication services through a range of wireless, fixed and broadband Internet services, as well as selling equipment and accessories. Products and services may be sold separately or in bundled packages.

Revenue from contracts with customers

The table below provides a breakdown of revenue from contracts with customers for the years ended December 31:

	Service revenue						Sale of Equipment and accessories			Other revenue **			Total revenue		
	Mobile			Fixed			2022	2021*	2020*	2022	2021*	2020*	2022	2021*	2020*
	2022	2021*	2020*	2022	2021*	2020*									
Pakistan***	1,169	1,285	1,134	—	—	—	14	18	11	102	105	88	1,285	1,408	1,233
Ukraine	906	980	869	59	68	59	1	—	—	5	7	5	971	1,055	933
Kazakhstan	497	459	392	116	91	78	13	17	7	10	2	2	636	569	479
Uzbekistan	232	193	196	1	1	1	—	—	—	—	—	1	233	194	198
Bangladesh	566	553	527	—	—	—	—	—	—	10	11	10	576	564	537
Others	66	81	102	—	—	19	—	—	4	—	—	—	66	81	125
HQ and eliminations	(8)	(15)	(13)	(4)	(6)	(9)	—	—	—	—	—	(1)	(12)	(21)	(23)
Total	3,428	3,536	3,207	172	154	148	28	35	22	127	125	105	3,755	3,850	3,482

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see Note 10).

**Other revenue primarily includes revenue from our banking operations in Pakistan.

*** In 2022, Pakistan service revenue includes the impact of US\$29 relating to the reversal of a provision following a favorable decision from the Islamabad High Court on pending litigation.

Assets and liabilities arising from contracts with customers

The following table provides a breakdown of contract balances and capitalized customer acquisition costs.

	December 31, 2022	December 31, 2021
Contract balances		
Receivables (billed)	493	789
Receivables (unbilled)	37	49
Contract liabilities	(169)	(232)
Capitalized costs		
Customer acquisition costs	126	149

ACCOUNTING POLICIES

Revenue from contracts with customers

Service revenue

Service revenue includes revenue from airtime charges from contract and prepaid customers, monthly contract fees, interconnect revenue, roaming charges and charges for value added services (“VAS”). VAS includes short messages, multimedia messages, caller number identification, call waiting, data transmission, mobile internet, downloadable content, mobile finance services, machine-to-machine and other services. The content revenue relating to VAS is presented net of related costs when VEON’s performance obligation is to arrange the

provision of the services by another party (VEON acts as an agent), and gross when VEON is primarily responsible for fulfilling the obligation to provide such services to the customer.

Revenue for services with a fixed term, including fixed-term tariff plans and monthly subscriptions, is recognized on a straight-line basis over time. For pay-as-you-use plans, in which the customer is charged based on actual usage, revenue is recognized on a usage basis. Some tariff plans allow customers to rollover unused services to the following period. For such tariff plans, revenue is generally recognized on a usage basis.

For contracts which include multiple service components (such as voice, text, data), revenue is allocated based on stand-alone selling price of each performance obligation. The stand-alone selling price for these services is usually determined with reference to the price charged per service under a pay-as-you-use plan to similar customers.

Upfront fees, including activation or connection fees, are recognized on a straight-line basis over the contract term. For contracts with an indefinite term (for example, prepaid contracts), revenue from upfront fees is recognized over the average customer life.

Revenue from other operators, including interconnect and roaming charges, is recognized based on the price specified in the contract, net of any estimated retrospective volume discounts. Accumulated experience is used to estimate and provide for the discounts.

All service revenue is recognized over time as services are rendered.

Sale of equipment and accessories

Equipment and accessories are usually sold to customers on a stand-alone basis, or together with service bundles. Where sold together with service bundles, revenue is allocated pro-rata, based on the stand-alone selling price of the equipment and the service bundle.

The vast majority of equipment and accessories sales pertain to mobile handsets and accessories. Revenue for mobile handsets and accessories is recognized when the equipment is sold to a customer, or, if sold via an intermediary, when the intermediary has taken control of the device and the intermediary has no remaining right of return. Revenue for fixed-line equipment is not recognized until installation and testing of such equipment are completed and the equipment is accepted by the customer.

All revenue from sale of equipment and accessories is recognized at a point in time.

Contract balances

Receivables and unbilled receivables mostly relate to amounts due from other operators and postpaid customers. Unbilled receivables are transferred to Receivables when the Group issues an invoice to the customer.

Contract liabilities, often referred to as 'Deferred revenue', relate primarily to non-refundable cash received from prepaid customers for fixed-term tariff plans or pay-as-you-use tariff plans. Contract liabilities are presented as 'Long-term deferred revenue', 'Short-term deferred revenue' and 'Customer advances' in [Note 6](#). All current contract liabilities outstanding at the beginning of the year are recognized as revenue during the year.

Customer acquisition costs

Certain incremental costs incurred in acquiring a contract with a customer ("**customer acquisition costs**") are deferred in the consolidated statement of financial position, within 'Other assets' (see [Note 6](#)). Such costs generally relate to commissions paid to third-party dealers and are amortized on a straight-line basis over the average customer life within 'Selling, general and administrative expenses'.

The Group applies the practical expedient available for customer acquisition costs for which the amortization would have been shorter than 12 months. Such costs relate primarily to commissions paid to third parties upon top-up of prepaid credit by customers and sale of top-up cards.

SOURCE OF ESTIMATION UNCERTAINTY

Average customer life

Management estimates the average customer life for revenue (such as upfront fees) from contracts with an indefinite term and for customer acquisition costs. The average customer life is calculated based on historical data, specifically Churn rates which are impacted by relevant country or market characteristics, customer demographic and the nature and terms of the product (such as mobile and fixed line, prepaid and postpaid).

4 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses consisted of the following items for the years ended December 31:

	2022	2021*	2020*
Network and IT costs	503	491	447
Personnel costs	411	361	375
Customer associated costs	347	413	359
Losses on receivables	28	14	22
Taxes, other than income taxes	30	50	21
Other	214	197	179
Total selling, general and administrative expenses	1,533	1,526	1,403

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see [Note 10](#)).

In 2022, our subsidiary in Pakistan recorded a reversal of PKR 13.8 billion (US\$63) in customer associated costs, relating the reversal of a provision following a favorable decision from the Islamabad High Court on pending litigation.

In 2020, our subsidiary in Pakistan recorded a gain of PKR8.6 billion (US\$52) in 'Taxes, other than income taxes', relating to the reversal of a non-income tax provision. Refer to [Note 7](#) for further details.

LEASES

Short-term leases and leases for low value items are immediately expensed as incurred.

ACCOUNTING POLICIES

Customer associated costs

Customer associated costs relate primarily to commissions paid to third-party dealers and marketing expenses. Certain dealer commissions are initially capitalized within 'Other Assets' in the consolidated statement of financial position and subsequently amortized within "Customer associated costs". Refer to [Note 3](#) for further details.

5 TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of the following items as of December 31:

	2022	2021
Trade receivables (gross)*	530	838
Expected credit losses	(84)	(159)
Trade receivables (net)	446	679
Other receivable, net of expected credit losses allowance	10	11
Total trade and other receivables	456	690

* Includes contract assets (unbilled receivables), see [Note 3](#) for further details

The following table summarizes the movement in the allowance for expected credit losses for the years ended December 31:

	2022	2021
Balance as of January 1	159	225
Accruals for expected credit losses	44	35
Recoveries	(6)	(9)
Accounts receivable written off	(64)	(28)
Reclassifications	(4)	—
Reclassification as held for sale	(28)	(56)
Foreign currency translation adjustment	(15)	(4)
Other movements	(2)	(4)
Balance as of December 31	84	159

Set out below is the information about the Group's trade receivables (including contract assets) using a provision matrix:

	Unbilled Receivables		Days past due								Total
			Current		< 30 days		Between 31 and 120 days		> 120 days		
December 31, 2022											
Expected loss rate, %	0.0	%	0.6	%	15.4	%	31.0	%	97.1	%	
Trade receivables	37		356		39		29		69		530
Expected credit losses	—		(2)		(6)		(9)		(67)		(84)
Trade receivables, net	37		354		33		20		2		446
December 31, 2021											
Expected loss rate, %	0.0	%	1.8	%	3.6	%	33.3	%	95.7	%	
Trade receivables	49		550		56		45		138		838
Expected credit losses	—		(10)		(2)		(15)		(132)		(159)
Trade receivables, net	49		540		54		30		6		679

ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables are measured at amortized cost and include invoiced amounts less expected credit losses.

Expected credit losses

The expected credit loss allowance (“ECL”) is recognized for all receivables measured at amortized cost at each reporting date. This means that an ECL is recognized for all receivables even though there may not be objective evidence that the trade receivable has been impaired.

VEON applies the simplified approach (i.e. provision matrix) for calculating a lifetime ECL for its trade and other receivables, including unbilled receivables (contract assets). The provision matrix is based on the historical credit loss experience over the life of the trade receivables and is adjusted for forward-looking estimates if relevant. The provision matrix is reviewed on a quarterly basis. Refer to [Note 18](#) for our credit risk management policy.

6 OTHER ASSETS AND LIABILITIES

Other assets consisted of the following items as of December 31:

	<u>2022</u>	<u>2021</u>
Other non-current assets		
Customer acquisition costs (see Note 3)	126	149
Tax advances (non-income tax)	7	33
Other non-financial assets	24	34
Total other non-current assets	<u>157</u>	<u>216</u>
Other current assets		
Advances to suppliers	55	102
Input value added tax	49	160
Prepaid taxes	50	24
Other assets	54	58
Total other current assets	<u>208</u>	<u>344</u>

Other liabilities consisted of the following items as of December 31:

	<u>2022</u>	<u>2021</u>
Other non-current liabilities		
Long-term deferred revenue (see Note 3)	10	20
Other liabilities	10	16
Total other non-current liabilities	<u>20</u>	<u>36</u>
Other current liabilities		
Taxes payable (non-income tax)	135	318
Short-term deferred revenue (see Note 3)	121	154
Customer advances (see Note 3)	38	58
Other payments to authorities	60	52
Due to employees	82	153
Other liabilities	39	38
Total other current liabilities	<u>475</u>	<u>773</u>

7 PROVISIONS AND CONTINGENT LIABILITIES

PROVISIONS

The following table summarizes the movement in provisions for the years ended December 31:

	Non-income tax provisions	Decommi- ssioning provision	Legal provision	Other provisions	Total
As of January 1, 2021	86	141	22	43	292
Arising during the year	19	31	4	13	67
Utilized	(12)	(1)	—	—	(13)
Unused amounts reversed	1	(19)	(1)	(58)	(77)
Reclassification as held for sale	—	(69)	(12)	—	(81)
Discount rate adjustment and imputed interest (change in estimate)	—	7	—	—	7
Translation adjustments and other	(6)	(3)	1	9	1
As of December 31, 2021	88	87	14	7	196
Non-current	—	87	—	—	87
Current	88	—	14	7	109
As of January 1, 2022	88	87	14	7	196
Arising during the year	5	—	—	1	6
Utilized	—	(2)	—	—	(2)
Unused amounts reversed	(20)	(6)	—	(2)	(28)
Reclassification as held for sale	(11)	(30)	(4)	—	(45)
Transfer and reclassification	(4)	—	—	(1)	(5)
Discount rate adjustment and imputed interest	—	4	—	—	4
Translation adjustments and other	(9)	(10)	(1)	—	(20)
As of December 31, 2022	49	43	9	5	106
Non-current	4	43	—	—	47
Current	45	—	9	5	59

The timing of payments in respect of provisions is, with some exceptions, not contractually fixed and cannot be estimated with certainty. In addition, with respect to legal proceedings, given inherent uncertainties, the ultimate outcome may differ from VEON's current expectations.

See 'Source of estimation uncertainty' below in this [Note 7](#) for further details regarding assumptions and sources of uncertainty. For further details regarding risks associated with income tax and non-income tax positions, please refer to 'Source of estimation uncertainty' in [Note 8](#).

The Group has recognized a provision for decommissioning obligations associated with future dismantling of its towers in various jurisdictions.

CONTINGENT LIABILITIES

The Group had contingent liabilities as of December 31, 2022 as set out below.

VEON - Securities Class Action

On November 4, 2015, a class action lawsuit was filed in the United States against VEON and certain of its then current and former officers by Charles Kux-Kardos, on behalf of himself and other investors in the Company alleging certain violations of the U.S. federal securities laws in connection with the Company's public disclosures relating to its operations in Uzbekistan. On December 4, 2015, a second complaint was filed by Westway Alliance Corp. that asserts essentially the same claims in connection with essentially the same disclosures.

On April 27, 2016, the court consolidated the two actions and appointed Westway as lead plaintiff. On May 6, 2016, a motion for reconsideration was filed on the appointment of Westway as lead plaintiff and on September 26, 2016, the court affirmed the selection of Westway as the lead plaintiff. An amended complaint (“Amended Complaint”) was filed on December 9, 2016.

On September 19, 2017, the Court in the Southern District of New York rendered a decision granting in part VEON’s motion to dismiss the Amended Complaint.

On February 9, 2018, VEON filed its Answer and Affirmative Defenses to the allegations that remain in the Amended Complaint after the Court’s September 19, 2017 Order. Motions to dismiss were filed by all the individual defendants on February 9, 2018. On April 13, 2018, plaintiff dismissed its claims voluntarily against one of the individual defendants. On August 30, 2018, the Court granted the motions to dismiss by all of the individual defendants remaining in the action, and the time for appeal has now expired. On May 17, 2019, VEON filed a motion for judgment on the pleadings, arguing that Westway lacked standing as a result of the September 19, 2017 order because it had not purchased any securities on or after the date of the earliest alleged misstatement. On May 21, 2019, the Rosen Law Firm submitted a letter to the Court on behalf of Boris Lvov seeking a pre-motion conference for leave to file a motion to intervene and substitute Lvov as lead plaintiff. On May 24, 2019, Westway filed a letter opposing Mr. Lvov’s request, and VEON filed a letter taking no position. Westway filed its opposition to VEON’s motion on June 17, 2019, and VEON filed its reply papers on June 28, 2019. On April 17, 2020, the Court denied Westway’s motion and ordered VEON’s motion to proceed. On March 31, 2020, VEON’s motion for judgment on the pleadings was denied without prejudice. Westway filed its Second Amended Complaint on April 14, 2020, adding three additional named plaintiffs and allegations that VEON lacked adequate internal controls as of the start date of the Alleged Class Period and had a duty to disclose that fact to investors no later than December 4, 2010. On May 15, 2020, VEON filed a motion to dismiss the Second Amended Complaint. On March 11, 2021, the Court granted VEON’s motion to dismiss the Second Amended Complaint, holding that VEON had no duty to disclose information concerning its internal controls as of the start date of the Alleged Class Period, and that Westway therefore lacked standing to bring any claims against VEON as Lead Plaintiff or otherwise. The Court ordered that the Lead Plaintiff selection process be reopened, and that any motions for appointment as Lead Plaintiff be filed by April 8, 2021. On April 8, 2021, two parties filed motions for appointment as Lead Plaintiff.

On April 29, 2022, the court appointed Boris Lvov as Lead Plaintiff. On June 9, 2022, Lvov sought leave from the court to amend his complaint. On June 14, 2022, VEON as well as the previous Lead Plaintiff filed oppositions to Lvov’s request for leave. On February 17, 2023 the Court denied the previous Lead Plaintiff’s motion to reconsider their dismissal due to lack of standing and granted leave for Boris Lvov to file an amended complaint as Lead Plaintiff. Boris Lvov filed the third Amended Complaint on February 22, 2023. On April 10, 2023, VEON filed a pre-motion letter with a view to filing a motion to dismiss. Boris Lvov filed a letter objecting to a motion to dismiss from VEON. On May 10, 2023, the Court granted VEON leave to file a motion to dismiss and denied Lvov’s motion for discovery. VEON filed its motion to dismiss on May 12, 2023.

At this stage of the suit, the claim remains unquantified. The Company intends to vigorously defend the action at all phases of the proceedings.

VAT on Replacement SIMs

SIM Cards Issued June 2009 to December 2011

On April 1, 2012, the National Board of Revenue (“NBR”) issued a demand to Banglalink Digital Communications Limited (“**Banglalink**”) for BDT 7.74 billion (US\$75) for unpaid SIM tax (VAT and supplementary duty). The NBR alleged that Banglalink evaded SIM tax on new SIM cards by issuing them as replacements. On the basis of 5 random SIM card purchases made by the NBR, the NBR concluded that all SIM card replacements issued by Banglalink between June 2009 and December 2011 (7,021,834 in total) were new SIM connections and subject to tax. Similar notices were sent to three other operators in Bangladesh. Banglalink and the other operators filed separate petitions in the High Court, which stayed enforcement of the demands.

In an attempt to assist the NBR in resolving the dispute, the Government ordered the NBR to form a Review Committee comprised of the NBR, the Commissioner of Taxes (“**LTU**”), Bangladesh Telecommunication Regulatory Commission (“**BTRC**”), Association of Mobile Telecom Operators of Bangladesh (“**AMTOB**”) and the operators (including Banglalink). The Review Committee identified a methodology to determine the amount of unpaid SIM tax and, after analyzing 1,200 randomly selected SIM cards issued by Banglalink, determined that only 4.83% were incorrectly registered as replacements. The Review Committee’s interim report was signed off by all the parties, however, the Convenor of the Review Committee reneged on the interim report and unilaterally published a final report that was not based on the interim report or the findings of the Review Committee. The operators objected to the final report.

The NBR Chairman and operators’ representative agreed that the BTRC would prepare further guidelines for verification of SIM users. Although the BTRC submitted its guidelines (under which Banglalink’s exposure was determined to be 8.5% of the original demand), the

Convenor of the Review Committee submitted a supplementary report which disregarded the BTRC's guidelines and assessed Banglalink's liability for SIM tax to be BDT 7.62 billion (US\$74). The operators refused to sign the supplementary report.

On May 18, 2015, Banglalink received an updated demand from the LTU claiming Banglalink had incorrectly issued 6,887,633 SIM cards as replacement SIM cards between June 2009 and December 2011 and required Banglalink to pay BDT 5.32 billion (US\$52) in SIM tax. The demand also stated that interest may be payable. Similar demands were sent to the other operators.

On June 25, 2015, Banglalink filed an application to the High Court to stay the updated demand, and a stay was granted. On August 13, 2015, Banglalink filed its appeal against the demand before the Appellate Tribunal and deposited 10% of the amount demanded in order to proceed. The other operators also appealed their demands. On May 26, 2016, Banglalink presented its legal arguments and on September 28, 2016, the appeals of all the operators were heard together.

The Bangladesh Appellate Tribunal rejected the appeal of Banglalink and all other operators on June 22, 2017. On July 11, 2017, Banglalink filed an appeal of the Appellate Tribunal's judgment with the High Court Division of the Supreme Court of Bangladesh. The appeal is pending.

SIM Cards Issued July 2012 to June 2015

On November 20, 2017, the LTU issued a final demand to Banglalink for BDT 1.69 billion (US\$16) for unpaid tax on SIM card replacements issued by Banglalink between July 2012 and June 2015. On February 20, 2018, Banglalink filed its appeal against this demand before the Appellate Tribunal and deposited 10% of the amount demanded in order to proceed. By its judgment dated February 10, 2020, the Appellate Tribunal rejected Banglalink's appeal. Banglalink appealed to the High Court Division. Before hearing the appeal, the Court *suo moto* took up as a preliminary question whether, based on new law, the matter is subject to an appeal or an application for revision. On March 2, 2021, the Court determined that an application for revision is the correct procedure and dismissed the appeal. Banglalink filed an appeal before the Appellate Division and the appeal is pending for hearing. If the Appellate Division rejects the appeal, then Banglalink will be obligated to deposit 10% of the disputed amount in order to continue its challenge.

As of December 31, 2022, the Company has recorded a provision, for the cases discussed above of, US\$8 (2021: US\$11).

Russian Bondholder's Claim

On July 5, 2022, the President of the Russian Federation issued Decree No. 430 ("Decree 430") which requires Russian legal entities with Eurobond obligations to ensure the local fulfillment of such obligations to Eurobond holders whose rights are recorded by the Russian depositories, e.g. NSD or Account Holders registered in the Russian Federation. On November 23, 2022, the Russian Central Bank issued clarifications in respect of Decree 430, claiming that it also applies to Russian legal entities and foreign issuers that are within the same group of companies. Several VEON Holdings B.V. bondholders in Russia have approached PJSC VimpelCom to locally satisfy VEON Holdings B.V.'s notes obligations and four legal proceedings have been lodged against PJSC VimpelCom in respect of VEON Holdings B.V.'s notes with a total potential impact of US\$22. PJSC VimpelCom is defending these claims and has indicated it is disputing the applicability of Decree 430 to PJSC VimpelCom. In July 2023, hearings were held for two of the four claims, with the court in each respective claim rejecting the bondholder's claims for coupon payments and interest.

Other contingencies and uncertainties

In addition to the individual matters mentioned above, the Company is involved in other disputes, litigation and regulatory inquiries and investigations, both pending and threatened, in the ordinary course of its business. For example, our operating company in Bangladesh is currently subject to an extensive audit conducted by the Bangladesh Telecommunication Regulatory Commission ("BTRC") concerning past compliance with all relevant license terms, laws and regulations for the period covering 1996 (inception of our operating company in Bangladesh) to December 2019. On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US\$76) which includes BDT4,307 million (approximately US\$40) for interest. The Company is currently reviewing the findings and Banglalink may challenge certain proposed penalties and interest which may result in adjustments to the final amount to be paid by Banglalink. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable. The total value of all other individual contingencies that are able to be quantified and are above US\$5, other than disclosed above and in [Note 8](#), amounts to US\$289 (2021: US\$442). Due to the high level of estimation uncertainty, as described in 'Source of estimation uncertainty' in this [Note 7](#) and in [Note 8](#), it is not practicable for the Company to reliably estimate the financial effect for certain contingencies and therefore no financial effect has been included within the preceding disclosure. The Company does not expect any liability arising from these contingencies to have a material effect on the results of operations, liquidity, capital resources or financial position of the Company. Furthermore, the Company believes it has provided for all probable liabilities.

For the ongoing matters described above, where the Company has concluded that the potential loss arising from a negative outcome in the matter cannot be reliably estimated, the Company has not recorded an accrual for the potential loss. However, in the event a loss is incurred, it may have an adverse effect on the results of operations, liquidity, capital resources, or financial position of the Company.

ACCOUNTING POLICIES

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted using a current pre-tax rate if the time value of money is significant. Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

SOURCE OF ESTIMATION UNCERTAINTY

The Group is involved in various legal proceedings, disputes and claims, including regulatory discussions related to the Group's business, licenses, tax positions and investments, and the outcomes of these are subject to significant uncertainty. Management evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require the Group to increase or decrease the amount recorded for a matter that has not been previously recorded because it was not considered probable and /or the impact could not be estimated (no reasonable estimate could be made).

In the ordinary course of business, VEON may be party to various legal and tax proceedings, including as it relates to compliance with the rules of the telecom regulators in the countries in which VEON operates, competition law and anti-bribery and corruption laws, including the U.S. Foreign Corrupt Practices Act (“**FCPA**”). Non-compliance with such rules and laws may cause VEON to be subject to claims, some of which may relate to the developing markets and evolving fiscal and regulatory environments in which VEON operates. In the opinion of management, VEON's liability, if any, in all pending litigation, other legal proceeding or other matters, other than what is discussed in this Note, will not have a material effect upon the financial condition, results of operations or liquidity of VEON.

8 INCOME TAXES

Current income tax is the expected tax expense, payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years.

Income tax payable

Current income tax payable consisted of the following items as of December 31:

	2022	2021
Current tax payable	47	70
Uncertain tax provisions	133	158
Total income tax payable	180	228

In addition to above balance of uncertain tax provisions we have also recognized uncertain tax provisions which have been directly offset with available losses.

VEON is involved in a number of disputes, litigation and regulatory proceedings in the ordinary course of its business, pertaining to income tax claims. The total value of these individual contingencies that are able to be quantified amounts to US\$193 (2021: US\$158). Due to the high level of estimation uncertainty, as described in ‘Source of estimation uncertainty’ disclosed below in this [Note 8](#), it is not practicable for the Company to reliably estimate the financial effect for certain contingencies and therefore no financial effect has been included within the preceding disclosure. The Company does not expect any liability arising from these contingencies to have a material effect on the results of operations, liquidity, capital resources or financial position of the Company, however we note that an unfavorable outcome of some or all of the specific matters could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on our current understanding of relevant facts and circumstances. As such, our view of these matters is subject to inherent uncertainties and may change in the future. For further details with respect to VEON’s uncertain tax provisions and tax risks, please refer to the ‘Accounting policies’ and ‘Source of estimation uncertainty’ disclosed below.

Income tax assets

The Company reported current income tax assets of US\$72 (2021: US\$70).

These tax assets mainly relate to advance tax payments in our operating companies which can only be offset against income tax liabilities in that relevant jurisdiction, in fiscal periods subsequent to the balance sheet date.

Income tax expense

Income tax expense consisted of the following for the years ended December 31:

	2022	2021	2020
Current income taxes			
Current year	271	273	333
Adjustments in respect of previous years	10	47	(5)
Total current income taxes	281	320	328
Deferred income taxes			
Movement of temporary differences and losses	(50)	38	46
Changes in tax rates	(4)	—	—
Changes in recognized deferred tax assets*	(117)	—	(32)
Adjustments in respect of previous years	(5)	(21)	5
Other	(36)	7	(68)
Total deferred tax expense / (benefit)	(212)	24	(49)
Income tax expense	69	344	279

**In 2022, the increase of deferred tax assets is mainly driven by recognition of previously unrecognized historic losses due to positive outlook and business developments in our Bangladesh operations.*

Effective tax rate

The table below outlines the reconciliation between the statutory tax rate in the Netherlands of (25.8%) (in 2020 and 2021 the statutory rate was 25.0%) and the effective income tax rates for the Group, together with the corresponding amounts, for the years ended December 31:

	2022	2021	2020	Explanatory notes
Profit / (loss) before tax from continuing operations	802	464	373	
Income tax benefit / (expense) at statutory tax rate (25.8%)	(207)	(116)	(93)	
<u>Difference due to the effects of:</u>				
Different tax rates in different jurisdictions	45	(5)	(19)	Certain jurisdictions in which VEON operates have income tax rates which are different to the Dutch statutory tax rate of 25.8% (25.0% in 2021 & 2020). Profitability in countries with lower tax rates (i.e. Kazakhstan, Ukraine) has a positive impact on the effective tax rate, offset with profitability in countries with higher rate (i.e. Pakistan, Bangladesh).
Non-deductible expenses	(46)	(35)	(89)	The Group incurs certain expenses which are non-deductible in the relevant jurisdictions. In 2022, such expenses mainly include intra-group expenses (i.e. interest on internal loans), certain non-income tax charges (i.e. minimum tax regimes) and other. In 2021, as in previous years, such expenses include impairment losses (unless resulting in a change in temporary differences), certain non-income tax charges (i.e. minimum tax regimes) and intra-group expenses (i.e. interest on internal loans).
Non-taxable income	11	(3)	16	The Group earns certain income which is non-taxable in the relevant jurisdiction. In 2022, non-taxable income is mainly driven by reversal of previously unrecognized management fees in Uzbekistan. In 2020, non-taxable income included the revaluation of contingent consideration liability, as well as a gain relating to the settlement in connection with the dispute concerning the sale of Telecel Globe Limited.
Adjustments in respect of previous years	(6)	(25)	1	In 2022, the effect of prior year adjustments mainly relates to tax return true-ups and introduction of 4% Super tax in Pakistan which had a retrospective impact on 2021. In 2021, the effect of prior years' adjustments mainly relates to corrections in prior year filings in Pakistan, as part of the Alternative Dispute Resolution Committee process.
Movements in (un)recognized deferred tax assets	117	(76)	(55)	Movements in (un)recognized deferred tax assets are primarily caused by tax losses and other credits for which no deferred tax asset has been recognized. In 2022, the movements primarily relates to holding entities in the Netherlands and deferred tax asset recognition on previously unrecognized losses in Bangladesh of US\$108. The increase of deferred tax assets in Bangladesh is mainly driven by recognition of previously unrecognized historic losses due to positive outlook and business developments in our Bangladesh operations.
Withholding taxes	38	(73)	(49)	Withholding taxes are recognized to the extent that dividends from foreign operations are expected to be paid in the foreseeable future. In 2022, the net WHT benefit of US\$38 comprising of reversal of WHT provided for as a deferred tax on outside basis during 2022 on the dividends planned to be paid out in 2023 mainly relating to Ukraine and Russia. In 2021, expenses relating to withholding taxes were primarily influenced by dividends from Pakistan, Ukraine and Uzbekistan.
Uncertain tax positions	(25)	(7)	(4)	The tax legislation in the markets in which VEON operates is unpredictable and gives rise to significant uncertainties (see 'Source of estimation uncertainty' below). During 2022, provisions were made for a dispute in Italy. The impact of movements in uncertain tax positions is presented net of any corresponding deferred tax assets recognized.
Change in income tax rate	4	—	—	Changes in tax rates impact the valuation of existing deferred tax assets and liabilities on temporary differences. In 2022, the statutory tax rate in Pakistan increased by 4% resulting in the total tax charge of 33%.
Other	—	(4)	13	In 2021, the amount of US\$(4) relates to various permanent differences.
Income tax benefit / (expense)	(69)	(344)	(279)	
Effective tax rate	%	%	%	

Deferred taxes

The Group reported the following deferred tax assets and liabilities in the statement of financial position as of December 31:

	2022	2021
Deferred tax assets	274	228
Deferred tax liabilities	(36)	(115)
Net deferred tax position	238	113

The following table shows the movements of net deferred tax positions in 2022:

	Movement in deferred taxes				Closing balance
	Opening balance	Net income statement movement	Held for sale	Other movements	
Property and equipment	(100)	(45)	35	28	(82)
Intangible assets	36	59	(13)	(23)	59
Trade receivables	32	(20)	7	2	21
Provisions	17	7	(7)	(2)	15
Accounts payable	90	32	(65)	(21)	36
Withholding tax on undistributed earnings	(98)	69	—	—	(29)
Tax losses and other balances carried forwards	2,626	41	(3)	(64)	2,600
Non-recognized deferred tax assets	(2,498)	57	—	46	(2,395)
Other	8	12	—	(7)	13
Net deferred tax positions	113	212	(46)	(41)	238

The following table shows the movements of net deferred tax positions in 2021:

	Movement in deferred taxes				Closing balance
	Opening balance	Net income statement movement	Held for sale	Other movements	
Property and equipment	(274)	31	101	42	(100)
Intangible assets	(14)	33	19	(2)	36
Trade receivables	43	7	(15)	(3)	32
Provisions	28	2	(6)	(7)	17
Accounts payable	140	8	(24)	(34)	90
Withholding tax on undistributed earnings	(60)	(39)	—	1	(98)
Tax losses and other balances carried forwards	2,221	34	1	370	2,626
Non-recognized deferred tax assets	(2,025)	(88)	—	(385)	(2,498)
Other	—	(12)	15	5	8
Net deferred tax positions	59	(24)	91	(13)	113

In 2021, a tower sale and subsequent lease transaction took place for which a deferred tax asset of US\$146 was recorded in relation to the lease liability and a deferred tax liability of US\$23 was recorded in relation to the Right of Use asset.

Unused tax losses and other credits carried forwards

VEON recognizes a deferred tax asset for unused tax losses and other credits carried forwards, to the extent that it is probable that the deferred tax asset will be utilized. The amount and expiry date of unused tax losses and other carry forwards for which no deferred tax asset is recognized are as follows:

As of December 31, 2022	0-5 years	6-10 years	More than 10 years	Indefinite	Total
Tax losses expiry					
Recognized losses	—	—	—	(410)	(410)
Recognized DTA	—	—	—	159	159
Non-recognized losses	—	—	(853)	(8,528)	(9,381)
Non-recognized DTA	—	—	213	2,144	2,357
Other credits carried forwards expiry					
Recognized credits	(1)	(45)	—	—	(46)
Recognized DTA	1	45	—	—	46
Non-recognized credits	—	—	—	(147)	(147)
Non-recognized DTA	—	—	—	38	38

As of December 31, 2021	0-5 years	6-10 years	More than 10 years	Indefinite	Total
Tax losses expiry					
Recognized losses	(15)	—	—	(174)	(189)
Recognized DTA	3	—	—	50	53
Non-recognized losses	—	—	(707)	(8,553)	(9,260)
Non-recognized DTA	—	—	169	2,192	2,361
Other credits carried forwards expiry					
Recognized credits	(2)	(73)	—	—	(75)
Recognized DTA	2	73	—	—	75
Non-recognized credits	—	—	—	(567)	(567)
Non-recognized DTA	—	—	—	137	137

Losses mainly relate to our holding entities in Luxembourg (2022: US\$6,776; 2021: US\$6,431) and the Netherlands (2022: US\$2,352; 2021: US\$2,360).

VEON reports the tax effect of the existence of undistributed profits that will be distributed in the foreseeable future. The Company has a deferred tax liability of US\$29 (2021: US\$98), relating to the tax effect of the undistributed profits that will be distributed in the foreseeable future, primarily in its Pakistan, Uzbekistan and Kazakhstan operations.

As of December 31, 2022, undistributed earnings of VEON's foreign subsidiaries (outside the Netherlands) which are indefinitely invested and will not be distributed in the foreseeable future, amounted to US\$6,105 (2021: US\$7,404). Accordingly, no deferred tax liability is recognized for this amount of undistributed profits.

ACCOUNTING POLICIES

Income taxes

Income tax expense represents the aggregate amount determined on the profit for the period based on current tax and deferred tax. In cases where the tax relates to items that are charged to other comprehensive income or directly to equity, the tax is also charged respectively to other comprehensive income or directly to equity.

Uncertain tax positions

The Group's policy is to comply with the applicable tax regulations in the jurisdictions in which its operations are subject to income taxes. The Group's estimates of current income tax expense and liabilities are calculated assuming that all tax computations filed by the Company's subsidiaries will be subject to a review or audit by the relevant tax authorities. Uncertain tax positions are generally assessed individually, using the most likely outcome method. The Company and the relevant tax authorities may have different interpretations of how regulations should be applied to actual transactions (refer below for details regarding risks and uncertainties).

Deferred taxation

Deferred taxes are recognized using the liability method and thus are computed as the taxes recoverable or payable in future periods in respect of deductible or taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements.

SOURCE OF ESTIMATION UNCERTAINTY

Tax risks

The tax legislation in the markets in which VEON operates is unpredictable and gives rise to significant uncertainties, which could complicate our tax planning and business decisions. Tax laws in many of the emerging markets in which we operate have been in force for a relatively short period of time as compared to tax laws in more developed market economies. Tax authorities in our markets are often less advanced in their interpretation of tax laws, as well as in their enforcement and tax collection methods.

Any sudden and unforeseen amendments of tax laws or changes in the tax authorities' interpretations of the respective tax laws and/or double tax treaties, could have a material adverse effect on our future results of operations, cash flows or the amounts of dividends available for distribution to shareholders in a particular period (e.g. introduction of transfer pricing rules, Controlled Foreign Operation ("CFC") legislation and more strict tax residency rules).

Management believes that VEON has paid or accrued all taxes that are applicable. Where uncertainty exists, VEON has accrued tax liabilities based on management's best estimate. From time to time, we may also identify tax contingencies for which we have not recorded an accrual. Such unaccrued tax contingencies could materialize and require us to pay additional amounts of tax. The potential financial effect of such tax contingencies are disclosed in [Note 7](#) and above in this [Note 8](#), unless not practicable to do so.

Uncertain tax positions

Uncertain tax positions are recognized when it is probable that a tax position will not be sustained. The expected resolution of uncertain tax positions is based upon management's judgment of the likelihood of sustaining a position taken through tax audits, tax courts and/or arbitration, if necessary. Circumstances and interpretations of the amount or likelihood of sustaining a position may change through the settlement process. Furthermore, the resolution of uncertain tax positions is not always within the control of the Group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve.

Recoverability of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that the assets will be realized. Significant judgment is required to determine the amount that can be recognized and depends foremost on the expected timing, level of taxable profits, tax planning strategies and the existence of taxable temporary differences. Estimates made relate primarily to losses carried forward in some of the Group's foreign operations. When an entity has a history of recent losses, the deferred tax asset arising from unused tax losses is recognized only to the extent that there is convincing evidence that sufficient future taxable profit will be generated. Estimated future taxable profit is not considered such

evidence unless that entity has demonstrated the ability by generating significant taxable profit for the current year or there are certain other events providing sufficient evidence of future taxable profit. New transactions and the introduction of new tax rules may also affect judgments due to uncertainty concerning the interpretation of the rules and any transitional rules.

Future legislative changes

In 2022, the Netherlands issued a draft bill relating to OECD Pillar 2 rules, which introduces a global minimum Effective Corporate Tax Rate of 15%. It will apply to multinational companies with consolidated revenues of EUR 750M or more in at least two out of the last four years. The legislation is not yet substantively enacted, however the Netherlands have expressed its full commitment to adopt the Pillar 2 framework as part of domestic legislation starting from the January 1, 2024. Considering that VEON fulfills the above mentioned revenue criteria, it will be subject to these rules once they are enacted. Going forward, VEON will have to apply the Global OECD Anti-Base Erosion Model Rules to calculate its effective tax rate for each jurisdiction where it operates to see where the effective tax rate is below 15%. If this is the case, the Group will have to pay a top-up tax for the difference.

Currently the majority of VEON's operations are conducted in jurisdictions where the statutory income tax rates are higher than 15%. At the same time, there are few less material jurisdictions where VEON enjoys lower income tax rates based on local legislation or government incentives. At the moment we cannot reliably estimate the exact impact of Pillar 2 implementation.

INVESTING ACTIVITIES OF THE GROUP

9 SIGNIFICANT TRANSACTIONS

SIGNIFICANT TRANSACTIONS IN 2022

Announced sale of Russia operations

On November 24, 2022, VEON entered into an agreement to sell VEON's Russian operations to certain senior members of the management team of PJSC VimpelCom ("VimpelCom"), led by its current CEO, Aleksander Torbakhov. Under the agreement, VEON will receive consideration of RUB 130 billion (approximately US\$1,900). The SPA contains provisions amongst others that in the event Vimpelcom acquires VEON Holdings B.V.'s debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction is subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (United States, United Kingdom, European Union, and Bermuda) for the proposed structure of the sale. As of July 24, 2023, Russian regulatory approvals have been obtained as well as the OFAC license and required authorizations from the United Kingdom and Bermudan authorities. The remaining closing conditions to be satisfied include any required license from the European Union or any required consent from VEON creditors in order to cancel the debt provided as consideration and/or complete the sale. The remaining closing conditions to be satisfied are any required license from the European Union or any required consent from VEON creditors in order to cancel the debt provided as consideration and/or complete the sale. The transaction is expected to be completed in 2023.

As a result of the expected disposal, VEON has classified its Russian operations as held-for-sale and discontinued operations upon the signing of the agreement on November 24, 2022. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of the assets of its Russian operations. The results for Russian operations in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 have been presented separately. For further details of the transaction, refer to [Note 10](#).

Sale of Algeria operations

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algerie SpA (Algeria) to the Fonds National d'Investissement (FNI). Omnium owns Algerian mobile network operator, Djazzy. Under the terms of the Shareholders' Agreement, the transaction was completed on August 5, 2022 for a sales price of US\$682 in cash. For further details of the transaction, refer to [Note 10](#).

Sale of Georgia operations

On March 31, 2022, VEON Georgia Holdings B.V. entered into a non-binding share purchase agreement with Miren Invest LLC ("Miren"), VEON's former local partner, for the sale of VEON Georgia LLC ("VEON Georgia"), our operating company in Georgia, for a sales price of US\$45 in cash, subject to VEON corporate approvals and regulatory approvals. The required approvals were subsequently obtained and the sale was completed on June 8, 2022.

On June 8, 2022, upon completion of the sale to Miren, control of VEON Georgia was transferred to Miren and VEON recognized a US\$88 gain on disposal of VEON Georgia, which includes the recycling of currency translation reserve in the amount of US\$78.

Significant movements in exchange rates

An increase in demand for hard currencies, in part due to the ongoing conflict in Ukraine as well as macroeconomic conditions in Pakistan and Bangladesh, resulted in the devaluation of exchange rates in the countries in which VEON operates. As such, in 2022, the book value of assets and liabilities of our foreign operations, in U.S. dollar terms, decreased significantly, with a corresponding loss of US\$480 recorded against the foreign currency translation reserve in the Statement of Comprehensive Income.

SIGNIFICANT TRANSACTIONS IN 2021 AND 2020

Agreement between VEON and Service Telecom regarding the Sale of its Russian tower assets

On September 5, 2021, the Company and VEON Holdings B.V., a subsidiary of the Company, signed an agreement for the sale of its direct subsidiary, NTC, with Service Telecom Group of Companies LLC, ST, for RUB 70,650 (US\$945). The transaction was subject to regulatory

approvals which were obtained on November 12, 2021, and consummation of other certain closing conditions which were completed on December 1, 2021. Under the terms of the deal, Russia, an operating segment of the Company, entered into a long-term lease agreement with NTC under which Russia will lease space upon NTC's portfolio of 15,400 towers for a period of 8 years, with up to ten optional renewal periods of 8 years each. Under the same agreement, an additional 5,000 towers are committed to be leased. The lease agreement was signed on October 15, 2021.

On September 5, 2021, the Company classified NTC as a disposal group held-for-sale, including goodwill allocated of US\$215 to NTC from Russia based on its relative fair values as NTC is a subset of the Russia CGU. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of NTC assets.

On December 1, 2021, upon completion of the sale agreement with ST, control of NTC was transferred to ST. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, the Company recognized a gain on sale of subsidiary of US\$101 (refer to [Note 10](#) for further discussion) and Russia recognized right-of-use assets of US\$101 representing the proportional fair value of assets retained with respect to book value of assets sold and lease liabilities of US\$718 based on an 8 year lease term, which are at market rates, as well as a proportionate amount of goodwill, with respect to the portion of cash generating assets retained through the lease, of US\$168. A portion of goodwill was also retained within Russia as assets held-for-sale for future sites to be sold under the agreement.

The following table shows the assets and liabilities disposed of relating to NTC on December 1, 2021:

	2021
Property and equipment	264
Goodwill	222
Other current assets	24
Total assets disposed	510
Non-current liabilities	127
Current liabilities	23
Total liabilities disposed	150

Lease commitments for the additional 5,000 towers to be leased in the duration of the lease term at December 31, 2021 are US\$263. For further details on the total commitments at December 31, 2021, refer to [Note 12](#).

VEON subsidiary Banglalink successfully acquires 9.4MHz in spectrum auction

In March 2021, Banglalink, the Company's wholly-owned subsidiary in Bangladesh, acquired 4.4MHz spectrum in the 1800MHz band and 5MHz spectrum in 2100MHz band following successful bids at an auction held by the Bangladesh Telecommunication Regulatory Commission (BTRC). The newly acquired spectrum will see Banglalink increase its total spectrum holding from 30.6MHz to 40MHz. Banglalink total investment will amount to BDT 10 billion (US\$115) to purchase the spectrum.

VEON completes the acquisition of majority shareholding in OTM

In June 2021, VEON successfully acquired a majority stake of 67% in OTM (a technology platform for the automation and planning of online advertising purchases in Russia) for US\$16.

PMCL Warid License Capitalization

The ex-Warid license renewal was due in May 2019. Pursuant to directions from the Islamabad High Court, the Pakistan Telecommunication Authority (“PTA”) issued a license renewal decision on July 22, 2019 requiring payment of US\$40 per MHz for 900 MHz spectrum and US\$30 per MHz for 1800 MHz spectrum, equating to an aggregate price of approximately US\$450 (excluding applicable taxes of approximately 13%). On August 17, 2019, Jazz appealed the PTA’s order to the Islamabad High Court. On August 21, 2019, the Islamabad High Court suspended the PTA’s order pending the outcome of the appeal and subject to Jazz making payment in the form of security (under protest) as per the options given in the PTA’s order. As a result, PMCL deposited US\$326 including the initial 50% payment of license as well as subsequent installments in order to maintain its appeal in the Islamabad High Court regarding the PTA's underlying decision on the license renewal.

On July 19, 2021, Islamabad High Court dismissed Jazz's appeal. Based on the dismissal of appeal by the court, subsequent legal opinion obtained and acceptance of the total license price, the license was recognized amounting US\$384, net of service cost liability of US\$65. Consequently, the security deposit balance of US\$326 was also adjusted. Subsequently, on October 18, 2021 PMCL and PTA signed the license document.

Sale of Armenian operations

In October 2020, VEON concluded an agreement for the sale of its operating subsidiary in Armenia, to Team LLC for a consideration of US\$51. Accordingly, the net carrying value of assets amounting US\$33 was derecognized along with reclassification of cumulative foreign currency translation reserve of US\$96 to profit and loss, resulting in the net loss of US\$78.

GTH restructuring

In 2020, VEON continued the restructuring of Global Telecom Holding S.A.E. (“GTH”) which commenced in 2019 (see further details below), with the intragroup transfer of Mobilink Bank and GTH Finance B.V. completed in March and April 2020, respectively. As the operating assets of GTH had previously been, and will continue to be, fully consolidated within the balance sheet of the VEON Group, there was no material impact on these consolidated financial statements stemming from these intragroup transfers. The intragroup transfer for Djezzy is continuing.

Significant movements in exchange rates

An increase in demand for hard currencies, in part due to the coronavirus outbreak, resulted in the devaluation of exchange rates in the countries in which VEON operates. As such, in 2020, the book value of assets and liabilities of our foreign operations, in U.S. dollar terms, decreased significantly, with a corresponding loss of US\$623 recorded against the foreign currency translation reserve in the Statement of Comprehensive Income.

10 HELD FOR SALE AND DISCONTINUED OPERATIONS

The following table provides the details of assets and liabilities classified as held-for-sale as of December 31, 2022:

	Assets held-for-sale		Liabilities held-for-sale	
	2022	2021	2022	2021
Russia	5,792	—	4,232	—
Algeria	—	1,846	—	391
Other individual assets	—	18	—	—
Total assets and liabilities held for sale	5,792	1,864	4,232	391

The following table provides the details of loss after tax from discontinued operations and disposals of discontinued operations for the periods ended December 31:

	2022	2021	2020
Russia	(164)	530	(489)
Algeria			
Profit / (loss) after tax for the period	144	151	79
Loss on disposal	(722)	—	—
Total loss after tax from discontinued operations and disposals of discontinued operations	(742)	681	(410)

Announced sale of operations in Russia

On November 24, 2022, VEON entered into an agreement (“SPA”) to sell VEON’s Russian operations to certain senior members of the management team of PJSC VimpelCom (“VimpelCom”), led by its current CEO, Aleksander Torbakhov. Under the agreement, VEON will receive consideration of RUB 130 billion (approximately US\$1,900 as of December 31, 2022). It is expected that the consideration will be paid primarily by VimpelCom taking on and discharging certain VEON Holdings B.V.’s debt, thus significantly deleveraging VEON’s balance sheet. The SPA contains provisions amongst others that in the event Vimpelcom acquires VEON Holdings B.V.’s debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction is subject to

certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (United States, United Kingdom, European Union, and Bermuda) for the proposed structure of the sale. As of July 24, 2023, Russian regulatory approvals have been obtained as well as the OFAC license and required authorizations from the United Kingdom and Bermudan authorities. The remaining closing conditions to be satisfied include any required license from the European Union or any required consent from VEON creditors in order to cancel the debt provided as consideration and/or complete the sale. Refer to [Note 23](#) for further developments.

Given the approvals and licenses required, the completion of the sale could be influenced by the political situation in Russia as well as the subsequent responses from Western jurisdictions. However, as of entering into the SPA, management believes that the sale is highly probable and the transaction is expected to be completed in 2023. Therefore, as a result of the expected disposal, VEON has classified its Russian operations as held-for-sale and discontinued operations upon the signing of the agreement on November 24, 2022. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of the assets of its Russian operations. The results for Russia in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 have been presented separately.

The following table shows the assets and liabilities classified as held-for-sale relating to Russia as of December 31, 2022:

	2022
Property and equipment	3,941
Intangible assets excl. goodwill	356
Goodwill	617
Deferred tax assets	78
Other non-current assets	50
Inventories	113
Trade and other receivables	367
Other current assets*	270
Total assets held for sale	5,792
Non-current liabilities	
Debt and Derivatives - NCL	2,888
Other non current liabilities	64
Current liabilities	
Trade and other payables	691
Debt & Derivatives - CL	306
Other non-financial liabilities	283
Total liabilities held for sale	4,232

*This include cash and cash equivalent of US\$146 subject to currency restrictions that limited ability to upstream the cash or make certain payments outside the country, but these balances are otherwise freely available to the Russian operations.

Debt and derivatives include bank loans and bonds, including interest accrued, for which the fair value is equal to US\$1,247, and Lease Liabilities, for which fair value has not been determined.

Net assets of the discontinued operations of Russia includes US\$2,964 relating to cumulative currency translation losses as of December 31, 2022, which is accumulated in equity through other comprehensive income and will be recycled through the consolidated income statement upon the completion of the sale.

The following table shows the movements relating to Russian operations for the period ended December 31, 2022:

Net book value	Property and equipment	Intangible assets excl. goodwill	Goodwill
As of January 1, 2022	4,013	293	1,084
Additions	775	192	—
Disposals	(18)	(10)	4
Depreciation/amortization charge for the year	(947)	(131)	—
Reclassification as held for sale	(9)	—	—
Impairment	(5)	(2)	(445)
Transfers	—	—	—
Modifications of right-of-use assets	(166)	—	—
Translation adjustment	298	14	(26)
As of December 31, 2022	3,941	356	617

Total commitments related to the Russia operations pertaining to property, plant and equipment, intangible assets and other are US\$528 (Less than 1 year: US\$250, Between one and five years: US\$91 and More than five years: US\$187).

The following table shows the profit/(loss) and other comprehensive income relating to Russia operations for the periods ended December 31:

Income statement and statement of comprehensive income	2022	2021	2020
Operating revenue	4,277	3,943	3,811
Operating expenses **	(3,993)	(3,424)	(4,123)
Other expenses	(424)	(76)	(143)
Profit / (loss) before tax for the period	(140)	443	(455)
Income tax benefit / (expense)	(24)	87	(34)
Profit / (loss) after tax for the period	(164)	530	(489)
Other comprehensive income / (loss)*	(29)	(10)	(478)
Total comprehensive income / (loss)	(193)	520	(967)

*Other comprehensive income relates to the foreign currency translation of discontinued operations.

** In 2022, operating expenses includes an impairment of US\$446 (2021:Nil, 2020:US\$723) against the carrying value of goodwill in Russia recorded in the first quarter..

Russia impairment losses 2022

The conflict between Russia and Ukraine started on February 24, 2022 and has impacted our operations in Russia.

In response to the events in Ukraine, wide-ranging economic sanctions and trade restrictions were imposed on Russia by the United States, the European Union (and individual EU member states), the United Kingdom, as well as other countries which have targeted individuals and entities as well as large aspects of the Russian economy, including freezing the assets of Russia's central bank, other Russian financial institutions, and individuals, removing selected Russian banks from the Swift banking system, and curbing certain products exported to Russia. Furthermore, as a response to the imposed sanctions, Russia introduced a number of counter-sanctions aimed at stabilizing domestic financial markets. These, among other things, include restrictions related to capital and foreign exchange controls, restrictions on lending to foreign (non-Russian) persons, restrictions on foreign persons' transactions with Russian securities and real estate and limitations on export and import of certain goods into and outside Russia.

The above factors indicated a trigger that carrying value might be impaired and resulted in an impairment of US\$446 against the carrying value of goodwill in Russia as of March 31, 2022, of which, the recoverable amount of the CGU was US\$1,886. This was determined based on fair value less costs of disposal calculations (Level 3 in the fair value hierarchy) using a discounted cash flow model, based on cash flow projections from business plans prepared by management.

Key assumptions – Russia CGU	March 31, 2022 ***					September 30, 2021					September 30, 2020							
	Explicit forecast period		Terminal period		Combined average *	Explicit forecast period		Terminal period		Combined average *	Explicit forecast period		Terminal period		Combined average *			
Discount rate	—	%	—	%	20.5	%	—	%	—	%	9.3	%	—	%	—	%	10.1	%
Average annual revenue growth rate	6.2	%	1.6	%	5.5	%	5.0	%	1.6	%	4.4	%	4.3	%	1.8	%	3.9	%
Average operating margin	32.4	%	35.0	%	32.8	%	33.2	%	35.5	%	33.6	%	31.2	%	35.7	%	32.0	%
Average CAPEX / revenue **	20.3	%	18.0	%	19.9	%	25.4	%	21.0	%	24.7	%	27.9	%	21.0	%	26.8	%

* Combined average for 2022 is based on an explicit forecast period consisting of five years forecast plus the latest estimate for 2022 (2022-2027), and terminal period in 2028 (for 2020 being 2021-2025 with terminal period 2026); for comparative period 2021 the rates were revised to conform the calculation being 2022-2026 and terminal period in 2027.

** CAPEX excludes licenses and ROU assets.

*** The growth rates as of March 31, 2022, in the explicit forecast period and the combined average, were revised to conform the growth rates applied in the calculation of the recoverable amount in the first quarter of 2022.

The fair value less cost of disposal (“FVLCD”) for Russian operations as of September 30, 2022 (date of the annual impairment test) was based on the expected sales proceeds from third party bids which have been substantiated by the share price consideration of RUB 130 billion (approximately US\$1,900) reflected in the SPA signed on November 24, 2022 (Level 2 in the fair value hierarchy). The fair value represented by the SPA exceeded the carrying value of the Russia CGU as of September 30, 2022, therefore no impairment was recorded. There were no triggering events indicating any impairment or decline in the fair value of Russian operations subsequent to its measurement as held for sale and discontinued operations.

Russia impairment losses 2021

There were no impairment losses recorded in Russia in 2021.

Russia impairment losses 2020

In recent years, Beeline Russia has seen a decline in its subscriber and revenue market share on the back of competitive pressures in the market, which have impacted both revenues and profitability. This underperformance has negatively impacted the fair value of our Russian business, and over time has eroded the existing headroom over the book value of the business. The impact of a weaker Russian ruble, along with ongoing COVID lockdowns and associated travel restrictions, have had a negative impact on consumer spending, which weakened particularly during the third quarter of 2020. Together with a slower than anticipated recovery in Beeline’s ARPU, which has in turn impacted our future projected revenue, a revision to our previous estimates has been deemed necessary.

Based on these revisions, VEON recorded an impairment of US\$723 against the carrying value of goodwill in Russia in the third quarter of 2020. The recoverable amount of the CGU of US\$3,001 was determined based on fair value less costs of disposal calculations (Level 3 in the fair value hierarchy) using a discounted cash flow model, based on cash flow projections from business plans prepared by management.

Exercised Put option to sell entirety stake in Omnimium Telecom Algeria SpA

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnimium Telecom Algeria SpA (Algeria) to the Fonds National d'Investissement (FNI). Omnimium owns Algerian mobile network operator, Djezzy. Under the terms of the Shareholders' Agreement, the transaction was completed on August 5, 2022 for a cash sale price of US\$682 and control of Algeria was transferred to FNI. Refer to the table below for the results of the transaction.

On July 1, 2021, the Company classified its operations in Algeria as held-for-sale and discontinued operations. Following the classification as a disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of Algeria assets. On August 5, 2022, the sale was completed and the net assets were disposed. The results for Algeria in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 have been presented separately.

The following table shows the assets and liabilities disposed in 2022 and classified as held-for-sale relating to Algeria as of:

	August 5, 2022	December 31, 2021
Property and equipment	555	527
Intangible assets excl. goodwill	120	111
Goodwill	953	1,001
Deferred tax assets	35	35
Other current assets	234	172
Total assets disposed / held for sale	1,897	1,846
Non-current liabilities	91	106
Current liabilities	276	285
Total liabilities disposed / held for sale	367	391

The following table shows the profit/(loss) and other comprehensive income relating to Algeria operations for the periods ended:

Income statement and statement of comprehensive income	August 5, 2022	December 31, 2021	December 31, 2020
Operating revenue	378	659	689
Operating expenses	(212)	(470)	(564)
Other expenses	(7)	(17)	(17)
Profit / (loss) before tax for the period	159	172	108
Income tax benefit / (expense)	(15)	(21)	(29)
Profit / (loss) after tax for the period	144	151	79
Other comprehensive income / (loss)*	(65)	(68)	(157)
Total comprehensive income / (loss)	79	83	(78)

*Other comprehensive income is relating to the foreign currency translation of discontinued operations.

The following table shows the results for the disposal of the Algeria operations that are accounted for in these financials as of December 31, 2022:

	2022
Consideration received in cash	682
Carrying amount of net assets at disposal*	(1,530)
De-recognition of non-controlling interest	824
Loss on sale before reclassification of foreign currency translation reserve	(24)
Reclassification of foreign currency translation reserve	(698)
Net loss on disposal of Algeria operations	(722)

*Net assets include US\$175 relating to cash and cash equivalents at disposal

ACCOUNTING POLICIES

Non-current assets (or disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction or loss of control rather than through continuing use, and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Assets and liabilities of a disposal group classified as held-for-sale are presented separately from the other assets and liabilities in the statement of financial position without restating the prior period comparatives.

A discontinued operation is a component that is classified as held-for-sale and that represents a separate major line of business or geographical area of operations. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in the income statement and cash flow statement within operating, investing and financing activities in the current period and comparative periods. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

11 IMPAIRMENT OF ASSETS

Property and equipment and intangible assets are tested regularly for impairment. The Company assesses, at the end of each reporting period, whether there exist any indicators that an asset may be impaired (i.e. asset becoming idle, damaged or no longer in use). If there are such indicators, the Company estimates the recoverable amount of the asset. Impairment losses of continuing operations are recognized in the income statement in a separate line item.

Goodwill is tested for impairment annually (at September 30) or when circumstances indicate the carrying value may be impaired. Refer to [Note 13](#) for an overview of the carrying value of goodwill per cash-generating unit (“CGU”). The Company’s impairment test is primarily based on fair value less cost of disposal calculations (Level 3 in the fair value hierarchy) using a discounted cash flow model, based on cash flow projections from business plans prepared by management. The Company considers the relationship between its market capitalization and its book value, as well as its weighted average cost of capital and the quarterly financial performances of each CGU when reviewing for indicators of impairment in interim periods.

The CGUs classified as Assets held for Sale and Discontinued Operation during 2022 are disclosed in [Note 10](#), including any current or past impairment charges recorded for these CGUs.

Impairment losses / (reversals) in 2022

	Property and equipment	Intangible assets	Goodwill	Other	Total impairment
2022					
Bangladesh	(32)	(68)	—	—	(100)
Kyrgyzstan	(29)	(9)	—	(11)	(49)
Ukraine *	35	1	—	—	36
Other	7	(1)	—	—	6
	(19)	(77)	—	(11)	(107)

*This includes net impairment to property and equipment as a result of physical damage to sites in Ukraine caused by the ongoing conflict between Russia and Ukraine.

Bangladesh CGU

Bangladesh is a non-goodwill CGU, and therefore not subject to the mandatory annual impairment testing. However, in 2018 an impairment loss of US\$451 was recognized against the value of the licenses and the network assets. The Company assessed if any indicators (“triggers”) existed of an additional impairment or of a decrease of previous impairments and performed valuation tests to check if a further impairment or reversal of impairment was required.

The current business strategy focused on nation-wide expansion and the significant acquisition of the 4G license showed a continued revenue growth and balanced expansion of the subscriber base that were taken into account by management for business plans of the Bangladesh CGU.

Based on these revisions, the recoverable amount of US\$474 was determined, establishing a headroom of US\$119 above carrying value (US\$355), of which an amount of US\$100 was booked as a reversal of the impairment loss as per September 30, 2022.

The US\$100 was reversed against intangible assets (US\$68) and property and equipment (US\$32). The remaining difference between the headroom and the amount of reversal of US\$19 represents impairment related to assets that have been fully depreciated in the period since the impairment was recognized until September 30, 2022.

Bangladesh CGU is disclosed as Bangladesh reportable segment (refer to [Note 2](#)).

Kyrgyzstan CGU

Kyrgyzstan CGU, has no goodwill and is therefore not subject to the mandatory annual goodwill impairment testing. However, during 2020 as a consequence of the unstable political environment and uncertainties arising with respect to the recoverability of our operating assets in Kyrgyzstan, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan. As a result, the Company recorded a total impairment loss of US\$64.

As of September 30, 2022 the Company assessed triggers and performed valuation tests to check if a further impairment or reversal of impairment was required.

Based on this assessment, which reflected that the previous uncertainties were resolved through the acquisition of licenses and settlement of tax litigation, as of September 30, 2022 the recoverable amount of US\$25 indicated a headroom of US\$51. This has led to reversal of impairment loss as of September 30, 2022 for US\$49 against property and equipment (US\$29), intangible assets (US\$9) and other assets (US\$11). The remaining US\$2 represents impairment related to assets that have been fully depreciated in the period since the impairment was recognized until September 30, 2022.

Kyrgyzstan CGU is disclosed within "Others" reportable segment (refer to [Note 2](#)).

Impairment losses in 2021

	Property and equipment	Intangible assets	Goodwill	Other	Total impairment
2021					
Kyrgyzstan	12	5	—	2	19
Other	8	—	—	—	8
	20	5	—	2	27

Impairment losses in 2020

In the third quarter of 2020, due to the unstable political environment and uncertainties arising with respect to the recoverability of our operating assets in Kyrgyzstan, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan. As a result, the Company recorded a total impairment loss of US\$64.

Additionally, with regard to the Company's commitment to network modernization, the Company continuously re-evaluates the plans for its existing network, primarily with respect to equipment purchased but not installed, and consequently recorded an impairment loss of US\$5.

	Property and equipment	Intangible assets	Goodwill	Other	Total impairment
2020 *					
Kyrgyzstan	38	8	—	18	64
Other	5	—	—	(7)	(2)
	43	8	—	11	62

**This table has been restated to reflect the classification of Russia CGU as held-for-sale per December 31, 2022. For details of the 2020 Russia impairment refer to [Note 10](#).*

KEY ASSUMPTIONS

The recoverable amounts of CGUs have been determined based on fair value less costs of disposal calculations, using cash flow projections from business plans prepared by management.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGUs. These budgets and forecast calculations are prepared for a period of five years. A long-term growth rate is applied to projected future cash flows after the fifth year.

The tables below show key assumptions used in fair value less costs of disposal calculations for CGUs with material goodwill or those CGUs for which an impairment loss or an impairment reversal has been recorded.

Discount rates

Discount rates are initially determined in U.S. dollars based on the risk-free rate for 20-year maturity bonds of the United States Treasury, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific CGU relative to the market as a whole.

The equity market risk premium is sourced from independent market analysts. The systematic risk, beta, represents the median of the raw betas of the entities comparable in size and geographic footprint with the ones of the Company (“Peer Group”). The country risk premium is based on an average default spread derived from sovereign credit ratings published by main credit rating agencies for a given CGU. The debt risk premium is based on the median of Standard & Poor’s long-term credit rating of the Peer Group. The weighted average cost of capital is determined based on target debt-to-equity ratios representing the median historical five year capital structure for each entity from the Peer Group.

The discount rate in functional currency of a CGU is adjusted for the long-term inflation forecast of the respective country in which the business operates, as well as applicable country risk premium.

	Discount rate (local currency)					
	2022		2021		2020	
Pakistan	19.5	%	14.7	%	18.2	%
Bangladesh**	14.6	%	—	%	—	%
Kazakhstan	13.8	%	9.4	%	10.3	%
Kyrgyzstan*	19.0	%	—	%	—	%
Uzbekistan	15.8	%	11.8	%	13.8	%
Ukraine**	21.7	%	—	%	—	%

* In 2021 and 2020, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan, therefore discount rate was not determined

** In 2021 and 2020, no impairment losses were recorded or reversed for Bangladesh and Ukraine CGU’s, therefore discount rates were not disclosed

Revenue growth rates

The revenue growth rates during the forecast period vary based on numerous factors, including size of market, GDP (Gross Domestic Product), foreign currency projections, traffic growth, market share and others. A long-term growth rate in perpetuity is estimated based on a percentage that is lower than or equal to the country long-term inflation forecast, depending on the CGU.

	Average annual revenue growth rate during forecast period ¹						Terminal growth rate					
	2022		2021		2020		2022		2021		2020	
Pakistan	12.0	%	4.8	%	9.7	%	4.0	%	5.5	%	5.8	%
Bangladesh	12.6	%	—	%	—	%	3.5	%	—	%	—	%
Kazakhstan	12.3	%	3.6	%	5.3	%	1.0	%	1.0	%	3.1	%
Kyrgyzstan	11.4	%	—	%	—	%	3.0	%	—	%	—	%
Uzbekistan	19.3	%	3.7	%	3.2	%	2.5	%	3.0	%	5.1	%
Ukraine	8.6	%	—	%	—	%	1.0	%	—	%	—	%

¹The forecast period is the explicit forecast period of five years: for 2022 being 2023-2027 with terminal period in 2028; for comparative period 2021 the rates were revised to conform the calculation being 2022-2026 and terminal period in 2027; for 2020 being 2021-2025 with terminal period 2026.

Operating margin

The Company estimates operating margin on a pre-IFRS 16 basis (including lease expenses/payments), divided by Total Operating Revenue for each CGU and each future year. The forecasted operating margin is based on the budget and forecast calculations and assumes cost optimization initiatives which are part of on-going operations, as well as regulatory and technological changes known to date, such as telecommunication license issues and price regulation among others. Segment information in Note 2 is post-IFRS 16.

	Average operating margin during the forecast period ¹						Terminal period operating margin					
	2022		2021		2020		2022		2021		2020	
		%		%		%		%		%		%
Pakistan	40.9	%	43.6	%	42.0	%	40.0	%	42.0	%	44.6	%
Bangladesh	32.6	%	—	%	—	%	36.3	%	—	%	—	%
Kazakhstan	49.2	%	48.9	%	49.5	%	45.0	%	47.0	%	50.0	%
Kyrgyzstan	36.7	%	—	%	—	%	33.7	%	—	%	—	%
Uzbekistan	43.6	%	40.9	%	34.0	%	41.0	%	34.0	%	34.0	%
Ukraine	51.2	%	—	%	—	%	50.0	%	—	%	—	%

¹ The forecast period is the explicit forecast period of five years: for 2022 being 2023-2027 with terminal period in 2028; for comparative period 2021 the rates were revised to conform the calculation being 2022-2026 and terminal period in 2027; for 2020 being 2021-2025 with terminal period 2026.

CAPEX

CAPEX is defined as purchases of property and equipment and intangible assets excluding licenses, goodwill and right-of-use assets. The cash flow forecasts for capital expenditures are based on the budget and forecast calculations and include the network roll-outs plans and license requirements.

The cash flow forecasts for license and spectrum payments for each operating company for the initial five years include amounts for expected renewals and newly available spectrum. Beyond that period, a long-run cost related to spectrum and license payments is assumed. Payments for right-of-use assets are considered in the operating margin as described above.

	Average CAPEX as a percentage of revenue during the forecast period ¹						Terminal period ¹ CAPEX as a percentage of revenue					
	2022		2021		2020		2022		2021		2020	
		%		%		%		%		%		%
Pakistan	15.8	%	22.0	%	19.6	%	16.0	%	20.0	%	18.9	%
Bangladesh	18.0	%	—	%	—	%	17.0	%	—	%	—	%
Kazakhstan	18.6	%	20.0	%	19.8	%	18.5	%	20.0	%	19.0	%
Kyrgyzstan	20.1	%	—	%	—	%	23.0	%	—	%	—	%
Uzbekistan	18.0	%	20.2	%	21.4	%	20.0	%	21.0	%	21.0	%
Ukraine	18.9	%	—	%	—	%	20.0	%	—	%	—	%

¹ The forecast period is the explicit forecast period of five years: for 2022 being 2023-2027 with terminal period in 2028; for comparative period 2021 the rates were revised to conform the calculation being 2022-2026 and terminal period in 2027; for 2020 being 2021-2025 with terminal period 2026.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

The following table illustrates the potential change in reversal of impairment for the Bangladesh and Kyrgyzstan CGUs if certain key parameters would adversely change by one percentage point within both the explicit forecast and terminal periods ('+/- 1.0 pp').

Any additional adverse changes in the key parameters by more than one percentage point would change the amount of impairment reversal approximately proportionally.

Sensitivity analysis	Bangladesh				Kyrgyzstan			
	Assumption used *		+/- 1.0 pp		Assumption used *		+/- 1.0 pp	
Discount rate	14.6	%	15.6	%	19.0	%	20.0	%
Change in key assumption	—	p.p	1.0	p.p	—	p.p	1.0	p.p
<i>Decrease in headroom</i>	—		(42)		—		—	
Average annual revenue growth rate	11.1	%	10.1	%	10.0	%	9.0	%
Change in key assumption	—	pp	(1.0)	pp	—	pp	(1.0)	pp
<i>Decrease in headroom</i>	—		(26)		—		(1)	
Average operating margin	33.2	%	32.2	%	36.2	%	35.2	%
Change in key assumption	—	pp	(1.0)	pp	—	pp	(1.0)	pp
<i>Decrease in headroom</i>	—		(40)		—		(4)	
Average CAPEX / revenue**	17.8	%	18.8	%	20.6	%	21.6	%
Change in key assumption	—	pp	1.0	pp	—	pp	1.0	pp
<i>Decrease in headroom</i>	—		(52)		—		(4)	

* Combined average based on explicit forecast period of five years (2023-2027) and terminal period in 2028.

** CAPEX excludes licenses and ROU assets.

SOURCE OF ESTIMATION UNCERTAINTY

The Group has significant investments in property and equipment, intangible assets, and goodwill.

Estimating recoverable amounts of assets and CGUs must, in part, be based on management's evaluations, including the determination of the appropriate CGUs, the relevant discount rate, estimation of future performance, the revenue-generating capacity of assets, timing and amount of future purchases of property, equipment, licenses and spectrum, assumptions of future market conditions and the long-term growth rate into perpetuity (terminal value). In doing this, management needs to assume a market participant perspective. Changing the assumptions selected by management, in particular, the discount rate, capex intensity, operating margin and growth rate assumptions used to estimate the recoverable amounts of assets, could significantly impact the Group's impairment evaluation and hence results.

A significant part of the Group's operations is in countries with emerging markets. The political and economic situation in these countries may change rapidly and recession may potentially have a significant impact on these countries. On-going recessionary effects in the world economy, including geopolitical situations and increased macroeconomic risks impact our assessment of cash flow forecasts and the discount rates applied.

There are significant variations between different markets with respect to growth, mobile penetration, average revenue per user ("ARPU"), market share and similar parameters, resulting in differences in operating margins. The future development of operating margins is important in the Group's impairment assessments.

12 PROPERTY AND EQUIPMENT

The following table summarizes the movement in the net book value of property and equipment for the years ended December 31:

Net book value	Telecomm- unications equipment	Land, buildings and constructions	Office and other equipment	Equipment not installed and assets under construction	Right-of-use assets	Total
As of January 1, 2021	4,050	159	368	568	1,734	6,879
Additions	50	3	18	1,559	712	2,342
Disposals *	(198)	(1)	(5)	(7)	(100)	(311)
Depreciation charge for the year	(990)	(22)	(124)	—	(409)	(1,545)
Reclassification as held for sale	(367)	(6)	(9)	(42)	(80)	(504)
Impairment	(12)	—	(2)	3	(2)	(13)
Transfers	1,428	16	182	(1,619)	(2)	5
Translation adjustment	(101)	2	(6)	(11)	(20)	(136)
As of December 31, 2021	3,860	151	422	451	1,833	6,717
Additions	67	7	23	662	526	1,285
Disposals	(40)	(1)	(4)	(10)	(15)	(70)
Depreciation charge for the year	(382)	(7)	(29)	—	(139)	(557)
Divestment and reclassification as held for sale **	(1,991)	(80)	(314)	(235)	(1,393)	(4,013)
Impairment	(38)	(2)	(3)	(3)	(8)	(54)
Impairment reversal	57	1	3	6	6	73
Transfers	528	5	13	(545)	(5)	(4)
Modifications of right-of-use assets	—	—	—	—	26	26
Translation adjustment	(363)	(13)	(14)	(40)	(125)	(555)
Others	—	—	—	—	—	—
As of December 31, 2022	1,698	61	97	286	706	2,848
Cost	4,890	153	405	320	1,059	6,827
Accumulated depreciation and impairment	(3,192)	(92)	(308)	(34)	(353)	(3,979)

*This includes disposal of NTC as explained in [Note 9](#).

** This relates to the classification of Russia as held-for-sale and discontinued operations as explained in [Note 10](#).

There were no material changes in estimates related to property and equipment in 2022 other than the impairment reversals for Bangladesh US\$(32) and Kyrgyzstan of US\$(29) and impairment of equipment as a result of physical damages to sites in Ukraine (US\$35) caused by the ongoing conflict between Russia and Ukraine (refer to [Note 11](#)).

During 2022, VEON acquired property and equipment in the amount of US\$306 (2021: US\$726), which were not paid for as of year-end.

Property and equipment pledged as security for bank borrowings amounts to US\$688 as of December 31, 2022 (2021: US\$919), and primarily relate to liens securing borrowings of PMCL.

The following table summarizes the movement in the net book value of right-of-use assets ("ROU") for the year ended December 31:

Net book value	ROU - Telecommunications Equipment	ROU - Land, Buildings and Constructions	ROU - Office and Other Equipment	Total
As of January 1, 2021	1,436	293	5	1,734
Additions	642	65	5	712
Disposals	(100)	—	—	(100)
Depreciation charge for the year	(320)	(86)	(3)	(409)
Reclassification as held for sale	(71)	(9)	—	(80)
Impairment	—	(2)	—	(2)
Transfers	(4)	2	—	(2)
Translation adjustment	(16)	(3)	(1)	(20)
As of December 31, 2021	1,567	260	6	1,833
Additions	513	13	—	526
Disposals	(12)	(3)	—	(15)
Depreciation charge for the year	(125)	(12)	(2)	(139)
Divestment and reclassification as held for sale	(1,175)	(216)	(2)	(1,393)
Impairment	(8)	—	—	(8)
Impairment reversal	2	4	—	6
Transfers	(4)	(1)	—	(5)
Modifications and reassessments	20	6	—	26
Translation adjustment	(117)	(7)	(1)	(125)
As of December 31, 2022	661	44	1	706
Cost	970	84	5	1,059
Accumulated depreciation and impairment	(309)	(40)	(4)	(353)

COMMITMENTS

Capital commitments for the future purchase of equipment are as follows as of December 31:

	2022	2021
Less than 1 year	272	709
Between 1 and 5 years	—	62
More than 5 years	—	198
Total commitments	272	969

The above table for 2021 includes future lease commitments relating to the lease agreements between Russia and NTC (Less than one year: US\$4; Between one and five years: US\$61 and More than five years: US\$198). For further details on this transaction, refer to [Note 9](#) (Agreement between VEON and Service Telecom regarding the Sale of its Russian tower assets). For commitments pertaining to the Russian operations as of December 31, 2022, refer to [Note 10](#).

Capital commitments arising from telecommunications licenses

VEON's ability to generate revenue in the countries it operates is dependent upon the operation of the wireless telecommunications networks authorized under its various licenses for GSM-900/1800, "3G" (UMTS / WCDMA) mobile radiotelephony communications services and "4G" (LTE).

Under the license agreements, operating companies are subject to certain commitments, such as territory or population coverage, level of capital expenditures and number of base stations to be fulfilled within a certain timeframe. If we are found to be involved in practices that do not comply with applicable laws or regulations, we may be exposed to significant fines, the risk of prosecution or the suspension or loss of our licenses, frequency allocations, authorizations or various permissions, any of which could harm our business, financial condition, results of operations or cash flows.

After expiration of the license, our operating companies might be subject to additional payments for renewals, as well as new license capital and other commitments.

ACCOUNTING POLICIES

Property and equipment is stated at cost, net of any accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The useful life of VEON's assets generally fall within the following ranges:

Class of property and equipment	Useful life
Telecommunication equipment	3 – 30 years
Buildings and constructions	10 – 50 years
Office and other equipment	2 – 10 years
Right-of-use assets	Equivalent lease term

Each asset's residual value, useful life and method of depreciation is reviewed at the end of each financial year and adjusted prospectively, if necessary.

Where applicable, the Company has applied sale and leaseback accounting principles, whereas the right-of-use asset arising from the leaseback is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by VEON. Accordingly, VEON recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

SOURCE OF ESTIMATION UNCERTAINTY

Depreciation and amortization of non-current assets

Depreciation and amortization expenses are based on management estimates of useful life, residual value and amortization method of property and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortization or depreciation charges. Technological developments are difficult to predict and our views on the trends and pace of developments may change over time. Some of the assets and technologies in which the Group invested several years ago are still in use and provide the basis for new technologies.

The useful lives of property and equipment and intangible assets are reviewed at least annually, taking into consideration the factors mentioned above and all other relevant factors. Estimated useful lives for similar types of assets may vary between different entities in the Group due to local factors such as growth rate, maturity of the market, historical and expected replacements or transfer of assets and quality of components used. Estimated useful life for right-of-use assets is directly impacted by the equivalent lease term, refer to [Note 16](#) for more information regarding Source of estimation uncertainty for lease terms.

13 INTANGIBLE ASSETS

The following table summarizes the movement in the net book value of intangible assets for the years ended December 31:

Net book value	Telecommuni- cation licenses, frequencies & permissions	Software	Brands and trademarks	Customer relationships	Other intangible assets	Goodwill	Total
As of January 1, 2021	921	301	117	116	15	2,682	4,152
Additions	482	184	—	1	29	14	710
Disposals	(1)	(1)	—	—	1	(51)	(52)
Amortization charge for the year	(162)	(135)	8	(15)	(4)	—	(308)
Reclassification as held for sale	(34)	(9)	(73)	—	—	(1,034)	(1,150)
Impairment	(4)	(1)	—	—	—	—	(5)
Transfer	40	11	(39)	—	(6)	(7)	(1)
Translation adjustment	(40)	—	1	(2)	1	(62)	(102)
As of December 31, 2021	1,202	350	14	100	36	1,542	3,244
Additions	526	74	1	2	19	10	632
Disposals	(5)	(2)	—	—	—	—	(7)
Amortization charge for the year	(139)	(71)	(3)	(8)	—	—	(221)
Reclassification as held for sale	(84)	(150)	(2)	(22)	(35)	(1,084)	(1,377)
Impairment reversal	75	2	—	—	—	—	77
Transfer	—	3	—	—	(3)	—	—
Translation adjustment	(241)	(37)	(3)	(18)	(15)	(74)	(388)
As of December 31, 2022	1,334	169	7	54	2	394	1,960
<i>Cost</i>	<i>2,188</i>	<i>615</i>	<i>187</i>	<i>321</i>	<i>12</i>	<i>1,391</i>	<i>4,714</i>
<i>Accumulated amortization and impairment</i>	<i>(854)</i>	<i>(446)</i>	<i>(180)</i>	<i>(267)</i>	<i>(10)</i>	<i>(997)</i>	<i>(2,754)</i>

During 2022, there were no material changes in estimates related to intangible assets other than the reversal of impairment described in Note 11 of US\$(77) (2021: US\$5).

During 2022, VEON acquired intangible assets in the amount of US\$266 (2021: US\$171), which were not yet paid for as of year-end.

Additions for 2021 include capitalization of ex-Warid license in Pakistan amounting to US\$384, please refer to [Note 9](#) for further information.

GOODWILL

During the year, the movement in goodwill for the Group, per CGU, consisted of the following:

CGU*	December 31, 2022	Translation adjustment	Addition	Reclassification as held for sale	December 31, 2021
Russia	—	—	—	(1,084)	1,084
Pakistan	223	(64)	—	—	287
Kazakhstan	127	(9)	—	—	136
Ukraine	10	—	10	—	—
Uzbekistan	34	(1)	—	—	35
Total	394	(74)	10	(1,084)	1,542

* There is no goodwill allocated to the CGUs of Bangladesh, or Kyrgyzstan.

CGU*	December 31, 2021	Translation adjustment	Addition	Reclassification as held for sale	Disposal	Other	December 31, 2020
Russia**	1,084	(10)	14	—	(51)	—	1,131
Algeria	—	(19)	—	(1,034)	—	—	1,053
Pakistan	287	(30)	—	—	—	(7)	324
Kazakhstan	136	(4)	—	—	—	—	140
Uzbekistan	35	1	—	—	—	—	34
Total	1,542	(62)	14	(1,034)	(51)	(7)	2,682

* There is no goodwill allocated to the CGUs of Ukraine, Bangladesh, or Kyrgyzstan

** In 2021, VEON acquired a majority stake in OTM, a technology platform for the automation and planning of online advertising and IBS DataFort, a cloud IT infrastructure provider in Russia.

COMMITMENTS

Capital commitments for the future purchase of intangible assets are as follows as of December 31:

	2022	2021
Less than 1 year	13	58
Total commitments	13	58

ACCOUNTING POLICIES

Intangible assets acquired separately are carried at cost less accumulated amortization and impairment losses.

Intangible assets with a finite useful life are generally amortized with the straight-line method over the estimated useful life of the intangible asset. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least annually and fall within the following ranges:

Class of intangible asset	Useful life
Telecommunications licenses, frequencies and permissions	3 - 20 years
Software	3 - 10 years
Brands and trademarks	3 - 15 years
Customer relationships	10 - 21 years
Other intangible assets	4 - 10 years

Goodwill is recognized for the future economic benefits arising from net assets acquired that are not individually identified and separately recognized. Goodwill is not amortized but is tested for impairment annually and as necessary when circumstances indicate that the carrying value may be impaired, see [Note 11](#) for further details.

SOURCE OF ESTIMATION UNCERTAINTY

Refer also to [Note 12](#) for further details regarding source of estimation uncertainty.

Depreciation and amortization of non-current assets

Estimates in the evaluation of useful lives for intangible assets include, but are not limited to, the estimated average customer relationship based on Churn, the remaining license or concession period and the expected developments in technology and markets.

The actual economic lives of intangible assets may be different than estimated useful lives, thereby resulting in a different carrying value of intangible assets with finite lives. We continue to evaluate the amortization period for intangible assets with finite lives to determine whether

events or circumstances warrant revised amortization periods. A change in estimated useful lives is a change in accounting estimate, and depreciation and amortization charges are adjusted prospectively.

14 INVESTMENTS IN SUBSIDIARIES

The Company held investments in material subsidiaries for the years ended December 31 as detailed in the table below. The equity interest presented represents the economic rights available to the Company.

Name of significant subsidiary	Country of incorporation	Nature of subsidiary	Equity interest held by the Group			
			2022		2021	
VEON Amsterdam B.V.	Netherlands	Holding	100.0	%	100.0	%
VEON Holdings B.V.	Netherlands	Holding	100.0	%	100.0	%
PJSC VimpelCom	Russia	Operating	100.0	%	100.0	%
JSC “Kyivstar”	Ukraine	Operating	100.0	%	100.0	%
LLP “KaR-Tel”	Kazakhstan	Operating	75.0	%	75.0	%
LLC “Unitel”	Uzbekistan	Operating	100.0	%	100.0	%
LLC “VEON Georgia”	Georgia	Operating	—	%	100.0	%
VEON Finance Ireland Designated Activity Company	Ireland	Holding	100.0	%	100.0	%
LLC “Sky Mobile”	Kyrgyzstan	Operating	50.1	%	50.1	%
VEON Luxembourg Holdings S.à r.l.	Luxembourg	Holding	100.0	%	100.0	%
VEON Luxembourg Finance Holdings S.à r.l.	Luxembourg	Holding	100.0	%	100.0	%
VEON Luxembourg Finance S.A.	Luxembourg	Holding	100.0	%	100.0	%
Global Telecom Holding S.A.E	Egypt	Holding	99.6	%	99.6	%
Omnium Telecom Algérie S.p.A.*	Algeria	Holding	—	%	45.6	%
Optimum Telecom Algeria S.p.A.*	Algeria	Operating	—	%	45.6	%
Pakistan Mobile Communications Limited	Pakistan	Operating	100.0	%	100.0	%
Banglalink Digital Communications Limited	Bangladesh	Operating	100.0	%	100.0	%

* Until the date sale of Algeria on August 5, 2022, the Group had concluded that it controls Omnium Telecom Algérie S.p.A and Optimum Telecom Algeria S.p.A, see ‘Significant accounting judgments’ below for further details.

Certain of the Group’s subsidiaries are subject to restrictions that impact their ability to distribute dividends. For example, the Group faces certain restrictions from paying dividends where it is subject to withholding tax, primarily in Pakistan, Kazakhstan and Uzbekistan. The total amount of dividend restrictions amounts to US\$229 (2021: US\$1,033).

MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests (“NCIs”) is provided below:

Name of significant subsidiary	Equity interest held by NCIs		Book values of material NCIs		Profit / (loss) attributable to material NCIs			
	2022	2021	2022	2021	2022	2021		
LLP “KaR-Tel” (“KaR-Tel”)	25.0	%	25.0	%	85	96	31	29
Omnium Telecom Algérie S.p.A. (“OTA”)	—	%	54.4	%	—	732	21	29

The summarized financial information of these subsidiaries before intercompany eliminations for the years ended December 31 are detailed below.

Summarized income statement

	Kar-Tel		
	2022	2021	2020
Operating revenue	571	529	446
Operating expenses	(403)	(370)	(316)
Other (expenses) / income	(12)	(9)	4
Profit / (loss) before tax	156	150	134
Income tax expense	(33)	(32)	(28)
Profit / (loss) for the year	123	118	106
Total comprehensive income / (loss)	123	118	106
Attributed to NCIs	31	29	26
Dividends paid to NCIs	—	—	—

Summarized statement of financial position

	Kar-Tel	
	2022	2021
Property and equipment	327	300
Intangible assets	178	213
Other non-current assets	39	28
Trade and other receivables	34	29
Cash and cash equivalents	43	46
Other current assets	27	33
Debt and derivatives	(97)	(102)
Provisions	(9)	(6)
Other liabilities	(204)	(158)
Total equity	338	383
Attributed to:		
Equity holders of the parent	253	287
Non-controlling interests	85	96

Summarized statement of cash flows

	Kar-Tel		
	2022	2021	2020
Net operating cash flows	243	231	184
Net investing cash flows	(127)	(106)	(88)
Net financing cash flows	(117)	(114)	(97)
Net foreign exchange difference	(3)	(1)	(2)
Net increase / (decrease) in cash equivalents	(4)	10	(3)

SIGNIFICANT ACCOUNTING JUDGMENTS

Control over subsidiaries

Subsidiaries, which are those entities over which the Company is deemed to have control, are consolidated. In certain circumstances, significant judgment is required to assess if the Company is deemed to have control over entities where the Company's ownership interest does not exceed 50%.

The Group concluded that up until the completion of sale of the Algerian operations on August 5, 2022, it controlled Omnium Telecom Algérie S.p.A and Optimum Telecom Algeria S.p.A even though its subsidiary, Global Telecom Holding S.A.E. owned less than 50% of the ordinary shares. This was because the Company could exercise operational control through terms of a shareholders' agreement. Our partner in Algeria could acquire our shares at fair market value under call option arrangements exercisable solely at its discretion between October 1, 2021 and December 31, 2021. Concurrently, we had a right to require our partner in Algeria to acquire our shares under put option arrangements exercisable solely at our discretion between July 1, 2021 and September 30, 2021. On July 1, 2021 VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algeria SpA (Algeria) to the Fonds National d'Investissement (FNI). The sale transaction was completed on August 5, 2022 and control of Algeria was transferred to our partner. Both option arrangements did not have any impact on our ability to consolidate Omnium Telecom Algérie S.p.A and Optimum Telecom Algeria S.p.A.

FINANCING ACTIVITIES OF THE GROUP

15 OTHER NON-OPERATING GAIN / (LOSS)

Other non-operating gains / (losses) consisted of the following for the years ended December 31:

	2022	2021*	2020*
Ineffective portion of hedging activities	—	3	15
Change of fair value of other derivatives	10	(4)	(23)
Gain /(loss) from money market funds	29	7	12
Other (losses) / gains	(30)	20	80
Other non-operating gain / (loss), net	9	26	84

*Prior year comparatives for the years ended December 31, 2021 and 2020 are adjusted following the classification of Russia as a discontinued operation (see [Note 10](#)).

Included in 'Other gains / (losses)' in 2021 is a gain of US\$21 related to the fair value adjustment of Shop-up and a US\$3 write off of certain payables.

Included in 'Other gains / (losses)' in 2020 is a gain of US\$41 related to the revaluation of contingent consideration liability, as well as a gain of US\$41 relating to the settlement in connection with the dispute concerning the sale of Telecel Globe Limited.

16 INVESTMENTS, DEBT AND DERIVATIVES

INVESTMENTS AND DERIVATIVES

The Company holds the following investments and derivatives assets as of December 31:

	Carrying value	
	2022	2021
At fair value		
Other investments	58	37
	58	37
At amortized cost		
Security deposits and cash collateral	63	49
Other investments	70	99
	133	148
Total investments and derivatives	191	185
Non-current	71	99
Current	120	86

Other Investments

Other investments at fair value are measured at fair value through other comprehensive income and relate to investments held in Pakistan (US\$21) and Bangladesh (US\$37).

Other investments at amortized cost include a US\$54 loan granted by VIP Kazakhstan Holdings to minority shareholder Crowell Investments Limited.

DEBT AND DERIVATIVES

The Company holds the following outstanding debt and derivatives liabilities as of December 31:

	Carrying value	
	2022	2021
At fair value		
Derivatives not designated as hedges	—	4
Derivatives designated as net investment hedges	—	4
	—	8
At amortized cost		
Principal amount outstanding	6,670	7,595
Interest accrued	102	86
Discounts, unamortized fees, hedge basis adjustment	(8)	(15)
Bank loans and bonds	6,764	7,666
Lease liabilities	806	2,667
Put-option liability over non-controlling interest	—	16
Other financial liabilities	610	289
	8,180	10,638
Total debt and derivatives		
	8,180	10,646
Non-current	5,336	9,404
Current	2,844	1,242

Bank loans and bonds

The Company had the following principal amounts outstanding for interest-bearing loans and bonds at December 31:

Borrower	Type of debt	Guarantor	Currency	Interest rate	Maturity	Principal amount outstanding	
						2022	2021
VEON Holdings B.V.	Notes	PJSC VimpelCom	USD	7.50%	2022	—	417
VEON Holdings B.V.	Loan	None	RUB	CBR key rate + 1.85%	2022	—	404
VEON Holdings B.V.	Notes	None	USD	5.95%	2023	529	529
VEON Holdings B.V.	Revolving Credit Facility	None	USD	SOFR + 1.70%	2023	692	—
VEON Holdings B.V.	Notes	None	USD	7.25%	2023	700	700
VEON Holdings B.V.	Revolving Credit Facility	None	USD	SOFR + 1.70%	2023	363	—
VEON Holdings B.V.	Notes	None	USD	4.95%	2024	533	533
VEON Holdings B.V.	Notes	None	USD	4.00%	2025	1,000	1,000
VEON Holdings B.V.	Notes	None	RUB	6.30%	2025	284	269
VEON Holdings B.V.	Notes	None	RUB	6.50%	2025	143	135
VEON Holdings B.V.	Notes	None	RUB	8.13%	2026	284	269
VEON Holdings B.V.	Notes	None	USD	3.38%	2027	1,250	1,250
VEON Finance Ireland DAC	Loan	VEON Holdings	RUB	CBR key rate + 1.90% to 2.15%	2022	—	807*
VEON Finance Ireland DAC	Loan	VEON Holdings	RUB	10.10%	2022	—	404*
PMCL	Loan	None	PKR	6M KIBOR + 0.35%	2022	—	24
PMCL	Loan	None	PKR	6M KIBOR + 0.55%	2026	212	272
PMCL	Loan	None	PKR	6M KIBOR + 0.55%	2028	66	85
PMCL	Loan	None	PKR	3M KIBOR + 0.60%	2031	221	57
PMCL	Loan	None	PKR	6M KIBOR + 0.60%	2032	132	—
PJSC Kyivstar	Loan	None	UAH	NBU Key rate + 3.00%	2022	—	61
PJSC Kyivstar	Loan	VEON Holdings	UAH	NBU Key rate + 3.50%	2022	—	47
PJSC Kyivstar	Loan	VEON Holdings	UAH	Treasury Bill Rate + 3.00%	2022	—	50
PJSC Kyivstar	Loan	None	UAH	10.15% to 11.00%	2023-2025	59	97
Banglalink	Loan	None	BDT	Average bank deposit rate + 4.25%	2022	—	46
Banglalink	Loan	None	BDT	Average bank deposit rate + 4.25%	2027	110	—
Other bank loans and bonds						92	139
Total bank loans and bonds						6,670	7,595

*During 2022 these loans were novated to PJSC VimpelCom and are part of Liabilities associated with assets held for sale.

SIGNIFICANT CHANGES IN DEBT AND DERIVATIVES

Reconciliation of cash flows from financing activities

	Bank loans and bonds	Lease liabilities	Total
Balance as of January 1, 2021	7,758	1,913	9,671
Cash flows			
Proceeds from borrowings, net of fees paid	2,081	—	2,081
Repayment of debt	(1,857)	(120)	(1,977)
Interest paid	(462)	(59)	(521)
Proceeds from borrowings relating to Russia discontinued operations	9	—	9
Repayment of debt relating to Russia discontinued operations	(272)	(217)	(489)
Interest paid relating to Russia discontinued operations	(10)	(88)	(98)
Non-cash movements			
Interest and fee accruals	513	144	657
Lease additions, disposals, impairment and modifications	—	1,224	1,224
Held for sale - Note 10	—	(122)	(122)
Foreign currency translation	(68)	(8)	(76)
Other non-cash movements	(26)	—	(26)
Balance as of December 31, 2021	7,666	2,667	10,333
Cash flows			
Proceeds from borrowings, net of fees paid	2,087	—	2,087
Repayment of debt	(1,479)	(140)	(1,619)
Interest paid	(419)	(70)	(489)
Non-cash movements			
Interest and fee accruals	400	64	464
Lease additions, disposals, impairment and modifications	—	583	583
Held for sale - Note 10	(10)	(2,134)	(2,144)
Foreign currency translation	(416)	(155)	(571)
Reclassification related to bank loans and bonds	(1,064)	—	(1,064)
Other non-cash movements	(1)	(9)	(10)
Balance as of December 31, 2022	6,764	806	7,570

FINANCING ACTIVITIES 2022

VEON US\$ bond repayment

In February 2022, VEON Holdings B.V. repaid its 7.50% Notes of US\$417 originally maturing in March 2022.

VTB Bank loan

In February 2022, VEON Holdings B.V. prepaid RUB 30 billion (US\$396) of outstanding loans to VTB Bank originally maturing in July 2025.

In February 2022, VEON Finance Ireland DAC signed a RUB 30 billion (US\$400) Term Facility Agreement with VTB Bank with a floating rate. This facility was guaranteed by VEON Holding B.V. and had a maturity of February 2029. The proceeds from this facility were used for general corporate purposes, including the financing of intercompany loans to PJSC VimpelCom. In March 2022, VEON Finance Ireland DAC repaid its RUB 30 billion (US\$259) term loan facility with VTB Bank in accordance with its terms, and the facility was cancelled.

VEON US\$1,250 multi-currency revolving credit facility agreement

In February 2022, the maturity of the multi-currency revolving credit facility originally entered into in March 2021 (the "RCF") was extended for one year until March 2025; two banks did not agree to extend as a result of which US\$250 will mature at the original maturity in March 2024 and US\$805 will mature in March 2025.

In February 2022, VEON Holdings B.V. drew US\$430 under the RCF. Subject to the terms set out in the RCF, the outstanding balance can be rolled over until the respective final maturities.

In March 2022, Alfa Bank (US\$125 commitment) and Raiffeisen Bank Russia (US\$70 commitment) notified the Agent under the RCF that as a result of new Russian regulatory requirements following a presidential decree, they could no longer participate in the RCF. As a result, their available commitments were cancelled and the total RCF size reduced from US\$1,250 to US\$1,055. The drawn portion from Alfa Bank (US\$43) was subsequently repaid in April 2022 and the drawn portion from Raiffeisen Bank Russia (US\$24) was repaid in May 2022.

In April and May 2022, VEON Holdings B.V. received US\$610 following a utilization under the RCF. The remaining US\$82 was received in November. The RCF was fully drawn at year-end with US\$1,055 outstanding. The outstanding amounts have been rolled-over until April, US\$692, and May, US\$363, 2023. Subject to the terms set out in the RCF, these amounts can be rolled until the respective final maturities.

PMCL syndicated credit facility

In March 2022, Pakistan Mobile Communication Limited ("PMCL") fully utilized the remaining PKR 40 billion (US\$222) available under its existing credit line.

In April 2022, PMCL signed a PKR 40 billion (US\$217) syndicated loan with a 10 year maturity. The drawn amount under the facility is PKR 30 billion (US\$156).

VEON Finance Ireland DAC Rub debt novation to PJSC VimpelCom

In April 2022, VEON Finance Ireland novated two bank loans, with Sberbank (RUB 45 billion (US\$556)) and Alfa Bank (RUB 45 billion (US\$556)) totaling RUB 90 billion (US\$1,112), to PJSC VimpelCom, resulting in the former borrower, VEON Finance Ireland DAC, and the former guarantor, VEON Holdings B.V., having been released from their obligations. VEON recorded the interest expense related to these loans prior to the novation in VEON Finance Ireland DAC which is included within continuing operations. Given that the novation of these loans predated and was independent of the sale of our Russian discontinued operations, VEON deemed it appropriate not to reclassify the interest on these loans prior to the novation date to discontinued operations.

Banglalink secures syndicated credit facility

In April 2022, Banglalink signed a BDT 12 billion (US\$139) syndicated loan with a five year maturity till April 2027. During May 2022, Banglalink utilized BDT 9 billion (US\$103) of the syndicated loan which was partially used to fully repay its existing loan of BDT 3 billion (US\$38).

In July, August and September 2022, Banglalink fully utilized the remaining BDT 3 billion (US\$32) under its BDT syndicated loan facility.

Kyivstar prepays debt

In March, April, May and June 2022, Kyivstar fully prepaid a UAH 1,350 million (US\$46) loan with JSC CitiBank, a UAH1,275 (US\$44) million loan with JSC Credit Agricole and a UAH 1,677 million (US\$57) loan with Alfa bank, and also prepaid a portion of a UAH 1,250 million loan with OTP Bank (UAH490 million (US\$17)).

PMCL Bank Guarantee

In March 2022, PMCL issued a bank guarantee of US\$30 in favor of Pakistan Telecommunication Authority related to late payment of Warid license fee.

FINANCING ACTIVITIES 2021

Acquisition of minority stake in PMCL

In March 2021, VEON successfully concluded the acquisition of the 15% minority stake in Pakistan Mobile Communications Limited ("PMCL"), its operating company in Pakistan, from the Dhabi Group for US\$273. This transaction follows the Dhabi Group's exercise of its put option in September 2020 and gives VEON 100% ownership of PMCL. The transaction is presented within 'Acquisition of non-controlling interest' within the Consolidated Statement of Cash Flows.

VEON entered into a US\$1,250 multi-currency revolving credit facility agreement

In March 2021, VEON successfully entered into the RCF. The RCF replaced the revolving credit facility signed in February 2017. The RCF has an initial tenor of three years, with VEON having the right to request two- one year extensions, subject to lender consent.

PMCL enters into PKR 20 billion (US\$131) loan facilities

In March 2021, PMCL successfully entered into a new PKR 15 billion (US\$98) syndicated facility with MCB Bank as agent and PKR 5 billion (US\$33) bilateral term loan facility with United Bank Limited. Both these floating rate facilities have a tenor of seven years.

VEON increases facility with Alfa Bank

In March 2021, VEON successfully amended and restated its existing RUB 30 billion (US\$396) bilateral term loan agreement with Alfa Bank and increased the total facility size to RUB 45 billion (US\$594), by adding a new floating rate tranche of RUB 15 billion (US\$198). The new tranche had a five years term. In April 2021, the proceeds from Alfa Bank new tranche of RUB15 billion (US\$198) were used to early repay RUB 15 billion (US\$198) of loans from Sberbank, originally maturing in June 2023.

PMCL secures syndicated credit facility

In June 2021, PMCL secured a PKR 50 billion (US\$320) syndicated credit facility from a banking consortium led by Habib Bank Limited. This ten years facility is used to finance the company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities.

Global Medium Term Note Programme

In September 2021, VEON Holdings B.V. issued senior unsecured notes of RUB 20 billion (US\$273), maturing in September 2026. The notes were issued under its existing Global Medium Term Note Programme with a Programme limit of US\$6.5 billion, or the equivalent thereof in other currencies. The proceeds were used for early repayment of RUB 20 billion (US\$273) of outstanding loans to Sberbank that were originally maturing in June 2023.

Loan agreement Alfa Bank

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US\$612) Term Facilities Agreement with Alfa Bank which includes a RUB 30 billion (US\$408) fixed rate tranche and a RUB 15 billion (US\$204) floating rate tranche, both with a maturity date of December 2026. The facilities were guaranteed by VEON Holdings B.V. The proceeds from the Alfa Bank facilities have been used to finance intercompany loans to PJSC Vimpel-Com.

Loan agreement Sberbank

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US\$611) Term Facility Agreement with Sberbank with a floating rate. The maturity date of the facility was December 2026 and it was guaranteed by VEON Holdings B.V. The proceeds from the Sberbank facility were used to finance an intercompany loan to PJSC Vimpel-Com.

Alfa Bank loans repayment

In December 2021, VEON Holdings B.V. repaid RUB 45 billion (US\$611) of outstanding loans to Alfa Bank, comprising of a RUB 30 billion loan (US\$407) originally maturing in March 2025 and a RUB 15 billion (US\$204) loan originally maturing in March 2026.

Sberbank loans repayment

In December 2021, VEON Holdings B.V. repaid RUB 45 billion (US\$612) of outstanding loans to Sberbank, comprising of a RUB 15 billion (US\$204) loan originally maturing in June 2023 and a RUB 30 billion (US\$408) loan originally maturing in June 2024.

FINANCING ACTIVITIES IN 2020

Optional early redemption of US\$600 million 3.95% Senior notes due June 2021

In December 2020, VEON Holdings B.V. completed optional early redemption of all of its outstanding US\$600 3.95% Senior Notes due June 2021, pursuant to Condition 5.3 of the 2021 Notes. The Notes were redeemed in full at a redemption price equal to 101.00% of the principal amount thereof, plus accrued and unpaid interest and additional amounts due thereon.

Financing activities in Ukraine

In December 2020, VEON's operating company in Ukraine, Kyivstar, signed three bilateral unsecured loan agreements with Raiffeisen Bank Aval Joint Stock Company ("Raiffeisen"), Joint Stock Company Alfa Bank ("Alfa Bank") and Joint Stock Company OTP Bank ("OTP"), for an aggregate amount of UAH4.1 billion (US\$146). The loan agreement with Raiffeisen has a 5-year term with a fixed interest rate of 11.00%, and the loan agreements with Alfa Bank and OTP each have a 3-year term with a floating rate equal to NBU Key Rate + 3.00% and a fixed interest rate of 10.15% respectively.

Exercise of 15% PMCL put option

In September 2020, the Dhabi Group exercised its put option to sell us its 15% shareholding in PMCL, the Company's subsidiary in Pakistan. VEON updated the fair value of its put option liability following the completion of an independent valuation process which determined a fair value for the shareholding of US\$273, resulting in a gain of US\$59 recorded in 'Finance costs' within the Consolidated Income Statement. During 2021, the transaction was completed and VEON indirectly owns 100% of PMCL.

Global Medium Term Note Programme

In April 2020, VEON Holdings B.V. established a Global Medium Term Note Programme for the issuance of bonds (the "GMTN Programme"), with a programme limit of US\$6,500, or the equivalent thereof in other currencies. In June, September and November 2020, VEON Holdings B.V. issued senior unsecured notes of RUB20 billion (US\$288), RUB10 billion (US\$135) and US\$1.25 billion, respectively, under the GMTN Programme, maturing in June 2025, September 2025 and November 2027.

Refinancing of loan agreement with VTB

In July 2020, VEON Holdings B.V. successfully refinanced its existing RUB30 billion (US\$422), bilateral term loan agreement with VTB Bank. This refinancing extended the final maturity of the existing loan between VTB Bank and VEON Holdings B.V. to July 2025 and amended the interest cost from a fixed rate of 8.75% to floating rate equal to CBR Key Rate + 1.85 %.

Refinancing of loan agreement with Sberbank

In June 2020, VEON Holdings B.V. entered into a new RUB bilateral term loan agreement with Sberbank. The agreement comprises four facilities for a total amount of RUB100 billion (US\$1,450) with final maturity dates ranging between two and four years. Shortly after the agreement was signed, VEON Holdings B.V. fully utilized three facilities for a total amount of RUB87.5 billion (US\$1,281) and used the proceeds to prepay all outstanding amounts under the Sberbank term facilities agreement signed in May 2017.

In July 2020, VEON drew down the remaining RUB12.5 billion available under the facility agreement. Subsequently, in September 2020, VEON repaid one of the facilities of RUB20 billion, originally maturing in June 2022, in full with no fees. The repaid facility cannot be borrowed.

Contingent consideration

In 2015, International Wireless Communications Pakistan Limited and Pakistan Mobile Communications Ltd ("PMCL"), each indirect subsidiaries of the Company, signed an agreement with Warid Telecom Pakistan LLC and Bank Alfalah Limited, to combine their operations in Pakistan. In July 2016, the transaction was closed and PMCL acquired 100% of the voting shares in Warid Telecom (Pvt) Limited ("Warid") for a consideration of 15% of the shares in PMCL. As a result, VEON gained control over Warid.

As part of the share purchase agreement, an earn-out payment was agreed in the event that a tower transaction is effected by PMCL within four years from the acquisition date. The earn-out would also apply if another telecommunications operator in Pakistan effects a tower transaction, provided the transaction meets certain parameters, in the same timeframe. The contingent consideration would be settled with a transfer of PMCL shares.

As of June 2020, the probability of completion of a tower deal in Pakistan prior to the relevant deadline, upon which contingent consideration would be paid, became remote. As a result, the fair value of Contingent consideration was revised downwards to zero, with a corresponding gain of US\$41 recognized in the consolidated income statement.

Extension and extinguishment of Banglalink syndicated loan

In April 2020, Banglalink Digital Communications Limited, a wholly-owned subsidiary, extended the maturity of its US\$300 syndicated loan by an additional two years to 2022. Following this extension, VEON Digital Amsterdam B.V., the Company's wholly-owned subsidiary, acquired the loan from the original lenders, leading to extinguishment of this financial liability within VEON's consolidated financial statements. No material transactional costs were incurred.

Drawdowns under the Revolving Credit Facility

In March 2020, VEON Holdings B.V. executed two drawdowns under its existing revolving credit facility for an aggregate amount of US\$600. All outstanding drawdowns under this facility were fully repaid during June 2020 (US\$100) and July 2020 (US\$500).

Refinancing of RUB debt - AO "Alfa Bank"

In March 2020, VEON Holdings B.V. amended and restated the existing facility with AO "Alfa Bank", increasing its size and utilization from RUB17.5 billion to RUB30 billion (US\$165). Following this amendment and restatement, the final maturity of this facility were set to March 2025.

GTH bonds prepayment

In February 2020, GTH Finance B.V., the Company's subsidiary, repaid at par the US\$500 6.25% bonds, originally maturing in April 2020.

US\$300 tap issuance of existing senior notes

In January 2020, VEON Holdings B.V. issued US\$300 in senior unsecured notes due 2025, which are consolidated and form a single series with the US\$700 4.00% senior notes due in 2025 issued by VEON Holdings B.V. in October 2019. VEON used the net proceeds of the tap issuance to refinance certain existing outstanding debt.

FAIR VALUES

As of December 31, 2022, the carrying amounts of all financial assets and liabilities are equal to or approximate their respective fair values as shown in the table at the beginning of this note, with the exception of:

- 'Bank loans and bonds, including interest accrued', for which the fair value is equal to US\$5,847 (2021: US\$7,709); and
- 'Lease liabilities', for which fair value has not been determined.

As of December 31, 2022 and December 31, 2021, all of the Group's financial instruments carried at fair value in the statement of financial position were measured based on Level 2 inputs, except for the Contingent consideration, for which fair value is classified as Level 3.

All movements in Contingent consideration in the years ended December 31, 2022 and 2021 relate to changes in fair value, which are unrealized, and are recorded in "Other non-operating gain / (loss)" within the consolidated income statement.

Fair values are estimated based on quoted market prices for our bonds, derived from market prices or by discounting contractual cash flows at the rate applicable for the instruments with similar maturity and risk profile. Observable inputs (Level 2) used in valuation techniques include interbank interest rates, bond yields, swap curves, basis swap spreads, foreign exchange rates and credit default spreads.

On a quarterly basis, the Company reviews if there are any indicators for a possible transfer between fair value hierarchy levels. This depends on how the Company is able to obtain the underlying input parameters when assessing the fair valuations. During the years ended December 31, 2022 and 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements with the exception of our RUB denominated bonds for which quoted market prices were not available due to the ongoing conflict between Russia and Ukraine. The fair value of such bonds was calculated based on Level 3 inputs as compared to Level 1 inputs in 2021.

HEDGE ACCOUNTING

The following table sets out the Company's hedging instruments designated as net investment hedges as of December 31:

Hedging instruments *	Designated rate	Excluded component	Hedged item	Currency	Aggregated designated nominal value of hedged items, million	
					2022	2021
Foreign currency forward contracts	Forward	foreign currency basis spread	PJSC VimpelCom	RUB	—	6,986 **

* Refer to the Debt and Derivatives section above in this Note for information regarding the carrying amounts of the hedging instruments.

** Hedging instruments had a weighted average term to maturity of less than 1 year as of December 31, 2021.

There is an economic relationship between the hedged net investments and the hedging instruments due to the translation risk inherent in the hedged items that matches the foreign exchange risk of the hedging instruments. The hedge ratio for each of the above relationships was set at 1:1 as the underlying risk of the hedging instruments is identical to the hedged risk and the nominal value of hedging instruments has not exceeded the amounts of respective net investments. Hedge ineffectiveness might arise from:

- the value of a net investment falling below the related designated nominal value of the hedging instrument, or
- counterparties' credit risk impacting the hedging instrument but not the hedged net investment.

During the periods covered by these consolidated financial statements, the amount of ineffectiveness was immaterial.

Impact of hedge accounting on equity

The below table sets out the reconciliation of each component of equity and the analysis of other comprehensive income (all of which are attributable to the equity owners of the parent):

	Foreign currency translation reserve	Cost of hedging reserve **
As of January 1, 2021	(8,775)	1
Foreign currency revaluation of the foreign operations and other	(140)	—
Effective portion of foreign currency revaluation of the hedging instruments *	(18)	—
Change in fair value of foreign currency basis spreads	—	2
Amortization of time-period related foreign currency basis spreads	—	(3)
As of December 31, 2021	(8,933)	—
Foreign currency revaluation of the foreign operations	125	—
Effective portion of foreign currency revaluation of the hedging instruments *	—	—
Change in fair value of foreign currency basis spreads	—	—
Amortization of time-period related foreign currency basis spreads	—	—
Other movements in foreign currency translation reserve	—	—
As of December 31, 2022	(8,808)	—

* Amounts represent the changes in fair value of the hedging instruments and closely approximate the changes in value of the hedged items used to recognize hedge ineffectiveness.

** Movements in the cost of hedging reserve are included within "Other" in respective section of statement of other comprehensive income.

ACCOUNTING POLICIES AND SOURCES OF ESTIMATION UNCERTAINTY

Put options over non-controlling interest

Put options over non-controlling interest of a subsidiary are accounted for as financial liabilities in the Company's consolidated financial statements. The put-option redemption liability is measured at the discounted redemption amount. Interest over the put-option redemption liability will accrue in line with the effective interest rate method, until the options have been exercised or are expired.

Derivative contracts

VEON enters into derivative contracts, including swaps and forward contracts, to manage certain foreign currency and interest rate exposures. Any derivative instruments for which no hedge accounting is applied are recorded at fair value with any fair value changes recognized directly in profit or loss. Although some of the derivatives entered into by the Company have not been designated in hedge accounting relationships, they act as economic hedges and offset the underlying transactions when they occur.

Hedges of a net investment

The Company applies net investment hedge accounting to mitigate foreign currency translation risk related to the Company's investments in foreign operations. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income within the "Foreign currency translation" line item. Where the hedging instrument's foreign currency retranslation is greater (in absolute terms) than that of the hedged item, the excess amount is recorded in profit or loss as ineffectiveness. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation. Cash flows arising from derivative instruments for which hedge accounting is applied are reported in the statement of cash flows within the line item where the underlying cash flows of the hedged item are recorded.

Fair value of financial instruments

All financial assets and liabilities are measured at amortized cost, except those which are measured at fair value as presented within this Note.

Where the fair value of financial assets and liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques, including discounted cash flows models. The inputs to these models are taken from observable markets, but when this is not possible, a degree of judgment is required in establishing fair values. The judgments include considerations regarding inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Measurement of lease liabilities

Lease liabilities are measured upon initial recognition at the present value of the future lease and related fixed services payments over the lease term, discounted with the country specific incremental borrowing rate as the rate implicit in the lease is generally not available. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

A significant portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between VEON and the lessor, or lease contracts which are cancellable by the Company immediately or on short notice. The Company includes these cancellable future lease periods within the assessed lease term, which increases the future lease payments used in determining the lease liability upon initial recognition, except when it is not reasonably certain at the commencement of the lease that these will be exercised.

The Company continuously assesses whether a revision of lease terms is required due to a change in management judgment regarding, for example, the exercise of extension and/or termination options. When determining whether an extension option is not reasonably certain to be exercised, VEON considers all relevant facts and circumstances that creates an economic incentive to exercise the extension option, or not to exercise a termination option, such as strategic plans, future technology changes, and various economic costs and penalties.

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are comprised of cash at bank and on hand and highly liquid investments that are readily convertible to known amounts of cash, are subject to only an insignificant risk of changes in value and have an original maturity of less than three months.

Cash and cash equivalents consisted of the following items as of December 31:

	2022	2021
Cash and cash equivalents at banks and on hand	928	1,485
Cash equivalents with original maturity of less than three months	2,179	767
Cash and cash equivalents*	3,107	2,252
Less overdrafts	—	(13)
Cash and cash equivalents, net of overdrafts, as presented in the consolidated statement of cash flows	3,107	2,239

* Cash and cash equivalents include an amount of US\$67 relating to banking operations in Pakistan.

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The imposition of currency exchange controls or other similar restrictions on currency convertibility in the countries in which VEON operates could limit VEON's ability to convert local currencies or repatriate local cash in a timely manner or at all, as well as remit dividends from the respective countries. As of December 31, 2021 US\$71 was considered restricted and included in cash and cash equivalent balances and as of December 31, 2022, US\$125 of cash at the level of Ukraine was subject to currency restrictions that limited ability to upstream the cash or make certain payments outside the country, but these balances are otherwise freely available to the Ukrainian operations.

Cash balances include investments in money market funds of US\$1,950 (2021: US\$397), which are carried at fair value through profit or loss with gains presented within 'Other non-operating gain / (loss)' within the consolidated income statement.

Even though the total balance of the cash pool remained positive, the Company has no legally enforceable right of set-off and therefore the overdrawn accounts are presented as debt and derivatives within the statement of financial position. At the same time, because the overdrawn accounts are an integral part of the Company's cash management, they were included as cash and cash equivalents within the statement of cash flows. Refer to [Note 24](#) for further discussion on the Company's liquidity position.

18 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities consist of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables, cash and short-term deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors manages these risks with support of the treasury function, who proposes the appropriate financial risk governance framework for the Group, identifies and measures financial risks and suggests mitigating actions. The Company's Board of Directors, supported by its Finance Committee, approves the financial risk management framework and oversees its enforcement.

INTEREST RATE RISK

The Company is exposed to the risk of changes in market interest rates primarily due to its long-term debt obligations. The Company manages its interest rate risk exposure through a portfolio of fixed and variable rate borrowings.

As of December 31, 2022, approximately 72% of the Company's borrowings are at a fixed rate of interest (2021: 75%).

The Group is exposed to possible changes in interest rates on variable interest loans and borrowings, partially mitigated through cash and cash equivalents and current deposits. With all other variables held constant, the Company's profit before tax is affected through changes in the floating rate of borrowings while the Company's equity is affected through the impact of a parallel shift of the yield curve on the fair value of hedging derivatives. An increase or decrease of 100 basis points in interest rates would have an immaterial impact on the Company's income statement and other comprehensive income.

FOREIGN CURRENCY RISK

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the debt denominated in currencies other than the functional currency of the relevant entity, the Company's operating activities (predominantly capital expenditures at subsidiary level denominated in a different currency from the subsidiary's functional currency) and the Company's net investments in foreign subsidiaries.

The Company manages its foreign currency risk by selectively hedging committed exposures.

The Company hedges part of its exposure to fluctuations on the translation into U.S. dollars of its foreign operations by holding the borrowings in foreign currencies or by foreign exchange swaps and forwards. During the periods covered by these financial statements, the Company used foreign exchange forwards to mitigate foreign currency risk.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a possible change in exchange rates against the U.S. dollar with all other variables held constant. Additional sensitivity changes to the indicated currencies are expected to be approximately proportionate. The table shows the effect on the Company's profit before tax (due to changes in the value of monetary assets and liabilities, including foreign currency derivatives) and equity (due to application of hedge accounting or existence of quasi equity loans). The Company's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit / (loss) before tax		Effect on other comprehensive income	
	10% depreciation	10% appreciation	10% depreciation	10% appreciation
Change in foreign exchange rate against US\$				
2022				
Russian Ruble	(5)	6	—	—
Bangladeshi Taka	(34)	37	—	—
Pakistani Rupee	(15)	17	—	—
Ukrainian Hryvnia	(1)	1	—	—
Other currencies (net)	(1)	1	—	—
2021				
Russian Ruble	18	(25)	9	(10)
Bangladeshi Taka	(30)	33	—	—
Pakistani Rupee	(3)	4	—	—
Georgian Lari	(37)	41	—	—
Ukrainian Hryvnia	(1)	1	—	—
Other currencies (net)	(6)	6	—	—

CREDIT RISK

The Company is exposed to credit risk from its operating activities (primarily from trade receivables), and from its treasury activities, including deposits with banks and financial institutions, derivative financial instruments and other financial instruments. See [Note 17](#) for further information on restrictions on cash balances.

Trade receivables consist of amounts due from customers for airtime usage and amounts due from dealers and customers for equipment sales. VEON's credit risk arising from the services the Company provides to customers is mitigated to a large extent due to the majority of its active customers being subscribed to a prepaid service as of December 31, 2022 and 2021, and accordingly not giving rise to credit risk. For postpaid services, in certain circumstances, VEON requires deposits as collateral for airtime usage. Equipment sales are typically paid in advance of delivery, except for equipment sold to dealers on credit terms.

VEON's credit risk arising from its trade receivables from dealers is mitigated due to the risk being spread across a large number of dealers. Management periodically reviews the history of payments and credit worthiness of the dealers. The Company also has receivables from other local and international operators from interconnect and roaming services provided to their customers, as well as receivables from customers using fixed-line services, such as business services, wholesale services and services to residents. Receivables from other operators for roaming services are settled through clearing houses, which helps to mitigate credit risk in this regard.

VEON holds available cash in bank accounts, as well as other financial assets with financial institutions in countries where it operates. To manage credit risk associated with such asset holdings, VEON allocates its available cash to a variety of local banks and local affiliates of international banks within the limits set forth by its treasury policy. Management periodically reviews the creditworthiness of the banks with which it holds assets. In respect of financial instruments used by the Company's treasury function, the aggregate credit risk the Group may have with one counterparty is managed by reference to, amongst others, the long-term credit ratings assigned for that counterparty by Moody's, Fitch Ratings and Standard & Poor's and CDS spreads of that counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. Refer to [Note 24](#) for further details on the Company's liquidity position.

Value Added Tax ("VAT") is recoverable from tax authorities by offsetting it against VAT payable to the tax authorities on VEON's revenue or direct cash receipts from the tax authorities. Management periodically reviews the recoverability of the balance of input value added tax and believes it is fully recoverable.

VEON issues advances to a variety of its vendors of property and equipment for its network development. The contractual arrangements with the most significant vendors provide for equipment financing in respect of certain deliveries of equipment. VEON periodically reviews the financial position of vendors and their compliance with the contract terms.

The Company's maximum exposure to credit risk for the components of the statement of financial position at December 31, 2022 and 2021 is the carrying amount as illustrated in [Note 5](#), [Note 16](#), [Note 17](#) and within this [Note 18](#).

LIQUIDITY RISK

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bonds, bank overdrafts, bank loans and lease contracts. The Company's policy is to create a balanced debt maturity profile. As of December 31, 2022, 37% of the Company's debt (2021: 7%) will mature in less than one year based on the carrying value of bank loans, bonds and other borrowings reflected in the financial statements. The Company has sufficient HQ liquidity to meet its HQ maturities and local market access to address local maturities and on that basis. The Company has taken this into considerations when it assessed the concentration of risk with respect to refinancing its debt and concluded it to be low except for the additional risks identified in [Note 24](#).

Available facilities

The Company had the following available facilities as of December 31:

	Amounts in millions of transactional currency				US\$ equivalent amounts		
	Final availability period	Facility amount	Utilized	Available	Facility amount	Utilized	Available
2022							
PMCL - Term Facility	Apr 2023	PKR 40,000	PKR 30,000	PKR 10,000	176	132	44

	Amounts in millions of transactional currency				US\$ equivalent amounts		
	Final availability period	Facility amount	Utilized	Available	Facility amount	Utilized	Available
2021							
VEON Holdings B.V. – Revolving Credit Facility*	Feb 2024	US\$1,250	—	US\$1,250	1,250	—	1,250
PMCL - Term Facility	Jun 2022	PKR 50,000	PKR 10,000	PKR 40,000	283	57	226
TNS -Plus LLC - Term Facilities	Oct 2023	KZT 4,000	KZT 2,783	KZT 1,217	9	6	3

*During 2022 Revolving credit facility amount reduced to US\$1,055.

Maturity profile

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. Payments related to variable interest rate financial liabilities and derivatives are included based on the interest rates and foreign currency exchange rates applicable as of December 31, 2022 and 2021, respectively. The total amounts in the table differ from the carrying amounts as stated in Note 16 as the below table includes both undiscounted principal amounts and interest while the carrying amounts are measured using the effective interest rate method.

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
As of December 31, 2022					
Bank loans and bonds	2,796	2,671	2,013	351	7,831
Lease liabilities	95	423	327	402	1,247
Derivative financial liabilities					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	—	—	—	—	—
Trade and other payables	1,087	—	—	—	1,087
Other financial liabilities	176	322	142	52	692
Total financial liabilities	4,154	3,416	2,482	805	10,857
Related derivatives financial assets					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	—	—	—	—	—
Related derivative financial assets	—	—	—	—	—
Total financial liabilities, net of derivative assets	4,154	3,416	2,482	805	10,857

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
As of December 31, 2021					
Bank loans and bonds	1,050	3,200	3,652	1,393	9,295
Lease liabilities	545	1,111	763	751	3,170
Derivative financial liabilities					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	8	—	—	—	8
Trade and other payables	2,031	—	—	—	2,031
Other financial liabilities	120	144	21	15	300
Put option liability over non-controlling interest	16	—	—	—	16
Total financial liabilities	3,770	4,455	4,436	2,159	14,820
Related derivatives financial assets					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	—	—	—	—	—
Related derivative financial assets	—	—	—	—	—
Total financial liabilities, net of derivative assets	3,770	4,455	4,436	2,159	14,820

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios, so as to help facilitate access to debt and capital markets and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic or political conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. In September 2019, VEON announced a dividend policy that targets paying at least 50% of prior year Equity Free Cash Flow after licenses so long as the Company's Net Debt to Adjusted EBITDA ratio would remain below 2.4x. See the paragraph below for more information on how the Company's Net Debt to Adjusted EBITDA ratio is calculated. Dividend payments remain subject to the review by the Company's Board of Directors of medium-term investment opportunities and the Company's capital structure. For the years ended December 31, 2022, 2021 and 2020, we did not pay a dividend. There were no changes made in the Company's objectives, policies or processes for managing capital during 2022, however as a result of the unstable environment we put more emphasis on safeguarding liquidity and also counterparty risk management in light of the high cash balances. Despite the resilient performance of its underlying operating companies, the Company's ability to upstream cash for debt service has been impaired by currency and capital controls in two of its major markets, Ukraine and Russia, and due to other geopolitical and foreign exchange pressures effecting emerging markets more generally. Furthermore, the ongoing conflict between Russia and Ukraine and the developments since February 2022 with respect to sanctions laws and regulations have resulted in unprecedented challenges for the Company, limiting access to the international debt capital markets in which the Company has traditionally refinanced maturing debt, which has hampered its ability to refinance its indebtedness. The Company has entered into an agreement to sell its Russian Operations and implemented the Scheme to manage certain of its indebtedness and to help address the unprecedented challenges the Group faced in 2022 in relation to its capital management.

The Net Debt to Adjusted EBITDA ratio is an important measure used by the Company to assess its capital structure. Net Debt represents the principal amount of interest-bearing debt less cash and cash equivalents and bank deposits. Adjusted EBITDA is defined as last 12 months earnings before interest, tax, depreciation, amortization and impairment, loss on disposals of non-current assets, other non-operating losses and share of profit / (loss) of joint ventures. For reconciliation of 'Profit / (loss) before tax from continuing operations' to 'Adjusted EBITDA,' refer to [Note 2](#).

Further, this ratio is included as a financial covenant in the credit facilities of the Company. For our RCF facility the Net Debt to Adjusted EBITDA ratio is calculated at consolidated level of VEON Ltd. and is "pro-forma" adjusted for acquisitions and divestment of any business bought or sold during the relevant period. Under these credit facilities, the Company is required to maintain the Net Debt to Adjusted EBITDA ratio at or below 3.75x (on the basis of the so called "GAAP freeze" principle). The Company has not breached any financial covenants during the period covered by these financial statements.

19 ISSUED CAPITAL AND RESERVES

The following table details the common shares of the Company as of December 31:

	2022	2021
Authorized common shares (nominal value of US\$0.001 per share)	1,849,190,667	1,849,190,667
Issued shares, including 3,374,459 (2021: 7,603,731) shares held by a subsidiary of the Company*	1,756,731,135	1,756,731,135

*Refer to [Note 22](#) for further details.

The holders of common shares are, subject to our by-laws and Bermuda law, generally entitled to enjoy all the rights attaching to common shares. All issued shares are fully paid-up.

As of December 31, 2022, the Company's largest shareholders and remaining free float are as follows:

Shareholder	Number of common shares	% of common and voting shares
L1T VIP Holdings S.à r.l. ("LetterOne")	840,625,001	47.9 %
Stichting Administratiekantoor Mobile Telecommunications Investor *	145,947,562	8.3 %
Exor N.V.	131,068,288	7.5 %
Free Float, including 3,374,459 shares held by a subsidiary of the Company	639,090,284	36.4 %
Total outstanding common shares	1,756,731,135	100.0 %

* LetterOne is the holder of the depositary receipts issued by Stichting and is therefore entitled to the economic benefits (dividend payments, other distributions and sale proceeds) of such depositary receipts and, indirectly, of the 145,947,562 common shares represented by the depositary receipts. According to the conditions of administration entered into between Stichting and LetterOne ("**Conditions of Administration**") in connection with the transfer of 145,947,562 ADSs from LetterOne to Stichting on March 29, 2016, Stichting has the power to vote and direct the voting of, and the power to dispose and direct the disposition of, the ADSs, in its sole discretion, in accordance with the Conditions of Administration and Stichting's articles of association.

Nature and purpose of reserves

Other capital reserves are mainly used to recognize the results of transactions that do not result in a change of control with non-controlling interest (see [Note 14](#)). The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries, net of any related hedging activities (see [Note 16](#)).

20 EARNINGS PER SHARE

Earnings per common share for all periods presented has been determined by dividing profit available to common shareholders by the weighted average number of common shares outstanding during the period.

The following table sets forth the computation of basic and diluted earnings per share for continuing operations, for the years ended December 31:

Continuing operations	2022	2021	2020
<i>(In millions of U.S. dollars, except per share amounts)</i>			
Numerator:			
Profit / (loss) for the period attributable to the owners of the parent	656	75	102
Denominator:			
Weighted average common shares outstanding for basic earnings per share (in millions)	1,753	1,753	1,753
Denominator for diluted earnings per share (in millions)	1,761	1,761	1,761
Basic earnings / (loss) per share *	\$0.37	\$0.04	\$0.06
Diluted earnings / (loss) per share *	\$0.37	\$0.04	\$0.06

*In accordance with IAS 33, Earnings per Share, the shares vested on December 31, 2022 and subsequently issued after the reporting period date have been included in the Earnings per Share calculation.

The following table sets forth the computation of basic and diluted earnings per share for discontinued operations, for the years ended December 31:

Discontinued operations	2022	2021	2020
<i>(In millions of U.S. dollars, except per share amounts)</i>			
Numerator:			
Profit / (loss) for the period attributable to the owners of the parent	(818)	599	(451)
Denominator:			
Weighted average common shares outstanding for basic earnings per share (in millions)	1,753	1,753	1,753
Denominator for diluted earnings per share (in millions)	1,761	1,761	1,761
Basic earnings / (loss) per share *	(\$0.46)	\$0.34	(\$0.26)
Diluted earnings / (loss) per share *	(\$0.46)	\$0.34	(\$0.26)

*In accordance with IAS 33, Earnings per Share, the shares vested on December 31, 2022 and subsequently issued after the reporting period date have been included in the Earnings per Share calculation.

21 DIVIDENDS PAID AND PROPOSED

Pursuant to Bermuda law, VEON is restricted from declaring or paying a dividend if there are reasonable grounds for believing that

- (a) VEON is, or would after the payment be, unable to pay its liabilities as they become due, or
- (b) the realizable value of VEON assets would, as a result of the dividend, be less than the aggregate of VEON liabilities.

There were no dividends declared by VEON in respect of the years 2022 and 2021.

DIVIDENDS DECLARED TO NON-CONTROLLING INTERESTS

During 2022, 2021 and 2020, certain subsidiaries of the Company declared dividends, of which a portion was paid or payable to non-controlling interests as shown in the table below:

Name of subsidiary	2022	2021	2020
Omnium Telecom Algeria S.p.A	—	44	45
VIP Kazakhstan Holding AG	—	27	24
TNS Plus LLP	11	8	16
Other	3	10	2
Total dividends declared to non-controlling interests	14	89	87

In 2020, PMCL, a subsidiary of the Company, declared dividends to its shareholders, of which US\$25 was declared to non-controlling shareholders of PMCL. Dividends declared to non-controlling interests of PMCL reduces the principal amount of the put-option liability over non-controlling interest on the date of declaration.

ADDITIONAL INFORMATION

22 RELATED PARTIES

As of December 31, 2022, the Company has no ultimate controlling shareholder. See also [Note 19](#) for details regarding ownership structure.

COMPENSATION TO BOARD OF DIRECTORS AND SENIOR MANAGERS OF THE COMPANY

The following table sets forth the total compensation to our Board of Directors, Group Chief Executive Officer, Group Chief Financial Officer and Group General Counsel, who are considered to be key management personnel of the Company, as defined by IAS 24, *Related Party Disclosures*, as well as other senior managers of the Company:

	2022	2021	2020
Short-term employee benefits	21	39	35
Long-term employee benefits	—	—	1
Share-based payment*	9	9	—
Termination benefits	—	7	4
Total compensation to the Board of Directors and senior management**	30	55	40

*Share-based payment in 2022 and 2021 represent the expense under the Deferred Shares Plan, Short-Term Incentive Scheme (share awards), and Long-Term Incentive Plan, see further details below.

** The number of directors and senior managers vary from year to year. The group of individuals we consider to be senior managers has changed in recent years, including a determination that the chief executive officers of our operating companies should no longer be classified as senior managers. As a result, for 2022 reporting, we have changed the total compensation perimeter for the Board of Directors and senior managers to reflect this internal view. Total compensation paid to the Board of Directors and senior management approximates the amount charged in the consolidated income statement for that year with the exception of the share-based payment in 2022 and 2021.

Under the Company's bye-laws, the Board of Directors of the Company established a Compensation and Talent Committee, which has the overall responsibility for approving and evaluating the compensation and benefit plans, policies and programs of the Company's directors, officers and employees and for supervising the administration of the Company's equity incentive plans and other compensation and incentive programs.

Compensation of Group Executive Committee

The following table sets forth the total remuneration expense to the Group Executive Committee for the periods indicated (gross amounts in whole euro and whole US\$ equivalents). For further details on compensation and changes to the Board of Directors and Group Executive Committee, please refer to the Explanatory notes below.

	Kaan Terzioglu	Serkan Okandan	Victor Biryukov	Omiyinka Doris	Joop Brakenhoff	Michael Schulz	Dmitry Shvets	Matthieu Galvani	Alex Bolis	Sergio Herrero	Ursula Burns	Murat Kirkgoz	Alex Kazbegi	Scott Dresser
	Group CEO**	Group CFO**	Group General Counsel**	Acting Group General Counsel**	Group Chief Internal Audit & Compliance Officer	Group Chief People Officer	Group Head of Portfolio Management	Chief Corporate Affairs Officer	Group Head of Corporate Development, Communications and Investor Relations	Former Co-GCEO**	Former Group CEO**	Former Deputy Group CFO**	Former Chief Strategy Officer	Former Group General Counsel**
<i>In whole euros</i>														
2022														
Short-term employee benefits														
Base salary	1,323,000	1,296,000	645,865	77,583	540,000	565,000	647,070	150,000	187,500	—	—	—	—	—
Annual incentive	1,035,891	712,800	343,556	52,644	297,000	310,750	350,585	83,178	204,555	—	—	—	—	—
Other	205,350	1,806,342	814,770	11,550	542,362	500,205	693,232	—	366,168	—	—	—	—	—
Long-term employee benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	3,392,793	981,490	105,710	—	654,502	482,768	436,981	36,434	187,704	—	—	—	—	—
Termination benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total remuneration expense*	5,957,034	4,796,632	1,909,901	141,777	2,033,864	1,858,723	2,127,868	269,612	945,927	—	—	—	—	—
2021														
Short-term employee benefits														
Base salary	1,323,000	1,296,000	—	—	540,000	237,741	365,854	—	272,448	628,199	—	—	143,100	1,300,000
Annual incentive	1,695,094	1,192,320	—	—	496,800	197,107	372,351	—	239,754	623,036	—	—	128,437	1,300,000
Other	205,350	1,276,225	—	—	96,600	27,862	11,271	—	77,000	5,512,172	—	—	143,936	1,013,859
Long-term employee benefits	166,518	—	—	—	—	—	—	—	—	(144,764)	—	—	—	—
Share-based payments	2,158,098	1,066,672	—	—	467,471	469,127	491,760	—	330,726	(60,701)	(103,954)	(26,417)	—	277,390
Termination benefits	—	—	—	—	—	—	—	—	—	2,936,759	—	—	579,675	2,625,000
Total remuneration expense*	5,548,060	4,831,217	—	—	1,600,871	931,837	1,241,236	—	919,928	9,494,701	(103,954)	(26,417)	995,148	6,516,249

* Total remuneration expense for 2022 excludes accrued payroll taxes of EUR0 million (US\$0) (2021: EUR-3 million (US\$-3) recorded in 'Selling, general and administrative expenses' incurred by the Company pertaining to payments made to Ursula Burns.

** Considered to be key management personnel as defined in IAS 24 Related Party Disclosures.

	Kaan Terzioğlu	Serkan Okandan	Victor Biryukov	Omiyinka Doris	Joop Brakenhoff	Michael Schulz	Dmitry Shvets	Matthieu Galvani	Alex Bolis	Sergio Herrero	Ursula Burns	Murat Kirkgoz	Alex Kazbegi	Scott Dresser
	Group CEO**	Group CFO**	Group General Counsel**	Acting Group General Counsel**	Group Chief Internal Audit & Compliance Officer	Group Chief People Officer	Group Head of Portfolio Management	Chief Corporate Affairs Officer	Group Head of Corporate Development, Communications and Investor Relations	Former Co-GCEO	Former Group CEO**	Former Deputy Group CFO**	Former Chief Strategy Officer	Former Group General Counsel**
<i>In whole US dollars</i>														
2022														
Short-term employee benefits														
Base salary	1,390,582	1,362,203	678,869	81,546	567,585	593,862	680,135	157,662	197,078	—	—	—	—	—
Annual incentive	1,088,807	749,212	361,112	55,333	312,172	326,624	368,500	87,427	215,004	—	—	—	—	—
Other	215,840	1,898,615	856,404	12,140	570,067	525,757	728,656	—	384,873	—	—	—	—	—
Long-term employee benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	3,566,105	1,031,627	111,111	—	687,936	507,429	459,310	38,296	197,292	—	—	—	—	—
Termination benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—
* Total remuneration expense	6,261,334	5,041,657	2,007,496	149,019	2,137,760	1,953,672	2,236,601	283,385	994,247	—	—	—	—	—
2021														
Short-term employee benefits														
Base salary	1,564,015	1,532,096	—	—	638,373	281,051	433,078	—	322,081	742,676	—	—	169,169	1,536,825
Annual incentive	2,003,894	1,409,528	—	—	587,303	233,014	440,768	—	283,431	736,572	—	—	151,835	1,536,825
Other	242,759	1,508,718	—	—	114,198	32,938	13,342	—	91,027	6,516,660	—	—	170,158	1,198,557
Long-term employee benefits	196,853	—	—	—	—	—	—	—	—	(171,144)	—	—	—	—
Share-based payments	2,551,245	1,260,991	—	—	552,631	554,589	582,119	—	390,975	(71,763)	(122,891)	(31,230)	—	327,923
Termination benefits	—	—	—	—	—	—	—	—	—	3,471,927	—	—	685,276	3,103,204
* Total remuneration expense	6,558,766	5,711,333	—	—	1,892,505	1,101,592	1,469,307	—	1,087,514	11,224,928	(122,891)	(31,230)	1,176,438	7,703,333

* Total remuneration expense for 2022 excludes accrued payroll taxes of EUR0 million (US\$0) (2021: EUR-3 million (US\$-3) recorded in 'Selling, general and administrative expenses' incurred by the Company pertaining to payments made to Ursula Burns.

** Considered to be key management personnel as defined in IAS 24 Related Party Disclosures.

Explanatory notes

Base salary includes any holiday allowances and acting allowances in cash pursuant to the terms of an individual's employment agreement. Annual incentive expense includes amounts accrued under the cash portion of the short-term incentive in respect of performance during the current year, as well as any special recognition, performance and/or transaction bonuses. Other short-term employee benefits include certain allowances (for example, pension allowance, car allowance, etc.), special awards, and support (for example, relocation support).

Share-based payment expense relates to amounts related to the share portion of the short-term incentive scheme, long-term incentive scheme and the deferred shared plan, see below for further details.

Changes in Group Executive Committee

Ursula Burns stepped down as Group CEO with effect from March 1, 2020. Sergi Herrero and Kaan Terzioğlu were appointed as Group Co-CEOs with effective from March 1, 2020, having previously served as Joint Group COOs since September 2, 2019 and November 1, 2019, respectively. Sergi Herrero stepped down from the role of Group Co-CEO on June 30, 2021 and Kaan Terzioğlu has continued his role as Group CEO.

On May 1, 2020, Serkan Okandan joined VEON as Group CFO. Trond Westlie stepped down from the role of Group CFO on September 30, 2019 and Murat Kirkgoz served as Deputy Group CFO from August 1, 2019 to April 30, 2020.

Alex Kazbegi stepped down from the role of Group Chief Strategy Officer on March 31, 2021 and Scott Dresser stepped down from the role of Group General Counsel on December 31, 2021.

In addition, Joop Brakenhoff was appointed Group Chief Internal Audit & Compliance Officer, effective July 1, 2020, Alex Bolis was appointed Group Head of Corporate Strategy, Communications and Investor Relations, effective April 1, 2021, Dmitry Shvets was appointed Group Head of Portfolio and Performance Management, effective April 15, 2021, and Michael Schulz was appointed Group Chief People Officer, effective July 1, 2021.

On January 1, 2022, Victor Biryukov was appointed Group General Counsel. On November 1, 2022, Mr. Biryukov was appointed in a special capacity to manage the sale of the Russian operations.

On June 30, 2022, Alex Bolis stepped down from the role of Group Head of Corporate Development, Communications and Investor Relations.

On October 1, 2022, Matthieu Galvani was appointed Chief Corporate Affairs Officer.

On November 1, 2022, Omiyinka Doris was appointed Acting Group General Counsel.

Compensation of Board of Directors

The following table sets forth the total remuneration expense to the members of the Board of Directors for the periods indicated (gross amounts in whole euro and whole U.S. dollar equivalents). For details on changes in Board of Directors, please refer to explanations below.

<i>In whole euros</i>	Retainer		Committees		Other compensation		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Hans-Holger Albrecht	483,078	487,500	190,558	136,458	1,184,142	1,098,610	1,857,778	1,722,568
Yaroslav Glazunov	281,250	75,000	80,000	—	—	—	361,250	75,000
Andrei Gusev	281,250	75,000	52,500	—	500,000	—	833,750	75,000
Gunnar Holt	625,000	350,000	68,750	150,000	—	—	693,750	500,000
Irene Shvakman	350,000	195,115	55,000	27,874	—	—	405,000	222,989
Vasily Sidorov	350,000	195,115	123,750	111,494	—	—	473,750	306,609
Michiel Soeting	277,083	—	57,083	—	—	—	334,166	—
Karen Linehan	342,289	—	53,899	—	—	—	396,188	—
Augie Fabela	175,000	—	57,500	—	—	—	232,500	—
Morten Lundal	175,000	—	42,500	—	—	—	217,500	—
Stan Miller	175,000	—	30,000	—	—	—	205,000	—
Mikhail Fridman	12,500	75,000	—	—	—	—	12,500	75,000
Leonid Boguslavsky	175,000	335,417	12,500	23,958	—	—	187,500	359,375
Gennady Gazin	387,500	842,708	62,500	57,292	1,566,303	1,971,749	2,016,303	2,871,749
Sergi Herrero	175,000	195,417	12,500	13,958	—	—	187,500	209,375
Robert Jan van de Kraats	65,860	350,000	23,522	125,000	—	—	89,382	475,000
Osama Bedier	—	155,556	—	44,444	—	—	—	200,000
Peter Derby	—	155,556	—	66,667	—	—	—	222,223
Amos Genish	—	155,556	—	66,667	—	—	—	222,223
Steve Pusey	—	189,583	—	53,125	—	—	—	242,708
Total compensation	4,330,810	3,832,523	922,562	876,937	3,250,445	3,070,359	8,503,817	7,779,819

<i>In whole US dollars</i>	Retainer		Committees		Other compensation		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Hans-Holger Albrecht	507,763	576,323	200,296	161,321	1,244,652	1,298,776	1,952,711	2,036,420
Yaroslav Glazunov	295,622	88,665	84,088	—	—	—	379,710	88,665
Andrei Gusev	295,622	88,665	55,183	—	525,550	—	876,355	88,665
Gunnar Holt	656,938	413,770	72,263	177,330	—	—	729,201	591,100
Irene Shvakman	367,885	230,665	57,810	32,952	—	—	425,695	263,617
Vasily Sidorov	367,885	230,665	130,074	131,808	—	—	497,959	362,473
Michiel Soeting	291,242	—	60,000	—	—	—	351,242	—
Karen Linehan	359,780	—	56,653	—	—	—	416,433	—
Augie Fabela	183,943	—	60,438	—	—	—	244,381	—
Morten Lundal	183,943	—	44,672	—	—	—	228,615	—
Stan Miller	183,943	—	31,533	—	—	—	215,476	—
Mikhail Fridman	13,139	88,665	—	—	—	—	13,139	88,665
Leonid Boguslavsky	183,943	396,530	13,139	28,323	—	—	197,082	424,853
Gennady Gazin	407,301	996,250	65,694	67,730	1,646,342	2,331,001	2,119,337	3,394,981
Sergi Herrero	183,943	231,022	13,139	16,502	—	—	197,082	247,524
Robert Jan van de Kraats	69,226	413,770	24,723	147,775	—	—	93,949	561,545
Osama Bedier	—	183,898	—	52,542	—	—	—	236,440
Peter Derby	—	183,898	—	78,813	—	—	—	262,711
Amos Genish	—	183,898	—	78,813	—	—	—	262,711
Steve Pusey	—	224,125	—	62,804	—	—	—	286,929
Total compensation	4,552,118	4,530,809	969,705	1,036,713	3,416,544	3,629,777	8,938,367	9,197,299

Explanatory notes

In 2021, equity-settled awards were granted to Group Chairman Gennady Gazin (1,224,086) and Group Digital and Innovation Committee Chairman Hans-Holger Albrecht (1,360,095). The share awards vested on June 10, 2022 and the shares are subject to a holding period through to July 16, 2023. The fair value of these awards were determined using the Black-Scholes Model and an expense of US\$2 was incurred as of December 31, 2022 (US\$2 as of December 31, 2021), which is included in other compensation.

Changes in Board of Directors

Ursula Burns was appointed Group CEO and Chairman of the VEON Ltd. board of directors on December 12, 2018. Accordingly, her total compensation through December 31, 2022, has been included in the section “Compensation of Key Senior Managers” above, except for payments received in respect of her role on Board Committees. Ursula Burns stepped down as Group CEO on March 1, 2020, and later stepped down as Chairman on June 1, 2020.

On June 10, 2021, VEON announced the results of the elections conducted at its Annual General Meeting of Shareholders. Shareholders elected three new members to the Company’s Board of Directors, Vasily Sidorov, Irene Shvakman and Sergi Herrero, as well as nine previously serving directors: Hans-Holger Albrecht, Leonid Boguslavsky, Mikhail Fridman, Gennady Gazin, Yaroslav Glazunov, Andrei Gusev, Gunnar Holt, Stephen Pusey and Robert Jan van de Kraats. Stephen Pusey stepped down as a director from the Company’s Board of Directors on July 15, 2021.

On January 5, 2022, VEON announced the appointment of Karen Linehan to the Board of Directors as a non-executive director, following the resignation of Steve Pusey in 2021.

On March 1, 2022, VEON announced the resignation of Mikhail Fridman from the Board of Directors, effective from February 28, 2022.

On March 8, 2022, VEON announced the resignation of Robert Jan van de Kraats from the Board of Directors, effective from March 7, 2022.

On March 16, 2022, VEON announced the appointment of Michiel Soeting to the Board of Directors as a non-executive director and Chairman of the Audit and Risk Committee, following the resignation of Robert Jan van de Kraats on March 7, 2022.

On May 25, 2022 VEON announced that its Board of Directors and its Nominating and Corporate Governance Committee have recommended eleven individuals for the Board, including eight directors currently serving on the Board and three new members. The Board also announced that Gennady Gazin, Leonid Boguslavsky and Sergi Herrero did not put themselves up for reelection.

On June 29, 2022, at the Annual General Meeting, shareholders elected three new directors: Augie Fabela, Morten Lundal and Stan Miller as well as eight previously serving directors: Hans-Holger Albrecht, Yaroslav Glazunov, Andrei Gusev, Gunnar Holt, Karen Linehan, Irene Shvakman, Vasily Sidorov and Michiel Soeting.

Short Term Incentive Scheme

The Company's Short Term Incentive ("STI") Scheme was revised to a 50:50 shares:cash scheme effective for the year 2022. It provides cash pay-outs (50%) and share awards (50%) to participating employees based on the achievement of established KPIs over the period of one calendar year. KPIs are set every year at the beginning of the year and evaluated in the first quarter of the next year. The KPIs are partially based on the financial and operational results (such as total operating revenue, EBITDA and equity free cash flow) of the Company, or the affiliated entity employing the employee, and partially based on individual targets that are agreed upon with the participant at the start of the performance period based on his or her specific role and activities. The weight of each KPI is decided on an individual basis.

The cash pay-out of the STI award is scheduled in March of the year following the assessment year and is subject to continued active employment during the year of assessment (except in limited "good leaver" circumstances in which case there is a pro-rata reduction) and is also subject to a pro-rata reduction if the participant commenced employment after the start of the year of assessment. The share awards is also scheduled to be granted in March of the year following the assessment year and subject to the same conditions. Both the cash pay-out of the STI award as well as any share awards granted are dependent upon final approval by the compensation and talent committee.

The cash pay-out is accounted for in accordance with IAS 19, *Employee Benefits*, while the share award portion is accounted for in accordance with IFRS 2, *Share-based payments*. The cash bonuses are disclosed in the tables above, while the share-based compensation expense related to the STI is US\$1 for the year ended December 31, 2022.

Deferred Shares Plan

In 2022, equity-settled awards granted to key senior managers and directors in 2021 under the 2021 Deferred Shares Plan ("DSP") vested. Subsequently, 2,659,740 shares in the Company were transferred to key senior managers and directors from shares held by a subsidiary of the Company during the year ended December 31, 2022.

In 2022, equity-settled awards were granted to the VEON Group Chief Executive, Kaan Terzioglu, under the 2021 DSP. A portion of the shares (1,569,531) granted vested immediately on the grant date and the remaining shares (3,662,240) will vest on September 1, 2023. Subsequent to the grant date, 1,569,531 shares in the Company were transferred to Mr. Terzioglu from shares held by a subsidiary of the Company during the year ended December 31, 2022. The fair value of the awards were determined using the Black-Scholes Model and an expense of US\$1 was incurred as of December 31, 2022.

In 2021, equity-settled awards were granted to certain key senior managers and directors under the 2021 DSP, which are subject to a two years vesting period from the grant date. The fair value of the awards were determined using the Black-Scholes Model and an expense of US\$5 was incurred as of December 31, 2022 (US\$5 as of December 31, 2021).

Long Term Incentive Scheme

In 2022, equity-settled awards were granted to certain key senior managers under the 2021 Long-Term Incentive Plan (“LTIP”), which are subject to a three years vesting period from the date of the grant as well as a performance condition related to Target Shareholder Return (“TSR”) in line with shareholder interests. It is not expected that the performance condition will be satisfied. The fair value of the awards were determined using the Black-Scholes Model with a Monte Carlo simulation was performed to determine the likelihood of the performance condition being satisfied. An expense of US\$0 was incurred as of December 31, 2022.

In 2022, cash-settled awards were granted to certain key senior managers under the 2021 LTIP, which are subject to a three years vesting period from the date of the grant as well as a performance condition related to Target Shareholder Return (“TSR”) in line with shareholder interests. It is not expected that the performance condition will be satisfied. The fair value of the awards were determined using the Black-Scholes Model and a Monte Carlo simulation was performed to determine the likelihood of the performance condition being satisfied. The liability was remeasured at the end of the reporting period and an expense of US\$0 was incurred as of December 31, 2022.

In 2021, equity-settled awards were granted to certain key senior managers under the 2021 LTIP, which are subject to a three years vesting period from the date of the grant. The fair value of the awards were determined using the Black-Scholes Model and an expense of US\$1 was incurred as of December 31, 2022 (US\$4 as of December 31, 2021).

ACCOUNTING POLICIES

Equity-settled share-based payments are measured at the grant date fair value, which is expensed over the vesting period, taking into account expected forfeitures and performance conditions, if any, with a corresponding increase in equity.

Cash-settled share-based payments are measured at the grant date fair value and recorded as a liability. The Company remeasures the fair value of the liability at the end of each reporting period until the date of settlement, with any changes in fair value recognized in the income statement.

Other short-term benefits not related to share-based payments are expensed in the period when services are received.

23 EVENTS AFTER THE REPORTING PERIOD

VEON's Scheme of creditors

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes, on January 24, 2023, the Scheme Meeting was held and the amended Scheme issued on January 11, 2023, was approved by 97.59% of the Scheme creditors present and voting.

On January 30, 2023, VEON announced that the Scheme Sanction Hearing had taken place, at which the Court made an order sanctioning the Scheme in respect of the Company's 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies and became effective. The amendments to the 2023 Notes were subject to the receipt of relevant licenses to become effective, at which time the maturity dates of the February 2023 and April 2023 notes will be amended to October and December 2023, respectively. On April 3, 2023, VEON announced that each of the conditions has been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective.

Pursuant to the amendments, Noteholders are entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right will be granted requiring the Company to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount ("2023 Put Option"), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US\$165 of the October 2023 Notes and holders of US\$294 of the December 2023 Notes exercising the Put Option.

On April 20, 2023, VEON announced that subject to the terms of the 2023 Put Option, the Issuer will pay to the Holders of Notes accepted for purchase the Repurchase Price for their Notes on April 26, 2023. For further details, refer to [Note 24](#).

U.S. Treasury expands general license to include both VEON Ltd. and VEON Holdings B.V.

On January 18, 2023, VEON announced that the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) replaced the General License 54 originally issued on November 18, 2022 with General License 54A to now include both VEON Ltd. and VEON Holdings B.V. (VEON Holdings).

This general license authorizes all transactions ordinarily incident and necessary to the purchase and receipt of any debt or equity securities of VEON Ltd. or VEON Holdings B.V. that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071. OFAC General License 54A applies to all debt and equity securities of VEON Ltd. or VEON Holdings B.V. that were issued before June 6, 2022, and confirms that the authorization applies not only to the purchase and receipt of debt and equity securities, but also to transactions ordinarily incident and necessary to facilitating, clearing, and settling of such transactions. This General License ensures that all market participants can trade the relevant securities with confidence that such trading is consistent with E.O. 14071, which targeted "new investment" in Russia.

Update on sale of Russia operations

On February 7, 2023, the Sub-Commission of the Government Commission for Control over Foreign Investments in the Russian Federation issued its approval of the proposed sale of VEON's Russian operations to certain senior members of the management of PJSC VimpelCom ("VimpelCom").

On April 15, 2023, OFAC issued a license authorizing U.S. persons to engage in all transactions ordinarily incident and necessary to the divestment of VimpelCom. In addition to this OFAC license, VEON has also determined that it has the requisite authorizations required by the UK and Bermudan authorities to proceed with the divestment of VimpelCom. VEON does not believe that a license is required from the EU to execute the sale and is seeking a no-license-required confirmation from the relevant EU authorities.

On May 30, 2023, VEON announced that it has submitted all necessary documentation to Euroclear, Clearstream and registrars for cancellation of VEON's Eurobonds held by its subsidiary, PJSC VimpelCom. With this, the Company enters the final stages in the closing of the sale of VEON's Russia operations, which was announced on November 24, 2022. According to the terms of the VEON Bonds (Notes), the registrar is required to cancel the VEON Bonds purchased by a subsidiary of VEON and surrendered to the registrar for cancellation.

Purchase of VEON Group Debt

As of June 30, 2023, VEON was informed that VimpelCom independently concluded the purchase of US\$1,572 of VEON Holdings B.V. Notes in order to satisfy certain Russian regulatory obligations. These Notes were reclassified to intercompany debt with the equivalent reduction in gross debt for VEON Group. PJSC VimpelCom has funded the purchase primarily by issuing new notes of longer maturity.

VEON US\$1,250 multi-currency revolving credit facility agreement

On April 20, 2023 and May 30, 2023, the outstanding amounts under RCF facility have been rolled-over until October, US\$692 and November, US\$363, 2023.

Ukraine prepayment

In April 2023, Kyivstar fully prepaid its external debt which included a UAH 1,400 million (US\$38) loan with Raiffeisen Bank and UAH 760 million loan with OTP Bank (US\$21).

PMCL syndicated credit facility

Pakistan Mobile Communication Limited ("PMCL") fully utilized the remaining PKR 10 billion (US\$41) under existing 40 billion facility through drawdown in January and April 2023.

VEON announced ratio change under its American Depositary Receipt ("ADR") program

On February 6, 2023, VEON announced that its Board of Directors approved a change of ratio in the Company's ADR program, comprising a change in the ratio of American Depositary Shares (the "ADSs") to VEON common shares (the "Shares") from one (1) ADS representing one (1) Share, to one (1) ADS representing twenty-five (25) Shares (the "Ratio Change"). The effective date of the Ratio Change was March 8, 2023. On March 23, 2023, VEON was notified by Nasdaq that VEON has regained compliance with Listing Rule 5550(a)(2). For further details refer to [Note 1](#) and [Note 9](#).

VEON Management increases ownership

On December 31, 2022, equity-settled awards granted to the Chief Internal Audit & Compliance Officer, Mr. Joop Brakenhoff, under the 2021 Deferred Share Plan vest. Subsequently, 52,543 shares in the Company were transferred to Mr. Brakenhoff from shares held by a subsidiary of the Company and 51,504 shares were withheld to cover local withholding tax.

On April 14, 2023, VEON announced that equity-settled awards were grants to five members of VEON's Group Executive Committee (GEC) under the STI Scheme (154,876 shares) and the LTIP (643,286 shares).

On July 1, 2023, 1,395,358 common shares granted to current and former members of VEON's GEC vested as part of the 2021 Deferred Shares Plan. As of July 24, 2023, VEON had initiated the transfer of 32,976 ADSs, representing 824,400 common shares, to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares, were granted with immediate vesting to members of VEON's GEC and 70,000 ADSs, representing 1,750,000 common shares, were granted with immediate vesting to current and former members of VEON's Board. As of July 24, 2023, VEON had initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares, to the respective executives and Board members.

Additionally, as of July 24, 2023, VEON had initiated the transfer of 24,727 ADSs, representing 618,175 common shares, to a former Board member in relation to a grant of 1,224,086 common shares that vested in June 2022 but for which transfer was delayed.

For each of the above transfers, a portion of the granted ADSs/common shares may have been withheld to cover tax obligations.

Changes in Key Senior Managers

On March 15, 2023, VEON announced the appointment of Joop Brakenhoff as Group Chief Financial Officer (CFO), effective from May 1, 2023. Mr. Brakenhoff will replace Serkan Okandan whose three-year contract as Group CFO expired at the end of April 2023. Mr. Okandan will continue to serve VEON as a special advisor to the Group CEO and CFO.

On June 16, 2023, VEON announced that Omiyinka Doris has been appointed Group General Counsel in a permanent capacity, effective June 1, 2023, and will continue as a member of the GEC.

On July 19, 2023, VEON announced that Group Head of Portfolio Management, Dmitry Shvets, Group Chief People Officer, Michael Schulz and Group Chief Corporate Affairs Officer, Matthieu Galvani will be stepping down from their executive roles effective October 1, 2023.

Bangladesh Telecommunication Regulatory Commission (“BTRC”) regulatory audit report

On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US\$76 million) which includes BDT 4,307 million (approximately US\$40 million) for interest. The Company is currently reviewing the findings and Banglalink may challenge certain proposed penalties and interest which may result in adjustments to the final amount to be paid by Banglalink. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable.

Change in Board of Directors

On June 29, 2023, at its Annual General Meeting, VEON shareholders approved the Board recommended slate of seven directors, including six directors currently serving on the Board – Augie Fabela, Yaroslav Glazunov, Andrei Gusev, Karen Linehan, Morten Lundal and Michiel Soeting – and Kaan Terzioğlu, the Chief Executive Officer (CEO) of the VEON Group. The Board elected Morten Lundal as the Chair in its first meeting following the AGM.

Italy Tax Matter

On July 17, 2023, VEON signed an agreement with the Italy Tax Authorities for the settlement of an ongoing tax claim dispute which was fully provided for as of December 31, 2022.

Canadian Sanctions

On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including PJSC VimpelCom. Refer to [Note 24](#) for further details.

24 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, effective at the time of preparing the consolidated financial statements and applied by VEON.

The consolidated income statement has been presented based on the nature of the expense, other than ‘Selling, general and administrative expenses’, which has been presented based on the function of the expense.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise disclosed.

Certain comparative amounts have been reclassified. Specifically, the following December 31, 2021 balances were reclassified in the consolidated statement of financial position:

- Short term investments for treasury bills shorter than three months maturity relating to micro finance bank operations of US\$75 is now presented in cash and cash equivalents. Accordingly the cash flow movement of US\$39 relating to treasury bills has also been presented as cash and cash equivalent.
- Short term portion of license fee payable of US\$31 is now presented as other financial liabilities within current debt and derivative liabilities.
- Expected credit losses relating to other trade receivables of US\$27 presented as other receivables, is now presented as expected credit losses trade and receivable.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Company has control. Please refer to [Note 14](#) for a list of significant subsidiaries.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

When the Group ceases to consolidate a subsidiary due to loss of control, the related subsidiary’s assets (including goodwill), liabilities, non-controlling interest and other components of equity are de-recognized. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. Any consideration received is recognized at fair value, and any investment retained is re-measured to its fair value, and this fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest. Any resultant gain or loss is recognized in the income statement.

FOREIGN CURRENCY TRANSLATION

The consolidated financial statements of the Group are presented in U.S. dollars. Each entity in the Group determines its own functional currency and amounts included in the financial statements of each entity are measured using that functional currency.

Upon consolidation, the assets and liabilities measured in the functional currency are translated into U.S. dollars at exchange rates prevailing on the balance sheet date; whereas income and expenses are generally translated into U.S. dollars at historical monthly average exchange rates. Foreign currency translation adjustments resulting from the process of translating financial statements into U.S. dollars are reported in other comprehensive income and accumulated within a separate component of equity.

RESTATEMENT OF 2022 CONSOLIDATED FINANCIAL STATEMENTS

After the issuance of VEON Ltd.'s Dutch statutory financial statements for the year ended December 31, 2022 filed on June 25, 2023 and prior to the filing of VEON Ltd.'s Annual Report on Form 20-F for the same period, the Company discovered an error in the consolidated statement of comprehensive income with respect to the derecognition of non-controlling interest for the sale of its Algerian operations (refer to [Note 10](#) for further details) which has been corrected in these financial statements. Under Dutch law, the Company determined the error does not result in financial statements that are seriously defective in providing a view that enables a sound judgment to be formed on assets, liabilities, equity and results of the Company and, insofar as the nature of financial statements permit, of its solvency and liquidity. In accordance with IFRS and Dutch law, the Company will correct and disclose the error retrospectively in its statutory accounts in its half-yearly financial statements and subsequently in the full year 2023 Dutch annual report. As a result, the Company will not correct the previously issued consolidated financial statements, VEON Ltd.'s Dutch statutory financial statements for the year ended December 31, 2022, through an additional filing of the 2022 Dutch Annual Report in the Netherlands. The non-controlling interest was incorrectly derecognized in other comprehensive income (OCI), a component within equity, while it should have been derecognized directly in equity without an impact in OCI. With respect to the consolidated statement of changes in equity, the amount was previously presented in the Dutch statutory financial statements as a line item within OCI and is now presented as a separate line item on the statement with no impact to OCI in this Annual Report. Refer to the impact on the consolidated statement of comprehensive income below. Thus, the error correction results in an adjustment in the consolidated statement of changes in equity which has no impact on total consolidated equity as well as an adjustment in the consolidated statement of comprehensive income.

Further, the error had no impact on the result on the sale of Algeria (refer to [Note 10](#)) as presented on the consolidated income statement and no impact on the consolidated income statement as a whole. Additionally, the error had no impact on the consolidated statement of financial position, consolidated statement of cash flows, basic or diluted earnings per share, adjusted EBITDA, nor on VEON's financial covenants for its lenders.

Statement of Comprehensive Income

For the year ended December 31, 2022

(In millions of U.S. dollars)	Impact of correction of the error		
	VEON Ltd. Dutch Statutory Financial Statements as previously reported	Adjustment	VEON Ltd. Form 20-F Consolidated Financial Statements as restated
Profit / (loss) for the period	(9)	—	(9)
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation	(480)	—	(480)
Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation	(266)	824	558
<i>Items that will not be reclassified to profit or loss</i>			
Other	27	—	27
Other comprehensive income / (loss) for the period, net of tax	(719)	824	105
Total comprehensive income / (loss) for the period, net of tax	(728)	824	96
Attributable to:			
The owners of the parent	(14)	—	(14)
Non-controlling interests	(714)	824	110
	(728)	824	96
Total comprehensive income / (loss) for the period, net of tax from:			
Continuing operations	234	—	234
Discontinued operations	(962)	824	(138)
	(728)	824	96

ONGOING CONFLICT BETWEEN RUSSIA AND UKRAINE

As of July 24, 2023, hostilities continue in Ukraine and missile strikes have also occurred in Russia. Currently, one third of our total subscribers are in Ukraine and Russia, where they are supported by 32,000 employees. VEON's priority is to protect the safety and well-being of our employees and their families. We have developed and, in some cases, implemented additional contingency plans to relocate work and/or personnel to other geographies and add new locations, as appropriate. As of July 24, 2023, most of our Ukraine subsidiary's employees remain in the country. As of July 24, 2023, millions of people have fled Ukraine and the country has sustained significant damage to infrastructure and assets.

As the conflict persists, we could lose a greater percentage of our customer base in Ukraine. If Ukrainian refugees choose to relocate permanently outside of Ukraine and switch to local providers, this could have a significant impact on their use and spending on our services. Due to the efforts of our Ukrainian team as well as collaboration with other telecommunications operators in the region, network capacity has remained stable with minimal disruptions since the beginning of the conflict. We have incurred and will continue to incur additional expenditures to maintain and repair our mobile and fixed-line telecommunications infrastructure in Ukraine as a result of any damage inflicted on our infrastructure due to the ongoing conflict, as well as for security, increased energy costs, and related operational and capital expenditures. In addition, our ability to provide services in Ukraine may be impaired if we are unable to maintain key personnel within Ukraine and/or our infrastructure within Ukraine is significantly damaged or destroyed.

In response to the events in Ukraine, the United States, European Union (and individual EU member states) and, the United Kingdom, as well as other countries have imposed wide-ranging economic sanctions and trade restrictions which have targeted individuals and entities as well as large aspects of the Russian economy, including freezing the assets of Russia's central bank, other Russian financial institutions, and individuals, removing selected Russian banks from the Swift banking system, and curbing certain products exported to Russia. In addition, on July 20, 2023, Canada imposed on a number of Russian mobile operators, including PJSC VimpelCom. Furthermore, as a response to the imposed sanctions, Russia introduced a number of counter-sanctions aimed at stabilizing domestic financial markets. These, among others, include restrictions related to capital and foreign exchange controls, restrictions on lending to foreign (non-Russian) persons, restrictions on foreign persons' transactions with Russian securities and real estate, and limitations on export and import of certain goods into and outside Russia. For example, on July 5, 2022, the President of the Russian Federation issued Decree No. 430 ("Decree 430") which requires Russian legal entities with Eurobond obligations to ensure the local fulfillment of such obligations to Eurobond holders whose rights are recorded by the Russian depositories, e.g. NSD or Account Holders registered in the Russian Federation (refer to further discussion below). Ukraine has also implemented and may implement further sanctions or measures on individuals or entities with close ties with Russia, which may impact negatively Kyivstar in case, whether prior to or after the proposed sale of our Russian operations, it is considered by the local authorities as a Russia-owned company. For example, in October 2022, Ukraine imposed sanctions for a ten-year period against, Mikhail Fridman, Petr Aven and Andriy Kosogov, who are some of the Company's ultimate beneficial owners due to their ownership in LetterOne. These Ukrainian sanctions apply exclusively to the sanctioned individuals and do not have a direct impact on the Company, however, the Company cannot rule out their impact on banks' and other parties readiness to transfer dividends in the event such restrictions are lifted. Furthermore, these sanctions may make it difficult for the Company to obtain local financing in Ukrainian hryvnia, which could make it more difficult for us to naturally hedge any debt required for our Ukrainian operations moving forward to the currency in which we generate revenue. In addition, Ukraine has put one member of senior management in government registry managers of Russian companies as a result of this senior manager being on the board of VimpelCom. This list has had and could continue to cause reputational harm to the Group, particularly for its operations and customer relationships in Ukraine, since engagement with Russian companies are generally condemned. Ukraine's restrictions have already led to restrictions on the payout of dividends from Ukraine resulting in no cash being upstreamed to VEON, prohibitions on renting state property and land, prohibitions on participation in public procurement impacting B2G revenue and potential prohibitions on transfer of technology and intellectual rights to Kyivstar from VEON.

The ongoing conflict between Russia and Ukraine, and the sanctions imposed by the various jurisdictions, counter sanctions and other legal and regulatory measures, as well as responses by our service providers, partners, suppliers and other counterparties, including certain professional service providers we rely on, and the consequences of all the foregoing, have negatively impacted and, if the conflict, sanctions and such responses continue or escalate, will continue to negatively impact aspects of our operations and results in Russia and Ukraine, and may affect aspects of our operations and results in the other countries in which we operate.

The conflict has resulted in the following events and conditions that may cast significant doubt on the Company's ability to continue as a going concern, particularly if we are not able to consummate the agreed disposal of our Russian operations (refer to [Note 9](#) and [Note 10](#)):

- The current events in the regions where we operate in Ukraine and where we derive a significant amount of our business may pose security risks to our people, our facilities, our operations, and infrastructure, such as utilities and network services, and the disruption of any or all of them could significantly affect our business, financial conditions and results of operations in Ukraine, and cause volatility in the value of our securities. The conflict has also had a marked impact on the economies of Russia and Ukraine. However, since the beginning of the conflict, a significant majority of Ukraine's network infrastructure has been operating effectively and disruptions in service have been limited to specific areas where the conflict is most intense. It cannot be ruled out that the conflict and related damage could escalate within Ukraine or within Russia.

- We have recorded material impairment charges with respect to goodwill in Russia and have also recorded impairment charges related to physical damages of assets in Ukraine during the 12 months ended December 31, 2022 (refer to [Note 10](#) and [Note 12](#), respectively, for additional information), and we may need to record future impairment charges, which could be material, if the conflict continues or escalates and as more information becomes available to management. It is possible further impairment charges may rise to a level as to require additional analysis to determine the true value of assets as outlined in the provisions of our debt agreements and in the worst scenario, when the true value of assets is lower than the liabilities, could require early repayments of our long term debt.
- In Russia, macroeconomic conditions and outlook remain uncertain. The results of our operations in Russia on a U.S. dollar basis may fluctuate for the foreseeable future compared to results prior to the onset of the conflict, largely due to the volatility of the Russian ruble and to lower equipment sales.
- As of July 24, 2023, the Company continues to conclude that neither VEON Ltd. nor any of its subsidiaries is targeted by sanctions imposed by any of the United States, European Union (and individual EU member states) and the United Kingdom. However, the interpretation and enforcement of these new sanctions and counter-sanctions may result in unanticipated outcomes and could give rise to material uncertainties, which could complicate our business decisions. Furthermore, on July 20, 2023, Canada imposed direct sanctions on a number of Russian mobile operators, including PJSC VimpelCom. For example, to protect U.S. foreign policy and national security interests, the U.S. government has broad discretion to at times impose a broad range of extraterritorial “secondary” sanctions under which non-U.S. persons carrying out certain activities may be penalized or designated as sanctioned parties, even if the activities have no ties, contact with, or nexus to the United States or the U.S. financial system at all. These secondary sanctions could be imposed on the Company or any of the Company’s subsidiaries if they were to engage in activity that the U.S. government determined was undertaken knowingly and rose to the level of material or significant support to, for, or on behalf of certain sanctioned parties. The broad nature of the financial sanctions targeted at the Russian financial system, including several banks that have historically provided funding to the Company, along with comprehensive sanctions on investment and vendors in Russia and the ongoing conflict between Russia and Ukraine may therefore have a material impact on aspects of the Company’s operations and business plans in Russia and Ukraine. In addition, we have assessed the potential impact of the guidance regarding the ban on “new investment” in the Russian Federation by U.S. persons and UK persons and the prohibition on U.S., EU, and UK persons furnishing accounting and certain other services to Russia.
- Based on the current state of affairs, the Company currently has sufficient liquidity to satisfy our current obligations at least over the next 12 months from the issuance of the financial statements without the need of additional financing assuming no early repayments of our long-term debt and the completion of the sale of our Russian operations (refer to [Note 9](#) and [Note 10](#)). In addition, cash on hand is US\$2,457 at June 30, 2023. The Company also expects to meet its financial covenants as required by our debt agreements during the same twelve-month period. However, these continue to be uncertain times and it is not possible to predict with precision how certain developments will impact our liquidity position, our financial covenants and non-financial provisions in our debt agreements, and our equity levels both at the group and operating company levels. A deterioration in the results or operations of our operating companies could trigger certain financial covenants or non-financial provisions in our debt agreements, requiring accelerated repayment, potentially triggering a cross-default across all debt facilities and the revolving credit facility and negatively impact our liquidity. We may also be impacted by conditions or local legal requirements in international markets that could make it more difficult to service our existing debt obligations or refinance existing debt. Should we not realize the assumptions behind our liquidity forecast, we may not have sufficient liquidity to continue to operate as outlined above. If we are unable to raise additional capital in the market in which we want to raise it, or at all, or if the cost of raising additional capital significantly increases, which has been the case over the last 12 months due to global inflationary pressures and a number of other factors, we may be unable to make necessary or desired capital expenditures, take advantage of investment opportunities, refinance existing indebtedness or meet unexpected financial requirements, and our growth strategy and liquidity may be negatively affected. This could cause us to be unable to repay indebtedness as it comes due, to delay or abandon anticipated expenditures and investments or otherwise limit operations. For example, the ongoing conflict in Russia and Ukraine has caused us to reconsider our capital outlay to ensure we have sufficient liquidity for maintenance capital expenditures and other key operational spend while at the same time servicing our indebtedness. As a result, capital expenditures that are more discretionary in nature may be put on hold until the impact of the ongoing conflict between Russia and Ukraine, and particularly its effects on our liquidity and financial profile, becomes more certain.
- In response to the geopolitical and economic situation in both Ukraine and Russia, there is a risk of either country imposing external administration over foreign companies or assets. For example, as part of the measures that the Ukrainian government has adopted in response to the ongoing conflict with Russia, amendments to the nationalization law (the “Nationalization Law”) in Ukraine have been published and as of July 24, 2023 are awaiting signature by the President of Ukraine (“Nationalization Law Amendments”). The Nationalization Law Amendments extends the definition of “residents” whose property in Ukraine (owned directly or

indirectly) can be seized under the Nationalization Law to include property owned by the Russian state, Russian citizens, other nationals with a very close relationship to Russia, residing or having a main place of business in Russia, or legal entities operating in Ukraine whose founder or ultimate beneficial owner is the Russian state or are controlled or managed by any of the individuals identified above. For example, in May 2023, President Zelensky signed an initial package of restrictive measures on 41 entities, including against the Russian stake in Zaporizhstal, one of Ukraine's largest metallurgical companies, as part of Nationalization Law efforts. In April 2023, the Ukrainian Parliament voted for similar measures to allow for the nationalization of Alfa Bank, one of Ukraine's largest commercial banks with several sanctioned Russian shareholders. Furthermore, on February 24, 2022, the Ukrainian government invoked martial law which allows the government to take control of stakes in strategic companies in Ukraine in order to meet the needs of the defense sector. The Security Council Secretary indicated that at the end of the application of martial law, the assets can be returned or their owners can be appropriately compensated.

- Additionally, on April 25, 2023, the President of the Russian Federation issued Decree No. 302 ("Decree 302") which introduced a legal framework for imposing temporary administration over Russian assets, including companies, owned by foreign residents associated with "unfriendly" jurisdictions which take hostile actions against Russia. Under the new regime, foreign owners retain their title to assets but all management decisions are taken by the State Agency for Management of State Property which is entitled, among other things, to replace the CEO and Board members in the companies managed by it. The inclusion into and exclusion from the list of assets subject to such temporary administration is approved by Presidential Decree. Since the issuance of Decree 302 shares in two energy companies have been included in such list and, more recently, it has also been applied to Russian subsidiaries of Carlsberg and Danone. Carlsberg had found a buyer for its Russian subsidiary and Danone had indicated it was planning to exit Russia by divesting its Russian subsidiary.
- If further measures are adopted and applied in relation to either our Ukrainian or Russian subsidiary, or both, this could lead to the involuntary deconsolidation of our Ukrainian and/or Russian operations, and could trigger certain financial covenants or non-financial provisions in our debt agreements, requiring accelerated repayment, potentially triggering a cross-default across other debt agreements and the revolving credit facility and negatively impact our liquidity.
- The United States imposed sweeping export control restrictions on Russia's ability to obtain goods, software and technology subject to U.S. export control jurisdiction, including a broad array of foreign-made items, that were previously not subject to U.S. export control jurisdiction. This could have an adverse impact on our ability to maintain and/or improve our infrastructure and adversely impact the availability and quality of our services and therefore have a material adverse effect on our operations and results of operation. In the event of future imposed laws and regulations as a result of the ongoing conflict between Russia and Ukraine, our business, the operation of our networks, our supply chain stability of items critical to the telecommunications sector in Russia, and our ability to comply with the terms of our operating licenses and local laws and regulations could be materially adversely impacted.
- On July 5, 2022, the President of the Russian Federation issued Decree No. 430 ("Decree 430") which requires Russian legal entities with Eurobond obligations to ensure the local fulfillment of such obligations to Eurobond holders whose rights are recorded by the Russian depositories, e.g. NSD or Account Holders registered in the Russian Federation. On November 23, 2022, the Russian Central Bank issued clarifications in respect of Decree 430, claiming that it also applies to Russian legal entities and foreign issuers that are within the same group of companies. Several VEON Holdings B.V. bondholders in Russia have approached PJSC VimpelCom to locally satisfy VEON Holdings B.V.'s notes obligations and four legal proceedings have been lodged against PJSC VimpelCom in respect of VEON Holdings B.V.'s notes with a total potential impact of US\$22. PJSC VimpelCom is defending these claims and has indicated it is disputing the applicability of Decree 430 to PJSC VimpelCom. In July 2023, hearings were held for two of the four claims, with the court in each respective claim rejecting the bondholder's claims for coupon payments and interest. Refer to [Note 7](#).
- On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including PJSC VimpelCom. Such sanctions may cause increased reputational harm to PJSC VimpelCom and the Group since they represent direct sanctions adopted against PJSC VimpelCom by Canada, particularly if other nations adopt similar measures.

Management's actions to address these events and conditions are as follows:

- We have implemented business continuity plans to address known contingency scenarios to ensure that we have adequate processes and practices in place to protect the safety of our people and to handle potential impacts to our operations in Ukraine and Russia.
- On November 24, 2022, VEON entered into an agreement to sell VEON's Russian operations to certain senior members of the management team of PJSC VimpelCom ("VimpelCom"), led by its current CEO, Aleksander Torbakhov. Under the agreement, VEON will receive consideration of RUB 130 billion (approximately USD 1.9 billion). It is expected that the consideration will be paid primarily by VimpelCom taking on and discharging certain VEON Holdings B.V. debt, thus significantly deleveraging VEON's balance sheet. The SPA contains provisions amongst others that in the event Vimpelcom acquires VEON Holdings B.V.'s

debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction is subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (United States, United Kingdom, European Union, and Bermuda) for the proposed structure of the sale. As of July 24, 2023, Russian regulatory approvals have been obtained as well as the OFAC license and required authorizations from the United Kingdom and Bermudan authorities. The remaining closing conditions to be satisfied include any required license from the European Union or any required consent from VEON creditors in order to cancel the debt provided as consideration and/or complete the sale. Refer to [Note 9](#), [Note 10](#), and [Note 23](#) for further details. Following the completion of this sale, the risk of material impacts on VEON's operations stemming from Russian-related sanctions from various jurisdictions will be minimal.

- The Company has performed sensitivities on the volatility of the Russian ruble as well as other currencies in our operating markets with respect to the impact on our financial results and does not expect fluctuations to have a significant impact. In the normal course of business, the Company manages its foreign currency risk by selectively hedging committed exposures and hedges part of its exposure to fluctuations on the translation into U.S. dollars of its foreign operations by holding the borrowings in foreign currencies or by foreign exchange swaps and forwards.
- Management is actively monitoring any new developments in applicable sanctions to ensure that we are in compliance and to evaluate any potential impact on the Company's financial performance, operations, and governance. As a result of current economic sanctions affecting Russian banks, we repaid our RUB 30 billion seven-year term loan with VTB Bank on March 9, 2022 and two of our group-level loans with Sberbank and Alfa Bank respectively, totaling RUB 90 billion in total, were novated to PJSC VimpelCom, within the Russia operating segment, in April 2022 (refer to [Note 16](#)). This resulted in the release of the former borrower (VEON Finance Ireland DAC) and the former guarantor (VEON Holdings B.V.) from their obligations. In addition, the novation of these loans has allowed VEON to ensure that the majority of the Group's Russian ruble liabilities are held within Russia and as such are matched to the market where Russian ruble revenues are generated. We have also sufficiently reduced local debt levels below thresholds that would, upon any potential acceleration, trigger cross-defaults under the RCF or other debt instruments, however, this risk remains as it pertains to other provisions under RCF.
- Management has actively engaged with sanctions authorities where appropriate. On November 18, 2022, VEON announced that the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") issued General License 54 authorizing all transactions ordinarily incident and necessary to the purchase and receipt of any debt or equity securities of VEON Ltd. that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071. OFAC General License 54 applies to all debt and equity securities of VEON Ltd. that were issued before June 6, 2022, and confirms that the authorization applies not only to the purchase and receipt of debt and equity securities, but also to transactions ordinarily incident and necessary to facilitating, clearing, and settling of such transactions. This General License ensures that all market participants can trade the relevant securities with confidence that such trading is consistent with E.O. 14071, which targeted "new investment" in Russia, and was issued following active engagement with OFAC on the topic. On January 18, 2023, OFAC has replaced the General License 54 originally issued on November 18, 2022 with General License 54A to now include both VEON Ltd. and VEON Holdings B.V.
- Management actively monitors the Company's liquidity position, our financial and non-financial provisions in our debt agreements, and our equity levels on a regular and continuous basis both at the group and operating company levels and should they reach a level considered at-risk, management will take actions to ensure our liquidity position is sufficient and our financial covenants and non-financial provisions in our debt agreements are met. In the event a default provision within our debt agreements is triggered, VEON is in regular communication with its relevant lenders and has an obligation to notify them of any default that occurs and is continuing to occur. Should this occur, VEON will proactively and promptly respond to queries from lenders on the relevant covenant breach and initiate negotiations with lenders should the need arise. As of July 24, 2023, the Company has satisfied all of its interest and capital payments and is not in default on any of its bonds or bank debt and has sufficient liquidity to satisfy our current obligations at least over the next 12 months from the issuance of the financial statements.
- On November 24, 2022, VEON announced the launch of a proposed scheme of arrangement (the "Scheme") in England via the issuance of a Practice Statement Letter to extend the maturity of the 5.95% notes due February 2023 and 7.25% notes due April 2023 issued by the Company (together, the "2023 Notes") by eight months from their respective maturity dates. On January 24, 2023, the Scheme was approved by the Scheme creditors. On January 30, 2023, the Court sanctioned the Scheme. Upon approval by the Court, a standstill period was imposed which restricts 2023 Noteholders (and other Scheme creditors) from taking enforcement action (and other related actions) in accordance with the terms described in the Scheme. Management believes the amendments proposed by the Scheme will allow VEON necessary time to move towards completion of the VimpelCom disposal, while also reducing the risk of double payment of principal to holders of the 2023 Notes holding through the NSD (i.e. payments by both VEON Holdings B.V. and VimpelCom, with the portion paid by VEON Holdings B.V. being held in the international clearing

systems). The Scheme is subject to obtaining the necessary remaining licenses from relevant government authorities. On April 3, 2023, VEON announced that each of the conditions has been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective. Pursuant to the amendments, Noteholders are entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right will be granted requiring the Company to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount (“2023 Put Option”), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US\$165 of the October 2023 Notes and holders of US\$294 of the December 2023 Notes exercising the Put Option. On April 20, 2023, VEON announced that subject to the terms of the 2023 Put Option, the Issuer will pay to the Holders of Notes accepted for purchase the Repurchase Price for their Notes on April 26, 2023. Following the settlement of the Put Option, the aggregate principal amount of Notes outstanding is US\$364 for the October 2023 Notes and US\$406 for the December 2023 Notes.

- Management is actively monitoring any new developments in new laws and regulations to ensure that we are in compliance and to evaluate any potential impact on the Company’s financial performance, operations and governance. As a result of the sweeping export control restrictions on Russia’s ability to obtain goods, software and technology imposed by the United States, the Company is currently developing contingency plans to maximize the use of existing equipment in order to minimize the impact on our operations and results while also analyzing the potential for applying for licenses and the applicability of certain exceptions to the licensing requirements with respect to Russia in order to permit continued procurement of goods, software and technology subject to U.S. export control jurisdiction.

The accompanying consolidated financial statements have been prepared on a going concern basis. In accordance with International Accounting Standards (“IAS”) 1, Presentation of Financial Statements, the Company has determined that the aforementioned conditions and events, considered in the aggregate, may cast significant doubt about the Company’s ability to continue as a going concern for at least 12 months after the date these consolidated financial statements were authorized for issuance. Management expects the actions it has taken or will take will mitigate the risk associated with the identified events and conditions. However, given the uncertainty and exogenous nature of the ongoing conflict and potential future imposed sanctions as well as potential new counter-sanctions, and given the possible future imposition of external administration over our Russian and Ukrainian operations in particular, management concluded that a material uncertainty remains related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern, such that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

As a U.S. SEC registrant, the Company is required to have its financial statements audited in accordance with Public Company Accounting Oversight Board (“PCAOB”) standards. References in these IFRS financial statements to matters that may cast significant doubt about the Company’s ability to continue as a going concern also raise substantial doubt as contemplated by the PCAOB standards.

25 SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements has required management to apply accounting policies and methodologies based on complex and subjective judgments, as well as estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The use of these judgments, estimates and assumptions affects the amounts reported in these consolidated financial statements. The final amounts for items for which estimates and assumptions were made in the consolidated financial statements may differ from those reported in these statements due to the uncertainties that characterize the assumptions and conditions on which the estimates are based.

The sources of uncertainty identified by the Group are described together with the applicable Note, as follows:

Significant accounting judgment / source of estimation uncertainty	Described in
Revenue recognition	Note 3
Deferred tax assets and uncertain tax positions	Note 8
Provisions and contingent liabilities	Note 7
Impairment of non-current assets	Note 11
Control over subsidiaries	Note 14
Depreciation and amortization of non-current assets	Note 12 and Note 13
Fair value of financial instruments	Note 16
Sale and lease back transactions	Note 12
Measurement of lease liabilities	Note 16

NEW STANDARDS AND INTERPRETATIONS

Adopted in 2022

A number of new and amended standards became effective as of January 1, 2022, which did not have a material impact on VEON financial statements. The Group has not early adopted any other standards, interpretations or amendments that have been issued but have not yet become effective.

Not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on VEON financial statements in current or future reporting periods or on foreseeable future transactions.

26 CONDENSED SEPARATE FINANCIAL INFORMATION OF VEON LTD

Certain of the consolidated entities by VEON Ltd. are restricted from remitting funds in the form of cash dividends or loans by a variety of regulations, contractual or local statutory requirements.

Regulation S-X requires that condensed financial information of the registrant shall be filed when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. For purposes of the above test, restricted net assets of consolidated subsidiaries means that amount of the registrant's proportionate share of net assets of consolidated subsidiaries (after intercompany eliminations) which as of the end of the most recent fiscal year may not be transferred to the parent company by subsidiaries in the form of loans, advances or cash dividends without the consent of a third party.

The Company performed a test on the restricted net assets of consolidated subsidiaries and concluded the restricted net assets exceed 25% of the consolidated net assets of the Company as of December 31, 2022. As of December 31, 2022, VEON Ltd. had restricted net assets of 303%, compared to 102% in 2021, of total net assets. The Company was subject to legal restrictions to distribute accumulated profits from Algeria by virtue of local shareholding agreement (i.e. it is allowed only to distribute 42.5% of current year profit), and the rest was restricted. This restriction was removed as a result of disposal of Algerian operations during 2022 (refer [Note 10](#) for further details on disposal of Algeria). The relative change in restriction was primarily due to the removal of Algeria related restriction as discussed in previous paragraph and further restriction on upstreaming of dividend from Ukraine and Russia owing to the ongoing conflict between Russia and Ukraine (refer [Note 24](#) for further details) and the devaluation of exchange rates in the countries in which VEON operates thus lowering the book value of consolidated net assets of the Company relative to share of the restricted assets. Accordingly, separate condensed financial statements of VEON Ltd. have been prepared, in accordance with Rule 5-04 and Rule 12-04 of SEC Regulation S-X.

The separate condensed financial statements should be read in conjunction with the Company's consolidated financial statements and the accompanying notes thereto.

The separate condensed financial statements have been prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code. In accordance with the provisions of Article 362, paragraph 8, Title 9 of Book 2 of the Dutch Civil Code the accounting policies used are the same as those explained in the Notes to the Consolidated Financial Statements, prepared under IFRS, except for the accounting policy disclosed below.

The 'Equity' and 'Profit / (loss) for the year' shown in the separate condensed financial statements below are equal to the 'Equity' and 'Profit / (loss) for the year' which are attributable to the owners of the parent within the Company's consolidated financial statements.

Subsidiaries

Subsidiaries are all entities (including intermediate subsidiaries) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognized from the date on which control is transferred to the Company or its intermediate holding entities. They are de-recognized from the date that control ceases.

Investments in subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. If the valuation of a subsidiary based on the net asset value is negative, it will be stated at nil. If and insofar as the Company can be held fully or partially liable for the debts of the subsidiary or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

Newly acquired subsidiaries are initially recognized on the basis of the fair value of their identifiable net assets at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used.

The amount by which the carrying amount of the subsidiary has changed since the previous financial statements as a result of the net result achieved by the subsidiary is recognized in the income statement.

Condensed statement of financial position:

As of December 31

	2022	2021	2020
Non-current assets			
Intangible assets	5	6	8
Tangible fixed assets	2	3	8
Financial fixed assets	760	690	138
Total non-current assets	767	699	154
Total current assets	78	119	320
Total assets	845	818	474
Equity	569	586	163
Total liabilities	276	232	311
Total equity and liabilities	845	818	474

Condensed income statement:

for the years ended December 31

	2022	2021	2020
Selling, general and administrative expenses	(103)	(86)	(101)
Other operating gains	—	—	—
Recharged expenses to group companies	10	(11)	3
Operating (loss) / profit	(93)	(97)	(98)
Finance income and (costs)	(1)	2	(2)
Share in result of subsidiaries after tax	(68)	773	(249)
Income tax	—	(4)	—
Total non-operating income and expenses	(69)	772	(251)
Profit / (loss) for the year	(162)	674	(349)

Condensed statements of comprehensive income:

for the years ended December 31

	2022	2021	2020
Total comprehensive (loss) / profit for the year, net of tax	—	—	(800)

Condensed statement of cash flows:

for the years ended December 31

	2022	2021	2020
Net cash flows from operating activities	(108)	(27)	(13)
<u>Investing activities</u>			
Receipt of dividends	—	—	—
Receipt of capital surplus from a subsidiary	—	(1)	317
Other cash flows from investing activities	—	3	—
Net cash flows used in investing activities	—	2	317
<u>Financing activities</u>			
Proceeds from borrowings net of fees paid	60	—	—
Repayment of borrowings	—	—	—
Dividends paid to equity owners of the parent	—	—	(260)
Share capital issued and paid	—	—	—
Net cash flows generated from/(used in) financing activities	60	—	(260)
Net increase (decrease) in cash and cash equivalents	(48)	(25)	44
Net foreign exchange difference	—	—	—
Cash and cash equivalents at beginning of period	54	79	35
Cash and cash equivalents at end of period	6	54	79

As of December 31, 2022, 2021 and 2020 there were no material contingencies, significant provisions of long-term obligations, mandatory dividend or redemption requirements of redeemable stocks or guarantees of the Company, except for those which have been separately disclosed in the consolidated financial statements, if any.

Amsterdam, July 24, 2023

VEON Ltd.

Company number: 43271

THE COMPANIES ACT 1981 OF BERMUDA

VEON LTD.

BYE-LAWS¹

Further Amended² on 29 June 2023

¹ Adopted by Special Resolution passed on 10 June 2021

² Bye-laws 42.1 and 43 amended by Special Resolutions passed on 29 June 2023

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**ARTICLE I
INTERPRETATION**

1. Definitions

1.a In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 (as amended);
Affiliate	with respect to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person, including, if such Person is an individual, any relative or spouse of such Person, or any relative of such spouse of such Person, any one of whom has the same home as such Person, and also including any trust or estate for which any such Person(s) specified herein, directly or indirectly, serves as a trustee, executor or in a similar capacity (including any protector or settlor of a trust) or in which such Person(s) specified herein, directly or indirectly, has a substantial (being greater than 10 per cent) beneficial interest and any Person who is controlled by any such trust or estate. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean, with respect to any Person, the possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by Contract, or otherwise) of such Person; provided, however, that for the purposes of this definition, neither the Company nor any of its Controlled Affiliates shall be deemed Affiliates of any Shareholder or Beneficial Owner;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Appointed Stock Exchange	has the meaning given to such term in the Act;
Auditor	any Person appointed as the auditor of the Company;
Beneficial Ownership	the power to vote or direct the voting of, or to dispose or direct the disposition of, the securities in question, and "Beneficially Owned" and "Beneficial Owner" shall be construed accordingly;
Board	the board of Directors of the Company appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws, or the Directors present at a meeting of Directors at which there is a quorum present throughout;
Board Delegation of Authority	has the meaning given to such term in Bye-law 57.2;
Board Reserved Matters	the approval of any of the following: (i) the Budget; (ii) the audited accounts of the Company; (iii) the recommendation for appointment of the Auditors of the Company by the Shareholders; (iv) any Reserved Financing Transaction; (v) any Reserved Share Capital Matter; (vi) any Reserved Reorganization Transaction; (vii) any Reserved Sale Transaction; (viii) any Reserved Acquisition Transaction, (ix) any Reserved Legal Matter; (x) any Reserved Settlement; (xi) the appointment, re-appointment or early termination of the

	employment of any Senior Executive; and (xii) the Board Delegation of Authority and the authorities of the CEO and other Officers granted pursuant thereto;
Budget	the annual budget of the Company and the Group;
Business Day	a day on which banks are generally open for business in each of Hamilton, Bermuda and Amsterdam, the Netherlands;
Casual Vacancy	has the meaning given to such term in Bye-law 47.2;
CEO	the chief executive officer of the Company;
CFO	the chief financial officer of the Company;
Clear Days	in relation to the period of a notice, that period excluding the day on which the notice is given or served, or deemed to be given or served, and the day for which it is given or on which it is to take effect;
Common Shares	common shares of par value US\$0.001 each (or such other par value as may result from any reorganisation of capital) in the capital of the Company, having the rights and being subject to the restrictions set out in these Bye-laws;
Company	the company for which these Bye-laws are adopted;
Compensation Committee	the compensation committee established by the Board;
Contract	any agreement, letter of intent, lease, license, evidence of Indebtedness, mortgage, indenture, security agreement or other contract or understanding (whether written or oral), in each case, to the extent legally binding;
Controlled Affiliate	with respect to any Person, any Affiliate of such Person in which such Person owns or controls, directly or indirectly, securities having more than 50 per cent of the voting power for the election of directors or other governing body thereof or more than 50 per cent of the partnership or other ownership interests therein (other than as a limited partner);
Cumulative Voting	the system of voting for Directors in which each voting share confers on its holder a total number of votes which is equal to the total number of Directors to be elected and which the holder may cast for candidates in any proportion (including, without limitation, casting all votes for a single candidate);
CXO	the CFO, the General Counsel and the Company executives who report directly to the CEO;
Director	a director of the Company and shall include an Alternate Director;
General Counsel	the general counsel of the Company;
Governmental Entity	in any applicable jurisdiction or international forum, any: (a) federal, state, territorial, oblast, okrug, regional, municipal, local or foreign government; (b) court, arbitral or other tribunal; (c) governmental or quasi-governmental authority of any nature (including any political subdivision, instrumentality, branch, department, official or entity), and including international organisations having jurisdiction over matters

	concerning intellectual property; or (d) agency, commission, ministry, committee, inspectorate, authority or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature;
Group	the Company and its Subsidiaries;
Group Company	any of the Company or its Subsidiaries;
Indebtedness	with respect to any Person, without duplication, all obligations of such Person, whether incurred as principal or surety and whether present, future, actual or contingent, for the payment or repayment of money, net of unrestricted cash, cash equivalents and loans receivable in relation to capital leases, including: (a) all indebtedness for borrowed money or for the deferred purchase price of property or services (other than ordinary course of business trade credit); (b) all vendor financing obligations; (c) any amounts payable by such Person under capital leases or similar arrangements over their respective periods; (d) any credit (other than ordinary course of business trade credit) to such Person from a supplier of goods or under any instalment purchase or other similar arrangement; (e) any liabilities and obligations of third parties to the extent that they are guaranteed by such Person or such Person has otherwise assumed or become liable for the payment of such liabilities or obligations or to the extent that they are secured by any Lien upon property owned by such Person whether or not such Person has assumed or become liable for the payment of such liabilities or obligations; and (f) all accrued and unpaid obligations in respect of employee salaries and benefits, other than those arising in the ordinary course of business;
Law	any law, statute, constitution, treaty, rule, regulation, policy, guideline, directive, ordinance, code, judgment, ruling, order, writ, decree, normative act, instruction, information letter, injunction or determination of any Governmental Entity or any other pronouncement having the effect of law or regulation of any other country or any state, county, city or other political subdivision;
Lien	any mortgage, pledge, security interest, lease, lien, adverse claim, levy, charge or other encumbrance, or any conditional sale Contract, title retention Contract or other Contract to give any of the foregoing;
NASDAQ	the NASDAQ Stock Market;
Officer	any person appointed by the Board to hold an office in the Company;
Person	any natural person, corporation, general partnership, simple partnership, limited partnership, limited liability partnership, limited liability company, proprietorship, other business organisation, trust, union, association or Governmental Entity, whether incorporated or unincorporated;
Register of Shareholders	the register of shareholders referred to in these Bye-laws (including any branch register of shareholders maintained by

	the Company) in each case as maintained in accordance with the Act;
Registered Office	the registered office of the Company for the time being;
Reserved Acquisition Transaction	the acquisition, merger, amalgamation or consolidation, of a business (whether by equity, asset, or otherwise) (i) by any one or more Group Companies, in a transaction with one or more entities that are not Group Companies or (ii) between Group Companies, in each case, with a value exceeding US\$50 million (in any transaction or series of related transactions); other than where such transaction(s) solely involves wholly-owned Group Companies and is not expected to result in a net increase in liability for the Group in excess of US\$20 million, as determined by the CFO;
Reserved Financing Transaction	any financing or refinancing transaction, incurrence or restructuring of Indebtedness, guarantee or provision of security entered into by any Group Company that (1)(X) exceeds US\$300 million and (Y) is not solely among Group Companies or (2) involves pledging or otherwise encumbering the shares of any Group Company (or any Affiliate of any Group Company) with respect to Indebtedness in an amount greater than US\$50 million, in each case, as determined by the CFO and General Counsel;
Reserved Reorganization Transaction	any reorganization (including by way of scheme of arrangement), dissolution or liquidation of any Group Company (other than a wholly-owned Subsidiary of the Company where such reorganization, dissolution or liquidation is not expected to result in a net increase in liability for the Group in excess of US\$20 million, as determined by the CFO);
Reserved Legal Matter	any Group Company's initiation of any litigation, claim, arbitration or other legal matter (or appeal in respect of a determination) involving any Governmental Entity that is expected at the time of initiation to result in claims or counterclaims or a series of counterclaims exceeding US\$75 million, as determined by the CFO and the General Counsel;
Reserved Sale Transaction	any sale or contribution of assets (i) of any one or more Group Companies to one or more entities that are not Group Companies, or (ii) between Group Companies, in each case, where the aggregate value of such assets exceeds US\$75 million (in any transaction or series of related transactions); other than where such transaction(s) solely involves wholly-owned Group Companies and is not expected to result in a net increase in liability for the Group in excess of US\$20 million, as determined by the CFO;
Reserved Settlement	the settlement by any Group Company of any action, suit, claim or proceeding involving a Governmental Entity, including any investigation by a Governmental Entity, whether or not a Group Company is a claimant or defendant in such action, suit, claim or proceeding, (1) that would impose restrictions on the operations of the Group which result in a reduction in the net income of the Group in excess of US\$75 million over the period to which such restrictions relate, (2) pursuant to which the amount to be paid by the Group, together with any other

	related expected financial impact, exceeds US\$75 million per matter or series of related matters, in each case of (1) and (2), as determined by the CFO and the General Counsel or (3) that involves matters which are subject to an internal investigation being coordinated by the Board or a committee of the Board or impacting any Director in his or her personal capacity;
Reserved Share Capital Matter	any change in the authorised or issued share capital of any Group Company if as a result of such change: (a) the shareholding of any person not forming part of the Group increases, and (b) the value of the shares by which the share capital is so increased exceeds US\$50 million (except for issues of shares, or interests in shares, of the Company in connection with employee compensation awards (which authority shall be delegated to the Compensation Committee);
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the Person ordinarily resident in Bermuda appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the secretary in accordance with the Act;
Section 13(d) Group	the meaning given in Bye-law 17.1;
Senior Executives	the CEO, the CXOs, the chief executive officers of the Company's Significant Subsidiaries and such other positions as the Board may determine to be Senior Executives;
Shareholder	the Person registered in the Register of Shareholders as the holder of shares in the Company and, when two or more Persons are so registered as joint holders of shares, means the Person whose name stands first in the Register of Shareholders as one of such joint holders or all of such Persons, as the context so requires;
Significant Subsidiary	any operating Subsidiary of the Company with service revenues in excess of US\$300 million in the most recent fiscal year;
Special Resolution	a resolution of the Company passed by Shareholders representing not less than 75 per cent of the total voting rights of the Shareholders who (being entitled to do so) vote in person or by proxy on the resolution at a general meeting of Shareholders;
Stock Exchange Regulation	any rule, regulation rule, regulation, policy, guideline, or directive of any Appointed Stock Exchange relevant to the Company;
Subsidiary	with respect to any Person, any other Person in which such Person owns or controls, directly or indirectly, more than 50 per cent of the securities having voting power for the election of directors or other governing body thereof or more than 50 per cent of the partnership or other ownership interests therein (other than as a limited partner);
Treasury Share	a share of the Company that is treated as having been acquired and held by the Company and has been held

continuously by the Company since it was so acquired and has not been cancelled; and

US\$ United States Dollars.

1.b In these Bye-laws, where not inconsistent with the context:

- (i) words denoting the plural number include the singular number and vice versa;
- (ii) words denoting the masculine gender include the feminine and neuter genders;
- (iii) the words:
 - (1) "may" shall be construed as permissive; and
 - (2) "shall" shall be construed as imperative;
- (iv) a corporation shall be deemed to be present in person at a meeting if its representative, duly authorised pursuant to these Bye-laws, is present;
- (v) references to a company include any body corporate or other legal entity, whether incorporated or established in Bermuda or elsewhere;
- (vi) references to writing include typewriting, printing, lithography, photography, electronic mail and other modes of representing or reproducing words in a legible and non-transitory form;
- (vii) a reference to anything being done by electronic means includes its being done by means of any electronic or other communications equipment or facilities and references to any communication being delivered or received, or being delivered or received at a particular place, include the transmission of an electronic or similar communication, and to a recipient identified in such manner or by such means, as the Board may from time to time approve or prescribe, either generally or for a particular purpose;
- (viii) references to a signature or to anything being signed or executed include such forms of electronic signature or other means of verifying the authenticity of an electronic or similar communication as the Board may from time to time approve or prescribe, either generally or for a particular purpose;
- (ix) references to a dividend include a distribution paid in respect of shares to Shareholders out of contributed surplus or any other distributable reserve;
- (x) any reference to any statute or statutory provision (whether of Bermuda or elsewhere) includes a reference to any modification or re-enactment of it for the time being in force and to every rule, regulation or order made under it (or under any such modification or re-enactment) and for the time being in force and any reference to any rule, regulation or order made under any such statute or statutory provision includes a reference to any modification or replacement of such rule, regulation or order for the time being in force;
- (xi) references to shares carrying the general right to vote at general meetings of the Company are to those shares (of any class or series) carrying the right to vote, other than shares which entitle the holders to vote only in limited circumstances or upon the occurrence of a specified event or condition (whether or not those circumstances have arisen or that event or condition has occurred); and
- (xii) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws, except that the definition of "attorney" in the Act shall not apply.

- 1.c Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

ARTICLE II REGISTERED OFFICE

2. Registered Office

The Registered Office shall be at such place in Bermuda as the Board from time to time resolves.

ARTICLE III SHARES AND SHARE RIGHTS

3. Power to Issue Shares

Subject to these Bye-laws and to any resolution of the Shareholders to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, to the extent there are enough unissued Common Shares, the Board shall have the power to issue in total up to five per cent of the total authorised capital of the Company as Common Shares on such terms and conditions as it may determine; provided that the limitation contained in this Bye-law 3.1 shall not apply to the issue of shares, or interests in shares of the Company, in connection with employee compensation awards approved by the Compensation Committee.

- 3.a Other than as permitted under Bye-law 3.1, the Board shall not be authorised to issue any unissued shares of the Company.

4. Power of the Company to Purchase its Shares

- 4.a The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.
- 4.b The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

5. Rights Attaching to Shares

- 5.a At the date of adoption of these Bye-laws, the authorised share capital of the Company is divided into Common Shares.
- 5.b The holders of Common Shares shall, subject to the provisions of these Bye-laws:
- (i) except where Cumulative Voting applies, be entitled to one vote per Common Share;
 - (ii) be entitled to such dividends as the Board may from time to time declare;
 - (iii) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company (subject to the rights of the holders of any preference shares in the Company then in issue having preferred rights on a return of capital) in respect of their holdings of Common Shares, *pari passu* and *pro rata* to the number of Common Shares held by each of them; and
 - (iv) generally be entitled to enjoy all of the rights attaching to common shares.

- 5.c** At the discretion of the Board, whether or not in connection with the issue and sale of any shares or other securities of the Company, the Company may issue Common Shares, Contracts, warrants or other instruments evidencing any Common Shares, option rights for Common Shares or securities having conversion or option rights for Common Shares, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any Person or Persons owning or offering to acquire a specified number or percentage of the issued Common Shares, option rights, securities having conversion or option rights, or obligations of the Company, or transferee of the Person or Persons from exercising, converting, transferring or receiving the Common Shares, option rights, securities having conversion or option rights, or obligations, provided that any issuance or sale pursuant to this Bye-law 5.3 shall be subject to (and count towards) the limitation on the Board's power to issue unissued Common Shares contained in Bye-law 3.
- 5.d** All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the issued share capital, or shares, of the Company.
- 5.e** Subject to the provisions of these Bye-laws, any shares of the Company held by the Company as Treasury Shares shall be at the disposal of the Board, which may hold all or any of the shares, dispose of or transfer all or any of the shares for cash or other consideration on such terms and conditions as it may determine, or cancel all or any of the shares.
- 5.f** The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by Law. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
- 5.g** Except as ordered by a court of competent jurisdiction or as required by Law, no person shall be recognised by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except only as otherwise provided in these Bye-laws or by Law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

6. Calls on Shares

- 6.a** The Board may make such calls as it thinks fit upon the Shareholders in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Shareholders (and not made payable at fixed times by the terms and conditions of issue), and, if a call is not paid on or before the day appointed for payment thereof, the Shareholder may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.
- 6.b** Any amount which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a duly made and notified call.
- 6.c** The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

- 6.d** The Company may accept from any Shareholder the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up or become payable.

7. Forfeiture of Shares

- 7.a** If any Shareholder fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Shareholder, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Shareholder a notice in writing in the form approved by the Board, notifying the Shareholder that the shares in question will be liable to be forfeited if the call remains unpaid.
- 7.b** If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.
- 7.c** A Shareholder whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.
- 7.d** The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

8. Share Certificates

- 8.a** Every Shareholder shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or Officer or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Shareholder and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 8.b** The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the Person to whom the shares have been allotted.
- 8.c** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

9. Trading Facilities

- 9.a** Notwithstanding any provisions of these Bye-laws, the Directors shall, subject always to the Act and any other applicable Laws and the facilities and requirements of any relevant system concerned, have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form. Unless otherwise determined by the Directors and permitted by the Act and any other applicable Laws, no Person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

- 9.b** Without prejudice to Bye-law 9.1 but notwithstanding any other provisions of these Bye-laws, the Directors shall, subject always to the Act and any other applicable Laws and the facilities and requirements of any relevant system concerned, have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in shares in the capital of the Company in the form of depositary receipts or similar interests, instruments or securities, and the holding and transfer of such receipts, interests, instruments or securities in uncertificated form and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer thereof or the shares in the capital of the Company represented thereby. The Directors may from time to time take such actions and do such things as they may, in their absolute discretion, think fit in relation to the operation of any such arrangements.

10. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares of the relevant class.

**ARTICLE IV
REGISTER OF SHAREHOLDERS; REGISTRATION OF SHARES**

11. Register of Shareholders

- 11.a** The Board shall cause to be kept in one or more books a Register of Shareholders and shall enter therein the particulars required by the Act.
- 11.b** The Register of Shareholders shall be open to inspection without charge at the Registered Office on every Business Day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each Business Day be allowed for inspection. The Register of Shareholders may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole 30 days in each year.

12. Registered Holder Absolute Owner

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other Person.

13. Transfer of Registered Shares

- 13.a** An instrument of transfer shall be in writing in the usual form prevalent in Bermuda, or in any such other written form as the Board may reasonably accept, save that for such time as the Company's shares are traded or admitted to trading on an Appointed Stock Exchange, nothing in this bye-law 13 shall operate to restrict transfer of shares in accordance with Stock Exchange Regulations.
- 13.b** Except as otherwise provided in these Bye-laws, such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Shareholders.
- 13.c** If shares are certificated, the Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

- 13.d The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Shareholder may transfer any such share to the executors or administrators of such deceased Shareholder.
- 13.e The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share which is not fully paid. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any Governmental Entity in Bermuda have been obtained.
- 13.f If the Board refuses to register a transfer of any share the Secretary shall, within two months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

14. Transmission of Registered Shares

- 14.a In the case of the death of a Shareholder, the survivor or survivors where the deceased Shareholder was a joint holder, and the legal personal representatives of the deceased Shareholder where the deceased Shareholder was a sole holder, shall be the only Persons recognised by the Company as having any title to the deceased Shareholder's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Shareholder with other Persons. Subject to the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Shareholder or such other Person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Shareholder.
- 14.b Any Person becoming entitled to a share in consequence of the death or bankruptcy of any Shareholder, or otherwise by operation of applicable Law, may be registered as a Shareholder upon such evidence as the Board may deem sufficient, or may elect to nominate a Person to be registered as a transferee of such share, and in such case the Person becoming entitled shall execute in favour of such nominee an instrument of transfer in favour of his nominee.
- 14.c On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Shareholder. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by the deceased Shareholder before such Shareholder's death or bankruptcy, as the case may be.
- 14.d Where two or more Persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

15. Foreign Securities Laws

- 15.a The Board may, in its absolute and unfettered discretion, decline to register the transfer of any shares if it believes that registration of such shares or transfer is required under the Laws of any jurisdiction and such registration has not been effected, save that the Board may request and rely on an opinion of counsel to the transferor or transferee, in form and substance satisfactory to the Board, that no such registration is required.
- 15.b The Board shall have the authority to request from any direct or indirect holder of shares, and such holder shall provide, such information as the Board may request for the purpose of determining whether any transfer contemplated by Bye-law 15.1 should be permitted.

16. Interests in Shares

- 16.a** The Company may by notice in writing require a Person whom the Board knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested (legally or beneficially) in the Company's shares:
- (i) to confirm that fact or (as the case may be) to indicate whether or not it is the case, and
 - (ii) where he holds or has during that time held an interest in shares, to give such further information as may be required in accordance with Bye-law 16.2.
- 16.b** A Person who has received a notice under Bye-law 16.1 shall respond, in writing, to the Board within 10 Business Days (or such other period as the Board shall specify in the notice) and shall:
- (i) state their full name and address, and, where the Person interested in shares is a body corporate, include a confirmation that the signatory to such response is duly authorised on behalf of such body corporate to give the relevant confirmation to the Company;
 - (ii) confirm the number of shares in which he is or was interested as at the date of the notice;
 - (iii) in a case where the Person no longer has an interest in the Company's shares, state that he no longer has such an interest.
- 16.c** Where the Company has served a notice under Bye-law 16.1 on a Person who is or was interested in shares in the Company, and that person fails to give the Company the information required by the notice within the time specified in it, the Board, in its sole discretion, may direct that for so long as the shares are held by that Person and the default continues, the shares in question be subject to restrictions including (without limitation) that:
- (1) no voting rights are exercisable in respect of the shares;
 - (2) any transfer of the shares is void;
 - (3) except in a liquidation, no payment may be made of sums due from the Company on the shares, whether in respect of dividend, capital or otherwise.
- 16.d** For the purposes of this Bye-law 16, a Person is taken to be interested in any shares:
- (i) in which his spouse or any child or step-child or other Affiliate of his is interested;
 - (ii) if a body corporate is interested in them, and
 - (1) that body or its directors are accustomed to act in accordance with his directions or instructions, or
 - (2) he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that body corporate; or
 - (iii) he enters into a Contract for their purchase by him (whether for cash or other consideration); or

- (iv) not being the registered holder, he is entitled to exercise or receive any right conferred by the holding of the shares or is entitled to control the exercise of any such right; or
- (v) where property is held on trust and shares in the Company are comprised in such trust property, and the Shareholder or a person identified in Bye-law 16.4(a) or 16.4(b) is a beneficiary of the trust.

16.e The Company shall keep a register for purposes of this Bye-law 16, and whenever the Company issues a notice in accordance with Bye-law 16.1 and receives a response in consequence thereof, the Company shall (within 10 Business Days of such response) cause to be inscribed in the register, against that person's name, the relevant information and the date of the inscription.

17. Mandatory Offers

17.a Any Person who, individually or together with any of its Affiliates or any other members of a "group", within the meaning of Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended (a "**Section 13(d) Group**") of which it is a part, directly or indirectly, in any manner, acquires Beneficial Ownership of any Common Shares (including, without limitation, through the acquisition of ownership or control of another Shareholder or a Controlling Person of another Shareholder or through the direct or indirect acquisition of derivative securities) which, taken together with Common Shares already Beneficially Owned by it or any of its Affiliates or its Section 13(d) Group, in any manner, carry 50 per cent or more of the voting rights of the Company (the "**Limit**"), shall, within 30 days of acquiring such shares, make a general offer to all holders of Common Shares.

17.b Where any Person breaches the Limit and does not make an offer as required by Bye-law 17.1, that Person is in breach of these Bye-laws.

17.c The Board may do all or any of the following where it has reason to believe that the Limit is or may be breached:

- (i) require any Shareholder or Person appearing or purporting to be interested in any shares of the Company to provide such information as the Board considers appropriate to determine any of the matters under this Bye-law 17;
- (ii) have regard to such public filings as it considers appropriate to determine any of the matters under this Bye-law 17;
- (iii) make such determinations under this Bye-law 17 as it thinks fit, either after calling for submissions from affected Shareholders or other Persons or without calling for such submissions;
- (iv) determine that the voting rights attached to all shares held by such Persons, or in which such Persons are or may be interested ("**Relevant Shares**") are from a particular time suspended and incapable of being exercised for a definite or indefinite period and such Person (and any proxy to the extent appointed by him to act in that capacity) shall for this period of time cease to be entitled to receive notice of any meeting of the Shareholders;
- (v) determine that some or all of the Relevant Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and
- (vi) take such other action as it thinks fit for the purposes of this Bye-law 17 including:

- (1) prescribing rules (not inconsistent with this Bye-law 17);
- (2) setting deadlines for the provision of information;
- (3) drawing adverse inferences where information requested is not provided;
- (4) making determinations or interim determinations;
- (5) executing documents on behalf of a Shareholder;
- (6) converting any Relevant Shares held in uncertificated form into certificated form, or vice-versa; and
- (7) changing any decision or determination or rule previously made.

17.d A general offer under Bye-law 17.1 complies with this Bye-law if:

- (i) the offer is unconditional in all respects and is open for acceptance for a period of not less than 30 days;
- (ii) the making or implementation of the offer is not dependent on the passing of a resolution at any meeting of shareholders of the offeror; and
- (iii) the offer is in cash or is accompanied by a cash alternative, in each case, at an offer price per Common Share not less than the greater of:
 - (1) the highest price paid by the offeror, any of its Affiliates or any member of its Section 13(d) Group for any interest in Common Shares during the six months prior to the date on the Limit was exceeded,
 - (2) the 180 day volume weighted average price on NASDAQ of the Common Shares on the date on which the Limit was exceeded. In this Bye-law, a reference to the price of a Common Share will be deemed to include the price of a depository receipt or similar interest representing a Common Share, if Common Shares are evidenced by listed depository receipts or similar interests at any applicable time, and
 - (3) if, before the offer closes for acceptance, the offeror, any of its Affiliates or any member of its Section 13(d) Group acquires any interest in Common Shares at above the offer price, the highest price paid for the interest in the Common Shares so acquired,

(the "Offer Price"); and

17.e The requirement for an offer to be made in accordance with this Bye-law may be waived by a vote of a majority of votes cast and entitled to vote on the matter by Shareholders voting in person or by proxy at a general meeting, excluding for all purposes of the vote the Shareholder(s) or Person(s) in question and their Affiliates.

17.f Any one or more of the Directors may act as the attorney(s) of any Shareholder or Person in question in relation to the execution of documents and other actions to be taken for the sale of Relevant Shares determined by the Board under this Bye-law 17.

**ARTICLE V
ALTERATION OF CAPITAL**

18. Power to Alter Capital

- 18.a** The Company may if authorised by resolution of the Shareholders increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.
- 18.b** Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit including (without limitation) in the way prescribed in Bye-law 18.3 below.
- 18.c** The Board may sell shares representing the fractions to any Person (including the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the Persons to whom such fractions are attributable (except that if the amount due to a Person is less than US\$20.00, or such other sum as the Board may decide, the Company may retain such sum for its own benefit). To give effect to such sale the Board may authorise a Person to execute an instrument of transfer of shares in the name and on behalf of the holder of, or the Person entitled by transmission to, them to the purchaser or as the purchaser may direct or implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares.
- 18.d** The purchaser will not be bound to see to the application of the purchase moneys in respect of any such sale. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings connected with the sale or transfer. Any instrument or exercise referred to in Bye-law 18.3 shall be effective as if it had been executed or exercised by the holder of the shares to which it relates.

19. Variation of Rights Attaching to Shares

- 19.a** Subject to the Act and, if relevant, the approval required pursuant to Bye-law 25.8, all or any of the special rights for the time being attached to any class of shares in issue may, unless otherwise expressly provided in the rights attaching to or by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up), be altered or abrogated with the consent in writing of the holders of the issued shares of such class carrying 75 per cent or more of all of the votes capable of being cast at the relevant time at a separate general meeting of the holders of the shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of shares of that class by a majority of the votes cast.
- 19.b** All the provisions of these Bye-laws relating to general meetings of the Company shall apply *mutatis mutandis* to any separate general meeting of any class of Shareholders, except that the necessary quorum shall be one or more Shareholders present in person or by proxy holding or representing at least one third of the shares of the relevant class.
- 19.c** The special rights conferred on the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered or abrogated by: (a) the creation or issue of further shares ranking *pari passu* with them; or (b) the purchase or redemption by the Company of any of its own shares.

**ARTICLE VI
DIVIDENDS AND CAPITALISATION**

20. Dividends

- 20.a** The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Shareholders holding shares entitled to the payment of

dividends, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie, including without limitation the issue by the Company of shares or other securities, in which case the Board may fix the value for distribution in specie of any assets, shares or securities. No unpaid dividend shall bear interest as against the Company. The exact amount and timing of any dividend declarations and payments shall, subject to the requirements of the Act, be determined by the Board.

- 20.b** The Board may fix any date as the record date for determining the Shareholders entitled to receive any dividend.
- 20.c** The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.
- 20.d** The Board may declare and make such other distributions (in cash or in specie) to the Shareholders holding shares entitled to distributions as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

21. Power to Set Aside Profits

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for any other purpose.

22. Method of Payment

- 22.a** Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent through the post directed to the address of the Shareholder in the Register of Shareholders (in the case of joint Shareholders, the senior joint holder, seniority being determined by the order in which the names stand in the Register of Shareholders), or by direct transfer to such bank account as such Shareholder may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to such Persons as the Shareholder may direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque, warrant or direct transfer shall be sent at the risk of the Person entitled to the money represented thereby. If two or more Persons are registered as joint holders of any shares any one of them can give an effectual receipt for any dividend paid in respect of such shares.
- 22.b** The Board may deduct from the dividends or distributions payable to any Shareholder (either alone or jointly with another) by the Company in respect of any shares all moneys (if any) due from such Shareholders (either alone or jointly with another) to the Company on account of calls or otherwise.
- 22.c** Any dividend or other moneys payable in respect of a share which has remained unclaimed for 6 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.
- 22.d** The Company shall be entitled to cease sending dividend cheques and warrants by post or otherwise to a Shareholder if those instruments have been returned undelivered to, or left uncashed by, that Shareholder on at least three consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Shareholder's new address. The entitlement conferred on the Company by this Bye-law in respect of any Shareholder shall cease if the Shareholder claims a dividend or cashes a dividend cheque or warrant.

23. Capitalisation

- 23.a** The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid up bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Shareholders.
- 23.b** The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full partly or nil paid up shares of those Shareholders who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

ARTICLE VII GOVERNANCE STRUCTURE

24. Governance Structure

The governance of the Company shall be comprised of:

- 24.a** the registered Shareholders of the Company acting in accordance with these Bye-laws;
- 24.b** the Board acting in accordance with these Bye-laws; and
- 24.c** the CEO and other Officers as appointed by the Board and acting in accordance with these Bye-laws.

ARTICLE VIII SHAREHOLDER MEETINGS

25. Matters Requiring Shareholder Approval

In addition to those matters for which an approval of the Shareholders is required by applicable Law or Stock Exchange Regulation, the following actions shall require the approval of the Shareholders at a general meeting:

- 25.a** any merger, consolidation, amalgamation, conversion, reorganisation, scheme of arrangement, dissolution or liquidation involving the Company, which shall require a Special Resolution;
- 25.b** any sale of all or substantially all of the Company's assets, which shall require a resolution passed by the affirmative vote of a simple majority of the votes cast and entitled to vote on the matter;
- 25.c** any issue of securities of the Company described under NASDAQ Listing Rule 5635 (*Shareholder Approval*) (or any successor thereto), except that approval of the Shareholders will not be required under this Bye-law for any stock option plans or other equity compensation plans or in any other circumstance described under NASDAQ Listing Rule 5635(c) (*Equity Compensation*) (or any successor thereto);
- 25.d** the election of Directors, which shall be done by Cumulative Voting in accordance with Bye-law 44;
- 25.e** the appointment of the Auditor, which shall require a resolution passed by the affirmative vote of a simple majority of the votes cast and entitled to vote on the matter;
- 25.f** loans to any Director, the approval of which shall be subject to the Act;
- 25.g** the discontinuance of the Company to a jurisdiction outside Bermuda pursuant to the Act, which shall require a Special Resolution; and

25.h the rescission, alteration or amendment of these Bye-laws, or the adoption of any new bye-laws, which shall require approval by a resolution of the Board and by a Special Resolution.

26. Annual General Meetings

The annual general meeting of the Company shall be held in each year at such time and place as the CEO or the Board shall appoint.

27. Special General Meetings

The CEO or the Board may convene a special general meeting whenever in their judgment such a meeting is necessary. The Board shall, on the requisition in writing of Shareholders holding such number of shares as is prescribed by, and made in accordance with, the Act, convene a special general meeting in accordance with the Act. Each special general meeting shall, subject to the Act and these Bye-laws, be held at such time and place as the CEO or the Board shall appoint.

28. Notice and Record Dates

28.a At least 30 Clear Days' notice of an annual general meeting (other than an adjourned meeting) shall be given to each Shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

28.b At least 30 Clear Days' notice of a special general meeting shall be given to each Shareholder entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.

28.c The CEO or Board may fix any date as the record date for determining Shareholders' eligibility to: (i) receive notice of and to vote at any general meeting (which record date shall be not more than 60 Clear Days prior to any general meeting); and (ii) receive any dividends declared from time to time by the Board.

28.d A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by: (i) all the Shareholders entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Shareholders having the right to attend and vote at the meeting and together holding not less than 95 per cent in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

28.e The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Person entitled to receive notice shall not invalidate the proceedings at that meeting. A Shareholder present, either in person or by proxy, at any annual general meeting or special general meeting, or meeting of the holders of any class of shares shall be deemed to have received proper notice of that meeting and, where required, the purpose for which it was called.

29. Meeting Notice and Access

29.a A notice or other document may be given by the Company to a Shareholder:

- (i) by delivering it to such Shareholder in person; or
- (ii) by sending it by letter mail or courier to such Shareholder's address in the Register of Shareholders; or

- (iii) (excluding a share certificate) by transmitting it by electronic means (including by electronic mail, but not by telephone) in accordance with such directions as may be given by such Shareholder to the Company for such purpose or by such other means as the Board may decide and which are permitted by Law and not prohibited by the Act; or
 - (iv) in accordance with Bye-law 29.3 or Bye-law 29.8.
- 29.b** Any notice required to be given to a Shareholder shall, with respect to any shares held jointly by two or more Persons, be given to whichever of such Persons is named first in the Register of Shareholders and notice so given shall be sufficient notice to all the holders of such shares.
- 29.c** Each Shareholder shall be deemed to have acknowledged and agreed that any notice or other document (excluding a share certificate) may be provided by the Company by way of accessing them on a website instead of being provided by other means.
- 29.d** Save as provided by Bye-laws 29.5 and 29.6, any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, at the time when it was posted, delivered to the courier or transmitted by electronic mail, or such other method as the case may be.
- 29.e** Notice delivered by letter mail shall be deemed to have been served 48 hours after the time on which it is deposited, with postage prepaid, in the mail of any member state of the European Union, the United States, or Bermuda.
- 29.f** In the case of information or documents delivered in accordance with Bye-law 29.3, service shall be deemed to have occurred when: (i) the Shareholder is notified in accordance with Bye-law 29.1 of the website posting; and (ii) the information or document is published on the website.
- 29.g** The Company shall be under no obligation to send a notice or other document to the address shown for any particular Shareholder in the Register of Shareholders if the Board considers that the legal or practical problems under the Laws of, or the requirements of any regulatory body or Stock Exchange Regulation in, the territory in which that address is situated are such that it is necessary or expedient not to send the notice or document concerned to such Shareholder at such address and may require a Shareholder with such an address to provide the Company with an alternative acceptable address for delivery of notices by the Company.
- 29.h** If at any time, by reason of the suspension or curtailment of postal services within Bermuda or any other territory, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper published in the territory concerned and such notice shall be deemed to have been duly served on each Person entitled to receive it in that territory on the day, or on the first day, on which the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice to the Shareholders with registered addresses in that territory by post if at least five Clear Days before the meeting the posting of notices to addresses throughout that territory again becomes practicable.

30. Postponement or Cancellation of General Meeting

The Board may postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to each Shareholder in accordance with Bye-law 29 before the time for such meeting. Fresh notice of the date, time and place for a postponed meeting shall be given to the Shareholders in accordance with these Bye-laws.

31. Attendance and Security at General Meetings

- 31.a** If so permitted by the Board or the chairman in relation to a general meeting, Shareholders may participate in such general meeting by such electronic means as permit all Persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- 31.b** The Board may, and at any general meeting, the chairman of such meeting may, make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the safety and security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting, are entitled to refuse entry to a Person who refuses to comply with any such arrangements, requirements or restrictions.

32. Quorum at General Meetings

- 32.a** Except as otherwise provided by the Act or these Bye-laws, at any general meeting two or more Persons present in person at the start of the meeting and having the right to attend and vote at the meeting and holding or representing in person or by proxy at least 50 per cent plus one voting share of the total issued voting shares in the Company at the relevant time shall form a quorum for the transaction of business.
- 32.b** If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the CEO may determine. If the meeting shall be adjourned to the same day one week later or the CEO shall determine that the meeting is adjourned to a specific date, time and place, it shall not be necessary to give notice of the adjourned meeting other than by announcement at the meeting being adjourned. If the CEO shall determine that the meeting be adjourned to an unspecified date, time or place, fresh notice of the resumption of the meeting shall be given to each Shareholder entitled to attend and vote thereat in accordance with these Bye-laws. A meeting may not be adjourned under this Bye-law 32.2 to a day which is more than 90 days after the day originally appointed for the meeting.

33. Chairman to Preside at General Meetings

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the chairman of the Board, if there be one, shall act as chairman at all meetings of the Shareholders at which such person is present. If there is no such chairman, or if at any meeting the chairman is not present within 15 minutes after the time appointed for holding the meeting, the CEO shall act as chairman, if present and willing to act as chairman. If the CEO is not present or is unwilling to act as chairman, the Persons present and entitled to vote shall elect any Director or Officer who is present and willing to act as chairman or, if no Director or Officer is present or if none of the Directors or Officers present is willing to act as chairman, one of their number to be chairman.

34. Voting on Resolutions

- 34.a** Subject to the Act and these Bye-laws, a resolution may only be put to a vote at a general meeting of the Company or of any class of Shareholders if:
- (i) it is proposed by or at the direction of the Board;
 - (ii) it is proposed at the direction of a court;

- (iii) it is proposed on the requisition in writing of such number of Shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Act or these Bye-laws; or
 - (iv) the chairman of the meeting in his absolute discretion decides that the resolution may properly be regarded as within the scope of the meeting.
- 34.b** Subject to the Act and any Stock Exchange Regulation, and unless otherwise specified by these Bye-laws, any question properly proposed for the consideration of the Shareholders at any general meeting shall be decided by the affirmative vote of a simple majority of the votes cast and entitled to vote on the matter, and in the case of an equality of votes, the chairman of such meeting shall not be entitled to a second or casting vote and the resolution shall fail.
- 34.c** No Shareholder shall be entitled to vote at a general meeting unless such Shareholder has paid all the calls or other sums presently payable on all shares held by such Shareholder.
- 34.d** No amendment may be made to a resolution, at or before the time when it is put to a vote, unless the chairman of the meeting in his absolute discretion decides that the amendment or the amended resolution may properly be put to a vote at that meeting. At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 34.e** At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.
- 34.f** Section 77A of the Act shall not apply to the Company.

35. Voting on a Poll Required

- 35.a** Notwithstanding anything in these Bye-laws to the contrary, at any meeting of the Shareholders a resolution put to the vote of the meeting shall, in each instance, be voted upon by a poll. Except where Cumulative Voting applies, every Person present at a meeting of the Shareholders shall have one vote for each share of which such Person is the holder or for which such Person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Shareholders are present by electronic means, in such manner as the chairman of the meeting may direct and the result of such poll vote shall be taken to be the resolution of the meeting at which the poll was demanded. A Person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 35.b** A poll for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll on any other question shall be taken in such manner during such meeting as the chairman of the meeting may direct.
- 35.c** Each Person physically present and entitled to vote shall be furnished with a ballot paper on which such Person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken. Each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each Person present by telephone, electronic or other communications facilities or means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Persons appointed by the chairman for the purpose or an

independent scrutineer at the chairman's discretion. The result of the poll shall be declared by the chairman.

36. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders.

37. Instrument of Proxy

37.a A Shareholder may appoint a proxy by: (a) an instrument appointing a proxy in writing in such form as the Board may determine from time to time; or (b) such telephonic, electronic or other means as may be approved by the Board from time to time.

37.b The appointment of a proxy or a corporate representative in relation to a particular meeting shall, unless the contrary is stated, be valid for any adjournment of the meeting.

37.c A Shareholder may appoint one or more standing proxies, with or without the power of substitution, or (if a corporation) one or more standing representatives by delivery to the Registered Office (or at such other place as the Board may from time to time specify for such purpose) of evidence of such appointment(s). If a Shareholder appoints more than one standing proxy or standing representative which appointments may allow the standing proxy or standing representative to vote generally or only in respect of a specified item of business, each appointment shall specify the number and class of shares held by the relevant Shareholder in respect of which the standing proxy or standing representative has been appointed and any restrictions or limitations pursuant to which the standing proxy or standing representative is subject. The appointment of such a standing proxy or representative shall be valid for every general meeting and adjourned meeting until such time as it is revoked by notice to the Company or the Shareholder ceases to be a Shareholder, but:

- (i) the appointment of a standing proxy or representative may be made on an irrevocable basis and may be limited to any particular item or items of business or be unlimited and the Company shall recognise the vote or abstention of the proxy or representative given in accordance with the terms of such an appointment, to the exclusion of the vote of the appointing Shareholder, until such time as the appointment ceases to be effective in accordance with its terms;
- (ii) (subject to Bye-law 37.3(a)) the appointment of a standing proxy or representative shall be deemed to be suspended at any meeting or poll taken at any meeting at which the Shareholder is present or in respect of which the Shareholder has specifically appointed another proxy or representative; and
- (iii) the Board may from time to time require such evidence as it deems necessary as to the due execution and continuing validity of the appointment of any proxy or representative and, if it does so, the appointment of the proxy or representative shall be deemed to be suspended until such time as the Board determines that it has received the required evidence or other evidence satisfactory to it.

37.d The appointment of a proxy must be received by the Company at the Registered Office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the Person named in the appointment proposes to vote, and an appointment of proxy which is not received in the manner so permitted may be treated as invalid. The Board may waive any requirements as to the delivery of proxies, either generally or in any particular case.

37.e Subject to Bye-law 37.10 and subject as mentioned in this Bye-law, an instrument or other form of communication appointing or evidencing the appointment of a proxy or

corporate representative shall be accompanied by such evidence as to its due execution as the Board may from time to time require, and shall be delivered to the Registered Office (or to such other place or places as the Board may from time to time specify for the purpose).

- 37.f** If the terms of appointment of a proxy include a power of substitution, any proxy appointed by substitution under such power shall be deemed to be the proxy of the Shareholder who conferred such power. All the provisions of these Bye-laws relating to the execution and delivery of an instrument or other form of communication appointing or evidencing the appointment of a proxy shall apply, *mutatis mutandis*, to the instrument or other form of communication effecting or evidencing such an appointment by substitution.
- 37.g** The appointment of a proxy, whether a standing proxy or a proxy relating to a particular meeting, shall be deemed, unless the contrary is stated, to confer authority to vote on any amendment of a resolution and on any other resolution put to a meeting for which it is valid in such manner as the proxy thinks fit.
- 37.h** A vote given by proxy, whether a standing proxy or a proxy relating to a particular meeting, shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the appointment of the proxy or of the authority under which it was executed, unless notice of such death, insanity or revocation was received by the Company at the Registered Office (or at any other place as may be specified for the delivery of instruments or other forms of communication appointing or evidencing the appointment of proxies in the notice convening the meeting or in any other information sent to Shareholders by or on behalf of the Board in relation to the meeting) at least one hour before the commencement of the meeting or adjourned meeting at which the vote is given or by such later time as the Board may decide, either generally or in any particular case.
- 37.i** Notwithstanding the preceding provisions of these Bye-laws, the Board may decide, either generally or in any particular case, to treat an instrument or other form of communication appointing or evidencing the appointment of a proxy or a corporate representative as properly delivered for the purposes of these Bye-laws if a copy or facsimile image of the instrument is sent by electronic means to the Registered Office (or to such place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any other information sent by or on behalf of the Board in relation to the meeting or adjourned meeting).
- 37.j** Subject to the Act, the Board may also, at its discretion, waive any of the provisions of these Bye-laws relating to the execution and deposit of an instrument or other form of communication appointing or evidencing the appointment of a proxy or a corporate representative or any ancillary matter (including, without limitation, any requirement for the production or delivery of any instrument or other communication to any particular place or by any particular time or in any particular way) and, in any case in which it considers it appropriate, may accept such verbal or other assurances as it thinks fit as to the right of any Person to attend and vote on behalf of any Shareholder at any general meeting.
- 37.k** A Shareholder who is the holder of two or more shares may appoint more than one proxy, with or without the power of substitution, to represent him and vote on his behalf in respect of different shares.
- 37.l** A proxy need not be a Shareholder.

38. Representation of Corporate Shareholders

- 38.a** A corporation which is a Shareholder may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual

Shareholder, and that Shareholder shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

- 38.b** A Shareholder which is a corporation may, by written instrument, appoint more than one such authorised representative (with or without appointing any Persons in the alternative) at any such meeting provided that such appointment specifies the number of shares in respect of which each such appointee is authorised to act as representative, not exceeding in aggregate the number of shares held by the appointor and carrying the right to attend and vote at the relevant meeting.
- 38.c** Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Shareholder.

39. Adjournment of General Meeting

- 39.a** The chairman of any general meeting at which a quorum is present may with the consent of Shareholders holding a majority of the voting rights of those Shareholders present in person or by proxy (and shall if so directed by Shareholders holding a majority of the voting rights of those Shareholders present in person or by proxy), adjourn the meeting.
- 39.b** In addition, the chairman may adjourn the meeting to another time and place or *sine die* without such consent or direction, and whether or not a quorum is present, at the direction of the Board (prior to or at the meeting) or if it appears to him that:
- (i) it is likely to be impracticable to hold or continue that meeting because of the number of Shareholders wishing to attend who are not present; or
 - (ii) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or
 - (iii) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
- 39.c** Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Shareholder entitled to attend and vote thereat in accordance with these Bye-laws.
- 39.d** When a meeting is adjourned for three months or more or *sine die*, not less than ten Clear Days' notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting. Except as expressly provided by these Bye-laws, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting from which the adjournment took place.

40. Directors' Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

**ARTICLE IX
BOARD OF DIRECTORS**

41. Duties and Powers of the Board

- 41.a** The business and affairs of the Company shall be managed under the direction of the Board, which may exercise all such powers of the Company and do all such lawful acts

and things as are not required by the Act or by these Bye-laws required to be exercised by the Company in a general meeting of Shareholders.

- 41.b** Subject to these Bye-laws, the Board may delegate to any company, firm, person, or body of persons any power of the Board (including the power to sub-delegate), other than the power to approve any Board Reserved Matter, which power may not be delegated except to a committee of the Board established in accordance with Bye-law 43. The Board may appoint by power of attorney any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company. Any such delegation of authority or appointment of an attorney must be made in accordance with the limitation on the delegation of Board Reserved Matters, but may otherwise be made for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney.

42. Composition of the Board, and Appointment of Chairman³

- 42.a** The Board shall consist of such number of Directors being not less than five Directors and not more than nine Directors, as the Board shall from time to time determine subject to approval by a resolution of the Company passed by Shareholders representing a simple majority of the total voting rights of the Shareholders, who (being entitled to do so) vote in person or by proxy on the resolution.
- 42.b** The chairman of the Board shall be selected by the Board. The chairman of the Board shall not have a casting vote on resolutions of the Board.

43. Board Committees⁴

The Board shall from time to time delegate certain of its powers to committees consisting of members of the Board, including a committee or committees with responsibility for audit, Board nomination and compensation, and such other committee as the Board deems necessary or appropriate. Each such committee shall have such name, composition, powers and responsibilities as set by the Board in such committee's charter.

44. Election of Directors

- 44.a** Save as otherwise provided in this Bye-law 44 and Bye-laws 46 and 47, the Directors shall be elected at each annual general meeting of the Company.
- 44.b** All Directors shall be elected by Cumulative Voting. By way of illustration only, if there are ten candidates proposed to the Shareholders at a general meeting for election as Directors but only nine available Director positions, a Shareholder holding 100 voting shares would be entitled to apportion 900 votes among the ten candidates, and the nine candidates achieving the highest total number of votes would be elected to the Board.
- 44.c** A Director shall (unless he is removed from office or his office is vacated in accordance with these Bye-laws) hold office until the next following annual general meeting in accordance with these Bye-laws.
- 44.d** All Directors, prior to election or appointment (but not on re-appointment), must provide written acceptance of their appointment (conditional upon such appointment being effected), in such form as the Board may think fit, by notice in writing to the Registered Office.

³ Bye-law 42.1 amended by Special Resolution passed on 29 June 2023

⁴ Bye-law 43 amended by Special Resolution passed on 29 June 2023

45. Alternate Directors

- 45.a** Any Director may appoint and remove, from time to time, another Director or an individual approved by the Board to act as a Director in the alternative to himself by notice in writing to the Registered Office. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.
- 45.b** An Alternate Director shall be entitled to receive notice of all meetings of the Board and committees of the Board of which the appointing Director is a member and to attend and vote at any such meeting at which the Director for whom such Alternate Director was appointed in the alternative is not present and generally to perform at such meeting all the functions of such Director.
- 45.c** An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director.

46. Removal of Directors

- 46.a** The Shareholders may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director by a resolution of the Company passed by Shareholders representing a simple majority of the total voting rights of the Shareholders, who (being entitled to do so) vote in person or by proxy on the resolution; provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.
- 46.b** If a Director is removed from the Board under the provisions of Bye-law 46.1, the Shareholders may propose a nominee to fill the vacancy at the special general meeting at which such Director is removed only if a Shareholder or Shareholders holding in aggregate five per cent or more of all issued Common Shares has requisitioned in writing a proposal to nominate a replacement candidate for Director stating the information listed below with respect to such nominee and notice of such proposal is given to the Shareholders in accordance with Bye-law 28 at least five Clear Days in advance of the date of such special general meeting:
- (i) the name and address of the Shareholders who intend to make the nomination;
 - (ii) a representation that the Shareholders are holders of shares in the Company and that the Shareholders intend to vote such shares at such meeting;
 - (iii) the name, age, business address and residence address of the nominee proposed in the notice;
 - (iv) the principal occupation or employment of the nominee;
 - (v) the number and class of shares in the Company which are beneficially owned by the nominee;
 - (vi) the consent in writing of the nominee to serve as a Director (if so elected) and to comply with all applicable corporate governance, conflict of interest, confidentiality and other policies and guidelines of the Company applicable to all Directors;
 - (vii) a representation that the Shareholders intend to appear in person or by proxy at the meeting to nominate each person specified in the notice;
 - (viii) a description of all arrangements or understandings between the Shareholders and the nominee or any other Person (naming such Person) pursuant to which each nomination is to be made by the Shareholders; and

- (ix) such other information concerning such nominee as would be required to be disclosed to Shareholders in connection with the election of Directors pursuant to applicable Law, including without limitation any applicable Stock Exchange Regulation, had the nominee been nominated, or intended to be nominated, by the Board.

46.c In the absence of an election under Bye-law 46.2, the Board may itself fill the vacancy.

47. Vacancy in the Office of Director

47.a The office of Director shall be vacated if the Director:

- (i) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by Law;
- (ii) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (iii) is or becomes of unsound mind or dies;
- (iv) resigns his office by written notice to the Company; or
- (v) on his term of office expiring.

47.b Any one or more vacancies in the size of the Board resulting from the circumstances described in Bye-law 47.1(a)-(d) shall in each case be deemed Casual Vacancies (and each a “**Casual Vacancy**”) for the purposes of these Bye-laws.

47.c Without prejudice to the power of the Shareholders to elect or appoint a Director pursuant to Bye-law 44 and 46.2, and subject always to Bye-law 47.6, the Board shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a Casual Vacancy, provided always that the number of Directors appointed to fill Casual Vacancies shall not exceed more than 50 per cent of the Board size (as determined in accordance with Bye-law 42.1).

47.d At such time as the number of Board appointments to fill Casual Vacancies equals more than 50 per cent of the Board size (as determined in accordance with Bye-law 42.1), the Board shall forthwith convene a special general meeting in accordance with the Act and these Bye-laws for the purpose of confirming the appointment of each Director.

47.e Any person appointed to fill a Casual Vacancy shall hold office until the next annual general meeting of the Company but shall be eligible for re-election.

47.f The Board may act notwithstanding any vacancy in its number but, if and so long as the actual number of Directors in office is reduced below 1/3 of the Board size determined in accordance with Bye-law 42.1, the continuing Directors or Director may act only for the purpose of: (i) summoning a general meeting to appoint new Directors; and (ii) preserving the assets of the Company.

48. Remuneration of Directors

48.a The amount of any fees payable to Directors shall be determined by the Board upon the recommendation of the Compensation Committee and shall be deemed to accrue from day to day. Directors who are also employees of a Group Company shall not be paid any such fees by the Company in addition to their remuneration as an employee.

48.b Any Director who serves on any committee, or who, at the request of the Board, goes or resides outside his home jurisdiction, makes any special journey or otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such remuneration by way of salary, commission or otherwise as

the Board may determine in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Bye-laws.

48.c The Company shall repay to any Director all such reasonable expenses as he may properly incur in the performance of his duties including attending meetings of the Directors or of any committee of the Directors or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in or about the business of the Company.

48.d Without prejudice to the generality of the foregoing, the Directors may exercise all the powers of the Company to establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any individuals who are or were at any time in the employment or service of or who are or were at any time directors or officers of the Company, any Subsidiary or Affiliate of the Company or any Person which is in any way allied to or associated with the Company or any Subsidiary or Affiliate of the Company and the families and dependants of any such individuals, and also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company, any such Subsidiary or Affiliate or any such other Person, or of any such individuals as aforesaid, and, subject to the Act, make payments for or towards the insurance of any such individuals as aforesaid, and do any of the matters aforesaid either alone or in conjunction with any such other Person.

49. Defect in Appointment of Director

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers or any person acting as an Alternate Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

50. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the Registered Office a register of Directors and Officers and shall enter therein the particulars required by the Act.

51. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Unless otherwise specified in these Bye-laws, a resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority in number of those Directors attending such meeting,

52. Notice of Board Meetings

A Director or the CEO may, and the Secretary on the requisition of a Director or the CEO shall, at any time summon a meeting of the Board. Any Director may require (by notice in writing submitted to the General Counsel not less than three Business Days prior to the date on which notice of the meeting is issued to the Directors) that there is included in the agenda for a meeting of the Board any matter of business which is appropriate for the consideration of the Directors (including, without limitation, any matter which may have been delegated by the Board to the Officers from time to time pursuant to the Board Delegation of Authority), in which case that matter shall be included in the notice of the meeting and shall be considered at the meeting of the Board in question. Save in the case of an emergency when notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director in writing at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose, all Directors must receive written notice of any meeting of the Board at least five Business Days prior to such meeting, unless the notice requirement is waived by all

Directors. A Director present at a meeting of the Board shall be deemed to have waived any irregularity in the giving of notice.

53. Conduct of Board Meetings

- 53.a** Directors may participate in any Board meeting by such electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- 53.b** The quorum necessary for the transaction of business at a meeting of the Board shall be the presence in person, or (subject to the provisions of Bye-law 45) represented by his Alternate Director, of the nearest odd number of Directors above 1/2 of the number of Directors in office as at the date of the meeting.
- 53.c** If a quorum is not present at any meeting of the Board, then the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.
- 53.d** Unless otherwise agreed by a majority of the Directors attending, the chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his or her absence a chairman shall be appointed or elected by the Directors present at the meeting from one of their number.

54. Written Resolutions of the Board

A resolution signed by all the members of the Board, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board, duly called and constituted, such resolution to be effective on the date on which the last member signs the resolution.

55. Validity of Prior Acts

No Law or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board or the CEO or other Officers which was valid before that Law or alteration was made.

**ARTICLE X
CEO AND OFFICERS**

56. Appointment of CEO and Officers

- 56.a** The Board may appoint such Officers as the Board may determine, which Officers shall include a chairman, CEO, CFO, General Counsel, treasurer and Secretary. All such Officers shall be deemed to be Officers for the purposes of the Act and these Bye-laws. The CEO may also serve as a member of the Board.
- 56.b** Any person appointed pursuant to this Bye-law 56 shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such Officer may have against the Company or the Company may have against such Officer for any breach of any Contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Act or these Bye-laws, the powers and duties of the Officers of the Company shall be such (if any) as are determined from time to time by the Board.

57. Powers, Duties and Remuneration of CEO and Officers

- 57.a** Other than those actions that require the approval of the Shareholders, Board Reserved Matters, or as otherwise required by the Act or by applicable Law, the Board may

delegate management of the business and affairs of the Company to the CEO and the Officers of the Company under the direction of the Board and on such terms as the Board may from time to time determine.

- 57.b** The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time pursuant to a delegation of authority (the "Board Delegation of Authority").
- 57.c** The Officers and Senior Executives shall receive such remuneration as the Compensation Committee of the Board may determine.

58. Duties and Remuneration of the Secretary

- 58.a** The duties of the Secretary shall be those prescribed by the Act, together with such other duties as shall from time to time be prescribed by the Board.
- 58.b** A provision of the Act or these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same Person acting both as Director and as, or in the place of, the Secretary.
- 58.c** The Secretary shall receive such remuneration as the Board may determine.

**ARTICLE XI
CONFLICTS OF INTEREST**

59. Disclosure of Interests

- 59.a** Interests of any kind, whether direct or indirect, of the Officers or the Directors in any material transaction or matter (or proposed material transaction or matter) (in each case, as determined by the General Counsel) or any transaction or matter (or proposed transaction or matter) to be considered by the Board in respect of the Company or any Group Company must be fully disclosed to the Board as required by the Act in all material respects at the first opportunity at a meeting of the Board and prior to any discussion of, or voting on, such transaction or matter by the Board.
- 59.b** Following a declaration being made pursuant to Bye-law 59.1, a Director may not vote in respect of any Contract, transaction or arrangement or any proposed Contract, transaction or arrangement in which such Director has an interest. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee of the Board which authorizes such Contract, transaction or arrangement.
- 59.c** A Director may hold any other office or place of profit with any Group Company (except that of Auditor) in addition to his office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, in addition to any remuneration or other amounts payable to a Director pursuant to any other Bye-law.
- 59.d** A Director, subject to Board approval, may act directly or indirectly in a professional capacity for the Company (other than as Auditor).
- 59.e** Subject to the Act, and to the requirements set out in this Bye-law 59, a Director: (a) may be a party to, or otherwise interested in, any Contract, transaction or arrangement with any Group Company or in which any Group Company is otherwise interested; and (b) may be a director or officer of, or employed by, or a party to any Contract, transaction or arrangement with, or otherwise interested in, any company or other Person promoted by any Group Company or in which any Group Company is interested.

- 59.f** So long as, where it is necessary, he declares the nature of his interest in accordance with this Bye-law 59, a Director shall not be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-laws allow him to be appointed or from any transaction or arrangement in which these Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

ARTICLE XII INDEMNIFICATION

60. Indemnification and Exculpation of Directors and Officers

- 60.a** The Directors, Resident Representative and Officers (such term to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any Subsidiary thereof and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any Subsidiary thereof and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, liabilities, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of the Company's business, or their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity and exemption shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. Each Shareholder agrees to waive any claim or right of action such Shareholder might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any Subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer. The indemnity and waiver provided to the persons specified in this Bye-law 60 shall apply if those persons are acting in the reasonable belief that they have been appointed or elected to any office or trust of the Company, or any Subsidiary thereof, notwithstanding any defect in such appointment or election.
- 60.b** The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of Law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.
- 60.c** The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty is proved against him.
- 60.d** No amendment or repeal of any provision of this Bye-law 60 shall alter detrimentally the rights to the advancement of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment or repeal.

**ARTICLE XIII
CORPORATE RECORDS**

61. Minutes

The Board and each committee thereof shall cause minutes to be duly entered in books provided for the purpose:

- (i) of all elections and appointments of Officers;
- (ii) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (iii) of all resolutions and proceedings of general meetings of the Shareholders, meetings of the Board, and meetings of committees appointed by the Board.

62. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the Registered Office.

63. Form and Use of Seal

63.a The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

63.b A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of: (a) any Director; or (b) any Officer; or (c) the Secretary; or (d) any person authorised by the Board for that purpose.

63.c A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents relating to the Company.

**ARTICLE XIV
ACCOUNTS**

64. Books of Account

64.a The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (ii) all sales and purchases of goods by the Company; and
- (iii) all assets and liabilities of the Company.

64.b Such records of account shall be kept at the Registered Office, or subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

65. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

**ARTICLE XV
AUDITS**

66. Annual Audit

The accounts of the Company shall be audited at least once in every year.

67. Appointment of Auditor

67.a Subject to the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Shareholders shall appoint one or more Auditors to hold office until the close of the next annual general meeting.

67.b No Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

68. Financial Statements

Subject to any rights to waive laying of accounts pursuant to the Act, financial statements as required by the Act shall be laid before the Shareholders in general meeting.

69. Distribution of Auditor's Report

The report of the Auditor shall be submitted to the Shareholders in general meeting.

**ARTICLE XVI
VOLUNTARY WINDING-UP AND DISSOLUTION**

70. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Shareholders, divide amongst the Shareholders in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator shall think fit, but so that no Shareholders shall be compelled to accept any shares or other securities or assets whereon there is any liability.

Certain identified information in this exhibit has been excluded because they are both not material and are the type of information that we treat as private or confidential.

24 NOVEMBER 2022

VEON HOLDINGS B.V.

acting as Seller 1

VEON LTD.

acting as Seller 2

JOINT-STOCK COMPANY KOPERNIK-INVEST 3

acting as Buyer

VIMPEL-COMMUNICATIONS PUBLIC JOINT STOCK COMPANY

acting as Company

SALE AND PURCHASE AGREEMENT

IN RELATION TO THE SHARES IN PJSC VIMPEL-COMMUNICATIONS

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THIS SALE AND PURCHASE AGREEMENT (the "**Agreement**") is entered into on 24 November 2022

BETWEEN

(1) **VEON HOLDINGS B.V.**, a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) incorporated and existing in accordance with Dutch law, registration number 34345993, legal address: Claude Debussylaan 88, 1082MD Amsterdam, the Netherlands (the "**Seller 1**");

(2) **VEON LTD.**, a legal entity incorporated and existing in accordance with the laws of Bermuda Islands, having its office address at Claude Debussylaan 88, 1082MD, Amsterdam, the Netherlands, and registered in the Dutch Commercial Register under number 34374835 (the "**Seller 2**");

hereinafter the Seller 1 and the Seller 2 are jointly referred to as the "**Sellers**" and individually referred to as a "**Seller**";

(3) **JOINT-STOCK COMPANY KOPERNIK-INVEST 3**, a legal entity incorporated and existing in accordance with the laws of the Russian Federation, main state registration number

(OGRN) 1227700750793, with its registered address at: 2-ya Brestskaya street, 8, prem. 4/1, office 79, 125047, Moscow, the Russian Federation (the “**Buyer**”);

- (4) **VIMPEL-COMMUNICATIONS PUBLIC JOINT STOCK COMPANY**, a legal entity incorporated and existing in accordance with the laws of the Russian Federation, main state registration number (OGRN) 1027700166636, with its registered address at: ul. 8 Marta 10, bld. 14, 127083, Moscow, the Russian Federation (the “**Company**”);

hereinafter the Sellers, the Buyer and the Company are jointly referred to as the “**Parties**” and individually referred to as a “**Party**”;

WHEREAS:

- (a) The Seller 1 owns 51,281,021.00 (fifty-one million two hundred eighty-one thousand twenty-one) ordinary shares with nominal value RUB 0.005 (five thousandths) each registered under state registration number 1-02-00027-A and 6,426,600.00 (six million four hundred twenty-six thousand six hundred) preferred shares with nominal value RUB 0.005 (five thousandths) each registered under state registration number 2-01-00027-A (the “**Sale Shares 1**”).
- (b) The Seller 2 owns 1.00 (one) ordinary share with nominal value 0.005 (five thousandths) registered under state registration number 1-02-00027-A (the “**Sale Shares 2**”, together with the Sale Shares 1 – the “**Sale Shares**”).
- (c) The Sale Shares represent 100% (one hundred per cent) of the total share capital of the Company.
- (d) The Sellers are willing to sell the Sale Shares to the Buyer and the Buyer is willing to buy the Sale Shares on the terms and subject to the conditions set out in this Agreement.
- (e) On July 5, 2022, the President of the Russian Federation issued Decree 430 “On Repatriation by Residents – Participants in Foreign Economic Activity of Foreign Currency and Currency of the Russian Federation” (the “**Presidential Decree 430**”), which, among other legal requirements, may impose an obligation on the Company to fulfil the Seller 1’s obligations under the VEON Bonds held through Russian depositaries, including through the NSD.
- (f) On September 20, 2022, the Company received a letter from the Ministry of Finance of the Russian Federation (“**MinFin**”, and the “**MinFin Letter**”), stating that MinFin “*consider[s] it appropriate that [the Company] ensures the fulfillment of obligations under Eurobonds of VEON Holding B.V. (formerly known as VimpelCom Holding B.V.) to holders of Eurobonds whose rights are recorded by Russian depositaries.*”

- (g) The Company has received a number of letters from holders holding the VEON Bonds through the Russian depositories demanding that the Company satisfy the Seller 1's obligations under the existing notes, and one such holder has also brought suit in a Russian court claiming payments.
- (h) The Parties acknowledge that the Transaction will require approval by the Sub-Commission of the Government Commission for Control over Foreign Investments in the Russian Federation which includes representatives from the MinFin and that no such approval is likely to be granted unless the Company has fulfilled its obligations under the Presidential Decree 430.
- (i) Nothing in this Agreement is intended to contravene any applicable laws and/or the lawful requirements of any authority (including any Relevant Authority).

1 DEFINITIONS

1.a The following definitions, used in this Agreement, have the meanings set out below, and the singular form (where appropriate) shall include the plural form and vice versa:

1.1.i **"Acquired VEON Bonds"** means the VEON Bonds actually acquired and held by the Company from the Signing Date until the Closing Date (both dates inclusive) excluding any VEON Bonds transferred to any party other than the Seller 1 or its nominee.

1.1.ii **"Accrued Acquired VEON Bonds Amount"** means the aggregate of (a) the principal amount under each Acquired VEON Bond; and (b) all interest and the VEON Bonds Related Fees under each Acquired VEON Bond accrued but remaining unpaid by the Seller 1 as of, as well as all interest and the VEON Bonds Related Fees accrued (whether paid or not) on or after, the moment of transfer of respective Acquired VEON Bond to the Company until its cancellation or transfer to the Seller 1, which, in each case, is recognized by the Clearing Systems and the Bonds Registrars, save for the amounts actually received by the Company prior to Closing.

1.1.iii **"Accrued Post-Closing Acquired VEON Bonds Amount"** means the aggregate of (a) the principal amount under each Post-Closing Acquired VEON Bond; and (b) all interest and the VEON Bonds Related Fees under each Post-Closing Acquired VEON Bond VEON Bond accrued but remaining unpaid by the Seller 1 as of, as well as all interest and the VEON Bonds Related Fees accrued (whether paid or not) on or after, the moment of transfer of respective Post-Closing VEON Bond to the Company until its transfer to the Seller 1, which, in each case, is recognized by the Clearing Systems and the Bonds Registrars.

1.1.iv **"Affiliate"** means:

- (1) with respect to any entity (or body or Person, as applicable), any other entity, body or Person directly or indirectly Controlling, Controlled by, or under direct or indirect common Control of such entity, provided, however, that the Company shall not be considered Affiliates of any Seller; and
- (2) with respect to an individual – a spouse of such person, direct descendant or direct ancestor of such person or of the spouse of such person or civil partner of such person.

- 1.1.v “**Agreed Form**” means in the form agreed by the Parties or by the parties to the relevant agreements to be in the Agreed Form in accordance with this Agreement (as applicable) (without prejudice to the right to agree technical amendments thereto) and initialed (or confirmed by written exchange, including e-mail) by them or on their behalf for the purpose of identification with such changes as such parties may agree in writing before Closing.
- 1.1.vi “**Agreement**” means this share purchase agreement and all schedules attached hereto.
- 1.1.vii “**Amended TLA**” means the Trademark License Agreements as amended in the Agreed Form with effect from Closing and providing for a term of not less than [*]⁵ years with effect from Closing and on substantially the same commercial terms as those in the Trademark License Agreements as of the Signing Date.
- 1.1.viii “**Anti-Corruption Laws**” means in each case (to the extent applicable to the relevant Party): (i) any anti-corruption or anti-bribery laws, rules or regulations that prohibit, inter alia, the provision or promise to provide cash or any other valuables to a public servant or to any person for the purpose of influencing the actions or decisions of such public servant or person or influencing such public servant or person, including all anti-corruption Applicable Law; (ii) U.S. Foreign Corrupt Practices Act 1977 (as amended); (iii) UK Bribery Act 2010; (iv) Federal Law of the Russian Federation No. 273-FZ “On counteraction to corruption” dated 25 December 2008 (as amended); and (v) Federal Law of the Russian Federation No-115 FZ “On Counteraction against Legalization (Laundering) of the Proceeds of Crime and Financing of Terrorism” dated 7 August 2001 (as amended).
- 1.1.ix “**Anti-Money Laundering Laws**” means any anti-money laundering laws and regulations applicable to the Parties, which introduce a ban on participation in financial transactions or on facilitating financial transactions that promote or hide illegal activities or the financing of terrorism in a particular jurisdiction.
- 1.1.x “**Applicable Law**” means, with respect to any Person, all provisions of laws, rules, regulations or Sanctions applicable to such Person or any of its assets or property, and all

^[5] indicates that certain information on this page has been omitted⁵

judgments, injunctions, orders and decrees of any competent authority exercising statutory or delegated powers over such Person in proceedings or actions in which such Person is a party or by which any of its assets or properties are bound.

- 1.1.xi “**Applications**” has the meaning given to in clause 6.2.1(A).
- 1.1.xii “**Appraiser**” means a reputable independent appraiser.
- 1.1.xiii “**Assignment Agreement for the Accrued Acquired VEON Bonds**” means an agreement under English law in the Agreed Form to be entered into between the Seller 1 and the Company on Closing for the assignment by the Company to the Seller 1 (or its nominee) of the right to receive the Accrued Acquired VEON Bonds Amount.
- 1.1.xiv “**Assignment Agreement for the Accrued Post-Closing Acquired VEON Bonds**” means an agreement under English law in the Agreed Form to be entered into between the Seller 1 and the Company for the assignment by the Company to the Seller 1 (or its nominee) of the right to receive the Accrued Post-Closing Acquired VEON Bonds Amount.
- 1.1.xv “**Assignment Consideration**” has the meaning given to it in clause 4.4.1.
- 1.1.xvi “**BIG 4 Appraiser**” means one of the following independent appraisers:
- (1) AO “Business Solutions and Technologies” (OGRN: 1027700425444); or
 - (2) Joint-Stock Company “Technologies of Trust – Audit” (OGRN: 1027700148431); or
 - (3) Joint-Stock Company “B1 Group” (OGRN: 1227700325610); or
 - (4) Limited Liability Company “DRT Audit” (OGRN: 5147746420652); or
 - (5) “KEPT” Limited Liability Company (OGRN: 1147746973637); or
 - (6) any member of the group of any of the forgoing conducting its business activity under the relevant brand; or
 - (7) a member of the following group or its equivalent or is conducting its business activity under the brand of:
 - (a) Ernst & Young Global Limited; or
 - (b) Deloitte Touche Tohmatsu Limited; or
 - (c) PricewaterhouseCoopers International Limited; or
 - (d) KPMG International Cooperative.

- 1.1.xvii “**Bond Paying Agent**” means (i) The Bank of New York Mellon, London Branch; (ii) The Bank of New York Mellon (Luxembourg) S.A.; (iii) The Bank of New York Mellon, New York Branch; (iv) Citibank, N.A., London Branch (whichever is applicable).
- 1.1.xviii “**Bonds Registrars**” means (i) The Bank of New York Mellon (Luxembourg) S.A.; (ii) Citigroup Global Markets Deutschland AG; (iii) Citigroup Global Markets Europe AG; (iv) Citibank, N.A., London Branch (whichever is applicable).
- 1.1.xix “**Bond Trustee**” means (i) BNY Mellon Corporate Trustee Services Limited; and (ii) Citibank, N.A., London Branch (whichever is applicable).
- 1.1.xx “**Business**” means the business carried out by the Company as at the Signing Date.
- 1.1.xxi “**Business Day**” means a day on which banks are generally open for business in the city of Amsterdam (the Netherlands) and in the city of Moscow (the Russian Federation).
- 1.1.xxii “**Buy-Back Request**” has the meaning set out in clause 13.2.1.
- 1.1.xxiii “**Buyer**” has the meaning set out in the introductory paragraph.
- 1.1.xxiv “**Buyer’s Share Account**” means personal account of the Buyer opened (to be opened) with the Registrar.
- 1.1.xxv “**Buzton Transfer**” means the sale (or transfer otherwise) by the Company of Joint Uzbek-American venture “BUZTON” in the form of a limited liability company (registered at the address: the Republic of Uzbekistan, Tashkent, Mirabadskiy district, st. Bukhara, 1).
- 1.1.xxvi “**Breaching Party**” has the meaning set out in clause 8.3.
- 1.1.xxvii “**CBR**” means Central Bank of Russia.
- 1.1.xxviii “**CBR Exchange Rate**” means the official exchange rate set out by the CBR for the relevant currency as of the respective date of payment.
- 1.1.xxix “**CC RF**” means the Civil Code of the Russian Federation (as amended).
- 1.1.xxx “**Clearing Systems**” means Euroclear and Clearstream.
- 1.1.xxxi “**Clearstream**” means Clearstream Banking, S.A.
- 1.1.xxxii “**Closing**” means the completion of the Transaction as set out in clause 7.2.1.
- 1.1.xxxiii “**Closing Actions**” has the meaning set out in clause 7.2.1.
- 1.1.xxxiv “**Closing Date**” has the meaning set out in clause 7.1.1.

- 1.1.xxxv “**Company**” has the meaning set out in the introductory paragraph.
- 1.1.xxxvi “**Company’s Subsidiaries**” means any legal entity where the Company directly or indirectly owns any shares / participation interests.
- 1.1.xxxvii “**Competent Arbitration Institution**” means the arbitration institution, which at the date of the submission of the notice of arbitration:
- (1) has the status of a permanent arbitral institution authorized by the competent government authority of the Russian Federation to administer arbitral proceedings as required by applicable Russian legislation, or any other status required by the applicable Russian legislation to administer arbitral proceedings; and
 - (2) has the arbitration rules of specific categories of Disputes, adopted, published and deposited in accordance with the applicable law of Russian Federation, if, pursuant to Russian legislation, arbitration of such category of Disputes is possible only under the arbitration rules of specific categories of Disputes;
 - (3) meets other requirements established by the applicable Russian legislation to administer arbitral proceedings of specific categories of Disputes, including corporate disputes.
- 1.1.xxxviii “**Completion Consideration**” has the meaning set out in clause 3.1.
- 1.1.xxxix “**Completion Consideration 1**” has the meaning set out in clause 3.3.1(A).
- 1.1.xl “**Completion Consideration 2**” has the meaning set out in clause 3.3.1(B).
- 1.1.xli “**Completion Consideration in Cash**” has the meaning set out in clause 3.4.1(C).
- 1.1.xlii “**Completion Consideration Set-Off**” has the meaning set out in clause 3.4.1(B).
- 1.1.xliii “**Consideration Received**” has the meaning set out in clause 3.2.2.
- 1.1.xliv “**Conditions**” has the meaning set out in clause 6.1.1.
- 1.1.xlv “**Confidential Information**” means all information of any kind or nature (whether written, oral, electronic or in any other form), including, without limitation, the contents of this Agreement, any financial information, trade secrets or other information, which a Party from time to time may receive as a result of entering into or performing its obligations pursuant to this Agreement, relating to another Party or the Company, which is not in the public domain.

- 1.1.xlvi “**Consideration Set-Off Agreement**” means the set-off agreement to be concluded by the Sellers and the Company on the Closing Date on the terms and in the form as attached as Schedule 1 to this Agreement in all material aspects.
- 1.1.xlvii “**Control**” means the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through ownership or otherwise (the terms “**Controlling**”, “**Controlled by**” shall be interpreted respectively).
- 1.1.xlviii “**Deed of Release**” means an agreement under English law to be entered into between the Parties on the Closing Date on the terms and in the form as attached as Schedule 2 to this Agreement in all material aspects.
- 1.1.xlix “**Disclosed Information**” has the meaning given to in clause 6.2.2(B)(i).
- 1.1.i “**Dispute**” has the meaning set out in clause 14.11.2.
- 1.1.ii “**Distributions**” has the meaning set out in clause 3.2.
- 1.1.iii “**Encumbrance**” means any rights and claims, including pledge, mortgage, lease, sublease, uncompensated use, easement, lien, assignment, dispute or seizure, interim measures ordered by a court or tribunal, and any other limitations of rights to own, use and dispose of, as contemplated by the Applicable Law and by contract, including, for the avoidance of doubt, any right to acquire, an option, pre-emptive right, and any contract, including preliminary agreement, fiduciary management agreement, option to contract, pre-emptive right or right of conversion, or agreement to establish the same.
- 1.1.iiii “**EUR**” means the single currency of the participating member states in accordance with the relevant legislation of the European Union relating to the Economic and Monetary Union.
- 1.1.lv “**Euroclear**” means Euroclear Bank, S.A./N.V., as operator of the Euroclear system.
- 1.1.lvi “**Enforcement Action**” means:
- (1) the acceleration of any sum payable under the VEON Bonds or the making of any declaration that any sum payable under the VEON Bonds is due and payable or payable on demand;
 - (2) the making of any demand against Seller 1 under the VEON Bonds;
 - (3) the suing for, commencing or joining of any legal or arbitration proceedings against the Seller 1 to recover any sums in connection with the VEON Bonds;

- (4) exercising (or causing any Bond Trustee to exercise) any other enforcement remedies in respect of the VEON Bonds, whether under contract, at law or in equity; and
- (5) the petitioning, applying or voting for any Insolvency Proceedings in relation to the Seller 1.

1.1.lvi “**Extended Long Stop Date**” has the meaning set out in clause 6.4.1.

1.1.lvii “**Excess Amount**” has the meaning set out in clause 4.5.1.

1.1.lviii “**Federal Law on Joint Stock Companies**” means Federal Law of the Russian Federation No. 208-Φ3 “On Joint-Stock Companies” dated 26 December 1995 (as amended).

1.1.lix “**HKIAC**” has the meaning set out in clause 14.11.2.

1.1.lx “**ICAC at the CCI RF**” has the meaning set out in clause 14.11.4.

1.1.lxi “**Independent Guarantees**” means independent guarantees granted by the Buyer and the Russian SPVs (acting as guarantors) in favour of the Seller 1 (acting as beneficiary) as a security of the Buyer's obligation to pay the Total Upside Consideration and the Completion Consideration in Cash in accordance with this Agreement to be entered into on the Closing Date on the terms and in the form as attached as Schedule 3 to this Agreement in all material aspects.

1.1.lxii “**Individuals**” means the natural persons, holding directly or indirectly all the shares / participatory interests in the share / charter capital of the Russian SPVs and/or the Buyer in accordance with the Ownership Structure.

1.1.lxiii “**Insolvency Proceedings**” means any corporate action or legal proceedings taken in relation to:

- (1) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, liquidation, dissolution, administration, receivership, administrative receivership, judicial composition or reorganization (by way of voluntary arrangement, scheme or otherwise) with respect to the Seller 1;
- (2) a composition, conciliation, compromise or arrangement with the creditors generally of the Seller 1 or an assignment by the Seller 1 of its assets for the benefit of its creditors generally or the Seller 1 becoming subject to a distribution of its assets;

- (3) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, restructuring expert or other similar officer in respect of the Seller 1 or any of its assets; or
- (4) any procedure or step in any jurisdiction analogous to those set out in subclauses (A) to (C) above.
- 1.1.lxiv “**Kazakhstan Transfer**” means the transfer of 75% (seventy-five per cent) of the share capital and voting rights in VIP Kazakhstan Holding AG from VEON Eurasia S.à r.l. to the Seller 1.
- 1.1.lxv “**Kazakhstan Transfer Receivable**” means the deferred consideration payable by the Seller 1 to VEON Eurasia S.à r.l. following completion of the Kazakhstan Transfer and assignment of such deferred consideration by VEON Eurasia S.à r.l. to the Company.
- 1.1.lxvi “**Kazakhstan Transfer Receivable Set-Off**” means the set-off of the Seller 1’s rights to receive RUB [*]⁶ ([*] rubles) from the Company under the Shareholders’ Loans against the Company’s rights to receive the Kazakhstan Transfer Receivable from the Seller 1 pursuant to the relevant set off agreement to be concluded between the Seller 1 and the Company (the “**Kazakhstan Transfer Receivable Set-Off Agreement**”) in the Agreed Form.
- 1.1.lxvii “**Lenders’ Consents**” has the meaning set out in clause 6.1.1(G).
- 1.1.lxviii “**Long Stop Date**” means 01 June 2023 (or such other date as may be jointly agreed by the Parties in writing).
- 1.1.lxix “**MinFin**” has the meaning set out in clause (F) of Preamble.
- 1.1.lxx “**MinFin Letter**” has the meaning set out in clause (F) of Preamble.
- 1.1.lxxi “**MOEX**” means Public Joint-Stock Company Moscow Exchange Micex-Rts, a legal entity incorporated under the laws of the Russian Federation with registration number (OGRN) 1027739387411, LEI 253400M5M1222KPNWE87, SWIFT XMICRUM1, whose registered office at 125009, the city of Moscow, Bolshoy Kislovksy pereulok, 13.
- 1.1.lxxii “**Non-Breaching Party**” has the meaning set out in clause 8.3.
- 1.1.lxxiii “**NSD**” means Non-Banking Credit Organization JSC “National Settlement Depository” (ORGN 1027739132563).
- 1.1.lxxiv “**Ownership Structure**” means the ownership structure (including all Individuals holding directly or indirectly shares / participatory interests) of the Russian SPVs and the Buyer, as well as including information on any options, shareholders agreements (except for any

^[6] indicates that certain information on this page has been omitted⁶

shareholders or other similar agreements or arrangements to be entered solely by and between the Individuals and/or the Russian SPVs, if applicable), encumbrances and other economic rights in respect of the Buyer and the Russian SPVs, as provided by the Buyer in writing to the Seller 1 on the Signing Date and in other cases as prescribed by this Agreement.

- 1.1.lxxv “**Party**” has the meaning set out in the introductory paragraph.
- 1.1.lxxvi “**Permits**” has the meaning set out in clause 6.1.1(F).
- 1.1.lxxvii “**Person**” means any natural person, corporate or unincorporated body (whether or not having separate legal personality), as the case may be.
- 1.1.lxxviii “**Post-Closing Acquired VEON Bonds**” means the VEON Bonds actually acquired and held by the Company after the Closing Date excluding any VEON Bonds transferred to any party other than the Seller 1 or its nominee.
- 1.1.lxxix “**Post-Closing Acquired VEON Bonds Claim**” has the meaning given to this term in clause 13.3.1.
- 1.1.lxxx “**Post-Closing Acquired VEON Bonds Settlement Agreement**” means an agreement under English law in the Agreed Form to be entered into by the Seller 1 and the Company on the key terms provided for in clause 13.2.
- 1.1.lxxxii “**Post-Closing Acquired VEON Bonds Purchase Price**” has the meaning given to this term in clause 13.2.1.
- 1.1.lxxxiii “**Postponed Closing Date**” has the meaning set out in clause 7.2.4.
- 1.1.lxxxiiii “**Purchase Price**” has the meaning set out in clause 3.1.
- 1.1.lxxxv “**Presidential Decree 430**” has the meaning set out in the clause (E) of Preamble.
- 1.1.lxxxvi “**Registrar**” means Joint Stock Company «Registry society «STATUS» (OGRN 1027700003924).
- 1.1.lxxxvii “**Regulatory Approvals**” has the meaning set out in the clause 6.1.1(A).
- 1.1.lxxxviii “**Relevant Authorities**” means any central bank, ministry, governmental, quasi-governmental, national, supranational (including the European Union), statutory, environmental, administrative, supervisory, fiscal or investigative body or authority (including any antitrust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment or national security review body), any national, state, municipal or

local government (including any subdivision, court, administrative agency or commission or other authority thereof), any tribunal, court, trade agency, association, institution or any other body or Person whatsoever in any jurisdiction.

- 1.1.lxxxviii **“Reorganization”** means a reorganization of Company in the form of a merger (“*присоединение*”) (as provided by Article 17 of the Federal Law on Joint Stock Companies) of the Buyer to the Company occurring after Closing.
- 1.1.lxxxix **“Resale Equity Value”** has the meaning set out in clause 3.2.
- 1.1.xc **“Resale Event”** means any transaction or action (or a series of directly or indirectly related transactions or actions) resulting in any of the following within the Resale Event Period:
- (1) Individuals acting in concert ceasing to have the Control over the Company, the Buyer, any Russian SPV or their Successor;
 - (2) admission of any shares in the share capital of the Company, the Buyer or any Russian SPV (or their Successors) to trading on, or the granting of permission for any such shares to be dealt on, any internationally recognized stock exchange (including, without limitations, MOEX and/or SPB Exchange).
- 1.1.xci **“Resale Event Period”** has the meaning set out in clause 3.2.
- 1.1.xcii **“Resale Share”** has the meaning set out in clause 3.2.
- 1.1.xciii **“RUB”** means Ruble, the lawful currency of the Russian Federation.
- 1.1.xciv **“Russian FAS”** means the Federal Antimonopoly Service of the Russian Federation.
- 1.1.xcv **“Russian SPV 1”** means JOINT-STOCK COMPANY KOPERNIK-INVEST, a legal entity incorporated and existing in accordance with the laws of the Russian Federation, main state registration number (OGRN) 1227700750760, with its registered address at: 2-ya Brestskaya street, 8, prem. 4/1, office 77, 125047, Moscow, the Russian Federation.
- 1.1.xcvi **“Russian SPV 2”** means JOINT-STOCK COMPANY KOPERNIK-INVEST 2, a legal entity incorporated and existing in accordance with the laws of the Russian Federation, main state registration number (OGRN) 1227700750881, with its registered address at: 2-ya Brestskaya street, 8, prem. 4/1, office 78, 125047, Moscow, the Russian Federation.
- 1.1.xcvii **“Russian SPVs”** means the Russian SPV 1 and the Russian SPV 2 collectively.
- 1.1.xcviii **“Sale Share 1”** has the meaning set out in clause (A) of Preamble.
- 1.1.xcix **“Sale Share 2”** has the meaning set out in clause (B) of Preamble.

- 1.1.c “**Sale Shares**” has the meaning set out in clause (B) of Preamble.
- 1.1.ci “**Sanctioned Person**” means any Person or organization which (from time to time): (i) is designated on the OFAC list of Specially Designated Nationals and Blocked Persons, the Consolidated List of Financial Sanctions Targets maintained by the OFSI, and/or the Consolidated List of persons, groups and entities subject to EU Financial Sanctions; (ii) is, or is part of, a government of a Sanctioned Territory; (iii) is owned or controlled by, or acting on behalf of, any of the foregoing; (iv) is located within or operating from a Sanctioned Territory; or (v) is otherwise targeted under any Sanctions.
- 1.1.cii “**Sanctioned Territory**” means any country or other territory targeted by a comprehensive export, import, financial or investment embargo under Sanctions (from time to time) where such restrictions or embargos (as applicable) applied on a country-wide or territory-wide basis (as applicable) so as to prohibit or otherwise restrict trade or other transactions with that country or territory (as applicable) or Persons located in that country or territory.
- 1.1.ciii “**Sanctions**” means any economic sanctions Laws, regulations, embargoes or restrictive measures, as amended from time to time, administered, enacted or enforced by:
- (1) the United States;
 - (2) the European Union or any member state thereof;
 - (3) the United Kingdom;
 - (4) Bermuda; or
 - (5) the respective governmental institutions and agencies of any of the foregoing responsible for administering, enacting or enforcing Sanctions (each a “**Sanctions Authority**”), including the Office of Foreign Assets Control of the US Department of Treasury (the “**OFAC**”), the United State Department of State, the Dutch Ministry of Finance, and Her Majesty’s Treasury (the “**HM Treasury**”), and the Financial Sanctions Implementation Unit of Bermuda (the “**FSIU**”), UK Office of Financial Sanctions Implementation (the “**OFSI**”).
- 1.1.civ “**Seller 1**” has the meaning set out in the introductory paragraph.
- 1.1.cv “**Seller 2**” has the meaning set out in the introductory paragraph.
- 1.1.cvi “**Sellers**” has the meaning set out in the introductory paragraph.
- 1.1.cvii “**Sellers’ Group**” means the Seller 1, the Seller 2 and their Affiliates (excluding the Company and the Company’s Subsidiaries).

- 1.1.cviii **“Seller 1’s Account”** means the bank account with the following details:
- Company name: VEON HOLDINGS BV
- Bank: [*]⁷
- Bank address: [*]
- SWIFT: [*]
- IBAN: [*]
- Currency: EUR,
- Correspondent bank: [*]⁸
- SWIFT: [*],
- or any other bank account to be specified by the Seller 1 by way of notice to the Buyer no later than 5 (five) Business Days prior to the Closing Date.
- 1.1.cix **“Seller 1’s Bank”** means [*] or any other bank to be specified by the Seller 1 by way of notice to the Buyer no later than 5 (five) Business Days prior to the Closing Date.
- 1.1.cx **“Seller 1’s Share Account”** means personal account No. [*] opened with the Registrar.
- 1.1.cxi **“Seller 2’s Share Account”** means personal account No. [*] opened with the Registrar.
- 1.1.cxii **“Service Telecom”** means Service Telecom Group of Companies, a limited liability company incorporated under the laws of the Russian Federation having its registered office address at Uspenskaya street, 3, prem. 1, office 307, Krasnogorsk city, Moscow Region, the Russian Federation, 143409, registered in the Unified State Register of Legal Entities under the primary state registration number (ORGN) 1177746836695.
- 1.1.cxiii **“Service Telecom Assignment Agreement”** has the meaning set out in clause 4.4.1.
- 1.1.cxiv **“Service Telecom SPA”** means a share purchase agreement in respect of the entire share capital of JSC “National Tower Company” entered into by Service Telecom and the Sellers on 05 September 2021.

⁷ indicates that certain information on this page has been omitted⁷
⁸ indicates that certain information on this page has been omitted⁸

- 1.1.cxv **“Service Telecom Receivable”** means the outstanding amounts payable by Service Telecom to the Sellers under the Service Telecom SPA in the amount comprising of:
- (1) Input VAT (as defined in the Service Telecom SPA) amounts under 8.6-8.9 of the Service Telecom SPA; and
 - (2) the deferred payments of RUB [*] ([*] rubles), RUB [*] ([*] rubles), and RUB [*] ([*] rubles) under clause 9.3 of the Service Telecom SPA.
- 1.1.cxvi **“Shareholders’ Loans”** means loans which are owed by the Company to the Seller 1 pursuant to the following agreements:
- (1) the Facility Agreement No. 81/2020 concluded between the Company as a borrower and the Seller 1 as a lender on 17 December 2020, as amended, novated, supplemented, extended or restated from time to time prior to the date hereof, including pursuant to the Deed of Set-Off concluded between the Company and the Seller 1 on 22 July 2022;
 - (2) the Facility Agreement concluded between the Company as a borrower and the Seller 1 as a lender on 12 May 2021, as amended and restated on 22 July 2022;
 - (3) the Facility Agreement No. 86/2022 concluded between the Company as a borrower and VEON Finance Ireland Designated Activity Company as a lender on 15 February 2022 and the Loan Agreement concluded between VEON Finance Ireland Designated Activity Company as a borrower and the Seller 1 as a lender on 04 April 2022, as amended, novated, supplemented, extended or restated from time to time prior to the date hereof, including pursuant to the Novation and Amendment and Restatement Agreement concluded between the Company, the Seller 1 and VEON Finance Ireland Designated Activity Company on 22 July 2022.
- 1.1.cxvii **“SIAC”** has the meaning set out in clause 14.11.3.
- 1.1.cxviii **“Signing Date”** means the date of this Agreement.
- 1.1.cxix **“SPB Exchange”** means Public Joint-Stock Company «SPB Exchange», a legal entity incorporated under the laws of the Russian Federation with registration number (OGRN) 1097800000440, whose registered office at 127006, Moscow, Dolgorukovskaya Street, 38, bld.1, floor 2, prem. 1, rooms 19, 20.
- 1.1.cxx **“Sub-Commission”** means the Sub-Commission of the Government Commission for Control over Foreign Investments in the Russian Federation.

- 1.1.cxxi “**Successors**” means any legal entity created as a result of reorganization (*in Russian: “реорганизация”*) of the Company, the Buyer or the Russian SPVs.
- 1.1.cxxii “**Surviving Provisions**” means the provisions of clauses 1 (*Definitions*) and 14 (*Miscellaneous*).
- 1.1.cxxiii “**Termination Date**” has the meaning set out in clause 8.1.
- 1.1.cxxiv “**Total Upside Consideration**” has the meaning set out in clause 3.1.
- 1.1.cxxv “**Trademark License Agreements**” means the following trademark license agreements concluded between the Company and members of the Sellers’ Group:
- (1) the license agreement N 521/07 dated February 20, 2007 between the Company and Limited Liability Partnership “KaR-Tel” (registered at the address: Republic of Kazakhstan, Almaty, microdistrict Koktem-2, 22) with all additional agreements;
 - (2) the trademark license agreement dated July 15, 2017 between the Company and Limited Liability Company “Sky Mobile” (registered at the address: Kyrgyz Republic, Bishkek, st. Toktogula, 125/1) with all additional agreements;
 - (3) the license agreement N TM-2006 URS dated June 07, 2006 between the Company and Limited Liability Company “Unitel” (registered at the address: the Republic of Uzbekistan, Tashkent, st. Bukhoro, 1) with all additional agreements.
- 1.1.cxxvi “**Transaction**” means the transactions contemplated by or in accordance with this Agreement.
- 1.1.cxxvii “**Transaction Documents**” means:
- (1) the Agreement;
 - (2) the Consideration Set-Off Agreement;
 - (3) Kazakhstan Transfer Receivable Set-Off Agreement;
 - (4) the Transitional Services Agreement;
 - (5) the Amended TLA;
 - (6) the Independent Guarantee;
 - (7) if applicable, the Service Telecom Assignment Agreement;
 - (8) the Deed of Release;

- (9) the Assignment Agreement for the Accrued Acquired VEON Bonds;
- (10) if applicable in accordance with clause 6.2.3(A)(ii), the VEON Bonds Sale Agreement;
- (11) if applicable in accordance with clause 6.2.3(C), the VEON Bonds Settlement Agreement;
- (12) the Assignment Agreement for the Accrued Post-Closing Acquired VEON Bonds; and
- (13) the Post-Closing Acquired VEON Bonds Settlement Agreement.

1.1.cxxviii **“Transfer Clearance Authorities”** means (i) the Russian FAS; and (ii) the Sub-Commission;

1.1.cxxix **“Transitional Services Agreement”** means the agreement of that name between the Company and the Seller 1 (or its Affiliates) to be entered into in the Agreed Form on the Closing Date in relation to transitional services to be provided by the Company and the Sellers’ Group to each other on substantially the same terms as provided in the period of 12 (twelve) months prior to the Signing Date.

1.1.cxxx **“Upside Consideration Payment”** has the meaning set out in clause 3.2.

1.1.cxxxi **“USD”** means the official currency of the United States of America.

1.1.cxxxii **“USRLE”** means the Unified State Register of Legal Entities in the Russian Federation.

1.1.cxxxiii **“VEON Bonds”** means eurobonds issued by the Seller 1, held directly or indirectly through NSD and existing as of the Signing Date.

1.1.cxxxiv **“VEON Bonds Related Fees”** means the fees paid or to be paid by the Seller 1 to the bondholders in connection with or under the VEON Bonds.

1.1.cxxxv **“VEON Bonds Sale Agreement”** means an agreement under English law in the Agreed Form to be entered into by the Seller 1 and the Company pursuant to clause 6.2.3(A)(ii).

1.1.cxxxvi **“VEON Bonds Disposal”** means:

- (1) cancellation of the Acquired VEON Bonds (whether in accordance with their terms or via a court or other statutory process) which is recognized by the Clearing Systems and the Bonds Registrars in accordance with clause 6.2.3(A)(i); and/or

(2) transfer of title to the Acquired VEON Bonds from the Company to the Seller 1 (or its nominees) which is recognized by the Clearing Systems and the Bonds Registrars in accordance with clause 6.2.3(A)(ii).

1.1.cxxxvii “**VEON Bonds Settlement Agreement**” means an agreement under English law in the Agreed Form to be entered into by the Seller 1 and the Company pursuant to clause 6.2.3(C).

1.1.cxxxviii “**VEON Bonds Settlement**” has the meaning set out in clause 6.2.3(C).

1.1.cxxxix “**VEON Debt**” means the total principal amount (excluding interest and the VEON Bonds Related Fees accrued thereon) of the Acquired VEON Bonds, provided that the principal amount of any Acquired VEON Bonds denominated in USD (the “**USD VEON Debt**”) shall be converted for these purposes into RUB based on the following exchange rates:

(1) [*]⁹;

(2) [*];

(3) [*];

(4) [*];

(5) [*];

(6) [*].

1.1.cxl “**VEON Debt Consideration**” means (i) the VEON Debt Closing Receivable; and/or (ii) the VEON Debt Settlement Receivable, as applicable and taking into account clause 6.2.3(D).

1.1.cxli “**VEON Debt Closing Receivable**” has the meaning set out in clause 6.2.3(B)(i).

1.1.cxlii “**VEON Debt Settlement Receivable**” has the meaning set out in clause 6.2.3(E).

1.1.cxliii “**VEON Georgia LLC**” means a company organized and existing under the laws of Georgia, registered with the Registry of Entrepreneurs and Non-Entrepreneurial (non-Commercial) Legal Entities at LEPL National Agency of Public Registry of the Ministry of Justice of Georgia under the number 204450584, whose registered address is at Bambis Rigi N8, Old Tbilisi District, Tbilisi, Georgia;

1.1.cxliv “**VEON Group Authority Matrix**” means the Group Authority Matrix/Delegation of the Sellers’ Group as adopted by the Company on 08 October 2020, as amended on 25 November 2021.

^[9] indicates that certain information on this page has been omitted⁹

1.1.cxlV “**Warranty**” means the warranties given by the Sellers and by the Buyer in accordance with Article 431.2 of the CC RF and as set out in clauses 9, 10 and 11 respectively.

2 SUBJECT MATTER OF THE AGREEMENT

2.a Subject to the Conditions being satisfied (or waived, as applicable) and subject to the other terms set out in this Agreement, the Sellers are obliged to sell the Sale Shares and the Buyer is obliged to purchase the Sale Shares, in each case pursuant to and in accordance with the terms of this Agreement.

2.b The Sale Shares shall be sold by the Sellers to the Buyer on Closing, free and clear of any Encumbrances and together with all rights attaching to them. No Party shall be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all of the Sale Shares is completed simultaneously.

2.c This Agreement is a mixed agreement and may have elements of different agreements.

3 PURCHASE PRICE

3.1 The aggregate consideration for the Sale Shares (the “**Purchase Price**”) shall be calculated as follows:

Purchase Price = Completion Consideration + Total Upside Consideration

where:

the “**Completion Consideration**” means the amount of RUB 130,000,000,000.00 (one hundred thirty billion rubles);

the “**Total Upside Consideration**” means the aggregate amount of all Upside Consideration Payments calculated in accordance with clause 3.2 and paid in accordance with clause 3.4.3;

“+” means plus.

3.2 If within [*]¹⁰ months from the Closing Date (the “**Resale Event Period**”) any Resale Event occurs, then the Buyer shall pay to the Seller 1 the amount of monetary funds which shall be calculated as follows (provided that such calculation shall be made each time the Resale Event occurs) (the “**Upside Consideration Payment**”):

[*]

where:

[*]¹⁰ indicates that certain information on this page has been omitted

“Resale Share” means [*]: [*]

where:

(1) “[*]” means:

(a) [*]; and

(b) [*];

(2) “[*]” means [*].

“Resale Equity Value” shall be calculated in accordance with clause 3.2.2;

“Distributions” means any dividends, profits, actual value (in Russian: “действительная стоимость”), share buyback or other distributions made under 100% (one hundred per cent) of the shares / participatory interests in the share / charter capital of the Company, the Buyer or the Russian SPVs or their successors (as applicable) after the Closing Date, but before the respective Resale Event;

“×” means multiplication;

“+” means plus;

“-” means minus,

provided that if the amount calculated according to the above formula is negative or zero, then the amount of the respective Upside Consideration Payment for the purposes of this Agreement shall be zero and the Upside Consideration Payment for the respective Resale Event shall not be paid.

3.2.ii In case of the Resale Event the Resale Equity Value shall be calculated as follows:

[*]

where:

[*]¹¹:

(1) [*]

(2) [*]

¹¹ indicates that certain information on this page has been omitted¹¹

(3) [*]

(4) [*]¹²

3.b Allocation of the Purchase Price

1.1.i The Completion Consideration shall be allocated between the Sellers as follows:

(1) RUB 129,999,990,000.00 (one hundred twenty-nine billion nine hundred ninety-nine million nine hundred ninety thousand) – to the Seller 1 (the “**Completion Consideration 1**”); and

(2) RUB 10,000.00 (ten thousand rubles) – to the Seller 2 (the “**Completion Consideration 2**”).

1.1.ii The Completion Consideration and the Upside Consideration Payment shall be paid to the Sellers pursuant to clause 3.4.

1.a **Payment of the Purchase Price**

1.4.i The Completion Consideration shall be satisfied as follows:

(1) the Sellers and the Buyer acknowledge and agree that the Completion Consideration 2 shall be paid by the Buyer to the Seller 1;

(2) the Completion Consideration (or respective portion thereof) shall be satisfied by way of a set-off against the respective amount of the VEON Debt Consideration on the ruble-to-ruble basis (the “**Completion Consideration Set-Off**”) in accordance with the Consideration Set-Off Agreement. For the avoidance of doubt, for the purposes of the Consideration Set-Off the respective amount of the USD VEON Debt shall be converted into RUB as indicated in the definition of “VEON Debt”; and

(3) in case the amount of (i) the Completion Consideration minus (ii) the VEON Debt Consideration (the “**Completion Consideration in Cash**”) is a positive amount, the entire amount of the Completion Consideration in Cash shall be paid by the Buyer at the Closing Date in EUR at the CBR Exchange Rate as of the Closing Date (with any portion of such consideration that forms a part of the Completion Consideration 2 being received by the Seller 1 for and on behalf of the Seller 2) in immediately available funds to the Seller 1’s Account with the same date value without any set-off, deduction or counterclaim irrespective of any limitations or discounts imposed by the Regulatory Approvals.

[*]¹² indicates that certain information on this page has been omitted

1.4.ii The obligation of the Buyer to pay the Completion Consideration in Cash in accordance with clause 3.4.1(C) shall be deemed discharged from the date entire amount of Completion Consideration in Cash is credited to the Seller 1's Bank Account.

1.4.iii The Upside Consideration Payment (if any and subject to clause 3.2) shall be paid in EUR at the CBR Exchange Rate as of the date of payment by the Buyer or its assignee to the Seller 1 in immediately available funds to the Seller 1's Account without any deduction or counterclaim:

- (1) within 5 (five) Business Days from the date of occurrence of each respective Resale Event; or
- (2) if the Appraiser or the BIG 4 Appraiser (as applicable) is engaged in accordance with clause 3.2, within 5 (five) Business Days from the date when the fair market value is determined in accordance with clause 3.2; or
- (3) if the consideration under respective Resale Event is deferred, the relevant deferred part of the Upside Consideration Payment shall be paid within 5 (five) Business Days from the date of receipt of respective deferred consideration (or the part thereof).

1.4.iv The Buyer's obligations to pay the Total Upside Consideration and Completion Consideration in Cash in accordance with this Agreement are secured by the Independent Guarantees.

1.4.v The Buyer hereby instructs the Company in accordance with article 313 of the CC RF to pay the Completion Consideration on its behalf, the Company agrees to pay the Completion Consideration on behalf of the Buyer and the Sellers agree to accept the payment of the Completion Consideration performed by the Company. For the purposes of this clause 3.4, any references to the Buyer in respect of payment of the Completion Consideration shall be also deemed to be the references to the Company.

1.b **Statutory Pledge**

The Parties agree that for the purposes of Article 488.5 of the CC RF, the Sale Shares shall not be deemed pledged to the Sellers.

1.c **Resale Event Notification**

The Buyer shall, as soon as reasonably practicably (and in any event within 5 (five) Business Days after any Resale Event) give to the Sellers the written notice of the occurrence of the Resale Event.

4 PARTIES OBLIGATIONS PRIOR TO CLOSING

4.a VEON Bonds

4.1.i Each Party hereby acknowledges and agrees that the performance by the Parties of their respective obligations contained in the Transaction Documents do not and are not intended to contravene any Sanctions and in particular, but without limiting the foregoing:

- (1) the Company undertakes and covenants not to, directly or, to the knowledge of the Company, indirectly, acquire the VEON Bonds from any Sanctioned Person (including custodians who are Sanctioned Persons) until the Permits and any other licenses or approval issued by competent Sanctions authorities have been obtained by the Sellers;
- (2) each Seller undertakes and covenants not to acquire the VEON Bonds from any Sanctioned Person until the Permits and any other licenses or approval issued by competent Sanctions authorities have been obtained by the Sellers. For the avoidance of doubt, such undertaking is given by the Sellers on their own behalf and not on behalf of the Company and no action or omission by the Company shall be attributed directly or indirectly to the Sellers.

4.b Intra-group payables

4.2.i Without prejudice to the VEON Debt Settlement, as soon as practicable following the Signing Date and by no later than the Closing Date, the Company and the Sellers shall procure the settlement of all intra-group payables between the Company (and its subsidiaries) and the Sellers (its Affiliates) (excluding any payables falling due in the ordinary course of business between the Company (its subsidiaries) and the Sellers (its Affiliates)) resulting in there being no outstanding debt, claims or demands between the Company and the Sellers on or immediately after Closing, other than as may be agreed by the Sellers and the Buyer in writing.

4.c Agreed Form documents

4.3.i As soon as practicable following the Signing Date and by no later than 31 December 2022 (unless otherwise agreed by the Parties in writing) the Parties shall use best endeavors to agree the following Transaction Documents:

- (1) Kazakhstan Transfer Receivable Set-Off Agreement;
- (2) the Transitional Services Agreement;
- (3) the Amended TLA;

- (4) if applicable, the Service Telecom Assignment Agreement;
- (5) the Assignment Agreement for the Accrued Acquired VEON Bonds;
- (6) if applicable in accordance with clause 6.2.3(A)(ii), the VEON Bonds Sale Agreement;
- (7) if applicable in accordance with clause 6.2.3(C), the VEON Bonds Settlement Agreement;
- (8) the Assignment Agreement for the Accrued Post-Closing Acquired VEON Bonds;
and
- (9) the Post-Closing Acquired VEON Bonds Settlement Agreement.

4.d **Service Telecom Assignment**

4.4.i The Parties have agreed that on or prior to 31 December 2022 the Sellers may enter into the assignment agreement with the Company in the Agreed Form (the “**Service Telecom Assignment Agreement**”) pursuant to which the Sellers shall assign their rights to receive the total amount of the Service Telecom Receivable

to the Company at a consideration equal to RUB [*] ([*] rubles, which shall be reduced to RUB [*]¹³ ([*] rubles) on Closing (the “**Assignment Consideration**”) and which shall be paid or satisfied by the Company in accordance with clause 4.4.2.

4.4.ii The Sellers and the Buyer acknowledge and agree that the Assignment Consideration shall be paid by the Company to the Seller 1. The Assignment Consideration shall be paid in cash (the “**Assignment Consideration in Cash**”) by the Company to the Seller 1 at the Closing Date in immediately available funds to the Seller 1’s Account or satisfied by way of a set-off against the respective amount of the outstanding VEON Debt Consideration and/or the Excess Amount (or the respective part thereof) in accordance with the Consideration Set-Off Agreement (the “**Assignment Consideration Set-Off**”).

4.4.iii The obligation of the Company to pay the Assignment Consideration in Cash in accordance with clause 4.4.2 shall be deemed discharged from the date the entire amount of the Assignment Consideration in Cash is credited to the Seller 1’s Bank Account.

4.e **Excess Amount Compensation**

4.5.i In case the amount of the VEON Debt Consideration exceeds the Completion Consideration (the “**Excess Amount**”) and such Excess Amount is not fully set off in accordance with

¹³ indicates that certain information on this page has been omitted¹³

clause 4.4.2, the Buyer and the Seller 1 shall agree in good faith within [*] ([*]) months following the Closing on how such Excess Amount may be paid or otherwise compensated by the Seller 1 or its Affiliates to the Buyer. The Buyer in accordance with Article 430 of the CC RF instructs the Seller 1 to pay the Excess Amount to the Company and confirms that the payment (compensation) of the Excess Amount to the Company by the Seller 1 will be considered to be the proper performance of the Seller 1's obligations to pay the Excess Amount.

4.5.ii If the Seller 1 and the Buyer do not reach an agreement on how the Excess Amount should be settled within the time period indicated in clause 4.5.1, the Buyer shall be entitled to request the payment of the Excess Amount in cash at any time following the expiration of such time period.

4.f **Changes in the Ownership Structure**

4.6.i The Buyer shall procure that no change of Control over the Buyer shall occur on or before the Closing Date.

4.6.ii Unless otherwise provided in clause 4.6.3, the Buyer shall procure that no changes in the Ownership Structure shall occur on or before the Closing Date without the prior written consent of the Seller 1 (such consent not to be unreasonably withheld).

4.6.iii The Parties have agreed that the following changes in the Ownership Structure may occur without the prior written consent of the Seller 1:

- (1) issuance of the additional shares by the Russian SPVs or the Buyer to the Individuals and / or Russian SPVs; and
- (2) transfers of shares in the Russian SPVs between the Individuals or transfer of shares in the Buyer between the Russian SPVs;

in each case provided that (i) such changes do not lead to change of Control (directly or indirectly) over the Russian SPVs or the Buyer, and (ii) the Seller 1 is notified in writing of the respective changes as soon as practicable but no later than 10 (ten) Business Days prior to the Closing Date.

5 **CONDUCT OF BUSINESS**

3.a Between the Signing Date and the Closing the Company and the Sellers shall:

- (1) operate Business in the ordinary course and in all material respects in compliance with Applicable Law, Company's constitutional documents and internal policies,

including, but not limited to, the VEON Group Authority Matrix, and all the material agreements concluded by the Company;

- (2) take all reasonable steps to preserve and protect Business and assets (including goodwill);
- (3) [*]¹⁴;
- (4) [*].

5.2. Clause 5.1 shall not operate so as to restrict or prevent:

- (1) any matter mutually agreed by the Seller 1 and the Buyer;
- (2) any matter contemplated in the Transaction Documents.

6 CONDITIONS

6.a Conditions precedent

6.1.i The obligations of the Sellers and the Buyer to complete the Transaction in accordance with clause 7 shall be subject to the following conditions (the “**Conditions**”) to be satisfied or waived (subject to clause 6.5) by no later than the Long Stop Date (subject to clause 6.4):

- (1) the Buyer and the Company (as applicable) having obtained the following approvals required for the consummation of the Transaction (the “**Regulatory Approvals**”):
 - (a) approval by the Russian FAS under the Federal Law No. 135-FZ “On Protection of Competition” dated 26 July 2006; and
 - (b) approval by the Sub-Commission under the Presidential Decree No. 81 dated 01 March 2022, the Presidential Decree No. 618 dated 08 September 2022, the Presidential Decree No. 95 dated 05 March 2022 and the Presidential Decree No. 737 dated 15 October 2022, including approval of the transfer of all the Sale Shares, VEON Bonds Disposal (if applicable), Kazakhstan Transfer Receivable Set-Off (if applicable), payment or satisfaction of the Purchase Price in the amount, currency and manner specified in this Agreement;
- (2) the VEON Bonds Disposal having occurred;

^[1] indicates that certain information on this page has been omitted¹⁴

- (3) the VEON Debt being not less than RUB [*]¹⁵ ([*] Russian rubles) provided that the amount of USD VEON Debt is not less than USD [*] ([*] United States dollars);
- (4) the Kazakhstan Transfer having been completed within 14 (fourteen) calendar days of the Signing Date;
- (5) the Kazakhstan Transfer Receivable Set-Off having been completed;
- (6) the Sellers having obtained licenses, permits and consents from OFAC, OFSI, the Minister of Legal Affairs and Constitutional Reform of Bermuda and the Dutch Ministry of Finance as may be required (but not limited to) for the VEON Bonds Disposal, the VEON Bonds Settlement, acquisition (including payment for) by the Seller 1 (or its nominee) of the VEON Bonds (and the entitlement to principle and interest and the VEON Bonds Related Fees accrued and/or received prior to, on or after Closing under the VEON Bonds) held by the Company on or after Closing, and payment of the Purchase Price by the Company on behalf of the Buyer and/or by the Buyer (what is applicable) (including the set-off of the VEON Debt Consideration against the Completion Consideration) (the “**Permits**”); and
- (7) the Seller 1 having obtained all consents of the lenders to, and the bondholders of, the Seller 1 to permit the Transaction, applicable as of the Closing Date (the “**Lenders’ Consents**”).

6.b Responsibility of the Parties for the satisfaction of the Conditions

6.2.i Regulatory Approvals

- (1) The Buyer shall have the primary responsibility for the preparation of any notifications and applications to the Transfer Clearance Authorities (the “**Applications**”) in connection with obtaining of the Regulatory Approvals.
- (2) The Buyer shall, submit the Applications as soon as practically possible after the Signing Date but, in any event, no later than [*]¹⁶ Business Days from the Signing Date (except for the Applications for the VEON Debt Disposal and Kazakhstan Transfer Receivable Set-Off, which may be filed no later than [*] Business Days from the Signing Date), provided that the Sellers have timely provided to the Buyer all information reasonably required in respect of them and their Affiliates as necessary for the completion of such submission by such date (and, if the Sellers do not timely provide such information, the above periods for submission of the

[*]¹⁵ indicates that certain information on this page has been omitted
[*]¹⁶ indicates that certain information on this page has been omitted¹⁶

Applications shall be extended by such number of days as is equal to the number of days required by the Sellers to provide such information to the Buyer).

- (3) At the Seller's request, the Buyer shall:
- (a) provide the Sellers and its internal or external legal counsel as soon as possible with drafts of any written filings and other communications intended to be submitted to the Transfer Clearance Authorities in respect of any Applications;
 - (b) provide the Sellers or its internal and external legal counsel with a reasonable opportunity to comment on such filings and communications;
 - (c) promptly provide the Sellers or its internal and external legal counsel with final copies of all such filings and communications; or
 - (d) promptly forward to the Sellers and its internal and external legal counsel any communications received from the Transfer Clearance Authorities.

provided that in each case the Buyer shall be entitled to reasonably refuse to disclose respective information and/or documents, if such disclosure is likely to result in breach of the Applicable Law.

- (4) In case any Regulatory Approvals are issued subject to any terms and/or conditions (including any instructions and obligations), the Parties shall consult with each other whether the conditions of the respective Regulatory Approval are reasonably satisfactory to the Parties.

6.2.ii **Obligations in relation to the Permits**

- (1) The Sellers shall submit the filings for the Permits as soon as practically possible after the Signing Date but, in any event, no later than 20 (twenty) Business Days from the Signing Date.
- (2) At the Buyer's request, the Seller 1 shall, for the purposes of fulfillment of the Condition set out in clause 6.1.1(F):
 - (a) provide the Buyer with drafts (extracts from such drafts) of written filings intended to be submitted and extracts from the filings already submitted by the Sellers to the Relevant Authority for the fulfillment of such Condition so far as, and to the extent that, information in such filings relates directly to the Transaction structure and indication of the Buyer as the purchaser of the Sale Shares (the "**Disclosed Information**");

- (b) allow the Buyer 3 (three) Business Days to provide comments on drafts of such filings with respect to the Disclosed Information, and the Seller 1 shall reasonably consider such comments (with no obligation to incorporate them) before submitting the filings;
- (c) provide the Buyer with extracts from final copies of such filings in relation to the Disclosed Information; or
- (d) keep the Buyer informed of any material communication received from the Relevant Authority in connection with the Permits so far as it relates to the Disclosed Information,

provided that in each case the Seller 1 shall be entitled to reasonably refuse to disclose respective information and/or documents, if such disclosure is likely to result in breach of the Applicable Law.

- (3) In case the Sellers receive a rejection from any of OFAC, or OFSI, or the Minister of Legal Affairs and Constitutional Reform of Bermuda, or the Dutch Ministry of Finance for consummation of the Transaction while obtaining the Permits, the Parties shall consult with each other about the reasons for such rejections and negotiate in good faith how they may achieve completion of the Transaction (including, on the amended terms, provided that such amended terms should not affect the Parties' economic interests as they are provided for in this Agreement).

6.2.iii **Obligations in respect to the VEON Bonds**

- (1) Subject to clauses 4.1 and 6.1.1(F) and upon the Seller 1's written notice on which below procedure(s) should be taken, the Company and the Buyer shall take all reasonable steps and actions as may be necessary and/or requested by the Seller 1:
 - (a) to effect the cancellation of the Acquired VEON Bonds, including (a) giving any such instructions and/or confirmations as may be required by the Clearing Systems, the Bonds Registrars, the Bond Trustee, the Bond Paying Agent, the NSD, or the custodian through which the Company acquires the Acquired VEON Bonds; (b) voting in favour of any amendments or other proposals which may be made by the Seller 1 in respect of the Acquired VEON Bonds (whether pursuant to the terms of the Acquired VEON Bonds or under any court or statutory process)), (c) entering into the Assignment Agreement for the Accrued Acquired VEON Bonds; and (d) issuing a power of attorney in favour of the Seller 1 (or its

- nominee) to take any actions that the Seller 1 may determine to be necessary or desirable to effect the cancellation of the VEON Bonds; or
- (b) to sell the Acquired VEON Bonds to the Seller 1 pursuant to the VEON Bonds Sale Agreement including (a) giving any such instructions and/or confirmations as may be required by the Clearing Systems, the Bonds Registrars, the Bond Trustee, the Bond Paying Agent, the NSD, or the custodian through which the Company acquires the Acquired VEON Bonds; (b) voting in favour of any amendments or other proposals which may be made by the Seller 1 in respect of the Acquired VEON Bonds (whether pursuant to the terms of the Acquired VEON Bonds or under any court or statutory process)); (c) entering into the Assignment Agreement for the Accrued Acquired VEON Bonds; (d) issuing a power of attorney in favour of the Seller 1 (or its nominee) to take any actions that the Seller 1 may determine to be necessary or desirable to effect the transfer of title to the Acquired VEON Bonds; and (e) seeking applicable Regulatory Approvals;
- (2) Subject to the VEON Bonds Disposal occurring (and being recognized by the Clearing Systems and the Bonds Registrars to the satisfaction of the Seller 1) on or before Closing and without prejudice to clause 4.5:
- (a) the Seller 1 agrees that, in consideration of the VEON Bonds Disposal, it shall owe to the Company on the Closing Date an amount equal to the VEON Debt (the “**VEON Debt Closing Receivable**”), which may be set-off against the Completion Consideration on the Closing Date in accordance with clause 3.4.1(B);
- (b) the Company shall direct or instruct the Clearing Systems, the Bond Paying Agent, the NSD, or any custodian to pay any amounts payable to it in respect of the Acquired VEON Bonds to the Seller 1 (or its nominee); and
- (c) the Company shall pay to the Seller 1 an amount equal to any principal, interest and the VEON Bonds Related Fees received by the Company in respect the Acquired VEON Bonds after Closing within 5 Business Days of their receipt.
- (3) If the Condition set out in clause 6.1.1(B) is waived in accordance with the terms of this Agreement or if, following the VEON Bonds Disposal, there are any Acquired VEON Bonds which were acquired by the Seller 1 after the VEON Bonds Disposal occurred or not included in the VEON Bonds Disposal for any reason and thus such Acquired VEON Bonds become subject to the VEON Debt Settlement, on Closing

the Seller 1 and the Company shall enter into the Assignment Agreement for the Accrued Acquired VEON Bonds and the VEON Bonds Settlement Agreement whereby the Company shall:

- (a) undertake to cancel (including to assist in the reduction of the principal amount under the corresponding global note certificate by the amount of Acquired VEON Bonds so cancelled and, in the event that all of the bonds issued under the same series as the Acquired VEON Bonds are cancelled and if so required by the Seller 1, in the cancellation of the corresponding global note certificate) or transfer the Acquired VEON Bonds to the Seller 1 (or its nominee) when it becomes legally possible in a manner recognized by the Clearing Systems and the Bonds Registrars and shall take all reasonable steps and actions as may be necessary and/or requested by the Seller 1 to effect such transfer or cancellation, including to assist in the reduction of the principal amount under the corresponding global note certificate by the amount of Acquired VEON Bonds so cancelled and, in the event that all of the VEON Bonds issued under the same series as the Acquired VEON Bonds are cancelled and if so required by the Seller 1, in the cancellation of the corresponding global note certificate (including, if applicable, seeking regulatory approvals in Russia, giving any such instructions, confirmations or authorizations as may be required to the Clearing Systems, the Bonds Registrars, the Bond Trustee, the Bond Paying Agent, the NSD, or the custodian through which the Company acquires the VEON Bonds; opening an account with another custodian);
- (b) undertake not to dispose of, or grant or agree to grant any option in respect of, or create or agree to create any Encumbrance over the Acquired VEON Bonds, or to enter into any agreement to do any of the foregoing other than the VEON Bonds Disposal;
- (c) pledge the Acquired VEON Bonds in favor of the Seller 1 and register respective pledge within respective depository and not to remove such pledge without the preliminary consent of the Seller 1;
- (d) waive all entitlements to receive any coupon and principal payments under the Acquired VEON Bonds and release the Seller 1 from any such payment obligations;
- (e) to direct or instruct the Clearing Systems, the Bond Paying Agent, the NSD, or any custodian to pay any amounts payable to it in respect of the Acquired VEON Bonds to the Seller 1 (or its nominee);

- (f) undertake to pay to the Seller 1 an amount equal to any payments in respect of principal, interest and/or the VEON Bonds Related Fees received by the Company in respect of the Acquired VEON Bonds after Closing within 5 (five) Business Days of their receipt;
 - (g) undertake to vote, instruct its proxy or other relevant person to vote (and deliver within the applicable time periods any proxies, instructions, directions, or consents voting), exercise any powers or rights available to it irrevocably and unconditionally in favour of any amendments to the VEON Bond terms proposed by Seller 1 including, without limitation, any amendments to allow direct payments to the holders of the VEON Bonds outside of the Clearing Systems (whether under the terms of the VEON Bonds or pursuant to a statutory or court process);
 - (h) undertake to vote, instruct its proxy or other relevant person to vote (and deliver within the applicable time periods any proxies, instructions, directions, or consents voting), exercise any powers or rights available to it irrevocably and unconditionally in favour of cancellation or, transfer to the Seller 1 (or its nominee), of existing VEON Bonds or any other proposal which the Seller 1 may make in respect of the VEON Bonds (whether under the terms of the VEON Bonds or pursuant to a statutory or court process) and, in each case, at the direction of Seller 1, to waive its right to receive or turnover, or to instruct or direct payment to be made, to Seller 1 (or its nominee), any consideration to which the Company may be entitled in respect of such amendments, cancellation, transfers or other proposals;
 - (i) grant a power of attorney in favour of the Seller 1 (or its nominee) authorizing the Seller 1 (or its nominee) to take any actions that the Seller may determine to be necessary or desirable to give effect to clauses 6.2.3(C)(i) – 6.2.3(C)(viii) above; and
 - (j) undertake to take any such actions as may be required to give effect to the matters set out in clauses 6.2.3(C)(i) – 6.2.3(C)(viii) above,

(together, the “**VEON Bonds Settlement**”).
- (4) If, following the VEON Bonds Disposal, any Acquired VEON Bonds become subject to the VEON Debt Settlement (in cases provided for in clause 6.2.3(C)) then the amount of the VEON Debt Closing Receivable shall be reduced pro-rata so that both amounts, VEON Debt Closing Receivable and VEON Debt Settlement

Receivable, together representing the total VEON Debt Consideration, shall be set off against the Completion Consideration.

- (5) The Seller 1 hereby agrees that in consideration of the Company's undertakings set out in the VEON Bonds Settlement Agreement pursuant to Clause 6.2.3(C), the Seller 1 shall owe to the Company on the Closing Date an amount equal to the VEON Debt (the "**VEON Debt Settlement Receivable**"), which may be set-off against the Completion Consideration on the Closing Date in accordance with clause 3.4.1(B).
- (6) The Company hereby undertakes:
 - (a) not to take any action or any Enforcement Action in respect of, or direct, instruct, assist or encourage any other person to take Enforcement Action in respect of, the Acquired VEON Bonds; and
 - (b) to vote against any instruction to any Bond Trustee to take any Enforcement Action, to vote to and to take any steps reasonably required by Seller 1 to waive any defaults under the VEON Bonds' governing documents or rescind any acceleration of, the VEON Bonds; and
 - (c) to vote, instruct its proxy or other relevant person to vote (and deliver within the applicable time periods any proxies, instructions, directions, or consents voting), exercise any powers or rights available to it irrevocably and unconditionally in favour of any amendments to the VEON Bond terms proposed by Seller 1.

6.c **Obligations in relation to other Conditions**

- 6.3.i The Parties shall notify the other Party of the satisfaction of any Condition as soon as reasonably practicable but in any case not later than within 5 (five) Business Days from the date of satisfaction of such Condition by sending a written notice to the other Party.
- 6.3.ii The Parties shall immediately notify the other Party if they have any reason to believe that any Condition may not be satisfied, or that satisfaction may be delayed, in that case the Parties shall negotiate and consult with each other in good faith with respect to such issue.
- 6.3.iii If the Buyer has any reason to believe that the Condition specified in clause 6.1.1(C) may not be satisfied, or that satisfaction may be delayed, the Buyer shall immediately notify the Seller 1 and the Parties shall negotiate and consult with each other in good faith with respect to such issue.

- 6.3.iv The Seller 1 undertakes to take all actions reasonably required or necessary to fulfill or procure the fulfilment of the Conditions set out in clauses 6.1.1(B), 6.1.1(D), 6.1.1(F) and 6.1.1(G).
- 6.3.v The Seller 1 and the Company undertake to take all actions reasonably required or necessary to fulfill or procure the fulfilment of the Conditions set out in clauses 6.1.1(E).
- 6.3.vi The Buyer undertakes to take all actions reasonably required or necessary to fulfill or procure the fulfilment of the Conditions set out in clauses 6.1.1(A) of this Agreement.
- 6.3.vii The Company shall inform the Seller 1 no later than [*] 2023 (inclusively) if the amount of the VEON Debt reaches RUB [*]¹⁷ ([*] rubles).
- 6.3.viii If any circumstances beyond the control of the Parties arise and as a result of which any additional regulatory approvals for the consummation of the Transaction in accordance with the Applicable Law become necessary, the Parties shall be required to obtain such additional regulatory approvals before Closing.

6.d **Long Stop Date Extension**

- i. Notwithstanding any other provisions of this Agreement, in case the Long Stop Date is extended in relation to any Condition in accordance with this clause (the “**Extended Long Stop Date**”), all provisions of this Agreement in respect of the Long Stop Date shall be also applicable to the Extended Long Stop Date and all references to the Long Stop Date shall be deemed to be references to the Extended Long Stop Date. The Parties agree that the Extended Long Stop Date in any case shall not be later than [*].
- ii. In case the Condition specified in clause 6.1.1(B) is not fulfilled or waived, as applicable, on the Long Stop Date, the Long Stop Date shall be automatically extended by [*]. In case the Condition specified in clause 6.1.1(B) is not fulfilled or waived, as applicable, on [*], the Long Stop Date may be further extended not more than [*] ([*]) time for [*] ([*]) month and [*] ([*]) times for [*] ([*]) months in total (i.e. [*] ([*]) months in aggregate) by the Buyer by notice in writing to the other Parties.
- iii. In case the Condition specified in clause 6.1.1(C) is not fulfilled or waived, as applicable, on the Long Stop Date, the Long Stop Date may be extended to [*] by the Buyer by notice in writing to the other Parties. In case the Condition specified in clause 6.1.1(C) is not fulfilled or waived, as applicable, to [*], the Long Stop Date may be further extended not more than [*] ([*]) times each time for [*] ([*]) months by the Seller 1 by notice in writing to the other Parties.

¹⁷ [*] indicates that certain information on this page has been omitted¹⁷

- iv. In case any Condition specified in clauses 6.1.1(A) is not fulfilled or waived, as applicable, by the Long Stop Date, the Long Stop Date may be extended not more than [*] ([*]) times each time for [*] ([*]) months by the Seller 1 by notice in writing to the other Parties.
- v. In case any Condition specified in clauses 6.1.1(D) or 6.1.1(E) is not fulfilled or waived, as applicable, by the Long Stop Date, the Long Stop Date may be extended not more than [*] ([*]) times each time for [*] ([*]) months by the Seller 1 or by the Buyer by notice in writing to the other Parties.
- vi. Without prejudice to the clause 6.2.2(C), in case the Condition specified in clause 6.1.1(F) is not fulfilled by the Long Stop Date, the Long Stop Date may be extended not more than [*] ([*]) times each time by [*] ([*]) months by the Buyer and/or the Seller 1 by notice in writing to the other Parties. For the avoidance of doubt, the Condition specified in clause 6.1.1(F) cannot be waived by any Party.
- vii. In case the Condition specified in clause 6.1.1(G) is not fulfilled or waived, as applicable, by the Long Stop Date, the Long Stop Date may be extended to [*] by the Seller 1 or the Buyer by notice in writing to the other Parties. In case the Condition specified in clause 6.1.1(G) is not fulfilled or waived, as applicable, by [*], the Long Stop Date may be further extended not more than [*] ([*]) times each time for [*]¹⁸ ([*]) months by the Buyer by notice in writing to the other Parties.

6.e Waiver

- i. The Conditions specified in clause 6.1.1(C), 6.1.1(D), 6.1.1(E) and 6.1.1(G) may be waived in whole or in part by the Seller 1 by notice in writing to the other Parties.
- ii. The Condition specified in clause 6.1.1(B) may be waived in whole or in part:
 - (1) by the Sellers at any time; and
 - (2) unilaterally by the Buyer not earlier than [*], provided that the VEON Bonds Settlement Agreement is concluded pursuant to clause 6.2.3(C),
 by notice in writing to the other Parties.
- iii. If any Condition is waived under this clause 6.5, then such Condition shall not apply, and no Party shall be obliged or responsible for the satisfaction of the relevant Condition, and unless otherwise agreed upon in writing between the Sellers and the Buyer, and, in respect of Condition in Clause 6.1.1(B), without prejudice to clause 12.2.7.

¹⁸ indicates that certain information on this page has been omitted

7 CLOSING

6.a Closing Date

6.1.i Closing shall (subject to all Conditions having been satisfied and/or waived and remaining satisfied and/or waived, in each case in accordance with this Agreement) take place on the 5 (fifth) Business Day following the satisfaction or waiver of the last Condition (the “**Closing Date**”) at the office of the Registrar, unless otherwise mutually agreed by the Sellers and the Buyer.

6.b Closing Actions

6.2.i On the Closing Date, the following actions shall occur in the following order (the “**Closing Actions**”, which in their entirety shall constitute the “**Closing**”):

- (1) the Buyer shall deliver to the Sellers (unless delivered earlier) documentary evidence in form and substance reasonably satisfactory to the Sellers confirming that all Regulatory Approvals have been obtained and fully satisfied;
- (2) the relevant Party shall deliver (unless delivered earlier) documentary evidence in the form and substance reasonably satisfactory to the other Party confirming that all additional regulatory approvals (as prescribed in clause 6.3.8) have been obtained and fully satisfied;
- (3) the Parties shall initial the translation of this Agreement into the Russian language;
- (4) the following agreements shall be signed by relevant parties in the Agreed Form:
 - (a) the Consideration Set-Off Agreement;
 - (b) the Transitional Services Agreement;
 - (c) the Amended TLA;
 - (d) the Independent Guarantee;
 - (e) the Deed of Release;
 - (f) the Assignment Agreement for the Accrued Acquired VEON Bonds;
 - (g) if applicable in accordance with clause 6.2.3(A)(ii), the VEON Bonds Sale Agreement;

- (h) if applicable in accordance with clause 6.2.3(C), the VEON Bonds Settlement Agreement.
- (5) each Seller shall deliver to the Buyer an extract from the Seller 1's Share Account and the Seller 2's Share Account respectively showing the Sellers' title to the Sale Shares free from any Encumbrances and dated not earlier than 3 (three) Business Days prior to the Closing Date;
- (6) the Buyer shall provide the Sellers with details of the Buyer's Share Account for the purposes of transfer of the Sale Shares;
- (7) the Company and the Sellers shall sign the reconciliation act confirming that there are no outstanding intra-group liabilities, debt, claims or demands between the Company and the Sellers or its Affiliates on or immediately after Closing excluding any payables as the Parties may agree in writing;
- (8) if applicable, the Buyer shall pay the Completion Consideration in Cash to the Seller 1 in accordance with clause 3.4.1(C);
- (9) the Buyer shall deliver a written confirmation and the relevant extracts from the USRLE or the register of shareholders (as applicable) of the Buyer and the Russian SPVs as of the Closing Date confirming that the Ownership Structure (i) is the same as the last Ownership Structure that was agreed with the Seller 1 in accordance with clause 4.6; or (ii) has not changed since the Signing Date;
- (10) the Sellers shall deliver to the Buyer the resignation letters of the members of the Company's board of directors and its committees nominated by the Sellers (in any case save for the General Director of the Company), according to which they have resigned from their positions in the Company, with effect not later than as of the Closing Date;
- (11) following confirmation from the Seller 1's Bank that the entire amount of the Completion Consideration in Cash has been credited to the Seller 1's Account, each Seller shall transfer the Sale Shares to the Buyer's Share Account by delivering to the Registrar the transfer instruction (in Russian: "*передаточное распоряжение*") in relation to the Sale Shares in the form prescribed by the Registrar duly signed by the Sellers.

6.2.ii At Closing the Parties shall execute such further documents and take such further actions as may be necessary to give full force and effect to the provisions of this Agreement.

- 6.2.iii If in any respect the Closing Actions set out in clause 7.2.1 are not complied with on the Closing Date, the Closing shall only be deemed to have taken place if the Part(y)(ies) not in default confirms in writing on the Closing Date that it/they accept(s) that the Closing may take place (without prejudice to all rights or remedies available to such Part(y)(ies), including the right to claim damages).
- i. Subject to the provisions of clause 7.2.5, if in any respect the Closing Actions set out in clause 7.2.1 are not complied with on the Closing Date and the Part(y)(ies) not in default does(do) not confirm that the Closing may take place as set out in clause 7.2.3, the Closing Date shall be postponed so as to take place on the date which falls on the 5 (fifth) Business Day since the initial Closing Date (or to such other date as mutually agreed by the Parties in writing) (the “**Postponed Closing Date**”). For the avoidance of doubt, all the provisions of this Agreement in respect of the Closing Date shall be also applicable to the Postponed Closing Date.
- 6.2.iv If the Completion Consideration in Cash is not credited to the Seller 1's Account on Closing Date despite it being debited from the Buyer's or the Company's account (which has been confirmed by SWIFT or any equivalent confirmation), the Sellers shall provide all reasonable assistance to the Buyer and the Company to trace the respective payment and (if necessary) provide other bank account details for the Buyer and the Company to effect the respective payment, and the Parties shall agree, acting in good faith, on how the issue with the payment can be resolved, and the Closing Date shall be postponed so as to take place on the date which falls on the 30 (thirtieth) calendar day since the initial Closing Date, unless otherwise mutually agreed by the Parties.
- 6.2.v If Closing occurs, all Conditions will be deemed to have been satisfied as of Closing, unless otherwise agreed upon in writing between the Sellers and the Buyer, and, in respect of Condition in Clause 6.1.1(B), without prejudice to clause 12.2.7.

8 TERMINATION

- 7.a In case the Conditions are not fully satisfied or waived, as applicable, by the Long Stop Date this Agreement shall be terminated with immediate effect from the date being the [*]¹⁹ ([*]) Business Day from the Long Stop Date (the “**Termination Date**”) (unless the Long Stop Date being extended as provided in clause 6.4 or the respective Condition being waived in accordance with clause 6.5 prior to the Termination Date) provided that the Surviving

¹⁹ [*] indicates that certain information on this page has been omitted¹⁹

Provisions shall remain in full force and effect notwithstanding termination of this Agreement and the Parties shall have no further claims or demands in respect to each other.

7.b Without prejudice to clauses 8.3 and 14.8.2, if Closing does not occur on or before the Long Stop Date this Agreement shall be terminated with immediate effect from the date immediately following the Long Stop Date provided that the Surviving Provisions shall remain in full force and effect notwithstanding termination of this Agreement and the Parties shall have no further claims or demands in respect to each other.

7.c Without prejudice to clause 14.8.2, if following the satisfaction of the Conditions, Closing does not occur on the Closing Date (or on the Postponed Closing Date only in case provided for in clause 7.2.4 of this Agreement) in accordance with the provisions of this Agreement, directly as a result of actions and/or omissions of the Buyer or any Seller (the “**Breaching Party**”), the other Party (the “**Non-Breaching Party**”) may terminate this Agreement with immediate effect by notice in writing to the Breaching Party, provided that the Surviving Provisions shall remain in full force and effect notwithstanding termination of this Agreement.

7.d For the avoidance of doubt, the termination of this Agreement under this clause 8 shall not affect any Party's rights and remedies available under this Agreement.

7.e If at any time between the Signing Date and the Closing Date (both dates inclusively) any of the following changes in the Ownership Structure occurs:

- (1) a change of Control of the Buyer or the Russian SPVs; or
- (2) a change in the Ownership Structure without the Seller 1's consent which has not been

reversed by not later than [*] Business Days prior to the Closing Date;

- (3) a Sanctioned Person acquires any direct or indirect shareholding in the Buyer,

this Agreement may be terminated by sending a written notice by the Seller 1 to the Buyer with immediate effect.

For the purposes of this clause 8.5 the “**Sanctioned Person**” shall mean (i) any Person or organization which (from time to time) is designated on the OFAC list of Specially Designated Nationals and Blocked Persons, the Consolidated List of Financial Sanctions Targets maintained by the UK Office of Financial Sanctions Implementation, designated on the Consolidated List of persons, groups and entities subject to EU Financial Sanctions; or,

(ii) an organization owned or controlled by, or an individual or an organization acting on behalf of, any of the foregoing.

9 SELLERS' WARRANTIES

7.a Subject to the limitations set forth in this Agreement, in accordance with Article 431.2 of the CC RF the Sellers hereby give to the Buyer and to the Company the following warranties:

- (1) The Sellers are duly organized and validly existing under the laws of their jurisdiction of incorporation and are not insolvent, in each case within the meaning of the Applicable Law.
- (2) The Sellers have (subject to fulfilment of the Conditions) the authority and power to enter into and to carry out their obligations under this Agreement; and this Agreement, when executed by the Sellers, constitutes lawful, valid and binding obligations of the Sellers in accordance with its terms and provisions.
- (3) The execution of this Agreement by the Sellers, the performance by the Sellers of their obligations hereunder and the consummation of the Transaction have been duly authorized by all necessary company actions on the part of the Sellers and do not result in a breach of or violate any Applicable Law or provision of the articles of association, by-laws or equivalent constitutional document of the Sellers, as applicable.
- (4) The Sellers own the Sale Shares and have full power, capacity and, subject to any required third party consent, authority to sell the Sale Shares and to perform all of their other undertakings set forth in this Agreement (subject to fulfilment of the Conditions specified in clauses 6.1.1(A), 6.1.1(F) and 6.1.1(G)).
- (5) The Sale Shares are not subject to any Encumbrance and are freely transferable to the Buyer.
- (6) The Sale Shares have been legally and validly issued and are fully paid up.

7.b Each of the Sellers, gives the Warranties in respect of itself, and the Sale Shares owned by the respective Seller. Each Warranty is given at the Signing Date.

7.c Immediately before Closing, each Seller is deemed to warrant to the Buyer and to the Company that each Warranty is true, accurate and not misleading by reference to the facts and circumstances existing at that time.

7.d When interpreting a Warranty deemed to be repeated immediately before Closing, a reference in a Warranty to a fact, matter or circumstance occurring at or before the Signing

Date will be construed as if it was a reference to a fact, matter or circumstance occurring at or before the Closing Date.

- 7.e Each Seller agrees not to bring any claim which it may have against the Company or a present or former officer, director or employee of the Company, arising out of any information or advice provided (or omitted to be provided) by any such person on which a Seller relied when making a warranty, giving a Warranty, or otherwise agreeing to the terms of the Transaction.
- 7.f Clause 9.5 does not apply to a claim against an officer, director or employee who is alleged to have acted fraudulently.
- 7.g Each Warranty shall be construed separately and independently.
- 7.h In accordance with paragraph 2 of Article 431.2 of the CC RF, the Buyer's and the Company's sole and exclusive remedy for a breach of the Sellers' Warranties is to claim for damages. For the avoidance of doubt, in case of the breach of the Sellers' Warranties nor the Buyer, neither the Company shall be entitled to rescind this Agreement.

10 BUYER'S WARRANTIES

- 7.a In accordance with Article 431.2 of the CC RF the Buyer gives the following Warranties to the Company and to the Sellers respectively, all of which are made as of the Signing Date (unless otherwise specified below):
 - (1) The Buyer is duly organized and validly existing under the laws of its jurisdiction of incorporation and is not insolvent, in each case within the meaning of the Applicable Law.
 - (2) The Buyer has, subject to the fulfilment of the Conditions, the authority and power to enter into and to carry out its obligations under this Agreement; and this Agreement, when executed by the Buyer, will constitute lawful, valid and binding obligations of the Buyer in accordance with its terms and provisions.
 - (3) The execution of this Agreement by the Buyer, the performance by the Buyer of its obligations hereunder and the consummation of the Transaction have been duly authorized by all necessary actions on the part of the Buyer and do not result in a breach of or violate any Applicable Law or, in respect of the Buyer, the provision of the articles of association, by-laws or equivalent constitutional document of the Buyer.

- (4) The Buyer warrants that (i) identity of the direct and indirect shareholders of the Buyer; and (ii) direct or indirect shareholdings, economic interest (subject to the agreements which may exist among the shareholders or other similar agreements or arrangements entered into exclusively by and between the Individuals and/or the Russian SPVs, with no third party being a party to such agreements or arrangements), Encumbrances and options held by each such shareholders in the Buyer, in each case, as disclosed in the Ownership Structure, is true and accurate and not misleading and each of such direct and indirect shareholders acts solely in its own interest and on its own behalf and not on behalf or at the direction of, or in representation or furtherance of any direct or indirect interest of, any other person in relation to the Transaction or otherwise.
 - (5) The Buyer and its Affiliates (including the Russian SPVs and the Individuals) are not party to any agreement or arrangement aiming at the Resale Event.
 - (6) The Buyer acts solely in its own interest and the interests of its shareholders and the Individuals and on its own behalf and not on behalf or at the direction of, or in representation or furtherance of any direct or indirect interest of, any other person in relation to the Transaction or otherwise.
- 7.b Immediately before Closing, the Buyer is deemed to warrant to the Sellers and to the Company that each Warranty is true, accurate and not misleading by reference to the facts and circumstances existing at that time.
- 7.c When interpreting a Warranty deemed to be repeated immediately before Closing, a reference in a Warranty to a fact, matter or circumstance occurring at or before the Signing Date will be construed as if it were a reference to a fact, matter or circumstance occurring at or before the Closing Date.
- 7.d In accordance with paragraph 2 of Article 431.2 of the CC RF, the Sellers' and the Company's sole and exclusive remedy for a breach of the Buyer's Warranties is to claim for

damages. For the avoidance of doubt, in case of the breach of the Buyer's Warranties, nor the Sellers, neither the Company shall be entitled to rescind this Agreement.

11 COMPANY'S WARRANTIES

7.a In accordance with Article 431.2 of the CC RF the Company gives the following Warranties to the Sellers and the Buyer respectively, all of which are made as of the Signing Date (unless otherwise specified below):

- (1) The Company is duly organized and validly existing under the laws of its jurisdiction of incorporation and is not insolvent, in each case within the meaning of the Applicable Law.
- (2) The Company has, subject to the fulfilment of the Conditions, the authority and power to enter into and to carry out its obligations under this Agreement; and this Agreement, when executed by the Company, will constitute lawful, valid and binding obligations of the Company in accordance with its terms and provisions.
- (3) The execution of this Agreement by the Company, the performance by the Company of its obligations hereunder and the consummation of the Transaction have been duly authorized by all necessary actions on the part of the Company and do not result in a breach of or violate any Applicable Law or, in respect of the Company, the provision of the articles of association, by-laws or equivalent constitutional document of the Company.

7.b Immediately before Closing, the Company is deemed to warrant to the Sellers and the Buyer that each Warranty is true, accurate and not misleading by reference to the facts and circumstances existing at that time.

7.c When interpreting a Warranty deemed to be repeated immediately before Closing, a reference in a Warranty to a fact, matter or circumstance occurring at or before the Signing Date will be construed as if it were a reference to a fact, matter or circumstance occurring at or before the Closing Date.

7.d In accordance with paragraph 2 of Article 431.2 of the CC RF, the Sellers' and the Buyer's sole and exclusive remedy for a breach of the Company's Warranties is to claim for

damages. For the avoidance of doubt, in case of the breach of the Company's Warranties, nor the Sellers, neither the Buyer shall be entitled to rescind this Agreement.

12 LIMITATION OF LIABILITY

12.a No other Warranties

- i. The Warranties are the only warranties given by the Parties to each other under this Agreement and in relation to the Transaction contemplated by this Agreement. The Parties may not rely, and have not relied, on any other information, statement or warranty (express or implied), whether pursuant to law, legal principles or theory or on any other grounds, except as set out in this Agreement.

12.b Monetary limitations

- i. Subject to the provisions of clauses 12.2.4, 12.2.7 and 12.2.8, the Buyer's maximum aggregate liability for breach of Warranties and other obligations under this Agreement shall not exceed RUB [*]²⁰ ([*] rubles). For the avoidance of doubt, such limitation of liability does not release the Buyer from the specific performance of its respective obligations.
- ii. Subject to the provisions of clause 12.2.5, each Seller's maximum aggregate liability for breach of Warranties and other obligations under this Agreement shall not exceed RUB [*] ([*] rubles). For the avoidance of doubt, such limitation of liability does not release the Sellers from the specific performance of their respective obligations.
- iii. Subject to the provisions of clauses 12.2.6-12.2.8 and with effect from Closing, the Company's maximum aggregate liability for breach of Warranties and other obligations under this Agreement shall not exceed RUB [*] ([*] rubles). For the avoidance of doubt, such limitation of liability does not release the Company from the specific performance of its respective obligations.
- iv. The limitation of liability of the Buyer provided for in clause 12.2.1 in any case shall not apply to (i) the obligations of the Buyer to pay the Completion Consideration in Cash and the Total Upside Consideration (if applicable); and (ii) obligations of the Buyer under clause 13.1.
- v. The limitation of liability of the Sellers provided for in clause 12.2.2 in any case shall not apply to the relevant Seller's obligations under clauses 4.5 (Excess Amount Compensation) and 13.2 (Post-Closing Acquired VEON Bonds).
- vi. The limitation of liability provided for in clause 12.2.3 in any case shall not apply to the obligations of the Company to pay the Completion Consideration in Cash and the Total

^[*] indicates that certain information on this page has been omitted²⁰

Upside Consideration (if applicable) and obligations the Company under clauses 6.2.3(B)(ii), 6.2.3(B)(iii), 6.2.3(C) (if applicable), 6.2.3(F) and 13 (Post-closing obligations).

- vii. If the Closing occurred but the VEON Debt Disposal was not recognised by all Clearing Systems and the Bonds Registrars, or any other actions in accordance with clause 6.2.3(A) are required and which can be reasonably performed by the Company and/or the Buyer to complete the VEON Debt Disposal after the Closing, the Company and the Buyer shall, by a written request of the Seller, perform all reasonably required and necessary actions to complete the VEON Bonds Disposal (including its recognition by all Clearing Systems and the Bonds Registrars), and the provisions of this clause 12.2, unless otherwise provided in clause 12.2.8, shall not limit the Company's and the Buyer's liability under this clause 12.2.
- viii. The maximum aggregate liability of the Company and the Buyer under clauses 6.2.3(A) and 12.2.7 shall be limited to RUB [*]²¹ ([*] rubles) immediately following the earliest of: (i) occurrence of the VEON Debt Disposal; or (ii) [*].

13 POST-CLOSING OBLIGATIONS

13.a Access to information

- i. Insofar as the Buyer and the Company are reasonably and lawfully able, the Buyer and the Company shall retain for a minimum period required under the Applicable Law, the books, records and documents of the Company to the extent they relate to the period prior to the Closing Date and shall allow the Sellers reasonable access to such books, records and documents, including the right to take copies at the Sellers' expense, to comply with any Applicable Law or in connection with any audit, de-consolidation or other accounting or reporting matter.

13.b Post-Closing Acquired VEON Bonds

- i. Subject to the Condition in clause 6.1.1(F) and to the provisions of clause 13.3, if in the period from Closing until [*] (inclusive) the Company, having complied with its obligations in clause 13.3.3 below, acquires any Post-Closing Acquired VEON Bonds, the Seller 1 shall, at the Company's written request (the "**Buy-Back Request**"), acquire such Post-Closing Acquired VEON Bonds from the Company, and the Company shall transfer or procure cancellation of such Post-Closing Acquired VEON Bonds, for the purchase price calculated as the sum of: [*] (the "**Post-Closing Acquired VEON Bonds Purchase Price**").

²¹ indicates that certain information on this page has been omitted²¹

ii. The Buy-Back Request shall contain the following information and be accompanied with the following documents:

- (1) total number of the Post-Closing Acquired VEON Bonds the Company requests the Seller 1 to acquire and all relevant details of such Post-Closing Acquired VEON Bonds (including an extract from the relevant depository confirming the Company's title to the Post-Closing Acquired VEON Bonds);
- (2) calculation of the Post-Closing Acquired VEON Bonds Purchase Price (including relevant supporting documents [*]²²);
- (3) the Company's bank account details;
- (4) copies of the documents confirming the amounts used for the calculation of the Post-Closing Acquired VEON Bonds Purchase Price;
- (5) the Post-Closing Acquired VEON Bonds Settlement Agreement signed by the Company;
- (6) the Assignment Agreement for the Accrued Post-Closing Acquired VEON Bonds signed by the Company;

iii. The transfer of the Post-Closing Acquired VEON Bonds to the Seller 1 shall be performed, and the Post-Closing Acquired VEON Bonds Purchase Price shall be paid, in each case, pursuant to the Post-Closing Acquired VEON Bonds Settlement Agreement to be entered into on or before the respective transfer of the Post-Closing Acquired VEON Bonds between the Company and the Seller 1, provided that the failure of the Seller 1 to enter into the Post-Closing Acquired VEON Bonds Settlement Agreement shall not limit the Company's rights to request the acquisition of the Post-Closing Acquired VEON Bonds and or payment of the Post-Closing Acquired VEON Bonds Purchase Price and/or discharge the Seller 1 from its obligations to acquire or accept such Post-Closing Acquired VEON Bonds and pay the Post-Closing Acquired VEON Bonds Purchase Price.

iv. The Parties have agreed that under the Post-Closing Acquired VEON Bonds Settlement Agreement the Company shall:

- (1) undertake to cancel or transfer the Post-Closing Acquired VEON Bonds to the Seller 1 (or its nominee) when it becomes legally possible in a manner recognized by the Clearing Systems and the Bonds Registrars and shall take all reasonable steps and actions as may be necessary and/or requested by the Seller 1 to effect such transfer or cancellation (including, if applicable, seeking regulatory approvals in

[*]²² indicates that certain information on this page has been omitted

Russia, giving any such instructions, confirmations or authorizations as may be required to the Clearing Systems, the Bonds Registrars, the Bond Trustee, the Bond Paying Agent, the NSD, or the custodian through which the Company acquires the Post-Closing Acquired VEON Bonds; opening an account with another custodian);

- (2) undertake not to dispose of, or grant or agree to grant any option in respect of, or create or agree to create any Encumbrance over the Post-Closing Acquired VEON Bonds, or to enter into any agreement to do any of the foregoing;
- (3) pledge the Post-Closing Acquired VEON Bonds in favor of the Seller 1 and register respective pledge within respective depository;
- (4) waive all entitlements to receive any coupon and principal payments under the Post-Closing Acquired VEON Bonds and release the Seller 1 from any such payment obligations;
- (5) to direct or instruct the Clearing Systems, the Bond Paying Agent, the NSD, or any custodian to pay any amounts payable to it in respect of the Post-Closing Acquired VEON Bonds to the Seller 1 (or its nominee);
- (6) undertake to pay to the Seller 1 an amount equal to any payments in respect of principal, interest and/or the VEON Bonds Related Fees received by the Company in respect of the Post-Closing Acquired VEON Bonds within 5 Business Days of their receipt;
- (7) undertake to vote, instruct its proxy or other relevant person to vote (and deliver within the applicable time periods any proxies, instructions, directions, or consents voting), exercise any powers or rights available to it irrevocably and unconditionally in favour of any amendments to the VEON Bond terms proposed by Seller 1 including, without limitation, any amendments to allow direct payments to the holders of the VEON Bonds outside of the Clearing Systems (whether under the terms of the VEON Bonds or pursuant to a statutory or court process);
- (8) undertake to vote, instruct its proxy or other relevant person to vote (and deliver within the applicable time periods any proxies, instructions, directions, or consents voting), exercise any powers or rights available to it irrevocably and unconditionally in favour of cancellation or, transfer to the Seller 1 (or its nominee), of existing VEON Bonds or any other proposal which the Seller 1 may make in respect of the VEON Bonds (whether under the terms of the VEON Bonds or pursuant to a statutory or court process) and, in each case, at the direction of Seller 1, to waive its right to receive or turnover, or to instruct or direct payment to be made, to Seller 1

(or its nominee), any consideration to which the Company may be entitled in respect of such amendments, cancellation, transfers or other proposals;

- (9) grant a power of attorney in favour of the Seller 1 (or its nominee) authorizing the Seller 1 (or its nominee) to take any actions that the Seller may determine to be necessary or desirable to give effect to this clause 13.2; and
- (10) undertake to take any such actions as may be required to give effect to the matters set out in this clause 13.2.

13.c **Claims in respect of the Post-Closing Acquired VEON Bonds**

- i. If the Company becomes aware of any claim, action or demand which may give rise to a legal requirement for the Company to acquire the VEON Bonds after the Closing Date ("**Post-Closing Acquired VEON Bonds Claim**"), the Company shall:
 - (1) [*];
 - (2) [*];
 - (3) [*].
- ii. [*].
- iii. The Company shall employ all reasonable efforts to resist acquisition of the VEON Bonds under the Post-Closing Acquired VEON Bonds Claim or to limit and mitigate the price of such acquisition and/or any costs related thereto.
- iv. Any failure of the Company to comply with the provisions of clauses 13.3.1 - 13.3.2 above shall not limit or extinguish any rights of the Company to request the acquisition of the Post-Closing Acquired VEON Bonds under clause 13.2.

13.d **Mobitel Trademark License Agreement**

- i. The Company shall not amend or terminate without prior written consent of the Seller 1 the license agreement dated September 25, 2006, concluded between the Company and VEON Georgia LLC with all additional agreements, until [*] (inclusively).

14 MISCELLANEOUS

14.a Notices

- i. All notices given or made under the Agreement shall be in writing in the English or Russian language and shall be deemed to have been duly given or made when delivered by courier or by e-mail (with the relevant document attached as a pdf) to Party in question as follows:

- (1) If to the Buyer:

Address: [*]²³;

E-mail: [*];

For the attention of: [*];

With a copy (not serving as notice) to:

E-mail: [*];

For the attention of: [*];

E-mail: [*];

For the attention of: [*];

E-mail: [*]

For the attention of: [*];

- (2) If to the Seller 1:

Name: VEON Group;

Address: Claude Debussylaan 88, 1082MD Amsterdam, the Netherlands;

E-mail: [*];

For the attention of: [*];

- (3) If to the Seller 2:

Name: VEON Group;

Address: Claude Debussylaan 88, 1082MD Amsterdam, the Netherlands;

²³ indicates that certain information on this page has been omitted

E-mail: [*]²⁴;

For the attention of: [*];

(4) If to the Company:

Address: [*];

E-mail: [*];

For the attention of: [*];

With a copy (not serving as notice) to:

E-mail: [*];

For the attention of: [*];

E-mail: [*];

For the attention of: [*];

E-mail: [*]

For the attention of: [*]²⁵;

or to such other postal address or e-mail address of which such Party notifies another Party in accordance with this clause 14.1.

14.b Fees and expenses

- i. Unless otherwise provided by clause 14.2.2, each Party shall bear its own fees and expenses in connection with the preparation, implementation of the actions contemplated by this Agreement and its execution, including, but not limited to, all fees and expenses of investment bankers, representatives, counsels and accountants.
- ii. All costs incurred in connection with the obtainment of the Regulatory Approvals and the Registrar fees for the transfer of the Sale Shares from the Seller 1's Share Account and the Seller 2's Share Account to the Buyer's Share Account, shall be borne by the Buyer.

^[*] indicates that certain information on this page has been omitted²⁴
^[*]²⁵ indicates that certain information on this page has been omitted

14.c **Assignment**

- i. Except as otherwise expressly provided in this Agreement, no Party may, by operation of law or otherwise, assign, transfer or grant any security interest or other rights in or over any of its rights or obligations under this Agreement, without the prior written consent of the other Parties.
- ii. The Buyer may transfer to the Company any rights and (or) obligations in the process of the Reorganization.

14.d **No waiver**

- i. Save as otherwise expressly provided in this Agreement, failure by any Party at any time or times to require performance of any provision of this Agreement shall not be construed as a waiver by such Party of (i) any succeeding breach of such provision; or (ii) a breach of any other provision of the Agreement; or (iii) an amendment of any provision of the Agreement.

14.e **Termination and withdrawal from the Agreement**

- i. Save as otherwise expressly provided in this Agreement, the Parties hereby agree to exclude the application of following remedies from the Agreement:
 - (1) unilateral withdrawal from the Agreement (performance of the Agreement) (including pursuant to Articles 310, 450.1, 431.2 of the CC RF); and
 - (2) termination of the Agreement due to a material change of circumstances (in accordance with Article 451 of the CC RF).
- ii. The Parties hereby agree that this Agreement may not be terminated after the Closing having taken place.

14.f **Entire agreement**

- i. This Agreement represents the entire agreement between Parties with respect to its subject matter and supersedes all prior agreements with respect to such subject matter. It is agreed that no Party has relied on or shall have any claim or remedy arising under or in connection with any statement, warranty or undertaking made by or on behalf of the other Parties (or any of their respective Affiliates) in relation to the Transaction that is not expressly set out in the Transaction Documents.

14.g **Amendments**

- i. No amendment to this Agreement shall be effective unless made in writing and signed by a duly authorized representative of each Party.

14.h **Provisions severable**

- i. If any part of this Agreement is held to be invalid or unenforceable, the validity and enforceability of the remainder of this Agreement shall not be affected; however, Parties shall attempt, through negotiations in good faith, to replace any part of this Agreement so held to be invalid or unenforceable in order to give effect to the commercial intentions of Parties when signing this Agreement.
- ii. For the avoidance of doubt, nothing in this Agreement shall oblige any Party to (i) replace any part of this Agreement in order to give it effect where the invalidity or unenforceability of such part arises as result of Sanctions; or (ii) take any action in breach of or otherwise restricted under or by the Applicable Law and/or the lawful requirements of any authority (including any Relevant Authority).

14.i **Confidentiality and announcements**

- i. Each Party shall not (and the Sellers undertake to procure that each of its Affiliates, officers, employees, agents or advisers of the Sellers involved in to the negotiation and preparation of this Agreement shall not) disclose, in whole or in part, any Confidential Information unless (i) required to do so by law or by any court of competent jurisdiction, the rules and regulations of any stock exchange or any competent regulatory body or in any lawful and compelling enquiry by any governmental, official or regulatory body, including, without limitations, for the purposes of obtaining the Regulatory Approvals and/or the Permits (and, in each such case under this subclause (i), only to the extent so required); or (ii) such disclosure has been consented to by the other Parties (such consent not to be unreasonably withheld or delayed); or (iii) such disclosure is to its lenders or the Buyer's or its lender's professional advisers who are bound to such Party by a duty of confidentiality similar to that set out in this Agreement. If a Party is required under any of the circumstances referred to in item (i) above to disclose any Confidential Information, the disclosing Party shall, to the extent legally permissible, use its reasonable endeavors to consult with the other Parties prior to any such disclosure.
- ii. Unless required by law or by any court of competent jurisdiction, the rules and regulations of any stock exchange or any competent regulatory body or in any lawful and compelling enquiry by any governmental or official body, all press releases and other public relations activities of Parties with regard to the contents of this Agreement shall be mutually approved

by the Buyer and the Sellers in advance, such approval not to be unreasonably withheld or delayed.

14.j **Compliance**

- i. The Parties undertake to comply with the Anti-Corruption Laws, Anti-Money Laundering Laws and other Applicable Laws when executing and performing this Agreement.

14.k **Governing law and arbitration**

- i. This Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by and shall be interpreted in accordance with the laws of the Russian Federation.

- ii. Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, alteration, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it (the "**Dispute**"), shall be submitted by any Party to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (the "**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted.

The seat of the arbitration shall be Hong Kong.

Arbitral award rendered by the HKIAC shall be final.

- iii. If at the date of the submission of the notice of arbitration HKIAC is not a Competent Arbitration Institution, the Parties agree that such Dispute shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre (the "**SIAC**") under the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference in this clause.

The seat of the arbitration in such case shall be Singapore.

Arbitral award rendered by the SIAC shall be final.

- iv. If at the date of the submission of the notice of arbitration SIAC is not a Competent Arbitration Institution, the Parties agree that such Dispute shall be referred to and finally resolved by arbitration at the Chamber of Commerce and Industry of the Russian Federation (the "**ICAC at the CCI RF**") under the applicable arbitration rules and regulations of ICAC at the CCI RF, which rules are deemed to be incorporated by reference in this clause.

The seat of the arbitration in such case shall be Moscow.

Arbitral award rendered by the ICAC at the CCI RF shall be final.

- v. The governing law of the present arbitration agreement is the law of the Russian Federation.
- vi. The language of arbitration shall be English language.
- vii. The number of arbitrators shall be three. The claimant shall appoint one arbitrator and the respondent shall appoint one arbitrator. The third arbitrator, who shall act as the presiding arbitrator, is designated by the two arbitrators so appointed. In case of failing such designation within 30 (thirty) Business Days from the confirmation or appointment of the second arbitrator, the third arbitrator is appointed by the relevant Competent Arbitration Institution.
- viii. The arbitrators shall have the power to grant any legal or equitable remedy or relief available under the relevant applicable law, including injunctive relief (whether interim and/or final) and specific performance and any measures ordered by the arbitrators may be specifically enforced by any court of competent jurisdiction.
- ix. In any event, it shall not be allowed to submit a motion to a state court to render a decision on the lack of jurisdiction of an arbitral tribunal in connection with the issuance by the arbitral tribunal of a separate order on existence of jurisdiction as a matter of preliminary nature.
- x. The Parties hereby agree that every award on the merits shall be final and legally binding for the Parties and shall not be challenged in state courts to the extent permitted by the Applicable Law.
- xi. The Parties undertake to ensure that all arbitration proceedings conducted in accordance with this Agreement shall be kept confidential, unless otherwise is required by law or by any court of competent jurisdiction or the rules and regulations of any stock exchange. This undertaking shall cover, inter alia, all information disclosed during the course of the arbitration proceedings, as well as any decision or award made or declared by the arbitral tribunal.

14.1 **Consolidation**

- i. If an arbitration is commenced under this Agreement which raises issues of law or fact in common with those in an arbitration commenced under any or all of the Transaction Documents or which concerns rights and obligations under any of them and either:
 - (1) the Parties consent; or
 - (2) the tribunal on the application of any party judges it appropriate,

then the arbitral proceedings under this Agreement will be consolidated with the arbitral proceedings under the relevant Transaction Document.

14.m **Counterparts and language**

- i. This Agreement may be executed in any number of counterparts (including by means of electronic signatures or scanned electronic documents delivered by email), each of which shall be deemed an original copy of the Agreement, but all counterparts shall together constitute one and the same instrument.

In witness of the foregoing, Parties have caused this Agreement to be entered into as of the date first written above.

The remainder of the page is intentionally left blank. The signature page follows.

SIGNATURE PAGE

FOR AND ON BEHALF OF VEON HOLDINGS B.V.

SIGNATURE

/s/ Kaan Terzioğlu

KAAN TERZIOĞLU, DIRECTOR

FOR AND ON BEHALF OF VEON LTD.

SIGNATURE

/s/ Kaan Terzioğlu

KAAN TERZIOĞLU, CEO

FOR AND ON BEHALF OF JOINT-STOCK COMPANY KOPERNIK-INVEST 3

SIGNATURE

/s/ Aleksandr Yurievich Torbakhov

ALEKSANDR YURIEVICH TORBAKHOV, GENERAL DIRECTOR

FOR AND ON BEHALF OF VIMPEL-COMMUNICATIONS PUBLIC JOINT STOCK COMPANY

SIGNATURE

/s/ Aleksandr Yurievich Torbakhov

ALEKSANDR YURIEVICH TORBAKHOV, GENERAL DIRECTOR

Schedule 1 - Form of the Consideration Set-Off Agreement

[Schedule has been omitted.]

Schedule 2 - Form of the Deed of Release

[Schedule has been omitted.]

Schedule 3 - Form of the Independent Guarantee

[Schedule has been omitted.]

Subsidiaries

The table below sets forth our significant subsidiaries as of December 31, 2022. The equity interest presented represents our ownership interest, direct and indirect. Our percentage ownership interest is identical to our voting power for each of the subsidiaries listed below.

Name of significant subsidiary	Country of incorporation	Nature of subsidiary	Percentage of ownership interest
VEON Amsterdam B.V.	Netherlands	Holding	100.0 %
VEON Holdings B.V.	Netherlands	Holding	100.0 %
PJSC VimpelCom	Russia	Operating	100.0 %
JSC “Kyivstar”	Ukraine	Operating	100.0 %
LLP “KaR-Tel”	Kazakhstan	Operating	75.0 %
LLC “Unitel”	Uzbekistan	Operating	100.0 %
VEON Finance Ireland Designated Activity Company	Ireland	Holding	100.0 %
LLC “Sky Mobile”	Kyrgyzstan	Operating	50.1 %
VEON Luxembourg Holdings S.à r.l.	Luxembourg	Holding	100.0 %
VEON Luxembourg Finance Holdings S.à r.l.	Luxembourg	Holding	100.0 %
VEON Luxembourg Finance S.A.	Luxembourg	Holding	100.0 %
Global Telecom Holding S.A.E	Egypt	Holding	99.6 %
Pakistan Mobile Communications Limited	Pakistan	Operating	100.0 %
Banglalink Digital Communications Limited	Bangladesh	Operating	100.0 %

* PJSC VimpelCom was classified as held-for-sale as of 31 December 2022. For discussion of our Russian Operations interests as a discontinued operation see Note 10—Held for Sale and Discontinued Operations of the Audited Consolidated Financial Statements.

**CERTIFICATION PURSUANT TO SECTION 302
OF
THE SARBANES-OXLEY ACT OF 2002**

I, Kaan Terzioğlu, certify that:

- A. I have reviewed this annual report on Form 20-F of VEON Ltd.;
- B. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- C. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- D. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (1. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (2. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (3. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (4. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- E. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (1. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2023

By: /s/ Kaan Terzioğlu

Name: Kaan Terzioğlu

Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Joop Brakenhoff, certify that:

- A. I have reviewed this annual report on Form 20-F of VEON Ltd.;
- B. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- C. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- D. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (1. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (2. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (3. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (4. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- E. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (1. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2023

By: /s/ Joop Brakenhoff

Name: Joop Brakenhoff

Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of VEON Ltd. (the “Company”), does hereby certify to such officer’s knowledge that:

The Annual Report on Form 20-F for the year ended December 31, 2022 (the “Form 20-F”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 24, 2023

By: /s/ Kaan Terzioğlu
Name: Kaan Terzioğlu
Title: Chief Executive Officer

Date: July 24, 2023

By: /s/ Joop Brakenhoff
Name: Joop Brakenhoff
Title: Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-166315, 333-180368 and 333-183294) of VEON Ltd. of our report dated July 24, 2023 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ M. de Ridder RA

PricewaterhouseCoopers Accountants N.V.

Amsterdam, the Netherlands

July 24, 2023



Exhibit 15.2

July 24, 2023

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read the statements made by VEON Ltd. (copy attached), which we understand will be filed with the Securities and Exchange Commission, pursuant to Item 16F of the Annual Report on Form 20-F for the year ended December 31, 2022 of VEON Ltd. dated July 21, 2023. We agree with the statements concerning our Firm contained therein.

Very truly yours,

PricewaterhouseCoopers Accountants N.V.

*PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, Postbus 90357,
1006 BJ Amsterdam*

T: 088 792 00 20, F: 088 792 96 40, www.pwc.nl

'PwC' is het merk waaronder PricewaterhouseCoopers Accountants N.V. (KvK 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (KvK 34180284), PricewaterhouseCoopers Advisory N.V. (KvK 34180287), PricewaterhouseCoopers Compliance Services B.V. (KvK 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (KvK 54226368), PricewaterhouseCoopers B.V. (KvK 34180289) en andere vennootschappen handelen en diensten verlenen. Op deze diensten zijn algemene voorwaarden van toepassing, waarin onder meer aansprakelijkheidsvoorwaarden zijn opgenomen. Op leveringen aan deze vennootschappen zijn algemene inkoopvoorwaarden van toepassing. Op www.pwc.nl treft u meer informatie over deze vennootschappen, waaronder deze algemene (inkoop)voorwaarden die ook zijn gedeponeerd bij de Kamer van Koophandel te Amsterdam.



Attachment

ITEM 16.F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

In the second quarter of 2022, in connection with tender discussions to audit our fiscal year ended December 31, 2022, our independent registered public accounting firm, PricewaterhouseCoopers Accountants N.V. ("PwC"), informed us that they would not stand for re-election at the conclusion of their term of appointment, if appointed. PwC's term of appointment concluded upon the issuance of their audit report included in this Annual Report.

We have not yet appointed a new independent registered public accounting firm for the year ending December 31, 2023.

The reports of PwC for the fiscal years ended December 31, 2021 and December 31, 2022 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles, except for (a) the December 31, 2021 report includes an explanatory paragraph in such report regarding substantial doubt about the Company's ability to continue as a going concern and a paragraph on change in accounting principle and (b) the December 31, 2022 report includes (i) an explanatory paragraph in such report regarding substantial doubt about the Company's ability to continue as a going concern and (ii) an explanatory paragraph regarding the restatement of the Company's consolidated financial statements in this Annual Report on Form 20-F as of and for the year ended December 31, 2022.

During the two most recent fiscal years and the subsequent interim period through July 24, 2023, there have been no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to its satisfaction, would have caused PwC to make reference in connection with its reports, or any "reportable event" as such term is defined in Item 16F(a)(1)(v) of Form 20-F, other than as disclosed in this *Item 16F* and the material weakness in our internal control over financial reporting reported in *Item 15 – Controls and Procedures*.

The Company has provided PwC with a copy of the foregoing disclosure and has requested and received from PwC a letter addressed to the SEC stating whether they agree with the above statements. A copy of PwC's letter, dated July 24, 2023, is filed herewith as Exhibit 15.2.

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, Postbus 90357,
1006 BJ Amsterdam

T: 088 792 00 20, F: 088 792 96 40, www.pwc.nl

'PwC' is het merk waaronder PricewaterhouseCoopers Accountants N.V. (KvK 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (KvK 34180284), PricewaterhouseCoopers Advisory N.V. (KvK 34180287), PricewaterhouseCoopers Compliance Services B.V. (KvK 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (KvK 54226368), PricewaterhouseCoopers B.V. (KvK 34180289) en andere vennootschappen handelen en diensten verlenen. Op deze diensten zijn algemene voorwaarden van toepassing, waarin onder meer aansprakelijkheidsvoorwaarden zijn opgenomen. Op leveringen aan deze vennootschappen zijn algemene inkoopvoorwaarden van toepassing. Op www.pwc.nl treft u meer informatie over deze vennootschappen, waaronder deze algemene (inkoop)voorwaarden die ook zijn gedeponneerd bij de Kamer van Koophandel te Amsterdam.

Glossary of Telecommunications Terms

Abbreviation	Definition
“2G”	The second-generation mobile telephony system based on the standards defined by the ITU.
“2.5G”	The second-and-a-half-generation mobile telephony system based on the standards defined by the ITU
“3G”	The third-generation mobile telephony system based on the standards defined by the ITU
“4G/LTE”	The fourth-generation/long-term evolution mobile technologies, including WiMax, based on the standards defined by the ITU
“5G”	Fifth generation mobile networks
“ADSL”	Asymmetric digital subscriber line
“ARPU”	Average revenue per user of telephone services, calculated over a given period of time for the average number of total customers or of active customers in the same period
“B2B”	Business to business
“B2C”	Business to company
“B2G”	Business to government
“B2O”	Business to operation
“BGP”	Border Gateway Protocol is the protocol that enables the global routing system of the internet
“Big Data”	This allows companies to gather a lot of user-related information, like demographics and location info, network and application usage
“Broadband”	A high-capacity network backbone providing connectivity between sites and that picks up and conveys the traffic of lower-capacity peripheral rings
“CAMEL”	Customized Applications for Mobile network Enhanced Logic
“Churn”	A measure of the proportion of a business unit’s customer base that disconnects from such business unit’s service over a period of time. Prepaid and postpaid churn rates are each calculated by dividing the respective total number of prepaid or postpaid customer disconnections (including customers who disconnect and reactivate with the same phone number) for the period by the average number of prepaid or postpaid customers for the period. The average number of customers for the period is calculated by taking the average of each month’s average number of prepaid or postpaid customers (calculated as the average of the total number of customers at month-end and the total number of customers at the end of the previous month) during the period. A business unit’s total churn rate is the weighted average of such business unit’s prepaid churn rate and postpaid churn rate over the period, based on weighted number of prepaid and postpaid customers
“Customer”	For mobile line telephone services, the terms refer to anyone: (a) who is a holder of a SIM card; and (b) in the event of prepaid services, anyone who has made at least one recharge after the second month of making the SIM purchase
“DBSS”	Digital business support systems
“DFS”	Digital financial services
“DDos”	Distributed denial of service – common attacks on telecommunications companies
“DWDM”	Dense wavelength divisions multiplexing
“EDGE”	Enhanced data rates for GSM Evolution: evolution of data communications within the existing GSM standard. Designed as a step forward from GPRS, EDGE improves the GSM radio interface in that it increases the data transfer speed by optimizing use of the available spectrum

“EMC”	Electromagnetic compatibility is the ability of electrical equipment and systems to function acceptably in the electromagnetic environment
“Fixed operator”	Provider of telecommunications services by means of a telecommunication system consisting mainly of fixed lines.
“FMC”	Fix mobile convergence (charging subscribers who use both mobile and fixed fiber connect from a single account)
“FTR”	Fixed termination rate
“FTTB”	Fiber-to-the-building
“FTTx”	Fiber-to-the-x
“FVNO”	Fixed virtual network operator
“Gbit/s”	Gigabit per second
“GHz”	Giga hertz - the hertz is a unit of frequency of one cycle per second. A giga hertz refers to a frequency of one billion hertz
“GPON”	Gigabit passive optical network
“GPRS”	General packet radio service: data transmission technology using packet-based transmission for providing mobile telecommunications
“GSM”	Global System for Mobile Communications: a mobile-telephony standard based on digital transmission and cellular network architecture with a roaming system
“GSM900”	Mobile telephone services using GSM in the 900 MHz frequency range
“GSM900/1800”	Mobile telephone services using the GSM standard in the 900 MHz and 1800 MHz frequency ranges
“GSM1800”	Mobile telephone services using GSM in the 1800 MHz frequency range
“GSM A”	GSM association
“HD”	High definition
“HSPA” or “HSPA+”	High-speed packet access or Evolved High Speed Packet Access
“ICX”	Interconnection exchange
“IGW”	International gateway
“ILD”	International long distance
“IMTR”	International Mobile Termination Rates
“IoT”	Internet of things
“IP”	Internet protocol: the universal communications protocol based on the exchange of packets of information between telecommunications equipment. It is the standard protocol used on the internet
“IPTSP”	Internet protocol telephony service provider
“IPTV”	Internet protocol television
“IP VPN”	IP virtual private network
“ISDN”	Integrated services digital network
“ISDN PRI”	Integrated services digital network primary rate interface – a telephone technology that delivers 23 voice channels and one data channel to companies over an ISDN
“ISP”	Internet service provider: provider of access to the internet and to the service linked to the latter
“LAN”	Local area network
“LDI”	Long distance and international
“LTE”	Long-term evolution
“M2M”	Machine to machine
“MAU”	Monthly Average Users
“Mbit/s”	Megabits per second
“Mbps”	Megabytes per second

“MFS”	Mobile financial services
“MHz”	Mega hertz: the hertz is a unit of frequency of one cycle per second. A mega hertz refers to a frequency of one million hertz
“Microwave”	Microwave is the transmission of information by electromagnetic waves with wavelengths in the microwave frequency range of 300MHz to 300GHz
“MMS”	Multimedia messaging service: an evolution of SMS services that, in addition to text messages, offer several types of multimedia contents such as images, audio and video-clips
“MNP”	Mobile number portability: a service, recently approved by the BTRC in Bangladesh, which allows customers to keep their mobile number when switching between mobile operators. The BTRC directive, instructing mobile telecommunications operators to make this service available to customers in Bangladesh, was approved by the BTRC on May 6, 2013
“Mobile operator”	Provider of telecommunications services using the range of radio frequencies assigned to it
“MPLS”	Multiprotocol label switching
“MTR”	Mobile termination rates
“Multimedia”	Communications using any combination of different media and which may comprise text, audio, music, images, animation and video
“MVNO”	Mobile virtual network operator
“MW RRL”	Microwave relay rack location
“NGMS”	Next generation mobile services
“OTT”	Over-the-top. Refers to content service providers such as Google and Facebook
“PBX”	Private branch exchange
“Penetration rate”	This is a measure of access to telecommunications, normally calculated by dividing the number of customers to a particular service by the population to whom it is available and multiplying by 100. It is also referred to as teledensity (for fixed-line networks) or mobile density (for cellular networks)
“PMP”	Point to multipoint
“Prepaid”	Mobile telephony service paid for in advance by the customer
“Postpaid”	Mobile telephony service paid for after usage by the customer has occurred
“Protocol”	The standard communication rules between two computers or within a computer network. Two computers using the same protocol can exchange data. The internet is based on a series of protocols, for example www is based on http protocol. The most popular is IP, Internet Protocol, which is a data transfer protocol
“RBT”	Customized ring back tones
“REF”	Radio electronic facilities
“RFR”	Radio frequency resource
“Roam” or “roaming” or “roam like home”	The ability to make and receive calls on the same mobile phone even when travelling outside the area covered by the “home” network operator
“RPs”	Redirection and provisioning service
“SDH”	Synchronous digital hierarchy
“SIM” or “SIM card”	Customer identity module card: magnetic cards with a memory for data storage and software applications
“SIM2IBAN”	SIM to international bank account number
“SIP-Trunk”	Session initiation protocol trunking is a service offered by a communications service provider that uses the protocol to provision VoIP connectivity between an on-premises phone system and the public switched telephone network
“SME”	Small- and medium-size enterprise market which consists of businesses having between 3 and 50 employees
“SMP operators”	Significant market power operator

“SMS”	Short message service: a protocol that uses the signaling channel to transmit text messages up to 160 characters long
“SMS CPA”	Short message service cost per acquisition advertising model
“SOHO”	Small office/home office
“TDD”	Time division duplex
“TFN”	Toll free numbering
“TTP”	Telecom Tower Provider
“UAN”	Universal access number
“UMTS”	Universal mobile telecommunications system
“USB”	Universal serial bus
“UX/UI”	User experience/user interface
“Value Added Services” or	These are services that provide a higher level of functionality than those offered by basic transmission services made available by a telecommunications network for transferring information via terminals
“VAS”	
“VOD”	Video on demand
“Voice CPA”	Voice call cost per acquisition advertising model
“VoLTE”	Voice over LTE
“VoIP”	Voice over IP: digital technology enabling the transmission of voice packages via the internet, intranet, extranet and VNP networks. The packets are carried according to H.323 specifications, that is to say the ITU standard forming the basis for data, audio, video and communications services over IP type networks
“VPLS”	Virtual private LAN service
“VPN”	Virtual private network
“VSAT”	Very small aperture terminals, which are two-way satellite ground stations used to transmit data
“WCDMA”	Wideband Code Division Multiple Access
“WiMax”	Worldwide interoperability for microwave access communication standard
“WLAN”	Wireless LAN
“WLL”	Wireless local loop
“WTTX”	Wireless to the X
“xDSL”	All types of DSL

Regulation of Telecommunications

As a global telecommunications company, we are subject to various laws and regulations in each of the jurisdictions in which we operate. Mobile, internet, fixed-line, voice and data markets are all generally subject to extensive regulatory requirements in each of the countries in which we operate, including strict licensing regimes, anti-monopoly laws and consumer protection regulations.

The following is a brief discussion of certain regulatory and legal considerations we consider noteworthy. We do not discuss the regulatory considerations of each of the jurisdictions in which we operate nor of the certain other jurisdictions in which we hold licenses, authorizations or regulatory approvals. For a description of the material effects of laws and regulations on our business, see *Item 3.D. Risk Factors—Regulatory, Compliance and Legal Risks*.

Regulation of Telecommunications in Pakistan

Regulatory bodies

Under the Pakistan Telecommunications (Re-organization) Act, 1996, as amended (the “Telecommunications Act”), responsibility for telecommunications regulation in Pakistan lies with the Ministry of Information Technology and Telecommunication (the “MoIT”) and the Pakistan Telecommunications Authority (the “PTA”).

The MoIT is responsible for shaping and directing Pakistan’s telecommunications and information technology policies. The PTA is an autonomous body that, subject to government-issued instructions and policy directives, implements policy and monitors the activities of the various market participants through licensing, tariff regulation, investigation of complaints (including arbitration of disputes between licensees) and competition. Additionally, the Competition Commission of Pakistan regulates competition within the telecommunications sector under the Competition Act, 2010.

The Frequency Allocation Board (the “FAB”) has exclusive powers to allocate radio frequency spectrum. The PTA receives applications for the allocation and assignment of radio frequency spectrum and, after examination, refers applicants to the FAB for the allocation of frequency.

Telecommunications networks and services in Pakistan are principally regulated under the Telecommunications Act and the rules and regulations made thereunder (the “Telecommunications Rules”). The Telecommunications Act also defines general rules for the licensing and authorization of telecommunications networks and services and introduces principles of establishment and administration of special funds, which are intended for research and development and a universal services fund.

Licenses

Mobile telecommunications operators are required to have a radio frequency spectrum allocation, which is typically auctioned by the PTA to qualifying bidders, subject to the MoIT’s policies and includes a license to operate.

To obtain a license to provide mobile telecommunications services in Pakistan, the PTA requires a written application supported by relevant documents, as set out in the applicable regulations, and information memoranda or advertisements in respect of the relevant license.

Licenses for the provision of mobile telecommunications services in Pakistan are typically issued for 15 years and may be renewed on such terms and conditions, and with such fees and contributions, which are consistent with the policy of the Government of Pakistan (the “GoP”) at the time of expiration. The PTA may include such additional terms as it considers appropriate, or it may decline to renew a license for various reasons, including violations of applicable license terms, laws or regulations. For a discussion of the risk related to renewal of licenses, see *Item 3.D. — Risk Factors — Operational Risks — “We face uncertainty regarding our frequency allocations and may experience limited spectrum capacity for providing wireless services.”*

License terms imply the fulfillment of certain quality requirements, the violation thereof may result in penalties ranging from show cause notice to fines.

Mobile Termination Rates

The PTA determines all MTRs, and, in addition, all signed contracts must be submitted to the PTA. For a description of MTRs in Pakistan, see *Item 4—Information on the Company*.

As described further below, for licensees designated as having significant market power, the PTA proposes an appropriate cost regime for interconnection and applies it to those licensees. Operators that are not subject to SMP in the relevant market may use commercially agreed termination rates. Effective July 1, 2022 till June 30, 2023, MTR rates in Pakistan were reduced from PRK 0.5/min to PRK 0.4/min. and will be set at PKR 0.3/min from July 1st, 2023 onward.

Significant Market Power

According to the Pakistan Telecommunication Rules, 2000, an operator whose share of the relevant market exceeds 25% (based on revenues) will be presumed to have SMP, unless determined otherwise by the PTA. The PTA may also determine that an operator whose share of the relevant market is less than the 25% threshold nonetheless has SMP. Pursuant to the Telecommunications Policy 2015, licensees that are designated as SMP in a relevant market under the competition rules and provide infrastructure and other services (rather than services alone) are required to:

- obtain prior approvals from the PTA for the launch of class value added services and any change in prices;
- provide, on a first-come, first-served basis, national roaming services and infrastructure sharing, meaning SMP operators will not be allowed to discriminate among operators;
- pay MTRs as determined by the PTA (instead of the mutually agreed upon MTR paid by non-SMP licensees); and
- offer infrastructure sharing.

On September 30, 2016, the PTA issued a determination declaring Pakistan Mobile Communications Ltd (“PMCL”) as having SMP in the retail cellular mobile telecommunications market for Pakistan. Telenor Pakistan was declared as having SMP in this market in AJK and Gilgit-Baltistan. PMCL has appealed the PTA’s determination in court. On January 22, 2018, the Islamabad High Court set aside the PTA’s determination on SMP and remitted the matter back to the PTA. Pursuant to the remand order, the PTA initiated a new consultative process and issued consultative papers on October 16, 2019 requesting comment from all the operators, including PMCL, for determining SMP. These comments were duly submitted, which was followed by a hearing in February 2021. On September 20, 2021, the PTA re-issued a determination declaring PMCL as having SMP in the retail cellular mobile telecommunications market for Pakistan and Telenor Pakistan as having SMP in this market in AJK and Gilgit-Baltistan. These determinations were challenged before the Islamabad High Court, and it was decided on March 9, 2022, provided that the PTA assured process for fresh determination will be initiated and concluded in accordance with law. Furthermore, the court also expects from the Regulator that applications for tariff approvals filed pursuant to SMP determination will be considered and decided within a period of 7 days.

Mobile Number Portability

The Mobile Number Portability Regulations, 2005 provide the eligibility criteria for MNP, the rights and obligations of customers and the duties and responsibilities of mobile operators. The PTA formed a supervisory board with all mobile operators to supervise the centralized database operation and determine the best method for MNP.

MNP was launched throughout Pakistan in March 2007. The current porting rate is PKR 250 (US\$1.8 as of December 31, 2018) per completed port.

The Mobile Cellular Policy 2004 and the Telecommunications Policy 2015 encourage (but do not require) domestic roaming and infrastructure sharing, and those matters are left to the various operators to negotiate commercial terms. Although a limited number of operators in Pakistan originally benefited from MNP, the impact of MNP in Pakistan has dissipated considerably over the past few years and focus has shifted away from the MNP competitive arena.

Data Protection

In Pakistan, there are a number of statutes and regulations on data protection to which we are subject, including the Prevention of Electronic Crimes Act, 2016, the Pakistan Telecommunications (Re-organization) Act, 1996 and Revised Standing Operating Procedure on Requisitioning of Call Data Record by Authorized Officers from Telecom Operators, 2016. We are also subject to specific conditions pertaining to privacy and confidentiality of customer information, which are contained in our telecommunications licenses and the PMCL’s Customer Privacy policy.

Under the applicable laws and regulatory requirements, we have a responsibility to protect customer information and to ensure that information is not disclosed without prior customer consent, except as required under the law. We also have a responsibility to ensure that customer information and call detail records (CDRs) are not transferred/placed or stored outside of Pakistan.

Other

Biometric Verification

Unprecedented growth in the telecommunication era has benefited Pakistan's economic growth tremendously. However, the resulting increase in the subscriber base has remained a challenge for mobile operators to manage effectively, particularly with respect to maintaining the correct/authentic antecedents of subscribers. In order to streamline SIMs sales and verification of users, GoP introduced Standard Operating Procedures requiring all mobile operators to re-verify their entire customer base through biometric verification and made this re-verification mandatory for SIM sale/issuance.

Telecommunications Policy 2015

On December 11, 2015, the GoP approved a new telecommunications framework, the Telecommunications Policy 2015, which introduced approximately 50 new telecommunications regulatory frameworks to be developed by the PTA after the requisite consultation process with the telecommunications industry. Certain legislative and regulatory changes are expected in the implementation of these frameworks, including: (i) the introduction of competition rules; (ii) changes in the interconnection regime; (iii) changes in national roaming and infrastructure sharing requirements; (iv) allocation and assignment of spectrum in order to maximize social and economic benefits; (v) the establishment by the PTA of an environmental regulatory framework for the sector; and (vi) the prescription by the MoIT of rules for lawful interception.

The Pakistan Prevention of Electronic Crimes Act 2016 introduced sentencing and heavy fines for acts such as spam messaging, accessing of unauthorized data, acquiring or selling of identification information, tampering with a device identifier and the issuance of a SIM in an unauthorized manner. The powers of the Federal Investigation Agency have been enhanced in order to enforce this law. This has a direct impact on our business, as many of the usual forms of marketing in Pakistan are now prohibited by law.

Import Restrictions

Government of Pakistan on May 19, 2022, introduced an import ban over 894 products, followed by a State Bank decision to require approvals for the imports of an additional 25 products. Although the industry of telecommunications is not exclusively affected by the import restrictions, the effect of such restrictions would be significant for the telecommunications due to lack of locally produced equipment.

Regulation of Telecommunications in Ukraine

The below summarizes the regulation of the telecommunications industry in Ukraine. Following the introduction of martial law in Ukraine on February 20, 2023, in connection with the ongoing conflict with Russia and the current state of emergency, the day-to-day enforcement of this legislation and regulation has changed.

Regulatory Bodies

Pursuant to the Ukraine Electronic Communications Law (“UEC”), the main governmental authorities that manage the telecommunications industry in Ukraine are the Cabinet of Ministers, State Service of Special Communications and Information Protection of Ukraine (the “Service”), the National Commission for the State Regulation of electronic communications, radio frequency spectrum and the provision of postal services (NCEC) and the Ministry of Digital Transformation of Ukraine (“MinDigital”).

The Cabinet of Ministers is responsible for forming general policy, ensuring equal rights for developing the forms of ownership, managing state-owned assets and directing and coordinating ministries and other central governmental bodies in the area of electronic communications.

The Service develops state policy proposals in the area of telecommunications and is responsible for their implementation within its authority granted by law. The Service also has the authority to prepare draft legislation and define the quality requirements for electronic communications services and technical standards for telecommunications equipment.

The NCEC is the main regulatory and controlling body in the area of telecommunications and use of radio frequencies. The NCEC issues licenses for the use of radio frequencies, maintains registries of electronic communications operators, allocates numbering capacity to operators and controls the quality of electronic communications services.

MinDigital was established in 2019 and carries out regulatory and supervisory functions in parallel with the NCEC and consults with the other electronic communications regulatory bodies. MinDigital has declared its intention to improve the speed and quality of mobile and fixed networks, accelerate 4G coverage, and introduce 5G coverage in Ukraine over the next few years.

Regulatory Framework

Historically, the Law on Telecommunication and the Ukraine Frequency Law (“UFL”) were the principal laws regulating the Ukrainian telecommunications industry. The Law on Telecommunication sets forth the general principles for the regulation of the telecommunications industry in Ukraine, including a description of the institutional framework for the government’s involvement in the regulation, administration and operation of the telecommunications industry. The UFL regulates the allocation and use of frequency bands in Ukraine.

The Law on telecommunications and UFL were in force until January 1, 2022, and have been replaced by the new Ukrainian Law “On Electronic Communications” #1089-IX, dated December 16, 2020 (the “UEC”), which foresees comprehensive regulation of the telecommunications industry. The UEC is aimed at aligning Ukraine’s telecommunications legislation with the EU Code of Electronic Communications. The key aspects of the law are the:

- introduction of technological neutrality, spectrum sharing, rent/trading and infrastructure sharing;

- calculation of radiofrequency rent fees according to the new methodology;
- new minimal term for license – not less than 15 years;
- new transparent auctions procedure;
- cancellation of planned audits by controlling bodies;
- control over illegal equipment that causes radio interference;
- simplification of base stations legalization;
- cancellation of a regulator’s authority to establish rates for international mobile termination; and
- introduction of the “single window” principle for lawful interception purposes.

Licenses

Radio frequency spectrum (“RFS”) is licensed in Ukraine. If the demand for radio frequency exceeds availability, licenses for RFS use are issued based on the results of a tender or auction held by the regulatory body. Licenses are issued for a term of five to 15 years. The NCEC has the right to extend the existing license at the request of the operator, or to take a negative decision if, at the date of filing of the application for an extension, violations of licensing conditions by the operator have been recorded and such violations have not been cured.

After obtaining a license for RFS use, electronic communications operators are required to obtain permission to operate Radio Electronic Facilities (“REF”) and private radio networks (radio transmitters, base stations, and microwave links). In accordance with the law, permissions for REF are issued for a period not exceeding the period of validity of the relevant operator’s licenses for the use of radio frequency spectrum. The permit may be extended at the request of the operator to the NCEC. The NCEC will extend the license unless a violation of the licensing conditions has occurred and as long as there are no preconditions, such as the refarming of frequencies or the introduction of new radio technologies, for the termination of a specific radio technology in the radio frequency band.

Mobile Termination Rates

The former Law on telecommunications allowed telecommunications operators, including wireless service operators, to establish tariffs for the telecommunications services provided to customers, with the exception of tariffs on universal services and data traffic channeling by SMP telecommunications operators. For a description of MTRs in Ukraine, see “*Item 4—Information on the Company-Interconnection Agreements.*”

In September 2020, the regulatory body adopted a decision to decrease the national MTR rate for mobile networks to UAH 0.10/min (from UAH 0.12/min) effective as of January 1, 2021, and further to UAH 0.08/min from January 1, 2022. FTR rates have been reduced symmetrically to NMTR and entered into force on July 1, 2021 and January 1, 2022. Until December 31, 2021, IMTR rates were EUR 0.10/min. . As of January 1, 2022, the Law “On Electronic Communications” entered into force and IMTR rates were deregulated, which has resulted in the alignment of IMTR rates with international market rates of U.S.\$0.19/ min, excluding special tariffs in force under network-to-network deals.

Significant Market Power

The NCEC regulates electronic communications services, studies the competitive environment in the telecommunications market, determines SMP operators and regulates interconnection tariffs charged to access SMP operators' and dominant operators' networks and the technical, organizational and economic terms of interconnection agreements involving such operators. An operator is presumed to have SMP if it meets particular requirements which are set out in UECL in the respective telecommunications services market. On October 20, 2011, the former regulatory body determined the SMP operators in the markets for terminating calls on fixed-line and mobile networks, and on December 1, 2011, it approved mandatory interconnection tariffs for the SMP operators in such markets. Our operations in Ukraine are deemed to have SMP and are subject to these regulations.

In addition, the UECL introduced a new SMP regulatory framework which increased the NCEC's authority to analyze communication services markets to determine SMP operators. If the NCEC identifies certain SMP factors, regulatory obligations and/or restrictions may be imposed upon respective MNO (including controls on wholesale and retail tariffs and infrastructure sharing). The list of such regulatory obligations and the procedure for their application are in line with the Electronic Communications Code of the EU and do not go beyond the EU requirements.

Mobile Number Portability

On May 1, 2019, MNP was implemented in Ukraine to provide customers with the ability to transfer their mobile numbers from one telecommunications network to another. Changes to MNP procedures were initiated by the NCCIR (former name of NCEC), which became effective on December 1, 2021, which include giving an option to the subscriber to switch operators without prior identification by the existing operator in order to minimize barriers for transitioning between operators.

Data Protection

According to the Law "On Protection Of Personal Data," as of June 2010, personal data is defined as the information or aggregate information about a natural person who is identified or may be identified (e.g. name, ID number, and passport data). In Ukraine, most customers are not identified. However, content, traffic and location are defined as customer's data. The transmission of personal data requires the transferor to obtain consent from the person whose personal data is being transferred. The party to which the personal data is transferred is required to have implemented the requirements of the Law "On Protection of Personal Data". This law is not expected to have a significant impact on our operations.

Personal data may only be transferred to foreign parties in the specific cases stipulated by law or an international treaty and only on the condition that an adequate level of personal data protection is ensured by the relevant foreign state.

Chapter XV of the Law "On Electronic Communications" requires telecommunications operators and providers to ensure and be responsible for protecting the confidentiality of information concerning customers, which was made available to them at the time of entering into a telecommunications services agreement. Information concerning the consumer and concerning the services they have received may be provided in observance of the procedure defined by the law. In all other cases, the information described above may only be disclosed subject to the customer's written consent.

The draft law to align Ukrainian legislation to EU GDPR has been considered and revised since October 2018. This process was coordinated by Ukrainian Parliament Commissioner for Human Rights (Ombudsman) in cooperation with Twinning projects of the EU Commission. Today, the main driver of Ukraine's alignment to EU GDPR is Parliament's Committee for Digital Transformation. An industry working

group was established within this committee in November 2020 and we actively participate with the aim of ensuring resulting legislation does not exceed existing EU rules and requirements.

Other

Provision of Telecommunications Services

MinDigital is currently proposing changes to certain rules regarding the provision of telecommunications services. Among the changes proposed are: (i) the prohibition of including a subscriber's consent by default in an operator's terms of services for receiving distributed advertising text messages, which will apply to the distribution of non-telecommunications services information, and (ii) bans on the provision of services other than telecommunications services under a telecommunications contract and debiting money for the provision of non-telecommunications services from a subscriber's telecommunications services account.

RFS Rent Increase

On November 30, 2021, the Ukrainian Parliament adopted changes to the Tax Code of Ukraine, which, among other things, resulted in a 5% increase in RFS rent. Notwithstanding consistent advocacy efforts on behalf of the Company and telecommunications industry, the legislative changes were supported by the President and came into force on January 1, 2022. The rates for 2023 remain unchanged.

Regulation of Telecommunications in Kazakhstan

Regulatory Bodies

Under the Kazakhstan Communications Law dated July 5, 2004 (the “Kazakhstan Communications Law”), the Ministry of Digital Development, Innovation and Aerospace Industry is the central executive body authorized to implement state policy and governmental control with respect to telecommunications and to adopt relevant acts.

The Kazakh government sets forth the procedures and one-off payment rate to access frequencies for the provision of telecommunications services. The Inter-Agency Commission on Radio Frequencies, a consultative-advisory agency of the Kazakh government, provides recommendations on government policy regarding frequencies. The National Security Committee and certain other governmental defense bodies also maintain a level of control over the telecommunications industry as part of their investigative operations.

From January 1, 2022, an amendment to the Kazakhstan Communications Law came into force, where the Ministry of Digital Development, Innovation and Aerospace Industry is now also responsible for (i) the organization and holding of tenders (or auctions) for the allocation of frequency bands and radio frequencies (radio frequency channels) in Kazakhstan in the ranges recommended for distribution through a tender (or auction) by the Inter-Agency Commission on Radio Frequencies of the Republic of Kazakhstan; and (ii) determination of the terms of tenders (or auctions) and the requirements for the participants of such tenders (or auctions).

Competition matters in Kazakhstan are regulated by the Agency for Protection and Development of Competition (the “Antimonopoly Agency”), which is directly subordinate and reports to the President of the Republic of Kazakhstan. The Antimonopoly Agency is authorized to prepare and implement state policy for the protection of competition, for example, by coordinating with state authorities, reviewing compliance with competition laws, conducting investigations and approving concentrations of entities.

Regulatory Framework

The Kazakhstan Communications Law is the principal law that regulates the telecommunications industry in Kazakhstan and sets forth the general principles for the regulation of the telecommunications industry, the authority of each regulatory body, the rules governing telecommunications network cooperation and consumer rights protections.

The Kazakhstan Communications Law grants the Kazakh government broad authority, with respect to the telecommunications industry in Kazakhstan. The most important aspects with respect to our business, includes the government’s authority to develop and implement government policy on telecommunications and frequency allocations, regulate radio frequencies conversion, and approve procedures for auctions of telecommunications licenses.

The participation of foreign capital in Kazakhstan’s telecommunications market is limited by law. It is forbidden for foreign legal entities or individuals to control and operate backbone networks without the establishment of a legal entity in Kazakhstan and to obtain more than 10.0% of voting shares in an international long distance (“ILD”) operator without consent from the Ministry of Digital Development, Innovation and Aerospace Industry, as well as national security authorities. In addition, foreign legal entities or individuals are not allowed to possess, use, dispose of or control (directly or indirectly) more than 49.0% of the total voting shares of an ILD operator that possesses surface communication lines (cables, including fiber optic and radio-

relay cables) without the consent of the Ministry of Digital Development, Innovation and Aerospace Industry and national security authorities.

In addition, KaR-Tel, as a telecommunications operator, is classified as critical information and communication infrastructure and therefore, we must comply with certain requirements, such as creating its own operational information security center; ensuring the connection of information security monitoring systems to the information security monitoring system of the National Information Security Coordination Center, and transferring backup copies of electronic information resources to a single national backup platform for storing such resources.

Licenses

In accordance with national legislation, licenses to provide telecommunications services are issued by the Ministry of Digital Development, Innovation and Aerospace Industry. The Law “On Permits and Notifications” regulates permits, certain types of activities or actions and the procedures for issuing and re-issuing permits. A license to provide telecommunications services is a first class permit, meaning it is inalienable and without a time limit.

In addition to obtaining a license, wireless telecommunications operators must have a permit for radio frequency usage for every radio transmitter that they operate. Permits for radio frequency usage are issued by the Committee of Telecommunications of the Ministry of Digital Development, Innovation and Aerospace Industry. Under the Kazakhstan Communications Law, permits for the use of radio frequencies are subject to extension every year after the payment of the annual frequency fee. Radio frequency permits may be suspended or terminated for non-usage of assigned spectrum within one year, non-payment of spectrum fees for nine months and failure to comply with the conditions to which the frequency allocation was subject.

License terms imply the fulfillment of certain coverage and quality requirements, the violation thereof may result in fines, level of fees or withdrawal of the spectrum.

Mobile Termination Rates

The structure of interconnection agreements is set by the Ministry of Digital Development, Innovation and Aerospace Industry and dominant operators are required to enter into an interconnection agreement with any operator requesting interconnection.

Significant Market Power

In 2007, KaR-Tel was included on the list of dominant companies for mobile services. As a result, the company was subject to the regulated market and has a range of obligations and limitations on pricing.

On January 1, 2017, the Entrepreneurial Code abolished the list of dominant companies, and as a result, KaR-Tel is no longer required to fulfill obligations such as regular reporting to the Antimonopoly Agency. However, the Antimonopoly Agency has conducted a market analysis and designated KaR-Tel as a dominant company, which subjects KaR-Tel to antimonopoly legislation and monitoring.

Mobile Number Portability

MNP was launched on January 1, 2016. There is currently no charge for customers to port numbers, and mobile operators are required to pay annual fees for the maintenance of the MNP data base. In 2016, the annual cost for KaR-Tel was approximately KZT 6,388,236. In 2017, the price for MNP data base maintenance

was decreased by 26% to approximately KZT 5,269,042. KaR-Tel's business has not been significantly affected from the implementation of MNP.

Data Protection

In 2013, the Kazakh government adopted The Law of the Republic of Kazakhstan on Personal Data and Its Protection (the "Kazakhstan Data Law"). The Kazakhstan Data Law includes requirements that businesses have to adhere to regarding the gathering, processing, storing and the protection of personal data. For example, personal data may only be stored within the borders of Kazakhstan and businesses have to obtain a written or electronic signature consent for gathering and processing personal data, and cross-border transfers.

Since the adoption of the Kazakhstan Data Law, any reference to information on subscribers refers not only to their personal data but also to information on the services provided to subscribers. Both definitions are similar, but are regulated two different laws, the Kazakhstan Data Law and the Kazakhstan Communications Law.

For example, cross-border transfer of personal data under the Kazakhstan Data Law is permitted, but in 2017, a provision was introduced to the Kazakhstan Data Law that makes the cross-border transfer of service information subject to the Kazakhstan Communications Law, which states that such service information about subscribers can only be stored in Kazakhstan and cannot be transferred abroad unless it is in connection with the provision of roaming services. Since 2018, in accordance with a new provision of the Kazakhstan Communications Law, employees who work with service information on subscribers must be citizens of the Republic of Kazakhstan. Since September 2022, in accordance with a new provision of the Kazakhstan Communications Law, employees who serve the systems with service information on subscribers must be citizens of the Republic of Kazakhstan. The transfer in any form from telecom operators to other persons of management over communication networks is prohibited. In July 2020, the Kazakhstan Communications Law prohibited the transfer of anonymized and aggregated data used by telecommunication operators for reporting, analysis and research. However, under the Kazakhstan Data Law, the de-personalization of personal data may be carried out for statistical, sociological, marketing and/or scientific research.

In July 2020, there were further amendments to the Kazakhstan Data Law, which established the Information Security Committee of the Ministry of Digital Development, Innovation and Aerospace Industry, which is responsible for, among other things, considering appeals of personal data subjects, taking measures to hold violators of the Kazakhstan Data Law accountable, the right to demand from owners, operators and third parties clarification, blocking or destruction of inaccurate or illegally obtained personal data. In addition, the amendments approved enacting rules for the collection and processing of personal data. The Kazakhstan Data Law requires that the content and amount of personal data collected strictly correspond to the specific, previously declared and legal purposes of their processing. If the owner and/or operator are legal entities, they are required to appoint a person responsible for organizing the processing of personal data. Such a person is entrusted the following duties: exercising internal control over compliance with legislation on the protection of personal data; informing employees of the provisions of the legislation on the protection of personal data; and controlling the reception and processing of appeals of entities or their legal representatives.

Regulation of Telecommunications in Bangladesh

Regulatory bodies

The Bangladesh Telecommunications Regulatory (Amendment) Act, 2010 (the “BTRA”) introduced a separation of responsibilities between the telecommunications regulator and government in Bangladesh. Under the BTRA, the responsibilities of issuing licenses for telecommunications systems and services, as well as the regulation of telecommunications activities, are assigned to the Bangladesh Telecommunication Regulatory Commission (“BTRC”). However, the supervision of telecommunications licensees and the approval of the BTRC’s proposals for issuing licenses and service tariff was transferred to the Posts and Telecommunications Division (“PTD”) within the Ministry of Posts, Telecommunications and Information Technology of Bangladesh. As a result, the BTRC is currently the executive body for telecommunications policies, while the PTD supervises and monitors all the activities of the BTRC. Apart from the BTRC and the PTD, the National Board of Revenue, the Ministry of Finance, the Bangladesh Bank, Department of Telecommunications (DoT), Information and Communication Technology (ICT) Division and the Bangladesh Investment Development Authority also have significant authority over the telecommunications sector.

Regulatory framework

The main elements of the regulatory framework of the telecommunications sector in Bangladesh are embodied in the BTRA, which establishes rules relating to the supply of telecommunications services in Bangladesh. Pursuant to the BTRA, the BTRC has issued many regulations, directives, policies, and guidelines for the telecommunications industry. These include, but are not limited to, the BTRC (Licensing Procedure) Interconnection Regulations, 2004, which was amended in 2008, the International Long-Distance Telephony Service policy, 2007, which was amended in 2010, infrastructure sharing guidelines, regulatory and licensing guidelines for nationwide telecommunications transmission networks, directives for services and tariffs, Telecommunication Value Added Services guidelines, licensing guidelines for Tower Sharing and the BTRC Significant Market Power (“SMP”) Regulations, 2018. BTRC is also working on OTT guidelines, and planning to review the International Long Distance Telecommunication Service & National Broadband Policy.

Licenses

The issuance of any telecommunications license is at the sole discretion of the BTRC, which is subject to approval from the PTD. The BTRC must submit a report to the PTD for its approval, prior to granting any license.

The BTRC reserves the right to set the criteria and conditions for license eligibility, to specify any applicable fees and charges and to determine the duration and conditions of any license. Generally, licenses are issued for a certain period subject to renewal, and the applicable validity period, renewal requirements and other conditions are set out in the license.

In addition, the provisions of the BTRA grant the BTRC the power to renew, suspend, cancel and control the transfer of licenses. The BTRC, with the prior permission of the PTD, may amend any condition of any license issued pursuant to the BTRA, and the PTD, on its own initiative or, at the request of a licensee, may instruct the BTRC to amend any license condition.

The BTRC has started the consultation process to amalgamate the existing 2G/3G/4G licenses to reduce the complexities of operating separate licenses for cellular mobile phone services, and is also considering incorporating upcoming technologies, such as 5G in the same single license.

Mobile Termination Rates

The international mobile termination rate was revised on February 02, 2022, through which the minimum mobile termination rate was reduced. Currently, the maximum and minimum mobile termination rates are US\$0.025/min and US\$0.004/min, respectively. International gateway operators share 22.5% of international call mobile termination revenue with mobile network operators (“MNOs”) based on the minimum international call mobile termination rate. The domestic mobile termination rate has been changed to BDT 0.14/min or US\$0.0017/min (terminating MNO receives BDT 0.10 (US\$0.0012) and interconnection exchange operators (“ICX”) receives BDT 0.04 (US\$0.0005)), which became effective from August 14, 2018.

The BTRC issued a set of directives on June 28, 2020, imposing asymmetric mobile termination rates on SMP operators, which went into effect on July 16, 2020. As a result, for a call terminating on a non-SMP operator’s network, the SMP operator Grameenphone will still pay the respective non-SMP operator BDT 0.10/min, while non-SMP operators pay BDT 0.07/min for a call terminating on Grameenphone’s network. BTRC has instructed non-SMP operators to hold the balance of BDT 0.03/min in a separate fund, the proceeds of which is intended to be used for development of Bangladesh’s mobile telecommunications industry, as specified by BTRC. Non-SMP operators started to use the separate MTR Fund as per the directives issued by BTRC on specific criteria.

Significant Market Power

BTRC declared Grameenphone as SMP on February 10, 2019, and imposed several restrictions on the SMP operator, which were subsequently disputed by Grameenphone in court. After considering the court’s decision, BTRC issued directives on June 2020, imposing two obligations on SMP operators: (1) a mobile number portability (“MNP”) lock-in period; and (2) obtainment of mandatory approval for all services/offers. The obligations became effective on July 1, 2020. Later, BTRC imposed another obligation related to Mobile Termination Rate which has been discussed above. All three obligations are effective and being complied with by the Grameenphone.

In July 2022, BTRC restricted the SMP operator from selling new SIM cards on the grounds of a failure to provide quality of service (QoS). However, the ban has been lifted as of the first week of January 2023.

In July 2022, Edocto Bangladesh Company Ltd. (“Edotco”), a tower licensee, was declared an SMP Operator after crossing the 40% threshold in terms of number of towers operated and annual revenue in the tower sharing market.

Mobile Number Portability

On July 24, 2017, the BTRC issued new licensing guidelines for MNP service providers, where third party entities have been awarded a license to provide MNP services across Bangladesh. On October 1, 2018, MNP was launched nationwide.

Data Protection

The government has commenced consultation on the draft data protection law and drafting of the Data Protection Act is currently underway. However, MNOs are currently prohibited from sharing customer data with third parties without regulatory, pursuant to some of terms of mobile operator’s license and BTRC directives. In addition, the Digital Security Act 2018 restricts disclosing information relating to any individual’s identity without such individual’s consent.

Other

Trial Launch of 5G

TeleTalk (a state-owned company) launched 5G on a trial basis in six areas on December 12, 2021, with 60 MHz of spectrum in the 3.5 GHz band.

BDCL commenced a trial of 5G in October 2022 at 6 locations and is currently initiating trials in another 7 locations. The Government of Bangladesh also has plans to launch 5G commercially.

Quality of Service (“QoS”) Guidelines

On November 11, 2018, the BTRC published Operators QoS Regulation 2018 (“QoS Guidelines”), which regulates the quality of service of Access Network Service (“ANS”) Operators. The BTRC has initiated a revision of QoS Guidelines and has published a draft of such guidelines while carrying out consultations with MNOs. The BTRC has recently revised the benchmark for 4G download data throughput to 15 Mbps from 7 Mbps, and is also issuing new instructions to improve network key performance indicators.

BTRA Amendment

The Posts and Telecommunications Divisions has shared a draft version of a planned amendment of the Bangladesh Telecommunication Regulations Act (“BTRA”) with the MNOs in Bangladesh. MNOs have submitted their feedback on this draft through the Association of Mobile Telecom Operators of Bangladesh and such feedback is currently under review by the Posts and Telecommunications Division .

Over-the-top (“OTT”)

The Honorable High Court Division of the Supreme Court of Bangladesh has directed the BTRC and the Ministry of Information and Broadcasting (MoIB) to take necessary steps to finalize regulations for the operation of OTT platforms (infotainment) in Bangladesh based on the writ petition filed at the Court regarding some controversial contents published in various social media platforms. Both MoIB and the BTRC have published a draft OTT Policy and a draft OTT regulation respectively for industry feedback and consultation; later both MoIB and BTRC have submitted the policy and regulation to the Court individually. The final verdict from the Honorable Court has not yet been issued.

Data Packages

The BTRC issued a directive on December 13, 2021, relating to mobile data packages offered by MNOs, which allows MNOs to offer a maximum of 95 data products at any given time.

e-SIM

The BTRC has commenced giving approval for e-SIM to the mobile operators. Accordingly, MNOs have started to provide e-SIM to their subscribers.

Tower Radiation

A Public Interest Litigation (PIL) has been filed on environmental cause in regards to radiation emissions from towers. Subsequently, the High Court Division published an order on 21 October 2019 pursuant to which, the BTRC has submitted a feasibility report to the court. In a recent decision of the court, BTRC has been instructed to publish a guidelines on tower radiation emissions in consultation with relevant stakeholders.

Telecom Monitoring System (TMS)

The BTRC has installed Telecom Monitoring System (TMS) which covers all MNOs for near real-time regulatory monitoring.

E-waste management Guideline

The BTRC issued instructions relating to Telecom E-waste Management and Recycling System on July 7,2022.

Regulation of Telecommunications in Uzbekistan

Regulatory Bodies

The government authority responsible for supervising the telecommunications industry in Uzbekistan is the Ministry for Development of Information Technologies and Communications of the Republic of Uzbekistan.

In accordance with the Uzbek Telecommunications Law, businesses offering communications services in Uzbekistan may be privately or publicly held by Uzbek or foreign national individuals or legal entities. All owners of telecommunications networks have equal rights and enjoy equal protection guaranteed by the law, and legislation imposes no restrictions on foreign investors.

The State Inspectorate for Supervision of Informatization and Telecommunications is responsible for monitoring compliance by telecommunications companies with license requirements and conditions.

The Antimonopoly Committee of the Republic of Uzbekistan is a governmental body with functions and powers for antimonopoly regulation, development of a competitive environment, monitoring the activities of natural monopolies, protecting consumer rights, regulating the advertising market and licensing commodity exchanges.

Regulatory Framework

The main statutes that govern the telecommunications industry in Uzbekistan are (i) the Uzbek Communications Law dated January 13, 1992 (as amended); (ii) the Radio Frequency Spectrum Law dated December 25, 1998; (iii) the Protection of Consumers' Rights Law dated April 26, 1996; (iv) the Uzbek Telecommunications Law dated August 20, 1999; (v) the Law on Licensing of Certain Types of Business, dated May 25, 2000; and (vi) the Uzbek Competition Law, dated January 6, 2012.

These laws determine the general legal and economic basis for organizing communications systems, establishing rights and duties of a company in terms of ownership, use, disposal and management of communications equipment when setting up and operating communications networks and providing communications services.

The most important aspects of the law with respect to our business include the federal Uzbek government's authority to: license communications service providers; allocate radio frequencies; certify telecommunications equipment; allocate numbering capacity; ensure fair competition and freedom of pricing; and conduct oversight of operators' compliance with the terms of their licenses and Uzbek law.

Licenses

The issuance of any telecommunications license is at the sole discretion of the Cabinet of Ministers. Upon approval from the Cabinet, the Ministry for Development of Information Technologies and Communications executes the license. The Ministry will execute a license within 20 days from the date an application is filed and approved by the Cabinet. An application can be denied only if: the presented documents are not properly executed; the documents contain false information; or the applicant does not meet the license terms and requirements. The law does not provide any further grounds for denial.

Licenses are issued for a period starting from five years and can be issued with no fixed term, subject to renewal, and the applicable renewal requirements and procedures are the same as for obtaining the license. In addition, the Ministry has the power to renew, suspend, cancel and control the transfer of licenses.

On March 31, 2017, the Republican Radio frequencies Council in Uzbekistan published a decision ordering the equitable reallocation amongst all telecommunications providers in the market, which will affect approximately half of the 900 MHz and 1800 MHz radio frequencies of our Uzbek subsidiary, Unitel LLC. The decision came into force on March 31, 2018, and, was successfully executed by Unitel LLC. The decision also granted tech neutrality in the 900 MHz and 1800 MHz bands.

Mobile Termination Rates

Local MTRs are currently not regulated in Uzbekistan. Pursuant to current legislation, MTRs are determined on the basis of the contracts between operators. However, if operators cannot agree on the MTR cost, the regulator can establish such cost itself based on prescribed methodologies. Due to the inclusion of Unitel LLC on the list of SMP operators, the State Committee of the Republic of Uzbekistan for Assistance to Privatized Enterprises and Development of Competition adopted a decision requiring Unitel LLC to establish consistent MTRs for all operators. Based on this decision, other operators filed claims with the court to establish MTR in the amount of UZS 0.05/minute and won. For a description of MTRs in Uzbekistan, see “*Item 4- Information on the Company-Interconnection Agreements.*”

Significant Market Power

In 2013, Unitel LLC was declared to be a company with significant market power and was required to submit its tariffs to the Ministry of Finance of Uzbekistan for approval. Despite numerous attempts by Unitel LLC to get the Ministry of Finance to approve its tariffs, the Ministry has never issued such approvals.

In April 2018, the Uzbek Government amended its regulations on the determination of monopolistically high and low prices. As a result of these amendments, Unitel LLC is no longer required to obtain prior approvals before modifying its tariffs.

On May 20, 2021, according to Order No. 66, Unitel LLC was excluded from the list of companies determined to have significant market power in mobile communication services. However it was included on the list of companies with a dominant position in the market for mobile data transmission services (Internet).

Mobile Number Portability

In 2018, the Ministry for Development of Information Technologies and Communications introduced a draft resolution on mobile number portability (“MNP”). If adopted, it would result in the introduction of MNP in Uzbekistan. According to the latest version of the draft resolution, customers would be charged a nominal fee to port numbers. In August 2019, the Ministry published the revised version of the draft resolution for comment and also sent a list of questions to mobile operators. The comment period closed on August 24, 2019, and Beeline Uzbekistan responded to the Ministry’s questions. The Ministry continues to consider the resolution. In October 2020, new rules regarding the "Provision of telecommunications services" came into force, providing for the provision of subscriber number portability in MNP mobile networks. State authorities, together with mobile service operators are currently carrying out technical implementation and testing of the MNP system in Uzbekistan.

Data Protection

Data protection is regulated by Uzbek Law “On Personal Data” dated July 2, 2019 (which entered into force on October 1, 2019), Laws “On Informatization” and “On Principles and Guarantees of Freedom of Information,” as well as by the Regulation on the Order of Documentation of Information, Registration of State Information Resources approved by an Order of the Ministry for Development of Information Technologies and Communications. Under these laws, personal data and other confidential information cannot be collected and distributed without the consent of the owner of such information.

In January 2021, certain amendments were introduced to Article 27-1 of the Law “On Personal Data,” which stated that telecommunications operators, when processing the personal data of citizens of the Republic of Uzbekistan using information technology, are obliged to ensure that their collection, systematization and storage of such personal data in databases that are physically located in Uzbekistan. These amendments became enforceable in April 2021. In addition, in 2021, certain amendments and additions were made to the Uzbek Administrative Code and the Criminal Code, specifically related to increasing liability for the violation of personal data legislation.

Other

In accordance with Uzbek Cabinet of Ministers Decree, dated October 2018, “On measures to streamline the registration system for mobile devices in the Republic of Uzbekistan”, a system for registering International Mobile Equipment Identity (“IMEI”) codes for mobile devices was introduced in 2019. The introduction of IMEI codes in the registration is aimed at preventing the sale of mobile devices that were imported into Uzbekistan without paying customs duties, as well as to enable a prompt search for mobile devices in case of loss or theft. From November 2019, IMEI registration can only be processed manually through the IMEI registration system and in 2020, mobile operators started linking IMEI codes to the name of the mobile device owner.

For mobile operators, the government introduced a notification procedure for the completion of construction and installation, reconstruction, testing, integration, organization of operation for commercial purposes, changes in the design of telecommunication devices and structures, as well as the expansion of equipment for existing installations of telecommunication lines and structures.

The Decree of the President N UP-6079, dated October 5, 2020 was adopted, which provides for the abolition from November 1, 2020 of the requirements for issuing a permit for the operation of base stations for the purpose of organizing communications in closed premises operating within radio frequencies allocated to mobile operators with a capacity of not more than 500 MW (except for base stations of mobile communications installed near categorized objects).

The Decree of the President also granted the ability to issue, in accordance with the procedure established by the Centre for the Electromagnetic Compatibility (“CEMC”), a permit for mobile operators to the import radio electronic devices, equipment and other devices without obtaining a permit for the purchase, installation, design and construction. This legislative significantly improves the ability of mobile operators to import telecom equipment into the country.

EU Telecommunications Regulation

Our subsidiary VEON Wholesale Services (“VWS”) is subject to German telecommunications regulation, which amongst other things, regulates the way VWS manages its traffic and billing data, and its capability to identify, detect and report on security incidents.