VOORSTEL VOOR EEN AFSPLITSING VAN VEON HOLDINGS B.V. IN VEON INTERMEDIATE HOLDINGS B.V EN VEON MIDCO B.V.

(het "**Splitsingsvoorstel**")

DE ONDERGETEKENDEN:

Alle leden van het bestuur van **VEON Holdings B.V.**, een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Amsterdam, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 34345993 ("**HoldCo**");

alle leden van het bestuur van **VEON MidCo B.V.**, een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Amsterdam, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 95883657 ("**MidCo**"); en

alle leden van het bestuur van **VEON Intermediate Holdings B.V.**, een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Amsterdam, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 95883479 ("**Intermediate HoldCo**").

PROPOSAL FOR A PARTIAL DEMERGER OF VEON HOLDINGS B.V. IN VEON INTERMEDIATE HOLDINGS B.V AND VEON MIDCO B.V.

(the "**Demerger Proposal**")

THE UNDERSIGNED:

All members of the board of managing directors of **VEON Holdings B.V.**, a private company with limited liability organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands and registered with the Trade Register of the Chamber of Commerce under number 34345993 ("**HoldCo**");

all members of the board of managing directors of **VEON MidCo B.V.**, a private company with limited liability organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands and registered with the Trade Register of the Chamber of Commerce under number 95883657 ("**MidCo**"); and

all members of the board of managing directors of **VEON Intermediate Holdings B.V.**, a private company with limited liability organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands and registered with the Trade Register of the Chamber of Commerce under number 95883479 ("**Intermediate HoldCo**").

HoldCo, MidCo en Intermediate HoldCo tezamen ook te noemen de "**Vennootschappen**".

HoldCo, MidCo an Intermediate HoldCo jointly also referred to as the "**Companies**".

IN AANMERKING NEMENDE:

1. De Vennootschappen een afsplitsing als bedoeld in artikel 2:334a lid 3 Burgerlijk Wetboek wensen aan te gaan, waarbij een gedeelte van het vermogen van HoldCo onder algemene titel zal worden verkregen door MidCo en Intermediate HoldCo (de "**Splitsing**").

2. Alle aandelen in het kapitaal van HoldCo zijn volgestort. De aandelen in het kapitaal van MidCo en de aandelen in het kapitaal van Intermediate HoldCo zijn niet volgestort.
Er zijn van deze aandelen geen certificaten uitgegeven en op geen van deze aandelen is een recht van vruchtgebruik of een pandrecht gevestigd.

3. HoldCo zal na de Splitsing blijven voortbestaan.

4. De Vennootschappen hebben dezelfde enig aandeelhouder, zijnde VEON Amsterdam B.V., een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Amsterdam, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 34378904

WHEREAS:

1. The Companies wish to conclude a partial demerger within the meaning of article 2:334a paragraph 3 Dutch Civil Code by which each of MidCo and Intermediate HoldCo acquires a part of the assets and liabilities of HoldCo by universal title (the "**Demerger**").

2. All shares in the capital of HoldCo have been paid up. The shares in the capital of MidCo and the shares in the capital of Intermediate HoldCo have not been paid up.
No depositary receipts have been issued for these shares and these shares have not been encumbered with any usufruct or right of pledge.

3. HoldCo will continue to exist after the Demerger.

4. The Companies have the same sole shareholder, being VEON Amsterdam B.V., a private company with limited liability organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands and registered with the Trade Register of the Chamber of

("**VEON Amsterdam**").

Commerce under number 34378904 ("**VEON Amsterdam**").

5. Geen van de Vennootschappen is ontbonden of verkeert in staat van faillissement en aan geen van de Vennootschappen is surseance van betaling verleend.

5. The Companies have not been dissolved, declared bankrupt or granted a suspension of payments.

6. Het boekjaar van elk van de Vennootschappen valt samen met het kalenderjaar.

6. The financial year of each of the Companies corresponds with the calendar year.

7. De statuten van de Vennootschappen bevatten geen bepalingen omtrent goedkeuring van het besluit van het bestuur tot het doen van het voorstel tot Splitsing.

7. The articles of association of the Companies do not include any provisions regarding the approval of the resolution of the board of managing directors to propose the Demerger.

8. Bij geen van de Vennootschappen is een raad van commissarissen ingesteld, als gevolg waarvan de vereisten van goedkeuring en medeondertekening van dit Splitsingsvoorstel door de commissarissen niet van toepassing zijn.

8. No supervisory board is installed at any of the Companies, as a consequence of which the requirements for approval and co-signing of this Demerger Proposal by the supervisory directors do not apply.

DOEN HIERBIJ HET NAVOLGENDE VOORSTEL TOT SPLITSING:

HEREBY MAKE THE FOLLOWING DEMERGER PROPOSAL:

a. Gegevens van de Vennootschappen

HoldCo is genaamd **VEON Holdings B.V.** De rechtsvorm van HoldCo is een besloten vennootschap met beperkte aansprakelijkheid. HoldCo heeft haar statutaire zetel in Amsterdam.

MidCo is genaamd **VEON MidCo B.V.** De rechtsvorm van MidCo is een besloten

a. Details of the Companies

HoldCo is named **VEON Holdings B.V.** The legal form of HoldCo is a private company with limited liability. HoldCo has its corporate seat in Amsterdam, the Netherlands.

MidCo is named **VEON MidCo B.V.** The legal form of MidCo is a private company vennootschap met beperkte aansprakelijkheid. MidCo heeft haar statutaire zetel in Amsterdam.

with limited liability. MidCo has its corporate seat in Amsterdam, the Netherlands.

Intermediate HoldCo is genaamd **VEON Intermediate Holdings B.V.** De rechtsvorm van Intermediate HoldCo is een besloten vennootschap met beperkte aansprakelijkheid. Intermediate HoldCo heeft haar statutaire zetel in Amsterdam.

Intermediate HoldCo is named **VEON Intermediate Holdings B.V.** The legal form of Intermediate HoldCo is a private company with limited liability. Intermediate HoldCo has its corporate seat in Amsterdam, the Netherlands.

b. Statuten van de Vennootschappen

De statuten van HoldCo zoals die thans luiden zijn aan dit Splitsingsvoorstel gehecht als Bijlage I. De statuten van HoldCo zullen in het kader van de Splitsing niet worden gewijzigd.

b. Articles of association of the Companies

The articles of association of HoldCo in their present form are attached to this Demerger Proposal as Schedule I. The articles of association of HoldCo will not be amended as part of the Demerger.

De statuten van MidCo zoals die thans luiden, zijn aan dit Splitsingsvoorstel gehecht als Bijlage II. De statuten van MidCo zullen in het kader van de Splitsing niet worden gewijzigd.

The articles of association of MidCo in their present form are attached to this Demerger Proposal as Schedule II. The articles of association of MidCo will not be amended as part of the Demerger.

De statuten van Intermediate HoldCo zoals die thans luiden, zijn aan dit Splitsingsvoorstel gehecht als Bijlage III. De statuten van Intermediate HoldCo zullen in het kader van de Splitsing niet worden gewijzigd.

The articles of association of Intermediate HoldCo in their present form are attached to this Demerger Proposal as Schedule III. The articles of association of Intermediate HoldCo will not be amended as part of the Demerger.

c. Overgang van een gedeelte van vermogen van HoldCo naar MidCo and Intermediate HoldCo

Als gevolg van de Splitsing zal een gedeelte van het vermogen van HoldCo onder

c. Transfer of a part of the assets and liabilities from HoldCo to MidCo and Intermediate HoldCo

As a result of the Demerger a part of the assets and liabilities of HoldCo will be acquired by algemene titel worden verkregen door MidCo en Intermediate HoldCo.

HoldCo zal na de Splitsing niet ophouden te bestaan en een gedeelte van haar vermogen zal HoldCo behouden.

d. Beschrijving van de vermogensbestanddelen en werknemers die zullen overgaan van HoldCo op MidCo en Intermediate HoldCo

De vermogensbestanddelen en contracten van HoldCo, zoals opgenomen en beschreven in het aan dit Splitsingsvoorstel gehechte overzicht als Bijlage IV, zal HoldCo behouden.

De vermogensbestanddelen, contracten en werknemers (indien die er nog zijn omdat ze nog niet overgedragen zijn aan VEON Amsterdam) van HoldCo, zoals opgenomen en beschreven in het aan dit Splitsingsvoorstel gehechte overzicht als Bijlage V, zullen overgaan op MidCo. Voorts zullen alle vermogensbestanddelen, contracten en werknemers die niet opgenomen staan op Bijlage IV of Bijlage VI ook overgaan op MidCo. Onder de bezittingen en schulden die zullen overgaan op MidCo in overeenstemming met Bijlage V bevinden zich de uitstaande obligaties uitgegeven door HoldCo met vervaldatum november 2027 (Regulation S ISIN: XS2824764521; Regulation S Common Code: 282476452; Rule 144A ISIN: XS2824766146; Rule 144A Common

MidCo and Intermediate HoldCo by universal transfer.

HoldCo will not cease to exist and a part of its assets and liabilities will be retained by HoldCo.

d. Description of the assets and liabilities and employees to be acquired by MidCo and Intermediate HoldCo from HoldCo

The assets and liabilities and contracts of HoldCo, as included and described in the overview, as attached to this Demerger Proposal as Schedule IV, will be retained by HoldCo.

The assets and liabilities, contracts and employees (if there are any left which have not yet been transferred to VEON Amsterdam) of HoldCo, as included and described in the overview, as attached to this Demerger Proposal as Schedule V, will be acquired by MidCo. In addition, all assets and liabilities, contracts and employees that are not mentioned in Schedule IV or Schedule VI, will be acquired by MidCo as well. Among the assets and liabilities that will be acquired by MidCo in accordance with Schedule V, are the outstanding bonds issued by HoldCo due November 2027 (Regulation S ISIN: XS2824764521; Regulation S Common Code: 282476452; Rule 144A ISIN: XS2824766146; Rule 144A Common Code: 282476614; and Rule 144A CUSIP: N/A), and the transfer of such bonds is subject to and

Code: 282476614; en Rule 144A CUSIP: N/A), en de overgang van deze obligaties is onderworpen en voorwaardelijk aan instemming van de betreffende obligatiehouder voor zulke overgang.

conditional to consent of the relevant bondholders to such transfer.

De vermogensbestanddelen en contracten van HoldCo zoals opgenomen in en beschreven in het aan dit Splitsingsvoorstel gehecht overzicht als Bijlage VI, zullen overgaan op Intermediate HoldCo.

The assets and liabilities and contracts of HoldCo as included and described in the overview, as attached to this Demerger Proposal as Schedule VI, will be acquired by Intermediate HoldCo.

Overeenkomstig het bepaalde in artikel 2:334f lid 2 sub d Burgerlijk Wetboek worden de pro-forma winst- en verliesrekeningen van elk van de Vennootschappen aan dit voorstel gehecht als Bijlage VII.

Pursuant to article 2:334f paragraph 2 under d Dutch Civil Code, the pro forma profit and loss accounts of each of the Companies are attached to this proposal as Schedule VII.

e. Waarde van de vermogensbestanddelen die zullen worden verkregen door MidCo en Intermediate HoldCo en die zullen worden behouden door HoldCo

De netto boekwaarde van het vermogen dat door MidCo ten gevolge van de Splitsing zal worden verkregen bedraagt een bedrag van USD 1.784.000.000 per 1 oktober 2024.

De netto boekwaarde van het vermogen dat door Intermediate HoldCo ten gevolge van de Splitsing zal worden verkregen bedraagt een bedrag van USD 159.000.000 per 1 oktober 2024.

De netto boekwaarde van het vermogen dat HoldCo ten gevolge van de Splitsing zal

e. Value of the assets and liabilities to be acquired by MidCo and Intermediate HoldCo and to be retained by HoldCo

The net book value of the assets and liabilities to be acquired by MidCo as a result of the Demerger is an amount of USD 1,784,000,000 as of 1 October 2024.

The net book value of the assets and liabilities to be acquired by Intermediate HoldCo as a result of the Demerger is an amount of USD 159,000,000 as of 1 October 2024.

The net book value of the assets and liabilities to be retained by HoldCo as a behouden bedraagt tenminste het geplaatste kapitaal van EUR 30.099.998 en een bedrag van USD 1.108.000.000 per 1 oktober 2024.

result of the Demerger amounts to the issued share capital of EUR 30,099,998 and an amount of USD 1,108,000,000 as of 1 October 2024.

f. Ruilverhouding

Ten gevolge van de Splitsing zal VEON Amsterdam twee (2) nieuwe aandelen, met een nominale waarde van EUR 1 elk, verkrijgen in zowel het kapitaal van MidCo als in het kapitaal van Intermediate HoldCo.

Het geplaatste kapitaal van MidCo bestaat heden uit één aandeel, met een nominale waarde van EUR 1.

Het geplaatste kapitaal van Intermediate HoldCo bestaat heden uit één aandeel, met een nominale waarde van EUR 1.

Omdat VEON Amsterdam enig aandeelhouder van elk van de Vennootschappen is, gaat de daling van de waarde van de aandelen in HoldCo die het gevolg zal zijn van de Splitsing, gepaard met een daarmee corresponderende stijging van de waarde van de aandelen in MidCo en Intermediate HoldCo, zodat de ruilverhouding geen nadere toelichting behoeft.

Krachtens de ruilverhouding zal er geen betaling worden gedaan.

f. Exchange ratio

As a consequence of the Demerger, VEON Amsterdam will acquire two (2) new shares, with a nominal value of EUR 1 each, in the capital of both MidCo and Intermediate HoldCo.

The issued and outstanding share capital of MidCo at present consists of one share, with a nominal value of EUR 1.

The issued and outstanding share capital of Intermediate HoldCo at present consists of one share, with a nominal value of EUR 1.

Since VEON Amsterdam is the sole shareholder of each of the Companies, the decrease of the value of the shares in the capital of HoldCo as a result of the Demerger, will be accompanied by a corresponding increase of the value of the shares in MidCo and Intermediate HoldCo. Consequently, the exchange ratio needs no further explanation.

No payment will be made pursuant to the exchange ratio for the shares.

g. Winst

VEON Amsterdam is de enig aandeelhouder

g. Profits

VEON Amsterdam is the sole shareholder of van elk van de Vennootschappen en deelt daarom al volledig mee in de winst van MidCo en Intermediate HoldCo.

each of the Companies and therefore already participates in the profits of MidCo and Intermediate HoldCo in full.

h. <u>Intrekking aandelen MidCo en Intermediate HoldCo</u>

MidCo en Intermediate HoldCo zullen in verband met de Splitsing geen aandelen in hun kapitaal intrekken.

h. <u>Cancellation of shares of MidCo and Intermediate HoldCo</u>

MidCo and Intermediate HoldCo will not cancel any shares in their capital in connection with the Demerger.

i. <u>Gevolgen voor stemrechtloze of winstrechtloze aandeelhouders</u>

HoldCo heeft geen stemrechtloze of winstrechtloze aandelen uitgegeven. Derhalve is artikel 2:334y sub d, e en f Burgerlijk Wetboek niet van toepassing.

i. <u>Consequences for holders of non-voting shares or non-profit sharing shares</u>

HoldCo has not issued any non-voting shares or non-profit sharing shares. Therefore, article 2:334y under d, e and f Dutch Civil Code does not apply.

j. <u>Toekenning van rechten en vergoedingen ten laste van MidCo en Intermediate HoldCo</u>

Er zijn geen andere personen dan de aandeelhouder van HoldCo die een bijzonder recht jegens HoldCo hebben als bedoeld in artikel 2:334p Burgerlijk Wetboek, zoals een recht op uitkering van winst of het recht tot het nemen van aandelen. Derhalve behoeven in het kader van de Splitsing geen rechten of vergoedingen ten laste van MidCo en Intermediate HoldCo te worden toegekend aan dergelijke personen.

j. <u>Allocation of rights and compensation chargeable to MidCo and Intermediate HoldCo</u>

There are no persons other than the shareholder of HoldCo who have a special right with respect to HoldCo as referred to in article 2:334p Dutch Civil Code, such as a right to profit distributions or the right to subscribe for shares. Therefore, no rights or compensation chargeable to MidCo and Intermediate HoldCo need to be granted to such persons as part of the Demerger.

k. <u>Toekenning van voordelen aan bestuurders of andere personen</u>

Er zullen in het kader van de Splitsing geen voordelen worden toegekend aan bestuurders van één van de Vennootschappen of aan

k. <u>Grant of special advantages to managing directors or other persons</u>

No benefits will be granted to managing directors of any of the Companies as part of the Demerger or to any other person involved andere bij de Splitsing betrokken personen.

in the Demerger.

l. Samenstelling van het bestuur

De Vennootschappen zijn niet voornemens de samenstelling van de besturen van de Vennootschappen te wijzigen in het kader van de Splitsing.

l. Composition of the board of managing directors

The Companies do not intend to change the composition of the boards of managing directors of the Companies as part of the Demerger.

m. Verantwoording van de financiële gegevens van HoldCo

De financiële gegevens van HoldCo die betrekking hebben op de vermogensbestanddelen van HoldCo die zullen overgaan op MidCo en Intermediate HoldCo zullen vanaf 1 januari 2025 in de jaarrekening van MidCo en Intermediate HoldCo worden verantwoord.

m. Accounting for the financial data of HoldCo

The financial data of MidCo and Intermediate HoldCo related to the assets and liabilities of HoldCo to be acquired by MidCo and Intermediate HoldCo will be accounted for in the annual accounts of MidCo and Intermediate HoldCo as of 1 January 2025.

n. Maatregelen in verband met het toekennen van aandelen in het kapitaal van MidCo en Intermediate HoldCo aan de aandeelhouder van HoldCo

Zowel MidCo als Intermediate HoldCo zullen krachtens de onder f. omschreven ruilverhouding twee (2) nieuwe aandelen, genummerd 2 en 3, met een nominale waarde van EUR 1 elk, in hun kapitaal toekennen aan VEON Amsterdam.

n. Measures relating to the allotment of shares in the capital of MidCo and Intermediate HoldCo to the shareholder of HoldCo

Pursuant to the exchange ratio described under f., each of MidCo and Intermediate HoldCo will allot two (2) new shares, numbered 2 and 3, with a nominal value of EUR 1 each, in their capital to VEON Amsterdam.

o. Voornemens omtrent voortzetting of beëindiging van de werkzaamheden van HoldCo

Het voornemen bestaat dat de werkzaamheden van HoldCo met betrekking tot de vermogensbestanddelen welke door

o. Intentions regarding the continuation or termination of the activities of HoldCo

It is intended that the activities of HoldCo with regard to the assets and liabilities which will be acquired by MidCo and Intermediate

MidCo en Intermediate HoldCo zullen worden verkregen, door MidCo en Intermediate HoldCo zullen worden voortgezet.

HoldCo, will be continued by MidCo and Intermediate HoldCo.

p. <u>Goedkeuring van de besluiten tot het aangaan van de Splitsing</u>
De statuten van de Vennootschappen bevatten geen bepalingen omtrent goedkeuring van het besluit tot het aangaan van de Splitsing als bedoeld in artikel 2:334f lid 2 sub l Burgerlijk Wetboek.

p. <u>Approval of the resolutions to conclude the Demerger</u>
The articles of association of the Companies do not include any provisions regarding the approval of the resolutions to conclude the Demerger as referred to in article 2:334f paragraph 2 under l Dutch Civil Code.

q. <u>Invloed van de Splitsing op de grootte van de goodwill en de uitkeerbare reserves</u>
De Splitsing zal geen invloed hebben op de grootte van de goodwill en een negatieve invloed hebben op de uitkeerbare reserves van HoldCo.

De Splitsing zal geen invloed hebben op de grootte van de goodwill en een positieve invloed hebben op de uitkeerbare reserves van MidCo.

De Splitsing zal geen invloed hebben op de grootte van de goodwill en een positieve invloed hebben op de uitkeerbare reserves van Intermediate HoldCo.

q. <u>Effect of the Demerger on the size of the goodwill and the distributable reserves</u>
The Demerger will have no effect on the size of the goodwill and will have a negative effect on the distributable reserves of HoldCo.

The Demerger will have no effect on the size of the goodwill and will have a positive effect on the distributable reserves of MidCo.

The Demerger will have no effect on the size of the goodwill and will have a positive effect on the distributable reserves of Intermediate HoldCo.

r. <u>Overgang van dochterondernemingen</u>
MidCo verkrijgt als gevolg van de Splitsing vermogensbestanddelen van HoldCo onder algemene titel, waaronder begrepen, maar niet beperkt tot, de aandelen in het kapitaal van de volgende dochterondernemingen van

r. <u>Transmission of subsidiaries</u>
As a result of the Demerger, MidCo will acquire assets and liabilities of HoldCo by universal title, including but not limited to, the shares in the capital of the following subsidiaries of HoldCo (the "**MidCo**

HoldCo (de "**MidCo Subsidiaries**"):

- International Wireless Communications Pakistan Limited, een vennootschap naar het recht van Malta, kantoorhoudende te 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta en ingeschreven in het *Malta Business Registry* onder nummer C 37679;

- Telecom Ventures Limited, een vennootschap naar het recht van Malta, kantoorhoudende te 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta en ingeschreven in het *Malta Business Registry* onder nummer C 40453;

- VEON Central Asia B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 88909174;

- VEON Uzbekistan Holding B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 88909239;

Subsidiaries"):

- International Wireless Communications Pakistan Limited, a company organized and existing under the laws of Malta, with registered address at 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta and registered with the Malta Business Registry under number C 37679;

- Telecom Ventures Limited, a company organized and existing under the laws of Malta, with registered address at 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta, and registered with the Malta Business Registry under number C 40453;

- VEON Central Asia B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 88909174;

- VEON Uzbekistan Holding B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 88909239;

- VEON Adtech Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 88564614;

- VEON Adtech Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 88564614;

- VEON Global Tower Holdings 2 B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 86544756;

- VEON Global Tower Holdings 2 B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 86544756;

- VEON Microfinance Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 75591839;

- VEON Microfinance Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 75591839;

- VEON Pakistan Fintech Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het

- VEON Pakistan Fintech Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD handelsregister van de Kamer van Koophandel onder nummer 86416030;

Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 86416030;

- VEON Pakistan Holdings 2 B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 90385357;

- VEON Pakistan Holdings 2 B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 90385357;

- VIP Kazakhstan Holding AG, een vennootschap naar het recht van Zwitserland, kantoorhoudende te c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Zwitserland en ingeschreven in het *Handelsregisteramt Kanton Zug* onder nummer CHE-352.824.607; en

- VIP Kazakhstan Holding AG, a company organized and existing under the laws of Switzerland, with registered address at c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Switzerland and registered with the Commercial register of the Canton of Zug (*Handelsregisteramt Kanton Zug*)under number CHE-352.824.607; and

- VIP Kyrgyzstan Holding AG, een vennootschap naar het recht van Zwitserland, kantoorhoudende te c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Zwitserland en ingeschreven in het *Handelsregisteramt Kanton Zug* onder nummer CHE-486.679.611.

- VIP Kyrgyzstan Holding AG, a company organized and existing under the laws of Switzerland, with registered address at c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Switzerland and registered with the Commercial register of the Canton of Zug (*Handelsregisteramt Kanton Zug*) under number CHE-486.679.611.

Intermediate HoldCo verkrijgt eveneens als gevolg van de Splitsing vermogensbestanddelen van HoldCo onder algemene titel, waaronder begrepen, maar niet beperkt tot, de aandelen in het kapitaal van de volgende dochterondernemingen van HoldCo (de "**Intermediate HoldCo Subsidiaries**"):

- Bardym Enterprises Limited, een vennootschap naar het recht van Cyprus, kantoorhoudende te Griva Digeni 59, Kaimakliotis Building, 5^{e} verdieping, 6043, Larnaca, Cyprus, en ingeschreven in het handelsregister van Cyprus onder nummer HE254343;

- Global Telecom Holding S.A.E., een vennootschap naar het recht van Egypte, kantoorhoudende te 2005A Cornish El Nile, Nile City Towers, North Tower, Ramlet Beaulac, Cairo, 11221, Egypte, en ingeschreven in het Cairo Commercial Register onder nummer 365751;

- VEON Finance Ireland Designated Activity Company, een vennootschap naar het recht van Ierland, kantoorhoudende te 3 Fitzwilliam Court, Upper Pembroke Street, Dublin 2, Dublin, D02WP99, Ierland, en ingeschreven in het Companies Registration Office onder nummer 707921;

As a result of the Demerger, Intermediate HoldCo will also acquire assets and liabilities of HoldCo by universal title, including but not limited to, the shares in the capital of the following subsidiaries of HoldCo (the "**Intermediate HoldCo Subsidiaries**"):

- Bardym Enterprises Limited, a company organized and existing under the laws of Cyprus, with registered address at Griva Digeni 59, Kaimakliotis Building, 5th Floor, 6043, Larnaca, Cyprus and registered with the Trade Register of Cyprus under number HE254343;

- Global Telecom Holding S.A.E, a company organized and existing under the laws of Egypt, with registered address at 2005A Cornish El Nile, Nile City Towers, North Tower, Ramlet Beaulac, Cairo, 11221, Egypt and registered with the Cairo Commercial Register under number 365751;

- VEON Finance Ireland Designated Activity Company, a company organized and existing under the laws of Ireland, with registered address at 3 Fitzwilliam Court, Upper Pembroke Street, Dublin 2, Dublin, D02WP99, Ireland, and registered with the Companies Registration Office under number 707921;

- VEON Luxembourg Holdings, een vennootschap met beperkte aansprakelijkheid (*société à responsabilité limitée*) naar het recht van Luxemburg, kantoorhoudende te 39 Avenue John F. Kennedy, L-1855, Luxemburg, Luxemburg en ingeschreven in het *Registre de Commerce et des Sociétés de Luxembourg* onder nummer B199019;

- VEON Luxembourg Holdings, a private limited liability company (*société à responsabilité limitée*) organized and existing under the laws of the Grand Duchy of Luxembourg, with registered address at 39 Avenue John F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B199019;

- VEON Georgia Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 56067518;

- VEON Georgia Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 56067518;

- VEON Micro Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 57744858;

- VEON Micro Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 57744858;

- VEON Global Services B.V., een

- VEON Global Services B.V., a company organized and existing under vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 66124557;

- VEON Central Procurement B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 68691467; en

- VEON Bangladesh Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 75545454.

the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 66124557;

- VEON Central Procurement B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 68691467; and

- VEON Bangladesh Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 75545454.

PROCEDURE:

1. Toelichtingen
De besturen van de Vennootschappen zullen elk een schriftelijke toelichting als bedoeld in artikel 2:334g lid 1 Burgerlijk Wetboek opstellen, waarin de redenen voor de Splitsing worden gegeven, met een

PROCEDURE:

1. Explanatory notes
The board of managing directors of the Companies will each draw up written explanatory notes as referred to in article 2:334g paragraph 1 Dutch Civil Code, in which the reasons for the Demerger will be set

uiteenzetting van de verwachte gevolgen voor de werkzaamheden van de Vennootschappen, een toelichting op de Splitsing uit juridisch, economisch en sociaal oogpunt en informatie over de methode van de ruilverhouding (de "**Toelichtingen**").

out, including an explanation of the expected consequences for the activities of the Companies, comments on legal, economic and social aspects of the Demerger and information on the method of the exchange ratio (the "**Explanatory Notes**").

2. Redelijkheid van en mededelingen omtrent de ruilverhouding

VEON Amsterdam heeft ingestemd met het achterwege laten van (i) de verklaring van de accountant of de voorgestelde ruilverhouding van de aandelen naar zijn oordeel redelijk is; en (ii) het verslag van de accountant waarin de accountant een oordeel geeft over de mededelingen bedoeld in artikel 2:334z Burgerlijk Wetboek.

2. Reasonableness of and notices regarding the exchange ratio

VEON Amsterdam has consented to omit (i) the auditor's statement indicating whether, in the auditor's opinion, the proposed exchange ratio for the shares is reasonable; and (ii) the auditor's report in which the auditor provides an opinion on the information referred to in article 2:334z Dutch Civil Code.

3. Deponering bij het handelsregister van de Kamer van Koophandel

De volgende documenten zullen gedeponeerd worden bij het handelsregister van de Kamer van Koophandel:

- dit Splitsingsvoorstel, met inbegrip van Bijlagen I tot en met VII;
- de laatste drie vastgestelde jaarrekeningen van HoldCo met betrekking tot de jaren 2021, 2022 en 2023 met accountantsverklaringen;
- de bestuursverslagen van HoldCo met betrekking tot de laatste drie vastgestelde jaarrekeningen; en
- tussentijdse vermogensopstellingen van HoldCo per 1 oktober 2024 en van MidCo en Intermediate HoldCo per 23 December 2024.

3. Filing with the Trade Register of the Chamber of Commerce

The following documents will be filed with the Trade Register of the Chamber of Commerce:

- this Demerger Proposal including Schedules I up to and including VII;
- the three latest adopted annual accounts of HoldCo with regard to the financial years 2021, 2022 and 2023 together with the auditor's statements;
- the directors' reports of HoldCo for the three latest adopted annual accounts; and
- interim statements of the assets and liabilities of HoldCo as of 1 October 2024 and of MidCo and Intermediate Holdco as of 23 December 2024.

4. Deponering ten kantore van de Vennootschappen

Tegelijkertijd met de deponering als bedoeld onder 3. zullen de besturen van de Vennootschappen de stukken als bedoeld onder 3., evenals de Toelichtingen ten kantore van de Vennootschappen toegankelijk maken.

De stukken zullen tot het tijdstip van de Splitsing – en ten kantore van de Vennootschappen nog zes maanden nadien – toegankelijk blijven voor aandeelhouders.

4. Filing at the offices of the Companies

Simultaneously with the filing referred to under 3. the boards of managing directors of the Companies will make the documents referred to under 3., as well as the Explanatory Notes available for inspection at the offices of the Companies.

These documents will remain available for inspection by shareholders until the date of the Demerger, and for a further six months thereafter at the offices of the Companies.

5. Aankondiging van de deponeringen

De Vennootschappen zullen in een landelijk verspreid dagblad de deponeringen bedoeld onder 3. en 4. aankondigen.

5. Announcement of the filings

The Companies will announce the filings referred to under 3. and 4. in a nationally distributed daily newspaper.

6. Advies van de ondernemingsraad, de medezeggenschapsraad of de vereniging van werknemers

Aangezien geen van de Vennootschappen geen werknemers hebben (mogelijk afgezien van HoldCo, die mogelijk nog werknemers heeft die nog niet overgedragen zijn aan VEON Amsterdam), zijn bij geen van de Vennootschappen schriftelijke adviezen of opmerkingen ingediend door een ondernemingsraad of medezeggenschapsraad van één van de Vennootschappen.

6. Advice of the works council, participation council or employees' association

Since none of the Companies have employees (with the possible exception of HoldCo, which may have employees which have not yet been transferred to VEON Amsterdam), no written advice or comments have been submitted to any of the Companies by a works council or participation council of any of the Companies.

7. Wijzigingen die het Splitsingsvoorstel of de

7. Changes affecting the Demerger Proposal or

Toelichtingen beïnvloeden

Het bestuur van elk van de Vennootschappen is verplicht de algemene vergaderingen van de Vennootschappen in te lichten over na het Splitsingsvoorstel gebleken belangrijke wijzigingen in de vermogensbestanddelen die de mededelingen in dit Splitsingsvoorstel of de Toelichtingen beïnvloeden.

Explanatory Notes

The board of managing directors of each of the Companies is required to inform the general meetings of the Companies of any substantial changes becoming manifest after the Demerger Proposal and affecting the information in this Demerger Proposal or in the Explanatory Notes.

8. Bijeenroeping algemene vergadering

De besturen van de Vennootschappen hebben besloten tot bijeenroeping van de algemene vergadering van ieder der Vennootschappen waarin het besluit tot het aangaan van de Splitsing zal worden genomen, met dien verstande dat de vergadering pas zal plaatsvinden na verloop van één (1) maand na de dag waarop de Vennootschappen de deponering van dit Splitsingsvoorstel hebben aangekondigd.

8. Convening of general meeting

The boards of managing directors of the Companies resolved to convene the general meeting of each of the Companies in which the resolution to conclude the Demerger will be adopted, on the understanding that such a meeting may only take place after one (1) month after the day on which the Companies have announced the filing of this Demerger Proposal.

Van dit Splitsingsvoorstel mogen afzonderlijke exemplaren worden ondertekend, die elk als origineel gelden en allemaal bij elkaar één en hetzelfde document vormen.

This Demerger Proposal may be executed in counterparts, each of which constitutes an original and all of which together constitute one and the same instrument.

Handtekeningpagina volgt

Signature page follows

Getekend op / Signed on January 13, 2025.

De bestuurders van / The managing directors of **VEON Holdings B.V.**

Muhterem Kaan Terzioğlu

Bruce John Leishman

Maciej Bogdan Wojtaszek

Getekend op / Signed on January 13, 2025.

De bestuurders van / The managing directors of **VEON MidCo B.V.**

Muhterem Kaan Terzioğlu

Asghar Jameel

Maciej Bogdan Wojtaszek

Getekend op / Signed on January 13, 2025.

De bestuurders van / The managing directors of **VEON MidCo B.V.**

Muhterem Kaan Terzioğlu

Asghar Jameel

Maciej Bogdan Wojtaszek

Getekend op / Signed on January 13, 2025.

De bestuurders van / The managing directors of **VEON Intermediate Holdings B.V.**

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Muhterem Kaan Terzioğlu

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Asghar Jameel

____

Maciej Bogdan Wojtaszek

Getekend op / Signed on January 13, 2025.

De bestuurders van / The managing directors of **VEON Intermediate Holdings B.V.**

Muhterem Kaan Terzioğlu

Asghar Jameel

Maciej Bogdan Wojtaszek

BIJLAGEN:

I. De doorlopende tekst van de statuten van HoldCo.

II. De doorlopende tekst van de statuten van MidCo.

III. De doorlopende tekst van de statuten van Intermediate HoldCo.

IV. Overzicht van de vermogensbestanddelen, welke zullen worden behouden door HoldCo.

V. Overzicht van de vermogensbestanddelen, welke zullen worden verkregen door MidCo.

VI. Overzicht van de vermogensbestanddelen, welke zullen worden verkregen door Intermediate HoldCo.

VII. De pro-forma winst- en verliesrekeningen van de Vennootschappen.

SCHEDULES:

I. The complete text of the articles of association of HoldCo.

II. The complete text of the articles of association of MidCo.

III The complete text of the articles of association of Intermediate HoldCo

IV. Overview of the assets and liabilities to be retained by HoldCo.

V. Overview of the assets and liabilities to be transferred to MidCo.

VI. Overview of the assets and liabilities to be transferred to Intermediate HoldCo.

VII. The pro forma profit and loss accounts of the Companies.

<u>BIJLAGE I / SCHEDULE I</u>

<u>STATUTEN HOLDCO / ARTICLES OF ASSOCIATION HOLDCO</u>

Simmons & Simmons

FINAL – 29 september 2017

2016OWH60010397WTH A006 (565494)
074845-00072

Akte van statutenwijziging

van

VimpelCom Holdings B.V.

(na statutenwijziging genaamd:
VEON Holdings B.V.)

statutair gevestigd te Amsterdam

Simmons & Simmons

Simmons & Simmons LLP
Postbus 79023 1070 NB Claude Debussylaan 247 1082 MC Amsterdam Nederland
T +31 20 722 2500 F +31 20 722 2599

Akte van statutenwijziging

Op negenentwintig september tweeduizend zeventien verscheen voor mij, mr. Wieger ten Hove, hierna te noemen "notaris", als toegevoegd notaris van Oscar Willem Jan Hoefnagels, notaris te Amsterdam:

Elisabeth Daniëlle Patricia Barents-Pool, met kantooradres Claude Debussylaan 247, 1082 MC Amsterdam, geboren te Amsterdam op acht januari negentienhonderd zeventig.

De verschenen persoon heeft het volgende verklaard:

(A) de statuten van **VimpelCom Holdings B.V.**, een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Amsterdam en kantoorhoudende aan de Claude Debussylaan 88, 1082 MD Amsterdam, ingeschreven in het Handelsregister onder dossiernummer 34345993 (de "Vennootschap"), zijn laatstelijk gewijzigd bij akte op vijftien januari tweeduizend dertien verleden voor mr. G.M. Portier, notaris te Amsterdam;

(B) de algemene vergadering van de Vennootschap heeft op negenentwintig september tweeduizend zeventien besloten tot algehele wijziging van de statuten van de Vennootschap, zoals blijkt uit een schriftelijk besluit, waarvan een kopie aan deze akte is gehecht (Bijlage); en

(C) de verschenen persoon werd bij dat besluit gemachtigd de akte van statutenwijziging te verlijden.

De verschenen persoon, handelend als gemeld, verklaarde vervolgens de statuten van de Vennootschap algeheel te wijzigen als volgt:

STATUTEN

Artikel 1

Definities

1.1 In deze statuten hebben de volgende begrippen de daarachter vermelde betekenissen:

(a) "Aandeel": een aandeel in het kapitaal van de Vennootschap;

(b) "Aandeelhouder": de houder van één of meer Aandelen;

(c) "Algemene Vergadering": het orgaan van de Vennootschap dat wordt gevormd door de persoon of personen aan wie als Aandeelhouder of anderszins het stemrecht op Aandelen toekomt, dan wel een bijeenkomst van zodanige personen (of hun vertegenwoordigers) en andere Vergadergerechtigden;

(d) "Directie": het bestuur van de Vennootschap;

(e) "Directeur": een lid van de Directie;

(f) "Jaarrekening": de balans en de winst- en verliesrekening met de toelichting van de Vennootschap;

(g) "Statuten": de onderhavige statuten van de Vennootschap;

(h) "Vennootschap": de rechtspersoon waarop de Statuten van toepassing zijn;

(i) "Vergaderrecht": het recht als bedoeld in artikel 2:227 lid 1 van het Burgerlijk Wetboek om in persoon of bij schriftelijk gevolmachtigde de Algemene Vergadering bij te wonen en daar het woord te voeren;

(j) "Vergadergerechtigde": een persoon aan wie het Vergaderrecht toekomt.

1.2 Onder "schriftelijk" wordt in de Statuten tevens verstaan bij brief, telefax, e-mail of enig ander langs elektronische weg toegezonden leesbaar en reproduceerbaar bericht. Aan de eis van schriftelijkheid wordt voldaan als het stuk elektronisch is vastgelegd.

1.3 Tenzij anders blijkt of kennelijk anders is bedoeld sluit een verwijzing naar een begrip of woord in het enkelvoud een verwijzing naar de meervoudsvorm van dit begrip of woord in en omgekeerd.

1.4 Tenzij anders blijkt of kennelijk anders is bedoeld, sluit een verwijzing naar het mannelijk geslacht een verwijzing naar het vrouwelijke en onzijdige geslacht in en omgekeerd.

Artikel 2

Naam. Zetel

2.1 De Vennootschap is een besloten vennootschap met beperkte aansprakelijkheid met de naam:

VEON Holdings B.V.

2.2 De Vennootschap is gevestigd te Amsterdam.
Zij kan elders, ook buiten Nederland, nevenvestigingen hebben.

Artikel 3

Doel

De Vennootschap heeft ten doel:

(a) het oprichten van, het op enigerlei wijze deelnemen in, het besturen van en het toezicht houden op ondernemingen en vennootschappen;

(b) het financieren van ondernemingen en vennootschappen;

(c) het lenen, uitlenen en aantrekken van gelden, daaronder begrepen het uitgeven van obligaties, schuldbrieven of andere waardepapieren, alsmede het aangaan van daarmee samenhangende overeenkomsten;

(d) het verstrekken van adviezen en het verlenen van diensten aan ondernemingen en vennootschappen waarmee de Vennootschap in een groep is verbonden en aan derden;

(e) het verstrekken van garanties, het verbinden van de Vennootschap en het verstrekken van zekerheden voor verplichtingen van ondernemingen en vennootschappen waarmee de Vennootschap in een groep is verbonden en ten behoeve van derden;

(f) het verkrijgen, vervreemden, bezwaren, beheren en exploiteren van registergoederen en van vermogenswaarden in het algemeen;

(g) het verhandelen van valuta, effecten en vermogenswaarden in het algemeen;

(h) het exploiteren en verhandelen van octrooien, merkrechten, vergunningen, knowhow, auteursrechten, databanken en andere intellectuele eigendomsrechten;

(i) het verrichten van alle soorten industriële, financiële en commerciële activiteiten; en

(j) al hetgeen met voorgaande verband houdt of daartoe bevorderlijk kan zijn, alles in de ruimste zin van het woord.

Artikel 4

Kapitaal

Het kapitaal van de Vennootschap is verdeeld in één of meer Aandelen elk met een nominaal bedrag van één euro (EUR 1,00).

Artikel 5

Register

Door de Directie wordt een register als bedoeld in artikel 2:194 van het Burgerlijk Wetboek gehouden, waarin de inschrijving geschiedt van de wettelijk vereiste gegevens omtrent Aandeelhouders. In het register worden tevens gegevens van de pandhouders en vruchtgebruikers van aandelen opgenomen. Het register wordt regelmatig bijgehouden.

Artikel 6

Aandelen. Pandrecht. Vruchtgebruik. Vergaderrecht. Certificaten van Aandelen

6.1 De Aandelen luiden op naam. Aandeelbewijzen worden niet uitgegeven. De Directie kan de Aandelen van een doorlopende nummering voorzien, te beginnen met het nummer 1.

6.2 Op Aandelen kan een vruchtgebruik en een pandrecht op aandelen worden gevestigd.

6.3 Het stemrecht op een Aandeel kan aan de vruchtgebruiker of pandhouder worden toegekend met goedkeuring van de Algemene Vergadering en voorts met inachtneming van hetgeen in de wet is bepaald.

6.4 Aan Aandeelhouders die geen stemrecht hebben als gevolg van een op hun Aandelen rustend vruchtgebruik of pandrecht, aan stemgerechtigde vruchtgebruikers en aan stemgerechtigde pandhouders komen Vergaderrechten toe. Aan vruchtgebruikers en pandhouders die geen stemrecht hebben, komen Vergaderrechten niet toe, tenzij bij de vestiging of overdracht van het vruchtgebruik dan wel bij de vestiging of overgang van het pandrecht anders is bepaald.

6.5 Aan certificaten van Aandelen is niet het Vergaderrecht verbonden.

Artikel 7

Levering

7.1 Voor de levering van een Aandeel is een daartoe bestemde voor een notaris met plaats van vestiging in Nederland verleden akte vereist.

7.2 Na de levering kunnen de aan de betrokken Aandelen verbonden aandeelhoudersrechten eerst worden uitgeoefend nadat de akte aan de Vennootschap is betekend of de Vennootschap de levering heeft erkend. Het bepaalde in de vorige zin is niet van toepassing, indien de Vennootschap zelf partij was bij de levering.

Artikel 8

Vrije overdraagbaarheid

Er zijn geen beperkingen voor de overdracht van Aandelen.

Artikel 9

Uitgifte van Aandelen

9.1 De uitgifte van Aandelen geschiedt krachtens een daartoe strekkend besluit van de Algemene Vergadering. De Algemene Vergadering kan haar bevoegdheid hiertoe overdragen aan de Directie en kan deze overdracht herroepen.

9.2 Bij het besluit tot uitgifte van Aandelen worden de uitgifteprijs en de verdere voorwaarden van uitgifte bepaald, waaronder de storting op

Aandelen in vreemd geld kan zijn begrepen. De Vennootschap kan bij uitgifte geen Aandelen nemen.

9.3 Iedere Aandeelhouder heeft bij uitgifte van Aandelen een voorkeursrecht naar evenredigheid van het gezamenlijke bedrag van zijn Aandelen, behoudens wettelijke beperkingen terzake en het bepaalde in lid 4. Voorkeursrechten zijn niet afzonderlijk overdraagbaar.

9.4 Voor elke uitgifte van Aandelen kan het voorkeursrecht worden uitgesloten of beperkt bij besluit van het tot uitgifte van Aandelen bevoegde vennootschapsorgaan.

9.5 Het hiervoor in dit artikel bepaalde is van overeenkomstige toepassing op het verlenen van rechten tot het nemen van Aandelen, maar is niet van toepassing op het uitgeven van Aandelen aan iemand die een voordien verkregen recht tot het nemen van die Aandelen uitoefent.

9.6 Voor de uitgifte van Aandelen is een daartoe bestemde voor een notaris met plaats van vestiging in Nederland verleden akte vereist.

9.7 Bij uitgifte van elk Aandeel moet daarop het gehele nominale bedrag worden gestort. Bedongen kan worden dat het nominale bedrag of een deel daarvan, eerst behoeft te worden gestort na verloop van een bepaalde tijd of nadat de Vennootschap het zal hebben opgevraagd.

Artikel 10

Verkrijging van Aandelen door de Vennootschap

10.1 De Directie beslist over de verkrijging van Aandelen in het kapitaal van de Vennootschap. Verkrijging door de Vennootschap van niet-volgestorte Aandelen is nietig.

10.2 De Vennootschap mag geen volgestorte eigen Aandelen verkrijgen indien het eigen vermogen, verminderd met de verkrijgingsprijs, kleiner is dan de reserves die krachtens de wet of de Statuten moeten worden aangehouden of indien de Directie weet of redelijkerwijs behoort te voorzien dat de Vennootschap na de verkrijging niet zal kunnen blijven voortgaan met het betalen van haar opeisbare schulden.

Artikel 11

Vermindering van kapitaal

11.1 De Algemene Vergadering kan besluiten tot vermindering van het geplaatste kapitaal door Aandelen in te trekken of door het bedrag van de Aandelen bij wijziging van de Statuten te verminderen, met inachtneming van de wettelijke beperkingen terzake.

11.2 Een besluit tot vermindering van het geplaatste kapitaal van de Vennootschap met terugbetaling heeft geen gevolgen zolang de Directie daaraan geen goedkeuring heeft verleend. De Directie weigert slechts de goedkeuring indien het weet of redelijkerwijs behoort te voorzien dat de Vennootschap na de terugbetaling niet zal kunnen blijven voortgaan met het betalen van haar opeisbare schulden.

Artikel 12

Directie

12.1 De Directie bestaat uit één of meer Directeuren. Zowel natuurlijke personen als rechtspersonen kunnen Directeur zijn.

12.2 Directeuren worden benoemd door de Algemene Vergadering. De Algemene Vergadering stelt de beloning en de verdere arbeidsvoorwaarden van iedere Directeur vast.

12.3 Een Directeur kan te allen tijde worden geschorst en ontslagen door de Algemene Vergadering.

Artikel 13

Taak van en besluitvorming door de Directie. Tegenstrijdig belang.

13.1 De Directie is belast met het besturen van de Vennootschap. Bij de vervulling van hun taak richten de Directeuren zich naar het belang van de Vennootschap en de met haar verbonden onderneming.

13.2 De Directie vergadert zo dikwijls een Directeur dat nodig acht.

13.3 Iedere Directeur kan zich ter vergadering door een andere Directeur doen vertegenwoordigen door het verlenen van een schriftelijke volmacht.

13.4 In de Directie heeft iedere Directeur één stem.

13.5 Een meerhoofdige Directie besluit met volstrekte meerderheid van de uitgebrachte stemmen. Staken de stemmen omtrent een voorstel dan is dat voorstel verworpen.

13.6 Vergaderingen van de Directie kunnen worden gehouden door het bijeenkomen van Directeuren of door middel van telefoongesprekken, video conference of via andere communicatiemiddelen, waarbij alle deelnemende Directeuren in staat zijn gelijktijdig met elkaar te kunnen communiceren.

13.7 De Directie kan regels vaststellen omtrent de werkwijze van en de besluitvorming door de Directie. In dat kader kan de Directie onder meer bepalen met welke taak een Directeur meer in het bijzonder zal zijn belast.

13.8 Een Directeur neemt niet deel aan de beraadslaging en besluitvorming door de Directie indien hij daarbij een direct of indirect persoonlijk tegenstrijdig belang heeft dat strijdig is met het belang van de Vennootschap of de met haar verbonden onderneming. Wanneer er sprake is van een dergelijk tegenstrijdig belang ten aanzien van alle Directeuren, blijft de voorgaande volzin buiten toepassing en behoudt de Directie haar bevoegdheid om het besluit te nemen, onverminderd het bepaalde in artikel 16 lid 3.

13.9 Directeuren kunnen alle besluiten die zij in vergadering kunnen nemen ook buiten vergadering nemen, schriftelijk of anderszins, mits het desbetreffende voorstel aan alle in functie zijnde Directeuren ten aanzien van wie geen tegenstrijdig belang bestaat is voorgelegd en geen van hen zich tegen deze wijze van besluitvorming verzet.

Artikel 14

Belet of ontstentenis

14.1 Ingeval van belet of ontstentenis van één of meer Directeuren zijn de overige Directeuren of is de enig overgebleven Directeur tijdelijk met het besturen van de Vennootschap belast.

14.2 Ingeval van belet of ontstentenis van alle Directeuren of van de enige Directeur is de persoon die daartoe door de Algemene Vergadering is of wordt aangewezen, tijdelijk met het besturen van de Vennootschap belast. Het in de Statuten omtrent de Directie en de Directeur(en) bepaalde is op deze persoon van overeenkomstige toepassing. Voorts dient hij zo spoedig mogelijk een Algemene Vergadering bijeen te roepen waarin kan worden besloten over de benoeming van één of meer Directeuren.

Artikel 15

Vertegenwoordiging

15.1 De Directie vertegenwoordigt de Vennootschap. De bevoegdheid tot vertegenwoordiging komt mede toe aan twee Directeuren gezamenlijk handelend.

15.2 De Directie kan aan een of meer personen algemene of beperkte bevoegdheid tot vertegenwoordiging verlenen en zodanige bevoegdheid wijzigen of intrekken. De titulatuur van deze personen wordt door de Directie bepaald.

Artikel 16

Goedkeuring van Directiebesluiten. Aanwijzingen aan Directie

16.1 De Directie dient zich te gedragen naar de aanwijzingen van de Algemene Vergadering, tenzij deze aanwijzingen in strijd zijn met het belang van de Vennootschap en de met haar verbonden onderneming.

16.2 De Algemene Vergadering is bevoegd besluiten van de Directie aan haar goedkeuring te onderwerpen, mits zij zodanige besluiten nauwkeurig omschrijft en schriftelijk aan de Directie mededeelt.

16.3 Een besluit van de Directie tot het verrichten van een rechtshandeling ten aanzien waarvan voor alle in functie zijnde Directeuren een direct of indirect persoonlijk belang bestaat dat strijdig is met het belang van de Vennootschap of de met haar verbonden onderneming, is onderworpen aan de goedkeuring van de Algemene Vergadering.

16.4 Het ontbreken van goedkeuring van de Algemene Vergadering op een besluit als bedoeld in dit artikel tast de vertegenwoordigingsbevoegdheid van de Directie of de Directeuren niet aan.

16.5 De Directie is bevoegd tot het aangaan van rechtshandelingen als bedoeld in artikel 2:204 van het Burgerlijk Wetboek, zonder voorafgaande goedkeuring van de Algemene Vergadering.

Artikel 17

Algemene Vergadering. Bijeenroeping. Plaats van de vergadering

17.1 Tijdens ieder boekjaar wordt ten minste één Algemene Vergadering gehouden of ten minste één maal overeenkomstig artikel 20 lid 1 besloten.

17.2 Andere Algemene Vergaderingen worden gehouden zo dikwijls de Directie dat nodig acht. De bevoegdheid tot bijeenroeping van de Algemene Vergadering komt toe aan de Directie.

17.3 Tot het bijwonen van de Algemene Vergadering dient iedere Vergadergerechtigde te worden opgeroepen. De oproeping dient niet later te geschieden dan op de achtste dag voor de dag waarop de vergadering wordt gehouden. Vergadergerechtigden die daarmee instemmen kunnen worden opgeroepen door een langs elektronische weg toegezonden leesbaar en reproduceerbaar bericht aan het adres dat door hen voor dit doel aan de Vennootschap is opgegeven.

17.4 Is de oproepingstermijn niet in acht genomen of heeft de oproeping niet of niet op de juiste wijze plaatsgehad, dan kunnen niettemin wettige besluiten worden genomen, ook ten aanzien van onderwerpen die niet of niet op de voorgeschreven wijze zijn aangekondigd, mits alle Vergadergerechtigden ermee hebben ingestemd dat de besluitvorming over die onderwerpen plaatsvindt en de Directeuren voorafgaand aan de besluitvorming in de gelegenheid zijn gesteld om advies uit te brengen.

17.5 Algemene Vergaderingen worden gehouden in de gemeente waar de Vennootschap haar woonplaats heeft, dan wel in Rotterdam, Den Haag, Utrecht of te Schiphol (gemeente Haarlemmermeer).

17.6 Onverminderd het bepaalde in lid 3, kunnen in een elders – in of buiten Nederland – gehouden Algemene Vergadering slechts wettige besluiten worden genomen, mits alle Vergadergerechtigden hebben ingestemd met de plaats van vergadering en de Directeuren voorafgaand aan de besluitvorming in de gelegenheid zijn gesteld om advies uit te brengen.

Artikel 18

Toegang tot en leiding van de Algemene Vergadering

18.1 Toegang tot de Algemene Vergadering hebben de Vergadergerechtigden. Het recht van toegang komt tevens toe aan iedere Directeur die niet is geschorst en voorts aan iedere persoon die tot het bijwonen van de Algemene Vergadering of een gedeelte daarvan is uitgenodigd door de voorzitter van de betrokken vergadering.

18.2 Indien een Vergadergerechtigde zich in een Algemene Vergadering wil doen vertegenwoordigen, dient hij schriftelijk een daartoe strekkende volmacht te verlenen. Aan de eis van schriftelijkheid van de volmacht wordt voldaan indien de volmacht elektronisch is vastgelegd.

18.3 De Algemene Vergadering voorziet zelf in een voorzitter.

18.4 Iedere Aandeelhouder is bevoegd, in persoon of bij schriftelijk gevolmachtigde door middel van een elektronisch communicatiemiddel aan de Algemene Vergadering deel te nemen, daarin het woord te voeren en het stemrecht uit te oefenen.

18.5 Voor de toepassing van lid 4 is vereist dat de Aandeelhouder via het elektronisch communicatiemiddel kan worden geïdentificeerd, rechtstreeks kan kennisnemen van de verhandelingen ter vergadering en het stemrecht kan uitoefenen. Bovendien is vereist dat de Aandeelhouder via het elektronisch communicatiemiddel kan deelnemen aan de beraadslaging.

18.6 De Directie kan voorwaarden stellen aan het gebruik van het elektronisch communicatiemiddel.

18.7 De leden 4, 5 en 6 zijn voor zover mogelijk van overeenkomstige toepassing op de rechten van andere Vergadergerechtigden.

Artikel 19

Stemrecht. Besluitvorming

19.1 Elk Aandeel geeft recht op het uitbrengen van één stem.

19.2 De Algemene Vergadering besluit met volstrekte meerderheid van de uitgebrachte stemmen, voor zover de wet of de Statuten geen andere meerderheid voorschrijven.

19.3 Staken de stemmen omtrent een voorstel dan is dat voorstel verworpen.

Artikel 20

Besluitvorming buiten vergadering

20.1 Besluitvorming van Aandeelhouders kan op andere wijze dan in een vergadering geschieden, mits alle Vergadergerechtigden met deze wijze van besluitvorming hebben ingestemd. Instemming met deze wijze van besluitvorming kan ook langs elektronische weg plaatsvinden.

20.2 In geval van besluitvorming buiten vergadering, worden de stemmen schriftelijk uitgebracht. Aan het vereiste van schriftelijkheid van de stemmen wordt tevens voldaan indien het besluit onder vermelding van de wijze waarop ieder der Aandeelhouders heeft gestemd schriftelijk of elektronisch is vastgelegd. De stemmen kunnen ook langs elektronische weg worden uitgebracht. De Directeuren worden voorafgaand aan de besluitvorming in de gelegenheid gesteld om advies uit te brengen.

Artikel 21

Boekjaar. Jaarrekening

21.1 Het boekjaar van de Vennootschap is gelijk aan het kalenderjaar.

21.2 Jaarlijks binnen vijf maanden na afloop van het boekjaar van de Vennootschap, behoudens bij verlenging van deze termijn met ten hoogste vijf maanden door de Algemene Vergadering op grond van bijzondere omstandigheden, maakt de Directie een Jaarrekening op over dat boekjaar en legt deze ten kantore van de Vennootschap ter inzage voor Aandeelhouders en overige Vergadergerechtigden. Indien vereist worden hierbij de aanvullende gegevens gevoegd als bedoeld in artikel 2:392 lid 1 van het Burgerlijk Wetboek. Binnen deze termijn legt de Directie ook het bestuursverslag als bedoeld in artikel 2:391 van het Burgerlijk Wetboek ten kantore van de Vennootschap ter inzage voor Aandeelhouders en overige Vergadergerechtigden, tenzij artikel 2:396 lid 7 of artikel 2:403 van het Burgerlijk Wetboek voor de Vennootschap geldt.

21.3 De Jaarrekening wordt ondertekend door iedere Directeur. Indien de ondertekening van één of meer Directeuren ontbreekt, wordt daarvan onder opgave van reden melding gemaakt.

Artikel 22

Accountant

De Vennootschap kan, en indien daartoe wettelijk verplicht, zal, aan een accountant als bedoeld in artikel 2:393 lid 1 van het Burgerlijk Wetboek, de opdracht verlenen tot onderzoek van de opgemaakte Jaarrekening. Tot verlenen van de opdracht is de Algemene Vergadering bevoegd.

Artikel 23

Vaststelling Jaarrekening. Kwijting Directie

23.1 Vaststelling van de Jaarrekening geschiedt door de Algemene Vergadering.

23.2 De vaststelling van de Jaarrekening strekt niet tot kwijting van de Directeuren. De Algemene Vergadering kan volledige of beperkte kwijting verlenen aan de Directeuren voor het gevoerde bestuur.

23.3 Indien alle Aandeelhouders tevens Directeur zijn, geldt ondertekening van de Jaarrekening door alle Directeuren niet tevens als vaststelling daarvan.

Artikel 24

Winst en uitkeringen

24.1 De Algemene Vergadering is bevoegd tot bestemming van de winst die door de vaststelling van de Jaarrekening is bepaald en tot vaststelling van uitkeringen. Uitkeringen zijn toegestaan voor zover het eigen vermogen groter is dan de reserves die krachtens de wet of de Statuten moeten worden aangehouden.

24.2 Een besluit dat strekt tot uitkering heeft geen gevolgen zolang de Directie daaraan geen goedkeuring heeft verleend. De Directie weigert slechts de goedkeuring indien het weet of redelijkerwijs behoort te voorzien dat de Vennootschap na de uitkering niet zal kunnen blijven voortgaan met het betalen van haar opeisbare schulden.

24.3 Bij de berekening van het bedrag dat op ieder Aandeel zal worden uitgekeerd, komt slechts het bedrag van de verplichte stortingen op het nominale bedrag van de Aandelen in aanmerking. Van de vorige zin kan telkens met instemming van alle Aandeelhouders worden afgeweken.

Artikel 25

Statutenwijziging

De Algemene Vergadering is bevoegd de Statuten te wijzigen. Wanneer in een Algemene Vergadering een voorstel tot statutenwijziging wordt gedaan, moet zulks steeds bij de oproeping tot vergadering worden vermeld. Tegelijkertijd moet een afschrift van het voorstel, waarin de voorgedragen wijziging woordelijk is opgenomen, ten kantore van de Vennootschap ter inzage worden gelegd voor de Vergadergerechtigden tot de afloop van de vergadering.

Artikel 26

Ontbinding en vereffening

26.1 De Vennootschap kan worden ontbonden door een daartoe strekkend besluit van de Algemene Vergadering.

26.2 Tenzij de Algemene Vergadering anders besluit of de wet anders bepaalt, treden de leden van de Directie als vereffenaars van het vermogen van de ontbonden Vennootschap op.

26.3 De Vennootschap blijft na haar ontbinding voortbestaan voor zover dat voor de vereffening van haar vermogen noodzakelijk is.

26.4 Hetgeen van het vermogen van de ontbonden Vennootschap resteert na voldoening van al haar schulden, wordt aan de Aandeelhouders overgedragen naar evenredigheid van het op ieders Aandelen verplicht gestorte gedeelte van het nominaal bedrag daarvan.

26.5 Na voltooiing van de vereffening blijven de boeken en bescheiden en andere gegevensdragers van de ontbonden Vennootschap gedurende de wettelijk voorgeschreven bewaartermijn berusten bij de persoon die daartoe schriftelijk door de vereffenaars is aangewezen.

Slot

De verschenen persoon is mij, notaris, bekend.

Waarvan akte, in minuut verleden te Amsterdam op de datum in het hoofd van deze akte vermeld.

Voordat tot voorlezing is overgegaan is de inhoud van deze akte zakelijk aan de verschenen persoon opgegeven en toegelicht. Zij heeft daarna verklaard van de inhoud van deze akte te hebben kennisgenomen, daarmee in te stemmen en op volledige voorlezing daarvan geen prijs te stellen. Onmiddellijk na beperkte voorlezing is deze akte door de verschenen persoon en mij, notaris, ondertekend.

Volgt ondertekening.

mr. W. ten Hove
mr. O. W. J. Hoefnagels
Notaris te Amsterdam
Toegevoegd Notaris

UITGEGEVEN VOOR AFSCHRIFT

Gegevens verwijderd door KvK

BIJLAGE II / SCHEDULE II

STATUTEN MIDCO / ARTICLES OF ASSOCIATION MIDCO

VEON MidCo B.V.

Deed of incorporation

23 December 2024

CERTIFIED COPY of a notarial deed of incorporation of VEON MidCo B.V., a private company with limited liability, having its corporate seat in Amsterdam, the Netherlands, executed on 23 December 2024 before K.F. Tan, civil-law notary in Amsterdam, the Netherlands.

Baker McKenzie.

Baker & McKenzie Amsterdam N.V.
Advocaten, Belastingadviseurs
en Notarissen

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20240213/02/ABV

OPRICHTING
VEON MIDCO B.V.

Heden, drieëntwintig december tweeduizend vierentwintig, verscheen voor mij, mr. Kim-Francis Tan, notaris te Amsterdam (de "**notaris**"):

mr. Laurentia Elisabeth Rietvelt, geboren te 's-Hertogenbosch op drie juli negentienhonderd negenenzeventig, te dezen woonplaats kiezend ten kantore van de notaris (Claude Debussylaan 54, 1082 MD Amsterdam),

te dezen handelend als schriftelijk gevolmachtigde van:

VEON Amsterdam B.V., een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Amsterdam, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 34378904 (de "**Oprichter**").

De verschijnende persoon verklaarde voor en namens de Oprichter een besloten vennootschap met beperkte aansprakelijkheid op te richten, welke geregeerd wordt door de navolgende:

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STATUTEN

Begripsbepalingen

Artikel 1

In de statuten wordt onder de volgende definities het volgende verstaan:

a. algemene vergadering: het orgaan dat wordt gevormd door de aandeelhouders danwel de bijeenkomst van de vergadergerechtigden;

b. certificaten: certificaten op naam van aandelen in het kapitaal van de vennootschap;

c. dochtermaatschappij: een rechtspersoon of vennootschap als bedoeld in artikel 2:24a Burgerlijk Wetboek;

d. jaarrekening: de balans en de winst- en verliesrekening alsmede de toelichting daarop;

e. schriftelijk: elk via gangbare communicatiemiddelen, hieronder mede begrepen doch niet beperkt tot telefax of e-mail, overgebracht en op schrift ontvangen bericht;

f. vergadergerechtigde: de persoon aan wie op grond van de wet of de statuten vergaderrecht toekomt;

g. vergaderrecht: het recht om in persoon, of bij schriftelijk gevolmachtigde, de algemene vergadering bij te wonen en daar het woord te voeren.

Naam en zetel

Artikel 2

2.1 De vennootschap draagt de naam **VEON MidCo B.V.**

2.2 De vennootschap heeft haar zetel te Amsterdam.

Doel

Artikel 3

Het doel van de vennootschap is:

a. het oprichten van, het bestuur voeren over, het deelnemen in en het nemen van enig financieel belang in andere vennootschappen en/of ondernemingen;

b. het verlenen van diensten op administratief, technisch, financieel, economisch of bestuurlijk gebied aan andere vennootschappen, personen en/of ondernemingen;

c. het verkrijgen, vervreemden, beheren en exploiteren van roerende en onroerende zaken en andere goederen, daaronder begrepen patenten, merkrechten, licenties, vergunningen en andere industriële eigendomsrechten;

d. het ter leen opnemen en/of ter leen verstrekken van gelden, alsmede het zekerheid stellen, zich sterk maken of zich op andere wijze hoofdelijk naast of voor anderen verbinden,

het vorenstaande al of niet in samenwerking met derden en met inbegrip van het verrichten en bevorderen van alle handelingen die daarmede direct of indirect verband houden, alles in de ruimste zin.

Aandelen en certificaten

Artikel 4

4.1 De vennootschap heeft een geplaatst aandelenkapitaal verdeeld in één (1) of meer aandelen.

4.2 Ten minste één (1) aandeel wordt gehouden door een ander dan en anders dan voor rekening van de vennootschap of één (1) van haar dochtermaatschappijen.

4.3 De aandelen hebben een nominale waarde van één euro (EUR 1) elk.

4.4 Alle aandelen luiden op naam en zijn doorlopend genummerd van 1 af. Aandeelbewijzen worden niet uitgegeven. Aan elk aandeel is het stemrecht, het vergaderrecht en het recht tot deling in de winst en de reserves van de vennootschap, overeenkomstig het bepaalde in deze statuten, verbonden.

4.5 Aan certificaten is geen vergaderrecht verbonden. In afwijking van het bepaalde in de vorige zin, is de algemene vergadering bevoegd tot het verbinden respectievelijk ontnemen van het vergaderrecht aan één (1) of meer certificaten.

Register van aandeelhouders

Artikel 5

5.1 Het bestuur van de vennootschap houdt een register waarin de namen en adressen van alle aandeelhouders zijn opgenomen, met vermelding van de datum waarop zij de aandelen hebben verkregen, de datum van de erkenning of betekening, de soort of de aanduiding van de aandelen, alsmede van het op ieder aandeel gestorte bedrag. Indien een aandeelhouder niet gebonden is aan een statutaire verplichting of eis of opschorting van rechten als bedoeld in artikel 2:192 lid 1 Burgerlijk Wetboek, wordt dat vermeld. In het register worden tevens opgenomen de namen en adressen van hen die een vruchtgebruik of pandrecht op aandelen hebben, met vermelding van de datum waarop zij het recht hebben verkregen, de datum van erkenning of betekening alsmede een vermelding welke aan de aandelen verbonden rechten hun overeenkomstig de artikelen 11 en 29 van deze statuten toekomen. In het register worden opgenomen de namen en adressen van de houders van certificaten van aandelen waaraan vergaderrecht is verbonden, met vermelding van de datum waarop het vergaderrecht aan hun certificaat is verbonden en de datum van erkenning of betekening.

5.2 Aandeelhouders en anderen van wie gegevens ingevolge lid 1 van dit artikel in het register van aandeelhouders moeten worden opgenomen, verschaffen aan het bestuur tijdig de benodigde gegevens. Indien tevens een elektronisch adres wordt verstrekt ter opneming in het aandeelhoudersregister, zal deze verstrekking worden beschouwd als de instemming van de desbetreffende aandeelhouder of andere vergadergerechtigde om alle kennisgevingen en mededelingen alsmede oproepingen voor een algemene vergadering langs elektronische weg toegezonden te krijgen.

5.3 Het register wordt regelmatig bijgehouden en elk verleend ontslag van aansprakelijkheid voor nog niet gedane stortingen wordt daarin mede aangetekend. Alle inschrijvingen en aantekeningen in het register dienen te worden ondertekend door een bestuurder.

5.4 Het bestuur verstrekt desgevraagd aan een aandeelhouder, een vruchtgebruiker, een pandhouder en een houder van een certificaat waaraan vergaderrecht is verbonden, om niet een uittreksel uit het register met betrekking tot zijn recht op zijn aandeel of certificaat. Rust op een aandeel een vruchtgebruik of een pandrecht, dan vermeldt het uittreksel aan wie de in de artikelen 11 en 29 van deze statuten bedoelde rechten toekomen.

5.5 Het bestuur legt het register ten kantore van de vennootschap ter inzage van de aandeelhouders, de vruchtgebruikers en pandhouders aan wie de in de artikelen 11 en 29 van deze statuten bedoelde rechten toekomen en van houders van certificaten waaraan vergaderrecht is verbonden. De gegevens van het register omtrent niet volgestorte aandelen zijn ter inzage van een ieder; een afschrift of uittreksel van deze gegevens wordt tegen ten hoogste kostprijs verstrekt.

Uitgifte van aandelen

Artikel 6

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6.1 De vennootschap kan slechts aandelen uitgeven ingevolge een besluit van de algemene vergadering. De algemene vergadering kan haar bevoegdheid hiertoe overdragen aan een ander orgaan en kan deze overdracht herroepen.

6.2 Lid 1 van dit artikel is van overeenkomstige toepassing op het verlenen van rechten tot het nemen van aandelen, maar is niet van toepassing op het uitgeven van aandelen aan iemand die een voordien reeds verkregen recht tot het nemen van aandelen uitoefent.

Voorwaarden van uitgifte. Voorkeursrecht

Artikel 7

7.1 Bij het besluit tot uitgifte van aandelen worden de uitgiftekoers en de verdere voorwaarden van uitgifte bepaald. Voor uitgifte van aandelen is vereist een daartoe bestemde, ten overstaan van een in Nederland gevestigde notaris verleden akte, waarbij de betrokkenen partij zijn.

7.2 Iedere aandeelhouder heeft bij uitgifte van aandelen een voorkeursrecht naar evenredigheid van het gezamenlijke bedrag van zijn aandelen, met inachtneming van de beperkingen volgens de wet.

7.3 Een gelijk voorkeursrecht hebben de aandeelhouders bij het verlenen van rechten tot het nemen van aandelen.

7.4 Het voorkeursrecht kan, telkens voor een enkele uitgifte, worden beperkt of uitgesloten door het tot uitgifte bevoegde orgaan.

Storting op aandelen

Artikel 8

8.1 Bij het nemen van een aandeel moet daarop het nominale bedrag worden gestort. Bedongen kan worden dat het nominale bedrag of een deel daarvan eerst behoeft te worden gestort na verloop van tijd of nadat de vennootschap het zal hebben opgevraagd.

8.2 Storting op een aandeel moet in geld geschieden voor zover niet een andere inbreng is overeengekomen. Storting in een andere geldeenheid dan die waarin het nominale bedrag van de aandelen luidt, kan slechts geschieden met toestemming van de vennootschap.

Verkrijging van eigen aandelen

Artikel 9

9.1 De vennootschap kan slechts aandelen in haar eigen kapitaal verkrijgen ingevolge een besluit van het bestuur.

9.2 Verkrijging door de vennootschap van niet volgestorte aandelen in haar kapitaal is nietig.

9.3 De vennootschap mag, behalve om niet, geen volgestorte eigen aandelen verkrijgen indien het eigen vermogen, verminderd met de verkrijgingsprijs, kleiner is dan de reserves die krachtens de wet of deze statuten moeten worden aangehouden, of indien het bestuur weet of redelijkerwijs behoort te voorzien dat de vennootschap na de verkrijging niet zal kunnen blijven voortgaan met het betalen van haar opeisbare schulden.

9.4 Indien de vennootschap na een verkrijging anders dan om niet, niet kan voortgaan met de betaling van haar opeisbare schulden, zijn de bestuurders met inachtneming van het bepaalde in de wet, jegens de vennootschap hoofdelijk verbonden voor het tekort dat door de verkrijging is ontstaan. De vervreemder van de aandelen die wist of redelijkerwijs behoorde te voorzien dat de vennootschap na de verkrijging niet zou kunnen voortgaan met het betalen van haar opeisbare schulden is jegens de vennootschap gehouden tot vergoeding van het tekort dat door de verkrijging van zijn aandelen is ontstaan, voor ten hoogste de verkrijgingsprijs van de door hem vervreemde aandelen, met inachtneming van het bepaalde in de wet.

9.5 De vorige leden gelden niet voor aandelen die de vennootschap onder algemene titel verkrijgt.

9.6 Verkrijging van aandelen ten laste van de in lid 3 van dit artikel bedoelde reserves is nietig. De bestuurders zijn hoofdelijk aansprakelijk jegens de vervreemder te goeder trouw die door de nietigheid schade lijdt.

9.7 Onder het begrip 'aandelen' in dit artikel zijn certificaten begrepen.

Kapitaalvermindering

Artikel 10

Met inachtneming van artikel 4 lid 2 van deze statuten en het bepaalde in de wet, kan de algemene vergadering besluiten tot vermindering van het geplaatste kapitaal door intrekking van aandelen of door de nominale waarde van aandelen bij statutenwijziging te verminderen. Een besluit tot kapitaalvermindering met terugbetaling op aandelen heeft geen gevolgen zolang het bestuur geen goedkeuring heeft verleend. De bepalingen van de

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leden 2 tot en met 4 van artikel 2:216 Burgerlijk Wetboek zijn van overeenkomstige toepassing op het in de vorige zin bedoelde besluit.

Levering van aandelen en certificaten. Beperkte rechten

Artikel 11

11.1 Voor de levering van een aandeel of de levering – daaronder begrepen de vestiging en het doen van afstand – van een beperkt recht op een aandeel, is vereist een daartoe bestemde, ten overstaan van een in Nederland gevestigde notaris verleden akte, waarbij de betrokkenen partij zijn.

11.2 De levering overeenkomstig lid 1 van dit artikel, werkt mede van rechtswege tegenover de vennootschap. Behoudens in het geval dat de vennootschap zelf bij de rechtshandeling partij is, kunnen de aan het aandeel verbonden rechten eerst worden uitgeoefend nadat de vennootschap de rechtshandeling heeft erkend of de notariële akte aan haar is betekend overeenkomstig het dienaangaande in de wet bepaalde.

11.3 Het bepaalde in lid 2 van dit artikel vindt overeenkomstig toepassing op de levering van certificaten waaraan vergaderrechten zijn verbonden.

11.4 Een aandeelhouder kan op een of meer van zijn aandelen een vruchtgebruik of een pandrecht vestigen.

11.5 De aandeelhouder heeft het stemrecht op de aandelen waarop het vruchtgebruik of pandrecht is gevestigd. Het stemrecht kan aan de vruchtgebruiker of de pandhouder worden toegekend, indien dit bij de vestiging van het vruchtgebruik of pandrecht is bepaald of nadien schriftelijk tussen de aandeelhouder en vruchtgebruiker of pandhouder is overeengekomen, mits zowel deze bepaling als - bij overdracht van het vruchtgebruik of indien een ander in de rechten van de pandhouder treedt - de overgang van het stemrecht is goedgekeurd door de algemene vergadering.

11.6 Het bepaalde in lid 2 van dit artikel vindt overeenkomstig toepassing op de in lid 5 van dit artikel bedoelde schriftelijke overeenkomst.

Overdraagbaarheid van aandelen

Artikel 12

Aandelen kunnen vrijelijk en zonder beperkingen als bedoeld in artikel 2:195 Burgerlijk Wetboek worden overgedragen.

Bestuur

Artikel 13

13.1 Het bestuur bestaat uit een door de algemene vergadering vast te stellen aantal van- één (1) of meer bestuurders. Iedere bestuurder van de vennootschap heeft de titel van directeur.

13.2 De bestuurders worden benoemd door de algemene vergadering.

13.3 Met een bestuurder wordt voor de toepassing van de artikelen 9 lid 4, 10 en 23 lid 3 van deze statuten gelijkgesteld degene die het beleid van de vennootschap heeft bepaald of mede heeft bepaald, als ware hij bestuurder met dezelfde verantwoordelijkheden en aansprakelijkheden.

Schorsing en ontslag

Artikel 14

14.1 Iedere bestuurder kan te allen tijde door de algemene vergadering worden geschorst of ontslagen.

14.2 Elke schorsing kan één (1) of meer malen worden verlengd doch in totaal niet langer duren dan drie (3) maanden. De schorsing eindigt na verloop van die tijd, tenzij een besluit is genomen omtrent de opheffing van de schorsing of het ontslag van de bestuurder voor het eind van voornoemde periode.

Bezoldiging

Artikel 15

De bezoldiging en de verdere arbeidsvoorwaarden van iedere bestuurder worden vastgesteld door de algemene vergadering.

Bestuurstaak

Artikel 16

16.1 Het bestuur is, behoudens beperkingen volgens deze statuten en met inachtneming van het bepaalde in de wet, belast met het besturen van de vennootschap.

16.2 Het bestuur kan een reglement vaststellen waarin regels worden gegeven omtrent de wijze van besluitvorming.

16.3 Het bestuur kan bij een taakverdeling bepalen met welke taak iedere bestuurder in het bijzonder zal zijn belast. De taakverdeling behoeft de goedkeuring van de algemene vergadering.

16.4 Het bestuur moet zich gedragen naar de aanwijzingen van de algemene vergadering.

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Het bestuur is gehouden deze aanwijzingen op te volgen, tenzij deze in strijd zijn— met het belang van de vennootschap en de met haar verbonden onderneming.——

Bestuursvergaderingen

Artikel 17

17.1 Het bestuur vergadert zo dikwijls als een bestuurder een vergadering verzoekt.——

17.2 Tot vergaderingen van het bestuur kan schriftelijk worden opgeroepen door iedere- bestuurder, onder vermelding van de te bespreken onderwerpen. Een dergelijke—— oproeping vindt plaats niet later dan vijf (5) dagen voor de dag van de vergadering.-

17.3 Het verhandelde ter vergadering wordt zakelijk weergegeven in notulen vastgelegd.

17.4 Een bestuurder kan zich ter vergadering door een medebestuurder bij schriftelijke— volmacht doen vertegenwoordigen.——

17.5 Omtrent onderwerpen die niet zijn opgenomen in de agenda, in de schriftelijke—— oproeping of welke niet op dezelfde manier zijn aangekondigd of binnen de——— gestelde oproepingstermijn, kan niet wettig worden besloten, tenzij alle bestuurders ermee hebben ingestemd dat de besluitvorming over die onderwerpen plaatsvindt.–

Besluitvorming bestuur. Tegenstrijdig belang

Artikel 18

18.1 Besluiten van het bestuur worden genomen met volstrekte meerderheid van de—— uitgebrachte stemmen. Iedere bestuurder heeft het recht één (1) stem uit te brengen. Bij staking van stemmen is het voorstel verworpen.——

18.2 Een bestuurder die een direct of indirect persoonlijk belang heeft dat tegenstrijdig is— met het belang van de vennootschap neemt niet deel aan de beraadslaging en——— besluitvorming. Wanneer hierdoor geen bestuursbesluit kan worden genomen, wordt– het besluit genomen door de algemene vergadering of een daartoe door de algemene— vergadering aangewezen orgaan, welk orgaan - ongeacht het bepaalde in dit lid -—— tevens het bestuur kan zijn.——

18.3 Het bestuur kan buiten vergadering besluiten nemen mits alle bestuurders met deze wijze van besluitvorming instemmen en zich schriftelijk omtrent het voorstel——— hebben uitgelaten.——

Vertegenwoordiging

Artikel 19

19.1 Het bestuur vertegenwoordigt de vennootschap. De bevoegdheid de vennootschap–

te vertegenwoordigen komt, indien het bestuur bestaat uit meer dan één (1) bestuurder, mede toe aan twee (2) bestuurders gezamenlijk handelend.

19.2 Het bestuur kan functionarissen met algemene of beperkte vertegenwoordigingsbevoegdheid aanstellen. Elk van hen vertegenwoordigt de vennootschap met inachtneming van de begrenzing aan zijn bevoegdheid gesteld. Hun titulatuur wordt door het bestuur bepaald.

Goedkeuring bestuursbesluiten

Artikel 20

20.1 De algemene vergadering is bevoegd besluiten van het bestuur aan haar goedkeuring te onderwerpen. Dergelijke besluiten dienen duidelijk omschreven te worden en schriftelijk aan het bestuur te worden meegedeeld.

20.2 Het ontbreken van goedkeuring als bedoeld in dit artikel tast de vertegenwoordigingsbevoegdheid van het bestuur of de bestuurders niet aan.

Ontstentenis of belet

Artikel 21

In geval van ontstentenis of belet van één (1) of meer bestuurders zijn de andere bestuurders of is de andere bestuurder tijdelijk met het bestuur van de vennootschap belast. In geval van ontstentenis of belet van alle bestuurders of van de enige bestuurder is de persoon die daartoe door de algemene vergadering wordt benoemd tijdelijk met het bestuur van de vennootschap belast.

Boekjaar. Jaarrekening

Artikel 22

22.1 Het boekjaar valt samen met het kalenderjaar.

22.2 Jaarlijks binnen vijf (5) maanden na afloop van het boekjaar, behoudens verlenging van deze termijn met ten hoogste vijf (5) maanden door de algemene vergadering op grond van bijzondere omstandigheden, wordt door het bestuur een jaarrekening opgemaakt.

22.3 De jaarrekening wordt ondertekend door de bestuurders. Ontbreekt de ondertekening van één (1) of meer bestuurders, dan wordt daarvan onder opgave van reden melding gemaakt.

22.4 De algemene vergadering stelt de jaarrekening vast.

22.5 Een besluit tot vaststelling van de jaarrekening strekt niet tevens tot kwijting aan een bestuurder. De algemene vergadering kan besluiten tot het verlenen van gehele of gedeeltelijke kwijting aan één (1) of meer bestuurders.

22.6 Indien alle aandeelhouders tevens bestuurder van de vennootschap zijn, geldt ondertekening van de jaarrekening door alle bestuurders niet als vaststelling in de zin van lid 4 van dit artikel.

22.7 De vennootschap zal, indien daartoe wettelijk verplicht, een daartoe gekwalificeerde accountant opdracht verlenen tot het onderzoek van de boeken. De algemene vergadering is bevoegd de accountant aan te wijzen. In het geval de algemene vergadering niet tot aanwijzing overgaat, is het bestuur hiertoe bevoegd. De aanwijzing van de accountant kan met inachtneming van het in artikel 2:393 lid 2 Burgerlijk Wetboek bepaalde worden ingetrokken om gegronde redenen.

22.8 De wettelijke bepalingen zijn van toepassing op het bestuursverslag, de additionele gegevens die moeten worden opgenomen, de accountantsverklaring en de openbaarmaking van het bestuursverslag.

Winst

Artikel 23

23.1 De algemene vergadering is bevoegd tot bestemming van de winst die door de vaststelling van de jaarrekening is bepaald en tot vaststelling van uitkeringen, voor zover het eigen vermogen groter is dan de reserves die de vennootschap krachtens de wet of de statuten moet aanhouden.

23.2 Een besluit dat strekt tot uitkering heeft geen gevolgen zolang het bestuur geen goedkeuring heeft verleend. Het bestuur weigert slechts zijn goedkeuring indien het weet of redelijkerwijs behoort te voorzien dat de vennootschap na de uitkering niet zal kunnen voortgaan met het betalen van haar opeisbare schulden.

23.3 Indien de vennootschap na een uitkering niet kan voortgaan met de betaling van haar opeisbare schulden, zijn de bestuurders, met inachtneming van het bepaalde in de wet, hoofdelijk verbonden voor het tekort dat door de uitkering is ontstaan. Degene die de uitkering ontving terwijl hij wist of redelijkerwijs behoorde te voorzien dat de vennootschap na de uitkering niet zou kunnen voortgaan met het betalen van haar opeisbare schulden is jegens de vennootschap gehouden tot vergoeding van het tekort dat door de uitkering is ontstaan, ieder voor ten hoogste het bedrag of de waarde van de door hem ontvangen uitkering met inachtneming van het bepaalde in de wet.

23.4 Bij de berekening van iedere uitkering tellen de aandelen die de vennootschap in haar kapitaal houdt, niet mee.

23.5 Bij de berekening van het bedrag, dat op ieder aandeel zal worden uitgekeerd, komt slechts het bedrag van de verplichte stortingen op het nominale bedrag van de aandelen in aanmerking.

23.6 De vordering van een aandeelhouder om een uitkering te ontvangen, verloopt na vijf (5) jaren.

Algemene vergaderingen

Artikel 24

24.1 Tijdens ieder boekjaar wordt ten minste eenmaal een algemene vergadering gehouden ofwel overeenkomstig artikel 31 lid 1 van deze statuten besloten of wordt de jaarrekening vastgesteld met inachtneming van het bepaalde in artikel 22 lid 6 van deze statuten.

24.2 De agenda van de in lid 1 van dit artikel genoemde algemene vergadering vermeldt onder meer de volgende punten:

a. het bestuursverslag;

b. vaststelling van de jaarrekening;

c. het verlenen van kwijting aan de bestuurders voor het door hen in het afgelopen boekjaar gevoerde bestuur;

d. bestemming van het resultaat;

e. voorziening in eventuele vacatures;

f. andere voorstellen door het bestuur, dan wel aandeelhouders en andere stemgerechtigden en/of vergadergerechtigden, mits deze aan de orde zijn gesteld en zijn aangekondigd met inachtneming van het bepaalde in artikel 26 van deze statuten.

Andere vergaderingen

Artikel 25

25.1 Onverminderd het bepaalde in artikel 24 lid 1 van deze statuten worden andere algemene vergaderingen gehouden zo dikwijls als het bestuur of een bestuurder zulks nodig acht.

25.2 Een of meer aandeelhouders, die alleen of gezamenlijk ten minste één honderdste

(1/100) gedeelte van het geplaatste kapitaal vertegenwoordigen, kunnen aan het bestuur schriftelijk en onder nauwkeurige opgave van de te behandelen onderwerpen het verzoek richten een algemene vergadering bijeen te roepen. Het bestuur treft de nodige maatregelen, opdat de algemene vergadering binnen vier (4) weken na het verzoek kan worden gehouden, tenzij een zwaarwichtig belang van de vennootschap zich daartegen verzet.

25.3 Voor de toepassing van dit artikel worden met aandeelhouders gelijk gesteld andere vergadergerechtigden.

Oproeping. Agenda

Artikel 26

26.1 De algemene vergaderingen worden onverminderd het bepaalde in artikel 25 lid 2 van deze statuten bijeengeroepen door het bestuur of een bestuurder.

26.2 De oproeping geschiedt schriftelijk aan de adressen volgens het register van aandeelhouders met inachtneming van het bepaalde in artikel 5 lid 2 van deze statuten, niet later dan op de achtste (8^e) dag vóór die van de vergadering.

26.3 Bij de oproeping worden de te behandelen onderwerpen vermeld. Onderwerpen die niet bij de oproeping zijn vermeld, kunnen nader worden aangekondigd met inachtneming van de in lid 5 van dit artikel gestelde vereisten.

26.4 Aandeelhouders en andere vergadergerechtigden, tezamen vertegenwoordigend tenminste één honderdste (1/100) gedeelte van het geplaatste kapitaal, kunnen het bestuur verzoeken één (1) of meer onderwerpen te agenderen voor behandeling op de eerstkomende algemene vergadering. Het bestuur dient tot agendering hiervan over te gaan, tenzij een zwaarwegend belang van de vennootschap zich daartegen verzet. Indien de oproeping als bedoeld in lid 2 van dit artikel voor de eerstkomende vergadering reeds is verzonden en er minder dan dertig (30) dagen zijn gelegen tussen het agenderingsverzoek en de dag van de eerstkomende vergadering, vindt agendering van de aangemelde onderwerpen plaats op de daarna volgende vergadering.

26.5 Omtrent onderwerpen die niet zijn opgenomen in de agenda, in de oproepingsbrief of welke niet op dezelfde manier zijn aangekondigd of binnen de gestelde oproepingstermijn, kan niet wettig worden besloten, tenzij alle vergadergerechtigden ermee hebben ingestemd dat de besluitvorming over die onderwerpen plaatsvindt en de bestuurders voorafgaand aan de besluitvorming in— de gelegenheid zijn gesteld om advies uit te brengen. ——————————

Plaats van de algemene vergaderingen ——————————

Artikel 27 ——————————

Algemene vergaderingen worden gehouden in de gemeente waar de vennootschap haar— statutaire zetel heeft, in de gemeente waar de vennootschap haar hoofdvestiging heeft, — dan wel in de gemeente Haarlemmermeer (Luchthaven Schiphol). Een algemene ——— vergadering kan elders worden gehouden, mits alle vergadergerechtigden hebben——— ingestemd met de plaats van de vergadering en de bestuurders voorafgaand aan de ——— besluitvorming in de gelegenheid zijn gesteld om advies uit te brengen. ——————

Voorzitterschap. Notulen ——————————

Artikel 28 ——————————

28.1 De algemene vergadering voorziet zelf in haar voorzitterschap. De voorzitter wijst - een secretaris aan. ——————————

28.2 Van het verhandelde in elke algemene vergadering worden notulen gehouden door - de secretaris. De notulen worden vastgesteld door de voorzitter en de secretaris en— ten blijke daarvan door hen ondertekend. ——————————

28.3 De voorzitter of degene die de vergadering heeft belegd, kan bepalen dat van het — verhandelde een notarieel proces-verbaal van vergadering wordt opgemaakt. Het — proces-verbaal wordt mede door de voorzitter ondertekend. ——————————

28.4 Het bestuur houdt aantekening van de besluiten van de algemene vergadering, welke— ten kantore van de vennootschap ter inzage liggen voor de aandeelhouders en andere— vergadergerechtigden. Aan ieder van de aandeelhouders en vergadergerechtigden—— wordt desgevraagd een afschrift of uittreksel van deze aantekeningen verstrekt tegen— ten hoogste de kostprijs. ——————————

28.5 Indien het bestuur ter vergadering niet is vertegenwoordigd, draagt de voorzitter— van de vergadering ervoor zorg dat aan het bestuur zo spoedig mogelijk na de—— vergadering een afschrift van de genomen besluiten wordt verstrekt. ——————

Vergaderrecht. Toegang ——————————

Artikel 29 ——————————

29.1 Het vergaderrecht komt toe aan aandeelhouders, aan houders van certificaten—— waaraan vergaderrecht is verbonden en aan vruchtgebruikers en pandhouders die —

stemrecht hebben. Vruchtgebruikers en pandhouders die geen stemrecht hebben, hebben geen vergaderrecht tenzij bij de vestiging of overdracht van het vruchtgebruik of pandrecht anders is bepaald.

29.2 Iedere vergadergerechtigde of zijn vertegenwoordiger, die ter vergadering aanwezig is, moet de presentielijst tekenen.

29.3 Iedere vergadergerechtigde of zijn vertegenwoordiger, die door middel van een elektronisch communicatiemiddel aan de algemene vergadering deelneemt, wordt door de voorzitter van de vergadering geïdentificeerd op de wijze als bepaald in de voorwaarden als bedoeld in lid 6 van dit artikel. De naam van de vergadergerechtigde en de naam van zijn eventuele vertegenwoordiger, die door middel van een elektronisch communicatiemiddel aan de algemene vergadering deelneemt, wordt aan de presentielijst toegevoegd.

29.4 De bestuurders hebben als zodanig in de algemene vergadering een raadgevende stem.

29.5 Omtrent toelating van andere dan de hiervoor in dit artikel genoemde personen beslist de algemene vergadering.

29.6 Het bestuur kan bepalen dat een vergadergerechtigde of zijn vertegenwoordiger tevens bevoegd is om door middel van een elektronisch communicatiemiddel aan de algemene vergadering deel te nemen, daarin het woord te voeren en, voor zover mogelijk, het stemrecht uit te oefenen. Het bestuur stelt de voorwaarden voor elektronische deelname aan de vergadering als bedoeld in de vorige volzin vast en maakt deze bij de oproeping bekend. Deze voorwaarden bevatten in ieder geval de wijze waarop de vergadergerechtigde of zijn vertegenwoordiger (i) via het elektronische communicatiemiddel kan worden geïdentificeerd, (ii) rechtstreeks kan kennisnemen van de verhandelingen ter vergadering en (iii) voor zover mogelijk, het stemrecht kan uitoefenen.

Besluitvorming algemene vergadering

Artikel 30

30.1 Voor zover de wet of deze statuten geen grotere meerderheid voorschrijven, worden alle besluiten genomen met volstrekte meerderheid van de uitgebrachte stemmen.

30.2 Elk aandeel geeft recht op één (1) stem. Voor een aandeel dat toebehoort aan de vennootschap of aan een dochtermaatschappij kan in de algemene vergadering geen stem worden uitgebracht; evenmin voor een aandeel waarvan een hunner de certificaten houdt.

30.3 Staken de stemmen bij verkiezing van personen, dan beslist het lot. Staken de stemmen bij een andere stemming dan is het voorstel verworpen.

30.4 Blanco stemmen en nietige stemmen gelden als niet uitgebracht.

30.5 De voorwaarden als bedoeld in artikel 29 lid 6 van deze statuten vermelden op welke wijze een aandeelhouder of zijn vertegenwoordiger via een elektronisch communicatiemiddel aan de stemming kan deelnemen.

Besluitvorming buiten vergadering

Artikel 31

31.1 Besluitvorming van aandeelhouders kan op andere wijze dan in vergadering geschieden, mits alle vergadergerechtigden met deze wijze van besluitvorming hebben ingestemd. De bestuurders worden voorafgaand aan de besluitvorming in de gelegenheid gesteld om advies uit te brengen.

31.2 Ingeval van besluitvorming buiten vergadering, worden de stemmen schriftelijk uitgebracht. Aan het vereiste van schriftelijkheid van de stemmen wordt tevens voldaan indien het besluit, onder vermelding van de wijze waarop ieder van de aandeelhouders heeft gestemd, schriftelijk is vastgelegd.

Statutenwijziging

Artikel 32

De algemene vergadering is bevoegd te besluiten tot wijziging van de statuten. Wanneer aan de algemene vergadering een voorstel tot statutenwijziging wordt gedaan, moet zulks steeds bij de oproeping van de algemene vergadering worden vermeld en moet tegelijkertijd een afschrift van het voorstel waarin de voorgedragen wijziging woordelijk is opgenomen, ten kantore van de vennootschap ter inzage worden gelegd voor aandeelhouders en andere vergadergerechtigden tot de afloop van de vergadering.

Ontbinding en vereffening

Artikel 33

33.1 De vennootschap wordt ontbonden door een besluit van de algemene vergadering. Wanneer aan de algemene vergadering een voorstel tot ontbinding wordt gedaan, moet dat bij de oproeping tot de vergadering worden vermeld.

33.2 Indien de vennootschap wordt ontbonden, worden de bestuurders vereffenaars van het vermogen van de ontbonden vennootschap tenzij de algemene vergadering andere personen daartoe aanwijst.

33.3 De vereffenaars hebben dezelfde bevoegdheden, plichten en aansprakelijkheden als bestuurders, voor zover deze verenigbaar zijn met hun taak als vereffenaar.

33.4 Hetgeen na voldoening van de schulden is overgebleven wordt uitgekeerd aan de aandeelhouders naar evenredigheid van het gezamenlijk nominaal bedrag van ieders aandelen.

33.5 Nadat de vennootschap heeft opgehouden te bestaan worden de boeken, bescheiden en andere gegevensdragers gedurende zeven (7) jaren bewaard door degene die daartoe door de algemene vergadering is aangewezen.

SLOTVERKLARINGEN

Ten slotte verklaarde de verschijnende persoon namens de Oprichter:

a. Het bij de oprichting geplaatste kapitaal bedraagt één euro (EUR 1) bestaande uit één (1) aandeel, genummerd 1.
In het geplaatste kapitaal neemt de Oprichter deel voor één (1) aandeel.
De plaatsing geschiedt a pari.
Het geplaatste kapitaal is niet volgestort. De Oprichter is tot volstorting verplicht nadat de vennootschap het zal hebben opgevraagd. Storting in een andere geldeenheid, dan die waarin het nominale bedrag van het aandeel luidt, is toegestaan.

b. Voor de eerste maal worden tot directeuren van de vennootschap benoemd:
- **Muhterem Kaan Terzioğlu**;
- **Asghar Jameel**; en
- **Maciej Bogdan Wojtaszek**.

c. Het eerste boekjaar van de vennootschap eindigt op éénendertig december tweeduizend vierentwintig.

d. Het adres van de vennootschap is Claude Debussylaan 88, 1082 MD Amsterdam.

De in deze akte gebruikte onderstreepte opschriften zijn slechts indicatief bedoeld.

Van de volmacht aan de verschijnende persoon blijkt uit één (1) onderhandse akte van volmacht welke aan deze akte is gehecht.

De verschijnende persoon is mij, notaris, bekend.

WAARVAN AKTE,

verleden te Amsterdam op de datum in het hoofd van deze akte vermeld. De inhoud is aan de verschijnende persoon opgegeven en toegelicht. De verschijnende persoon heeft verklaard op volledige voorlezing van de akte geen prijs te stellen, tijdig voor het verlijden van de inhoud van deze akte te hebben kennis genomen en met de inhoud in te stemmen. Deze akte is beperkt voorgelezen en onmiddellijk daarna ondertekend, eerst door de verschijnende persoon en vervolgens door mij, notaris.

(Volgt ondertekening)

UITGEGEVEN VOOR AFSCHRIFT

mr K.F. Tan
NOTARIS TE AMSTERDAM

Baker McKenzie.

THE UNDERSIGNED:
Kim Francis Tan, / Kim Francis Tan, civil-law notary in Amsterdam, the Netherlands,

HEREBY DECLARES THAT:
the attached document is a fair English translation of the deed of incorporation of **VEON MidCo B.V.**, executed before K.F. Tan, aforementioned, on 23 December 2024.

In this translation, an attempt has been made to be as literal as possible, without jeopardizing the overall continuity. Inevitably, there may be differences between the original Dutch text and this English translation. If this is the case, the Dutch text will govern by law.

Amsterdam, the Netherlands, 23 December 2024.

mr K.F. Tan
NOTARIS TE AMSTERDAM

Baker McKenzie.

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INCORPORATION

VEON MIDCO B.V.

On this day, the twenty-third day of December two thousand and twenty-four, appeared before me, Kim Francis Tan, civil-law notary in Amsterdam, the Netherlands (the "**notary**"):

Laurentia Elisabeth Rietvelt, born in 's-Hertogenbosch, the Netherlands, on the third day of July nineteen hundred seventy-nine, for the purpose hereof electing as her domicile the office of the notary (Claude Debussylaan 54, 1082 MD Amsterdam, the Netherlands), here acting upon a written power of attorney granted by:

VEON Amsterdam B.V., a private company with limited liability organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands and registered with the Trade Register of the Chamber of Commerce under number 34378904 (the "**Incorporator**").

The appearing person declared to incorporate a private company with limited liability for

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and on behalf of the Incorporator, which shall be governed by the following:

ARTICLES OF ASSOCIATION

Definition of terms

Article 1

In these articles of association, the following terms have the following meanings:

a. general meeting: the corporate body of the company formed by the shareholders or, as the case may be, the meeting of the holders of a meeting right;

b. depositary receipts: depositary receipts for shares in the company's capital;

c. subsidiary: a legal entity or company as referred to in article 2:24a Dutch Civil Code;

d. annual accounts: the balance sheet and the profit and loss account, plus the explanatory notes thereto;

e. written/in writing: in the form of any message transmitted and received in writing via any normal means of communication, including fax or e-mail;

f. holder of a meeting right: party who, pursuant to the law or these articles of association, holds a meeting right;

g. meeting right: the right to attend and address the general meeting, either in person or by written proxy.

Name and corporate seat

Article 2

2.1 The company's name is **VEON MidCo B.V.**

2.2 The company has its corporate seat in Amsterdam, the Netherlands.

Objects

Article 3

The objects of the company are:

a. to incorporate, conduct the management of, participate in and take any other financial interest in other companies and/or enterprises;

b. to render administrative, technical, financial, economic or managerial services to other companies, persons and/or enterprises;

c. to acquire, dispose of, manage and operate real property, personal property and other goods, including patents, trademark rights, licences, permits and other

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industrial property rights;

d. to borrow and/or lend monies, provide security or guarantee or otherwise warrant performance jointly and severally on behalf of others,

the foregoing whether or not in collaboration with third parties and inclusive of the performance and promotion of all activities which directly and indirectly relate to those objects, all this in the broadest sense of the words.

Shares and depositary receipts

Article 4

4.1 The company has an issued share capital divided into one (1) or more shares.

4.2 At least one (1) share must be held by a party other than the company or one (1) of its subsidiaries and for a purpose other than to benefit the company or one (1) of its subsidiaries.

4.3 The shares have a nominal value of one euro (EUR 1.00) each.

4.4 All shares are registered and are numbered consecutively from 1 onwards. No share certificates shall be issued. Attached to each share is a voting right, a meeting right and a right to share in the company's profits and reserves, in accordance with the provisions of these articles of association.

4.5 No meeting right is attached to depositary receipts. In deviation of the provision in the preceding sentence, the general meeting is authorized to attach or to cancel the meeting right in relation to one (1) or more depositary receipts.

Shareholders' register

Article 5

5.1 The company's board of managing directors shall keep a register in which the names and addresses of all the shareholders are recorded, specifying the date on which they acquired their shares, the date of acknowledgment by or service upon the company, the type or class of the shares and the amount paid up on each share. Should a shareholder be exempt from an obligation, requirement or suspension of rights as defined in article 2:192 paragraph 1 Dutch Civil Code under the articles of association, that exemption shall be noted. The register shall also contain the names and addresses of all holders of a usufruct or right of pledge on shares, specifying the date on which they acquired such usufruct or right of pledge, the

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date of acknowledgment by or service upon the company and the rights attached to the shares which are vested in them in accordance with articles 11 and 29 of these articles of association. The names and addresses of the holders of depositary receipts to which a meeting right is attached shall be recorded in the register, specifying the date on which the meeting right was attached to their depositary receipts and the date of acknowledgement by or service upon the company.

5.2 Shareholders and others whose details must be included in the shareholders' register pursuant to paragraph 1 of this article shall provide the board of managing directors with the required details in a timely fashion. If an electronic address is also provided for inclusion in the shareholders' register, such provision shall be deemed the permission of the relevant shareholder or other holder of a meeting right to be sent all notifications and announcements, as well as convocations to general meetings, by electronic means.

5.3 The register shall be updated regularly and the grant of each release from liability for payments not yet made shall be recorded therein. All entries or notes in the register shall be signed by a managing director.

5.4 Further to a request to that effect, the board of managing directors shall provide each shareholder, usufructuary, pledgee or holder of a depositary receipt to which a meeting right is attached with an extract from the register relating to its entitlement to its share or depositary receipt, free of charge. If a usufruct or right of pledge has been created on a share, the extract will specify to whom the rights referred to in articles 11 and 29 of these articles of association accrue.

5.5 The board of managing directors shall make the register available at the company's offices for inspection by the shareholders as well as by the usufructuaries or pledgees to whom the rights referred to in articles 11 and 29 of these articles of association accrue as well as to holders of depositary receipts to which is attached a meeting right. The particulars in the register in respect of shares which have not been paid up in full shall be available for public inspection and a copy or an extract of such particulars shall be provided at no more than cost.

Issue of shares

Article 6

6.1 The company may only issue shares pursuant to a resolution of the general meeting. The general meeting may delegate its powers in this respect to another corporate body of the company and may revoke such delegation.

6.2 Paragraph 1 of this article shall apply *mutatis mutandis* to the granting of rights to subscribe for shares but will not apply to the issuing of shares to persons exercising a previously obtained right to subscribe for shares.

Conditions for issuing of shares. Pre-emptive rights

Article 7

7.1 Any resolution to issue shares shall also specify the issue price and any further conditions in connection with the issue. The issuing of shares shall require a notarial deed to be executed for that purpose before a civil-law notary practicing in the Netherlands, to which those involved are party.

7.2 With due observance of the restrictions stipulated by law, each shareholder shall have a pre-emptive right on any further share issue, in proportion to the aggregate amount of his shares.

7.3 Shareholders shall have a similar pre-emptive right with respect to the granting of rights to subscribe for shares.

7.4 The pre-emptive rights may be limited or suspended for each single issue by the corporate body of the company authorized to issue shares.

Payment on shares

Article 8

8.1 On subscription for a share, payment must be made of its nominal value. The company may require that the nominal value or a part thereof must first be paid after a certain period of time or after the company has requested such payment.

8.2 Payment on a share must be made in cash unless another form of contribution has been agreed. The company's permission is required to pay on shares in a currency other than that in which the nominal value of the shares is denominated.

Acquisition of shares by the company in its own capital

Article 9

9.1 The company may only acquire shares in its own capital pursuant to a resolution of the board of managing directors.

9.2 Any acquisition by the company of shares in its own capital that are not fully paid up shall be null and void.

9.3 Unless it acquires such shares free of charge, the company may not acquire fully paid-up shares in its own capital if the amount of its equity, less the acquisition price, is less than the reserves that the company must maintain by law or pursuant to these articles of association or if the board of managing directors knows or could reasonably be expected to foresee that the acquisition would make the company unable to continue paying any of its due and payable debts.

9.4 If, after making such an acquisition that was not made free of charge, the company is unable to continue paying its due and payable debts, the managing directors shall, subject to the provisions of law, be jointly and severally liable to the company for the shortfall created by the acquisition. A party disposing of shares who knows or could reasonably be expected to foresee that the acquisition would make the company unable to continue paying any of its due and payable debts shall be liable to the company for payment of the shortfall created by the acquisition of that party's shares, with said liability not to exceed the acquisition price of the shares it disposed to the company and with due observance of the provisions of law.

9.5 The provisions in the preceding paragraphs shall not apply to shares acquired by the company by operation of law.

9.6 Any acquisition of shares at the expense of the reserves referred to in paragraph 3 of this article shall be null and void. The managing directors shall be jointly and severally liable to a good faith seller of shares who incurs a loss as a result of a sale being declared null and void.

9.7 The term 'shares' as used in this article shall be taken to include depositary receipts.

Capital reduction

Article 10

With due observance of article 4 paragraph 2 of these articles of association and the provisions of law, the general meeting may resolve to reduce the issued capital of the company, either by a cancellation of shares or by a reduction of the nominal value of the shares by means of an amendment of the articles of association. A resolution to reduce the issued capital with a repayment in respect of the shares shall have no effect as long as it has not been approved by the board of managing directors. The provisions of article 2:216 paragraphs 2 up to and including 4 Dutch Civil Code shall apply accordingly to the resolution referred to in the previous sentence.

Transfer of shares and depositary receipts. Restricted rights

Article 11

11.1 The transfer of shares and the transfer – including the creation and disposal – of any restricted rights attached to shares shall require a notarial deed to be executed for that purpose before a civil-law notary practicing in the Netherlands, to which those involved are party.

11.2 The transfer in accordance with paragraph 1 of this article will also be valid vis-à-vis the company by operation of law. Unless the company is a party to the legal act, the rights attached to shares cannot be exercised until the company either acknowledges the legal act or the notarial deed has been served upon the company in accordance with the relevant statutory provisions.

11.3 The provisions of paragraph 2 of this article shall apply *mutatis mutandis* to the transfer of depositary receipts to which a meeting right is attached.

11.4 A shareholder may create a usufruct or right of pledge on one or more of his shares.

11.5 The voting right attached to the shares encumbered with a usufruct or right of pledge shall be vested in the shareholder. The voting right may be vested in the usufructuary or pledgee if this is stipulated on the establishment of the usufruct or right of pledge or if this is agreed afterwards in writing between the shareholder and the usufructuary or pledgee, provided that both this provision and – in the case of a transfer of the usufruct or if another party succeeds to the rights of the pledgee – the transfer of the voting right is approved by the general meeting.

11.6 The provisions of paragraph 2 of this article shall apply *mutatis mutandis* to a written agreement as referred to in paragraph 5 of this article, above.

Transferability of shares

Article 12

Shares can be transferred freely and without any restrictions as referred to in article 2:195

Dutch Civil Code.

Board of managing directors

Article 13

13.1 The board of managing directors consists of one (1) or more managing directors, with the actual number being determined by the general meeting. Each managing director of the company has the title of director (*directeur*).

13.2 The managing directors are appointed by the general meeting.

13.3 For the purposes of article 9 paragraph 4, article 10 and article 23 paragraph 3 of these articles of association, a person who has determined or co-determined the company's policies as if he or she were a managing director shall be considered equivalent to a managing director, including the same responsibilities and liabilities.

Suspension and dismissal

Article 14

14.1 The general meeting is authorized to suspend or dismiss a managing director from office at any time.

14.2 Any such suspension may be extended once or more often, but will be limited to a total of three (3) months. Such suspension shall expire on lapse of this period unless a resolution has been adopted either to lift the suspension or to dismiss the managing director prior to the end of this period.

Remuneration

Article 15

The general meeting determines the remuneration and other terms and conditions of employment of each managing director.

Managerial duties

Article 16

16.1 Subject to the restrictions set forth in these articles of association and with due observance of the law, the board of managing directors is charged with the management of the company.

16.2 The board of managing directors may adopt rules and regulations governing its decision-making process.

16.3 The board of managing directors may make a division of duties, specifying the individual duties of each managing director. Such division of duties shall require the approval of the general meeting.

16.4 The board of managing directors must conduct itself in accordance with the instructions of the general meeting.
The board of managing directors is obliged to follow these instructions unless the instructions are contrary to the best interests of the company and the enterprise affiliated with the company.

Meetings of the board of managing directors

Article 17

17.1 The board of managing directors shall meet as often as a managing director requests a meeting.

17.2 Each managing director is authorized to convene a meeting of the board of managing directors in writing, specifying the topics to be discussed. Such convocation shall take place no later than five (5) days prior to the day of the meeting.

17.3 A summary reflection of the matters addressed at the meeting must be recorded in the minutes.

17.4 A managing director may be represented at the meeting by a fellow managing director authorized by written power of attorney.

17.5 No legally valid resolutions may be passed with regard to items that are not included in the agenda, the written convening notice or which have not been announced as prescribed or within the prescribed convocation term, unless the managing directors unanimously agree that resolutions on these items shall be passed.

Resolutions of the board of managing directors. Conflict of interest

Article 18

18.1 The board of managing directors adopts resolutions by an absolute majority of the votes cast. Each managing director has a right to cast one (1) vote. In the event the votes are equally divided, the proposal is rejected.

18.2 A managing director with a direct or indirect personal interest that conflicts with the company's interest may not take part in the deliberations or decision-making. If no resolution can be adopted by the board of managing directors as result thereof, such resolution must be adopted by the general meeting or by a corporate body as appointed by the general meeting for that purpose, which corporate body - notwithstanding the provisions of this paragraph - may also be the board of managing directors.

18.3 The board of managing directors may adopt resolutions outside meetings provided that all its members have agreed with this method of decision-making and have expressed themselves regarding the proposal concerned in writing.

Representative authority

Article 19

19.1 The board of managing directors represents the company. The authority to represent the company is also vested in two (2) managing directors acting jointly in the case that the board of managing directors consists of more than one (1) managing director.

19.2 The board of managing directors may appoint officers with a limited or unlimited power of attorney. Each officer will represent the company within the scope of his authority. The officers' titles are determined by the board of managing directors.

Approval of board resolutions

Article 20

20.1 The general meeting is authorized to make subject to its approval resolutions by the board of managing directors. Any such resolution must be clearly described and reported to the board of managing directors in writing.

20.2 The absence of approval as defined in this article will not impair the representative authority of the board of managing directors or of the managing directors.

Absence. Inability to act

Article 21

If one or more managing director(s) is/are absent or unable to perform his/their duties, the remaining managing director or managing directors shall be temporarily charged with the management of the company. In the event of the absence or inability to act of all the managing directors or the sole managing director, a person appointed for that purpose by the general meeting shall be temporarily charged with the management of the company.

Financial year. Annual accounts

Article 22

22.1 The financial year corresponds with the calendar year.

22.2 The board of managing directors is required to draw up the annual accounts within five (5) months of the end of the company's financial year, unless this period has been extended by a maximum of five (5) months by the general meeting on account of special circumstances.

22.3 The annual accounts must be signed by the managing directors; if one or more of their signatures is missing, this shall be stated giving the reason therefore.

22.4 The general meeting adopts the annual accounts.

22.5 A resolution to adopt the annual accounts shall not automatically discharge a managing director. The general meeting may resolve to grant one or more managing directors full or partial discharge.

22.6 If all of the shareholders are also managing directors of the company, the signing of the annual accounts by all of the managing directors shall not be considered an adoption as referred to in paragraph 4 of this article.

22.7 If so required by law, the company shall instruct a qualified auditor to examine its accounts and records. The general meeting is authorized to appoint the auditor. If the general meeting fails to appoint the auditor, the board of managing directors is authorized to do so. The appointment of the auditor may be withdrawn for good reasons with due observance of article 2:393 paragraph 2 Dutch Civil Code.

22.8 The statutory provisions apply to the directors' report, the additional data to be added, the auditor's report and the publication of the directors' report.

Profits

Article 23

23.1 The general meeting is authorized to allocate the profit determined by adopting the annual accounts and to resolve on any distributions, to the extent that the company's equity exceeds the reserves that the company must maintain pursuant to the law or these articles of association.

23.2 A resolution intending a distribution shall not be effected until the board of managing directors approves such resolution. The board of managing directors shall withhold such approval only if it knows, or could reasonably be expected to foresee, that the distribution would make the company unable to continue paying any of its due and payable debts.

23.3 If, after making such a distribution, the company is unable to continue paying its due and payable debts, the managing directors shall, subject to the provisions of prevailing law, be jointly and severally liable to the company for the shortfall created by the distribution. A party receiving such distribution who knows or could reasonably be expected to foresee that the distribution would make the company unable to continue paying any of its due and payable debts shall be liable to the company for payment of the shortfall created by the distribution, with said liability not to exceed the amount of the distribution received by that party and with due observance of the provisions of prevailing law.

23.4 In calculating the profit distribution, the shares held by the company in its own capital will not be taken into account.

23.5 In calculating the amount to be distributed on each share, only the amount of the obligatory payments on the nominal amount of the shares will be taken into account.

23.6 A claim of a shareholder to receive a distribution expires after five (5) years.

General meetings

Article 24

24.1 At least once during each financial year, either a general meeting shall be held, or resolutions shall be passed in accordance with article 31 paragraph 1 of these articles of association, or the annual accounts shall be adopted with due observance of the provisions of article 22 paragraph 6 of these articles of association.

24.2 The agenda for such general meeting as mentioned in paragraph 1 of this article shall, among other things, include the following items:

a. the directors' report;
b. adoption of the annual accounts;
c. discharging the managing directors for the management they performed in the past financial year;
d. allocation of result;

e. the filling of any vacancies;

f. other proposals by the board of managing directors or shareholders or others entitled to cast votes and/or other holders of a meeting right, provided that these proposals have been raised and announced with due observance of the provisions of article 26 of these articles of association.

Other meetings

Article 25

25.1 Without prejudice to the provisions of article 24 paragraph 1 of these articles of association, other general meetings shall be held as often as the board of managing directors or a single managing director considers necessary.

25.2 One or more shareholders who, alone or together, represent at least one one-hundredth (1/100) of the issued capital may submit a written request to the board of managing directors to convene a general meeting, provided that such request contains a detailed description of the items to be addressed at said meeting. The board of managing directors will take the steps necessary to ensure that the general meeting is held within four (4) weeks of its receipt of such request, except in the event of a countervailing substantial company interest.

25.3 For the purposes of the application of this article, shareholders shall be equated with other holders of a meeting right.

Convocation of meetings. Agenda

Article 26

26.1 General meetings are convened by the board of managing directors or a single managing director, without prejudice to the provisions laid down in article 25 paragraph 2 of these articles of association.

26.2 Convocation shall take place in writing to the addresses recorded in the register of shareholders with due observance of article 5 paragraph 2 of these articles of association and no less than on the eighth (8th) day prior to the day of the meeting.

26.3 The convening notice shall specify the matters to be addressed at the general meeting. Any matters not specified in the convening notice may be announced later, with due observance of the requirements of paragraph 5 of this article.

26.4 Shareholders and other holders of a meeting right who jointly represent at least one

one-hundredth (1/100) part of the issued capital shall be entitled to request the board of managing directors to place one (1) or more matters on the agenda for the next general meeting. The board of managing directors shall place such matter(s) on the agenda except in the event of a countervailing substantial company interest. If the convening notice referred to in paragraph 2 of this article for the next meeting has already been sent out and there are fewer than thirty (30) days between the request for matters to be placed on the agenda and the day of the next meeting, the said matters shall be placed on the agenda for the meeting following that next meeting.

26.5 No legally valid resolutions may be passed with regard to items that are not included in the agenda, the written convening notice or which have not been announced as prescribed or within the prescribed convocation term, unless all holders of a meeting right have agreed with the decision-making on these items and the managing directors have been given the opportunity to advise on the items to be resolved upon prior to the adoption thereof.

Venue for general meetings

Article 27

General meetings shall be held in the municipality in which the company has its corporate seat, its head office, or in the municipality of Haarlemmermeer (Schiphol Airport). A general meeting may be held elsewhere, provided that all holders of a meeting right have agreed with the meeting venue and the managing directors have been given the opportunity to advise on the items to be resolved upon prior to the adoption thereof.

Chair. Minutes

Article 28

28.1 The general meeting shall appoint its own chairperson. The chairperson appoints a secretary.

28.2 The secretary shall take minutes of the proceedings at each general meeting. The said minutes shall be confirmed and signed in evidence thereof by the chairperson and the secretary.

28.3 The chairperson or the party who convened the meeting may resolve to have a notarial report made of the proceedings at the meeting. Such notarial report shall be co-signed by the chairperson.

28.4 The board of managing directors is required to keep records of the resolutions adopted by the general meeting and deposit them at the company's office for inspection by the shareholders and other holders of a meeting right. Upon request, each shareholder and holder of a meeting right will be provided with a copy of or excerpt from the records at no more than cost.

28.5 If the board of managing directors is not represented at a meeting, the chairperson of the meeting is responsible for ensuring that the board of managing directors is given a copy of the resolutions adopted as soon as possible after the meeting.

Meeting right. Right to attend

Article 29

29.1 A meeting right is allocated to shareholders, holders of depositary receipts for shares to which a meeting right is attached and to usufructuaries and pledgees who hold voting rights. Usufructuaries and pledgees who do not hold voting rights shall not have a meeting right unless provisions to the contrary were agreed upon the creation or transfer of the usufruct or right of pledge.

29.2 Each holder of a meeting right or its representative who attends a meeting must sign the attendance list.

29.3 Each holder of a meeting right or its representative participating in the general meeting by way of electronic means of communication shall be identified by the chairperson in the manner as stated in the terms and conditions mentioned in paragraph 6 of this article. The name of the holder of a meeting right and the name of any representative participating in the general meeting by way of electronic means of communication shall be added to the attendance list.

29.4 The managing directors have, in that capacity, an advisory vote at general meetings.

29.5 The general meeting may resolve to allow persons, other than those referred to in this article, to attend general meetings of shareholders.

29.6 The board of managing directors may determine that a holder of a meeting right or its representative may attend and address general meetings, and, insofar as possible, exercise its voting right by electronic means of communication. The board of managing directors sets the terms and conditions for electronic participation to the meeting as mentioned in the previous sentence and announces those in the convening notice. These conditions in any case encompass the method by which the holder of a meeting right or its representative can (i) be identified through the electronic means of communication, (ii) take direct cognisance of the proceedings at the meeting and (iii) insofar as possible, exercise its voting right.

Resolutions of the general meeting

Article 30

30.1 Resolutions are passed by an absolute majority of the votes cast, unless the law or these articles of association require a greater majority.

30.2 Each share confers the right to cast one (1) vote. No votes may be cast during the general meeting for a share held by the company or any of its subsidiaries; nor for shares of which either of them holds the depositary receipts.

30.3 If there is a tie in voting at the election of persons, a drawing of lots shall determine the issue. If there is a tie in voting on other matters, the proposal shall be considered rejected.

30.4 Blank votes and invalid votes will be deemed not to have been cast.

30.5 The conditions as referred to in article 29 paragraph 6 of these articles of association mention the manner in which a shareholder or its representative may participate in the voting by way of electronic means.

Resolutions adopted outside a meeting

Article 31

31.1 Shareholder resolutions may be adopted outside meetings, provided that all holders of a meeting right have agreed with this method of decision-making. The managing directors must be given the opportunity to advise on the items to be resolved upon prior to the adoption thereof.

31.2 If resolutions are passed outside meetings, the votes shall be cast in writing. The requirement that votes be cast in writing may also be satisfied if the resolution is adopted in writing and includes a statement of the method by which each of the shareholders cast its vote.

Amendment to the articles of association

Article 32

The general meeting is authorized to adopt a resolution to amend the articles of association. If a proposal to amend the articles of association is submitted to the general meeting, this must always be stated in the notice convening the general meeting and simultaneously a copy of the proposal containing the proposed amendment verbatim must be deposited at the company's office for inspection by the shareholders and other holders of a meeting right until the end of the meeting.

Dissolution and liquidation

Article 33

33.1 The general meeting is authorized to adopt a resolution to dissolve the company. If a resolution is to be proposed to the general meeting for dissolving the company, such shall be stated in the convening notice.

33.2 In the event of the company being dissolved, the managing directors shall be the liquidators of the assets of the dissolved company, unless the general meeting appoints other persons to do so.

33.3 The liquidators have the same powers, duties and liabilities as managing directors, insofar as such is compatible with their task as liquidator.

33.4 Any surplus assets remaining after the company's debts have been settled shall be distributed to the shareholders in proportion to the aggregate nominal value of their individual shareholding.

33.5 After the company has ceased to exist, the company's accounts, records and other data carriers must be kept for seven (7) years by the person designated for that purpose by the general meeting.

FINAL PROVISIONS

Finally, the person appearing declared on behalf of the Incorporator:

a. The company's issued capital on incorporation is one euro (EUR 1.00), consisting of one (1) share, numbered 1.

   The Incorporator shall participate in the issued capital of the company by subscribing for one (1) share.

   The share has been issued at par.

   The issued share has not been fully paid up in cash. The Incorporator is obliged to

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fully pay up the share upon the company's request. The share may be paid up in a currency other than that in which the nominal value of the share is denominated.

b. The following persons are hereby appointed as the company's first managing directors:

- **Muhterem Kaan Terzioğlu**;
- **Asghar Jameel**; and
- **Maciej Bogdan Wojtaszek.**

c. The company's first financial year ends on the thirty-first day of December two thousand and twenty-four.

d. The address of the company is Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands.

The underlined headings in this deed have been included for ease of reference only.

The existence of the power of attorney to the appearing person appears from one (1) attached to this deed.

The appearing person is known to me, notary,

IN WITNESS WHEREOF,

the original of this deed was drawn up and executed in Amsterdam, the Netherlands on the date in the first paragraph of this deed. The substance of this deed was stated and clarified to the appearing person. The appearing person declared to have taken note of the content of this deed in time before its execution, agreed to its content and did not require a full reading of this deed. Subsequently, after limited reading in accordance with the law, this deed was signed by the appearing person and me, notary.

BIJLAGE III / SCHEDULE III

STATUTEN INTERMEDIAT HOLDCO / ARTICLES OF ASSOCIATION INTERMEDIATE HOLDCO

Baker McKenzie.

VEON Intermediate Holdings B.V.

Deed of incorporation

23 December 2024

CERTIFIED COPY of a notarial deed of incorporation of VEON Intermediate Holdings B.V., a private company with limited liability, having its corporate seat in Amsterdam, the Netherlands, executed on 23 December 2024 before K.F. Tan, civil-law notary in Amsterdam, the Netherlands.

Baker McKenzie.

Baker & McKenzie Amsterdam N.V.
Advocaten, Belastingadviseurs
en Notarissen

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1000 CS Amsterdam

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www.bakermckenzie.nl

20240213/01/ABV

OPRICHTING
VEON INTERMEDIATE HOLDINGS B.V.

Heden, drieëntwintig december tweeduizend vierentwintig, verscheen voor mij, mr. Kim Francis Tan, notaris te Amsterdam (de "**notaris**"):

mr. Laurentia Elisabeth Rietvelt, geboren te 's-Hertogenbosch op drie juli negentienhonderd negenenzeventig, te dezen woonplaats kiezend ten kantore van de notaris (Claude Debussylaan 54, 1082 MD Amsterdam),

te dezen handelend als schriftelijk gevolmachtigde van:

VEON Amsterdam B.V., een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Amsterdam, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 34378904 (de "**Oprichter**").

De verschijnende persoon verklaarde voor en namens de Oprichter een besloten vennootschap met beperkte aansprakelijkheid op te richten, welke geregeerd wordt door de navolgende:

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STATUTEN

Begripsbepalingen

Artikel 1

In de statuten wordt onder de volgende definities het volgende verstaan:

a. algemene vergadering: het orgaan dat wordt gevormd door de aandeelhouders danwel de bijeenkomst van de vergadergerechtigden;

b. certificaten: certificaten op naam van aandelen in het kapitaal van de vennootschap;

c. dochtermaatschappij: een rechtspersoon of vennootschap als bedoeld in artikel 2:24a Burgerlijk Wetboek;

d. jaarrekening: de balans en de winst- en verliesrekening alsmede de toelichting daarop;

e. schriftelijk: elk via gangbare communicatiemiddelen, hieronder mede begrepen doch niet beperkt tot telefax of e-mail, overgebracht en op schrift ontvangen bericht;

f. vergadergerechtigde: de persoon aan wie op grond van de wet of de statuten vergaderrecht toekomt;

g. vergaderrecht: het recht om in persoon, of bij schriftelijk gevolmachtigde, de algemene vergadering bij te wonen en daar het woord te voeren.

Naam en zetel

Artikel 2

2.1 De vennootschap draagt de naam **VEON Intermediate Holdings B.V.**

2.2 De vennootschap heeft haar zetel te Amsterdam.

Doel

Artikel 3

Het doel van de vennootschap is:

a. het oprichten van, het bestuur voeren over, het deelnemen in en het nemen van enig financieel belang in andere vennootschappen en/of ondernemingen;

b. het verlenen van diensten op administratief, technisch, financieel, economisch of bestuurlijk gebied aan andere vennootschappen, personen en/of ondernemingen;

c. het verkrijgen, vervreemden, beheren en exploiteren van roerende en onroerende zaken en andere goederen, daaronder begrepen patenten, merkrechten, licenties, vergunningen en andere industriële eigendomsrechten;

d. het ter leen opnemen en/of ter leen verstrekken van gelden, alsmede het zekerheid stellen, zich sterk maken of zich op andere wijze hoofdelijk naast of voor anderen verbinden,

het vorenstaande al of niet in samenwerking met derden en met inbegrip van het verrichten en bevorderen van alle handelingen die daarmede direct of indirect verband houden, alles in de ruimste zin.

Aandelen en certificaten

Artikel 4

4.1 De vennootschap heeft een geplaatst aandelenkapitaal verdeeld in één (1) of meer aandelen.

4.2 Ten minste één (1) aandeel wordt gehouden door een ander dan en anders dan voor rekening van de vennootschap of één (1) van haar dochtermaatschappijen.

4.3 De aandelen hebben een nominale waarde van één euro (EUR 1) elk.

4.4 Alle aandelen luiden op naam en zijn doorlopend genummerd van 1 af. Aandeelbewijzen worden niet uitgegeven. Aan elk aandeel is het stemrecht, het vergaderrecht en het recht tot deling in de winst en de reserves van de vennootschap, overeenkomstig het bepaalde in deze statuten, verbonden.

4.5 Aan certificaten is geen vergaderrecht verbonden. In afwijking van het bepaalde in de vorige zin, is de algemene vergadering bevoegd tot het verbinden respectievelijk ontnemen van het vergaderrecht aan één (1) of meer certificaten.

Register van aandeelhouders

Artikel 5

5.1 Het bestuur van de vennootschap houdt een register waarin de namen en adressen van alle aandeelhouders zijn opgenomen, met vermelding van de datum waarop zij de aandelen hebben verkregen, de datum van de erkenning of betekening, de soort of de aanduiding van de aandelen, alsmede van het op ieder aandeel gestorte bedrag. Indien een aandeelhouder niet gebonden is aan een statutaire verplichting of eis of opschorting van rechten als bedoeld in artikel 2:192 lid 1 Burgerlijk Wetboek, wordt dat vermeld. In het register worden tevens opgenomen de namen en adressen van hen die een vruchtgebruik of pandrecht op aandelen hebben, met vermelding van de datum waarop zij het recht hebben verkregen, de datum van erkenning of betekening alsmede een vermelding welke aan de aandelen verbonden rechten hun overeenkomstig de artikelen 11 en 29 van deze statuten toekomen. In— het register worden opgenomen de namen en adressen van de houders van——— certificaten van aandelen waaraan vergaderrecht is verbonden, met vermelding van- de datum waarop het vergaderrecht aan hun certificaat is verbonden en de datum— van erkenning of betekening.———————————————————

5.2 Aandeelhouders en anderen van wie gegevens ingevolge lid 1 van dit artikel in het - register van aandeelhouders moeten worden opgenomen, verschaffen aan het—— bestuur tijdig de benodigde gegevens. Indien tevens een elektronisch adres wordt— verstrekt ter opneming in het aandeelhoudersregister, zal deze verstrekking worden- beschouwd als de instemming van de desbetreffende aandeelhouder of andere—— vergadergerechtigde om alle kennisgevingen en mededelingen alsmede———— oproepingen voor een algemene vergadering langs elektronische weg toegezonden– te krijgen.—————————————————————

5.3 Het register wordt regelmatig bijgehouden en elk verleend ontslag van———— aansprakelijkheid voor nog niet gedane stortingen wordt daarin mede aangetekend.- Alle inschrijvingen en aantekeningen in het register dienen te worden ondertekend - door een bestuurder.———————————————————

5.4 Het bestuur verstrekt desgevraagd aan een aandeelhouder, een vruchtgebruiker, een pandhouder en een houder van een certificaat waaraan vergaderrecht is verbonden,- om niet een uittreksel uit het register met betrekking tot zijn recht op zijn aandeel— of certificaat. Rust op een aandeel een vruchtgebruik of een pandrecht, dan——— vermeldt het uittreksel aan wie de in de artikelen 11 en 29 van deze statuten——— bedoelde rechten toekomen.——————————————————

5.5 Het bestuur legt het register ten kantore van de vennootschap ter inzage van de—— aandeelhouders, de vruchtgebruikers en pandhouders aan wie de in de artikelen 11– en 29 van deze statuten bedoelde rechten toekomen en van houders van certificaten waaraan vergaderrecht is verbonden. De gegevens van het register omtrent niet—— volgestorte aandelen zijn ter inzage van een ieder; een afschrift of uittreksel van— deze gegevens wordt tegen ten hoogste kostprijs verstrekt.——————

<u>Uitgifte van aandelen</u>———————————————————

<u>Artikel 6</u>——————————————————————

6.1 De vennootschap kan slechts aandelen uitgeven ingevolge een besluit van de algemene vergadering. De algemene vergadering kan haar bevoegdheid hiertoe overdragen aan een ander orgaan en kan deze overdracht herroepen.

6.2 Lid 1 van dit artikel is van overeenkomstige toepassing op het verlenen van rechten tot het nemen van aandelen, maar is niet van toepassing op het uitgeven van aandelen aan iemand die een voordien reeds verkregen recht tot het nemen van aandelen uitoefent.

Voorwaarden van uitgifte. Voorkeursrecht

Artikel 7

7.1 Bij het besluit tot uitgifte van aandelen worden de uitgiftekoers en de verdere voorwaarden van uitgifte bepaald. Voor uitgifte van aandelen is vereist een daartoe bestemde, ten overstaan van een in Nederland gevestigde notaris verleden akte, waarbij de betrokkenen partij zijn.

7.2 Iedere aandeelhouder heeft bij uitgifte van aandelen een voorkeursrecht naar evenredigheid van het gezamenlijke bedrag van zijn aandelen, met inachtneming van de beperkingen volgens de wet.

7.3 Een gelijk voorkeursrecht hebben de aandeelhouders bij het verlenen van rechten tot het nemen van aandelen.

7.4 Het voorkeursrecht kan, telkens voor een enkele uitgifte, worden beperkt of uitgesloten door het tot uitgifte bevoegde orgaan.

Storting op aandelen

Artikel 8

8.1 Bij het nemen van een aandeel moet daarop het nominale bedrag worden gestort. Bedongen kan worden dat het nominale bedrag of een deel daarvan eerst behoeft te worden gestort na verloop van tijd of nadat de vennootschap het zal hebben opgevraagd.

8.2 Storting op een aandeel moet in geld geschieden voor zover niet een andere inbreng is overeengekomen. Storting in een andere geldeenheid dan die waarin het nominale bedrag van de aandelen luidt, kan slechts geschieden met toestemming van de vennootschap.

Verkrijging van eigen aandelen

Artikel 9

9.1 De vennootschap kan slechts aandelen in haar eigen kapitaal verkrijgen ingevolge een besluit van het bestuur.

9.2 Verkrijging door de vennootschap van niet volgestorte aandelen in haar kapitaal is nietig.

9.3 De vennootschap mag, behalve om niet, geen volgestorte eigen aandelen verkrijgen indien het eigen vermogen, verminderd met de verkrijgingsprijs, kleiner is dan de reserves die krachtens de wet of deze statuten moeten worden aangehouden, of indien het bestuur weet of redelijkerwijs behoort te voorzien dat de vennootschap na de verkrijging niet zal kunnen blijven voortgaan met het betalen van haar opeisbare schulden.

9.4 Indien de vennootschap na een verkrijging anders dan om niet, niet kan voortgaan met de betaling van haar opeisbare schulden, zijn de bestuurders met inachtneming van het bepaalde in de wet, jegens de vennootschap hoofdelijk verbonden voor het tekort dat door de verkrijging is ontstaan. De vervreemder van de aandelen die wist of redelijkerwijs behoorde te voorzien dat de vennootschap na de verkrijging niet zou kunnen voortgaan met het betalen van haar opeisbare schulden is jegens de vennootschap gehouden tot vergoeding van het tekort dat door de verkrijging van zijn aandelen is ontstaan, voor ten hoogste de verkrijgingsprijs van de door hem vervreemde aandelen, met inachtneming van het bepaalde in de wet.

9.5 De vorige leden gelden niet voor aandelen die de vennootschap onder algemene titel verkrijgt.

9.6 Verkrijging van aandelen ten laste van de in lid 3 van dit artikel bedoelde reserves is nietig. De bestuurders zijn hoofdelijk aansprakelijk jegens de vervreemder te goeder trouw die door de nietigheid schade lijdt.

9.7 Onder het begrip 'aandelen' in dit artikel zijn certificaten begrepen.

<u>Kapitaalvermindering</u>

<u>Artikel 10</u>

Met inachtneming van artikel 4 lid 2 van deze statuten en het bepaalde in de wet, kan de algemene vergadering besluiten tot vermindering van het geplaatste kapitaal door intrekking van aandelen of door de nominale waarde van aandelen bij statutenwijziging te verminderen. Een besluit tot kapitaalvermindering met terugbetaling op aandelen heeft geen gevolgen zolang het bestuur geen goedkeuring heeft verleend. De bepalingen van de

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leden 2 tot en met 4 van artikel 2:216 Burgerlijk Wetboek zijn van overeenkomstige toepassing op het in de vorige zin bedoelde besluit.

Levering van aandelen en certificaten. Beperkte rechten

Artikel 11

11.1 Voor de levering van een aandeel of de levering – daaronder begrepen de vestiging en het doen van afstand – van een beperkt recht op een aandeel, is vereist een daartoe bestemde, ten overstaan van een in Nederland gevestigde notaris verleden akte, waarbij de betrokkenen partij zijn.

11.2 De levering overeenkomstig lid 1 van dit artikel, werkt mede van rechtswege tegenover de vennootschap. Behoudens in het geval dat de vennootschap zelf bij de rechtshandeling partij is, kunnen de aan het aandeel verbonden rechten eerst worden uitgeoefend nadat de vennootschap de rechtshandeling heeft erkend of de notariële akte aan haar is betekend overeenkomstig het dienaangaande in de wet bepaalde.

11.3 Het bepaalde in lid 2 van dit artikel vindt overeenkomstig toepassing op de levering van certificaten waaraan vergaderrechten zijn verbonden.

11.4 Een aandeelhouder kan op een of meer van zijn aandelen een vruchtgebruik of een pandrecht vestigen.

11.5 De aandeelhouder heeft het stemrecht op de aandelen waarop het vruchtgebruik of pandrecht is gevestigd. Het stemrecht kan aan de vruchtgebruiker of de pandhouder worden toegekend, indien dit bij de vestiging van het vruchtgebruik of pandrecht is bepaald of nadien schriftelijk tussen de aandeelhouder en vruchtgebruiker of pandhouder is overeengekomen, mits zowel deze bepaling als - bij overdracht van het vruchtgebruik of indien een ander in de rechten van de pandhouder treedt - de overgang van het stemrecht is goedgekeurd door de algemene vergadering.

11.6 Het bepaalde in lid 2 van dit artikel vindt overeenkomstig toepassing op de in lid 5 van dit artikel bedoelde schriftelijke overeenkomst.

Overdraagbaarheid van aandelen

Artikel 12

Aandelen kunnen vrijelijk en zonder beperkingen als bedoeld in artikel 2:195 Burgerlijk Wetboek worden overgedragen.

Bestuur

Artikel 13

13.1 Het bestuur bestaat uit een door de algemene vergadering vast te stellen aantal van één (1) of meer bestuurders. Iedere bestuurder van de vennootschap heeft de titel van directeur.

13.2 De bestuurders worden benoemd door de algemene vergadering.

13.3 Met een bestuurder wordt voor de toepassing van de artikelen 9 lid 4, 10 en 23 lid 3 van deze statuten gelijkgesteld degene die het beleid van de vennootschap heeft bepaald of mede heeft bepaald, als ware hij bestuurder met dezelfde verantwoordelijkheden en aansprakelijkheden.

Schorsing en ontslag

Artikel 14

14.1 Iedere bestuurder kan te allen tijde door de algemene vergadering worden geschorst of ontslagen.

14.2 Elke schorsing kan één (1) of meer malen worden verlengd doch in totaal niet langer duren dan drie (3) maanden. De schorsing eindigt na verloop van die tijd, tenzij een besluit is genomen omtrent de opheffing van de schorsing of het ontslag van de bestuurder voor het eind van voornoemde periode.

Bezoldiging

Artikel 15

De bezoldiging en de verdere arbeidsvoorwaarden van iedere bestuurder worden vastgesteld door de algemene vergadering.

Bestuurstaak

Artikel 16

16.1 Het bestuur is, behoudens beperkingen volgens deze statuten en met inachtneming van het bepaalde in de wet, belast met het besturen van de vennootschap.

16.2 Het bestuur kan een reglement vaststellen waarin regels worden gegeven omtrent de wijze van besluitvorming.

16.3 Het bestuur kan bij een taakverdeling bepalen met welke taak iedere bestuurder in het bijzonder zal zijn belast. De taakverdeling behoeft de goedkeuring van de algemene vergadering.

16.4 Het bestuur moet zich gedragen naar de aanwijzingen van de algemene vergadering.

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Het bestuur is gehouden deze aanwijzingen op te volgen, tenzij deze in strijd zijn met het belang van de vennootschap en de met haar verbonden onderneming.

Bestuursvergaderingen

Artikel 17

17.1 Het bestuur vergadert zo dikwijls als een bestuurder een vergadering verzoekt.

17.2 Tot vergaderingen van het bestuur kan schriftelijk worden opgeroepen door iedere bestuurder, onder vermelding van de te bespreken onderwerpen. Een dergelijke oproeping vindt plaats niet later dan vijf (5) dagen voor de dag van de vergadering.

17.3 Het verhandelde ter vergadering wordt zakelijk weergegeven in notulen vastgelegd.

17.4 Een bestuurder kan zich ter vergadering door een medebestuurder bij schriftelijke volmacht doen vertegenwoordigen.

17.5 Omtrent onderwerpen die niet zijn opgenomen in de agenda, in de schriftelijke oproeping of welke niet op dezelfde manier zijn aangekondigd of binnen de gestelde oproepingstermijn, kan niet wettig worden besloten, tenzij alle bestuurders ermee hebben ingestemd dat de besluitvorming over die onderwerpen plaatsvindt.

Besluitvorming bestuur. Tegenstrijdig belang

Artikel 18

18.1 Besluiten van het bestuur worden genomen met volstrekte meerderheid van de uitgebrachte stemmen. Iedere bestuurder heeft het recht één (1) stem uit te brengen. Bij staking van stemmen is het voorstel verworpen.

18.2 Een bestuurder die een direct of indirect persoonlijk belang heeft dat tegenstrijdig is met het belang van de vennootschap neemt niet deel aan de beraadslaging en besluitvorming. Wanneer hierdoor geen bestuursbesluit kan worden genomen, wordt het besluit genomen door de algemene vergadering of een daartoe door de algemene vergadering aangewezen orgaan, welk orgaan - ongeacht het bepaalde in dit lid - tevens het bestuur kan zijn.

18.3 Het bestuur kan buiten vergadering besluiten nemen mits alle bestuurders met deze wijze van besluitvorming instemmen en zich schriftelijk omtrent het voorstel hebben uitgelaten.

Vertegenwoordiging

Artikel 19

19.1 Het bestuur vertegenwoordigt de vennootschap. De bevoegdheid de vennootschap te vertegenwoordigen komt, indien het bestuur bestaat uit meer dan één (1) bestuurder, mede toe aan twee (2) bestuurders gezamenlijk handelend.

19.2 Het bestuur kan functionarissen met algemene of beperkte vertegenwoordigingsbevoegdheid aanstellen. Elk van hen vertegenwoordigt de vennootschap met inachtneming van de begrenzing aan zijn bevoegdheid gesteld. Hun titulatuur wordt door het bestuur bepaald.

Goedkeuring bestuursbesluiten

Artikel 20

20.1 De algemene vergadering is bevoegd besluiten van het bestuur aan haar goedkeuring te onderwerpen. Dergelijke besluiten dienen duidelijk omschreven te worden en schriftelijk aan het bestuur te worden meegedeeld.

20.2 Het ontbreken van goedkeuring als bedoeld in dit artikel tast de vertegenwoordigingsbevoegdheid van het bestuur of de bestuurders niet aan.

Ontstentenis of belet

Artikel 21

In geval van ontstentenis of belet van één (1) of meer bestuurders zijn de andere bestuurders of is de andere bestuurder tijdelijk met het bestuur van de vennootschap belast. In geval van ontstentenis of belet van alle bestuurders of van de enige bestuurder is de persoon die daartoe door de algemene vergadering wordt benoemd tijdelijk met het bestuur van de vennootschap belast.

Boekjaar. Jaarrekening

Artikel 22

22.1 Het boekjaar valt samen met het kalenderjaar.

22.2 Jaarlijks binnen vijf (5) maanden na afloop van het boekjaar, behoudens verlenging van deze termijn met ten hoogste vijf (5) maanden door de algemene vergadering op grond van bijzondere omstandigheden, wordt door het bestuur een jaarrekening opgemaakt.

22.3 De jaarrekening wordt ondertekend door de bestuurders. Ontbreekt de ondertekening van één (1) of meer bestuurders, dan wordt daarvan onder opgave van reden melding gemaakt.

22.4 De algemene vergadering stelt de jaarrekening vast.

22.5 Een besluit tot vaststelling van de jaarrekening strekt niet tevens tot kwijting aan een bestuurder. De algemene vergadering kan besluiten tot het verlenen van gehele of gedeeltelijke kwijting aan één (1) of meer bestuurders.

22.6 Indien alle aandeelhouders tevens bestuurder van de vennootschap zijn, geldt ondertekening van de jaarrekening door alle bestuurders niet als vaststelling in de zin van lid 4 van dit artikel.

22.7 De vennootschap zal, indien daartoe wettelijk verplicht, een daartoe gekwalificeerde accountant opdracht verlenen tot het onderzoek van de boeken. De algemene vergadering is bevoegd de accountant aan te wijzen. In het geval de algemene vergadering niet tot aanwijzing overgaat, is het bestuur hiertoe bevoegd. De aanwijzing van de accountant kan met inachtneming van het in artikel 2:393 lid 2 Burgerlijk Wetboek bepaalde worden ingetrokken om gegronde redenen.

22.8 De wettelijke bepalingen zijn van toepassing op het bestuursverslag, de additionele gegevens die moeten worden opgenomen, de accountantsverklaring en de openbaarmaking van het bestuursverslag.

Winst

Artikel 23

23.1 De algemene vergadering is bevoegd tot bestemming van de winst die door de vaststelling van de jaarrekening is bepaald en tot vaststelling van uitkeringen, voorzover het eigen vermogen groter is dan de reserves die de vennootschap krachtens de wet of de statuten moet aanhouden.

23.2 Een besluit dat strekt tot uitkering heeft geen gevolgen zolang het bestuur geen goedkeuring heeft verleend. Het bestuur weigert slechts zijn goedkeuring indien het weet of redelijkerwijs behoort te voorzien dat de vennootschap na de uitkering niet zal kunnen voortgaan met het betalen van haar opeisbare schulden.

23.3 Indien de vennootschap na een uitkering niet kan voortgaan met de betaling van haar opeisbare schulden, zijn de bestuurders, met inachtneming van het bepaalde in de wet, hoofdelijk verbonden voor het tekort dat door de uitkering is ontstaan. Degene die de uitkering ontving terwijl hij wist of redelijkerwijs behoorde te voorzien dat de vennootschap na de uitkering niet zou kunnen voortgaan met het betalen van haar opeisbare schulden is jegens de vennootschap gehouden tot vergoeding van het tekort dat door de uitkering is ontstaan, ieder voor ten hoogste het bedrag of de waarde van de door hem ontvangen uitkering met inachtneming van het bepaalde in de wet.

23.4 Bij de berekening van iedere uitkering tellen de aandelen die de vennootschap in haar kapitaal houdt, niet mee.

23.5 Bij de berekening van het bedrag, dat op ieder aandeel zal worden uitgekeerd, komt slechts het bedrag van de verplichte stortingen op het nominale bedrag van de aandelen in aanmerking.

23.6 De vordering van een aandeelhouder om een uitkering te ontvangen, verloopt na vijf (5) jaren.

Algemene vergaderingen

Artikel 24

24.1 Tijdens ieder boekjaar wordt ten minste eenmaal een algemene vergadering gehouden ofwel overeenkomstig artikel 31 lid 1 van deze statuten besloten of wordt de jaarrekening vastgesteld met inachtneming van het bepaalde in artikel 22 lid 6 van deze statuten.

24.2 De agenda van de in lid 1 van dit artikel genoemde algemene vergadering vermeldt onder meer de volgende punten:

a. het bestuursverslag;
b. vaststelling van de jaarrekening;
c. het verlenen van kwijting aan de bestuurders voor het door hen in het afgelopen boekjaar gevoerde bestuur;
d. bestemming van het resultaat;
e. voorziening in eventuele vacatures;
f. andere voorstellen door het bestuur, dan wel aandeelhouders en andere stemgerechtigden en/of vergadergerechtigden, mits deze aan de orde zijn gesteld en zijn aangekondigd met inachtneming van het bepaalde in artikel 26 van deze statuten.

Andere vergaderingen

Artikel 25

25.1 Onverminderd het bepaalde in artikel 24 lid 1 van deze statuten worden andere algemene vergaderingen gehouden zo dikwijls als het bestuur of een bestuurder zulks nodig acht.

25.2 Een of meer aandeelhouders, die alleen of gezamenlijk ten minste één honderdste

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(1/100) gedeelte van het geplaatste kapitaal vertegenwoordigen, kunnen aan het—bestuur schriftelijk en onder nauwkeurige opgave van de te behandelen—onderwerpen het verzoek richten een algemene vergadering bijeen te roepen. Het—bestuur treft de nodige maatregelen, opdat de algemene vergadering binnen vier (4) weken na het verzoek kan worden gehouden, tenzij een zwaarwichtig belang van—de vennootschap zich daartegen verzet.—

25.3 Voor de toepassing van dit artikel worden met aandeelhouders gelijk gesteld—andere vergadergerechtigden.—

Oproeping. Agenda—

Artikel 26—

26.1 De algemene vergaderingen worden onverminderd het bepaalde in artikel 25 lid 2—van deze statuten bijeengeroepen door het bestuur of een bestuurder.—

26.2 De oproeping geschiedt schriftelijk aan de adressen volgens het register van—aandeelhouders met inachtneming van het bepaalde in artikel 5 lid 2 van deze statuten, niet later dan op de achtste (8e) dag vóór die van de vergadering.—

26.3 Bij de oproeping worden de te behandelen onderwerpen vermeld. Onderwerpen die niet bij de oproeping zijn vermeld, kunnen nader worden aangekondigd met—inachtneming van de in lid 5 van dit artikel gestelde vereisten.—

26.4 Aandeelhouders en andere vergadergerechtigden, tezamen vertegenwoordigend ten-minste één honderdste (1/100) gedeelte van het geplaatste kapitaal, kunnen het—bestuur verzoeken één (1) of meer onderwerpen te agenderen voor behandeling op-de eerstkomende algemene vergadering. Het bestuur dient tot agendering hiervan—over te gaan, tenzij een zwaarwegend belang van de vennootschap zich daartegen—verzet. Indien de oproeping als bedoeld in lid 2 van dit artikel voor de—eerstkomende vergadering reeds is verzonden en er minder dan dertig (30) dagen—zijn gelegen tussen het agenderingsverzoek en de dag van de eerstkomende—vergadering, vindt agendering van de aangemelde onderwerpen plaats op de daarna volgende vergadering.—

26.5 Omtrent onderwerpen die niet zijn opgenomen in de agenda, in de oproepingsbrief-of welke niet op dezelfde manier zijn aangekondigd of binnen de gestelde—oproepingstermijn, kan niet wettig worden besloten, tenzij alle—vergadergerechtigden ermee hebben ingestemd dat de besluitvorming over die—

onderwerpen plaatsvindt en de bestuurders voorafgaand aan de besluitvorming in de gelegenheid zijn gesteld om advies uit te brengen.

Plaats van de algemene vergaderingen

Artikel 27

Algemene vergaderingen worden gehouden in de gemeente waar de vennootschap haar statutaire zetel heeft, in de gemeente waar de vennootschap haar hoofdvestiging heeft, dan wel in de gemeente Haarlemmermeer (Luchthaven Schiphol). Een algemene vergadering kan elders worden gehouden, mits alle vergadergerechtigden hebben ingestemd met de plaats van de vergadering en de bestuurders voorafgaand aan de besluitvorming in de gelegenheid zijn gesteld om advies uit te brengen.

Voorzitterschap. Notulen

Artikel 28

28.1 De algemene vergadering voorziet zelf in haar voorzitterschap. De voorzitter wijst een secretaris aan.

28.2 Van het verhandelde in elke algemene vergadering worden notulen gehouden door de secretaris. De notulen worden vastgesteld door de voorzitter en de secretaris en ten blijke daarvan door hen ondertekend.

28.3 De voorzitter of degene die de vergadering heeft belegd, kan bepalen dat van het verhandelde een notarieel proces-verbaal van vergadering wordt opgemaakt. Het proces-verbaal wordt mede door de voorzitter ondertekend.

28.4 Het bestuur houdt aantekening van de besluiten van de algemene vergadering, welke ten kantore van de vennootschap ter inzage liggen voor de aandeelhouders en andere vergadergerechtigden. Aan ieder van de aandeelhouders en vergadergerechtigden wordt desgevraagd een afschrift of uittreksel van deze aantekeningen verstrekt tegen ten hoogste de kostprijs.

28.5 Indien het bestuur ter vergadering niet is vertegenwoordigd, draagt de voorzitter van de vergadering ervoor zorg dat aan het bestuur zo spoedig mogelijk na de vergadering een afschrift van de genomen besluiten wordt verstrekt.

Vergaderrecht. Toegang

Artikel 29

29.1 Het vergaderrecht komt toe aan aandeelhouders, aan houders van certificaten waaraan vergaderrecht is verbonden en aan vruchtgebruikers en pandhouders die stemrecht hebben. Vruchtgebruikers en pandhouders die geen stemrecht hebben, — hebben geen vergaderrecht tenzij bij de vestiging of overdracht van het ——— vruchtgebruik of pandrecht anders is bepaald. ———

29.2 Iedere vergadergerechtigde of zijn vertegenwoordiger, die ter vergadering ——— aanwezig is, moet de presentielijst tekenen. ———

29.3 Iedere vergadergerechtigde of zijn vertegenwoordiger, die door middel van een — elektronisch communicatiemiddel aan de algemene vergadering deelneemt, wordt — door de voorzitter van de vergadering geïdentificeerd op de wijze als bepaald in de - voorwaarden als bedoeld in lid 6 van dit artikel. De naam van de ——— vergadergerechtigde en de naam van zijn eventuele vertegenwoordiger, die door — middel van een elektronisch communicatiemiddel aan de algemene vergadering — deelneemt, wordt aan de presentielijst toegevoegd. ———

29.4 De bestuurders hebben als zodanig in de algemene vergadering een raadgevende — stem. ———

29.5 Omtrent toelating van andere dan de hiervoor in dit artikel genoemde personen — beslist de algemene vergadering. ———

29.6 Het bestuur kan bepalen dat een vergadergerechtigde of zijn vertegenwoordiger — tevens bevoegd is om door middel van een elektronisch communicatiemiddel aan — de algemene vergadering deel te nemen, daarin het woord te voeren en, voor zover - mogelijk, het stemrecht uit te oefenen. Het bestuur stelt de voorwaarden voor ——— elektronische deelname aan de vergadering als bedoeld in de vorige volzin vast en — maakt deze bij de oproeping bekend. Deze voorwaarden bevatten in ieder geval de - wijze waarop de vergadergerechtigde of zijn vertegenwoordiger (i) via het ——— elektronische communicatiemiddel kan worden geïdentificeerd, (ii) rechtstreeks — kan kennisnemen van de verhandelingen ter vergadering en (iii) voor zover ——— mogelijk, het stemrecht kan uitoefenen. ———

Besluitvorming algemene vergadering ———

Artikel 30 ———

30.1 Voor zover de wet of deze statuten geen grotere meerderheid voorschrijven, ——— worden alle besluiten genomen met volstrekte meerderheid van de uitgebrachte — stemmen. ———

30.2 Elk aandeel geeft recht op één (1) stem. Voor een aandeel dat toebehoort aan de —

vennootschap of aan een dochtermaatschappij kan in de algemene vergadering geen stem worden uitgebracht; evenmin voor een aandeel waarvan een hunner de certificaten houdt.

30.3 Staken de stemmen bij verkiezing van personen, dan beslist het lot. Staken de stemmen bij een andere stemming dan is het voorstel verworpen.

30.4 Blanco stemmen en nietige stemmen gelden als niet uitgebracht.

30.5 De voorwaarden als bedoeld in artikel 29 lid 6 van deze statuten vermelden op welke wijze een aandeelhouder of zijn vertegenwoordiger via een elektronisch communicatiemiddel aan de stemming kan deelnemen.

Besluitvorming buiten vergadering

Artikel 31

31.1 Besluitvorming van aandeelhouders kan op andere wijze dan in vergadering geschieden, mits alle vergadergerechtigden met deze wijze van besluitvorming hebben ingestemd. De bestuurders worden voorafgaand aan de besluitvorming in de gelegenheid gesteld om advies uit te brengen.

31.2 Ingeval van besluitvorming buiten vergadering, worden de stemmen schriftelijk uitgebracht. Aan het vereiste van schriftelijkheid van de stemmen wordt tevens voldaan indien het besluit, onder vermelding van de wijze waarop ieder van de aandeelhouders heeft gestemd, schriftelijk is vastgelegd.

Statutenwijziging

Artikel 32

De algemene vergadering is bevoegd te besluiten tot wijziging van de statuten. Wanneer aan de algemene vergadering een voorstel tot statutenwijziging wordt gedaan, moet zulks steeds bij de oproeping van de algemene vergadering worden vermeld en moet tegelijkertijd een afschrift van het voorstel waarin de voorgedragen wijziging woordelijk is opgenomen, ten kantore van de vennootschap ter inzage worden gelegd voor aandeelhouders en andere vergadergerechtigden tot de afloop van de vergadering.

Ontbinding en vereffening

Artikel 33

33.1 De vennootschap wordt ontbonden door een besluit van de algemene vergadering. Wanneer aan de algemene vergadering een voorstel tot ontbinding wordt gedaan, moet dat bij de oproeping tot de vergadering worden vermeld.

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33.2 Indien de vennootschap wordt ontbonden, worden de bestuurders vereffenaars van het vermogen van de ontbonden vennootschap tenzij de algemene vergadering andere personen daartoe aanwijst.

33.3 De vereffenaars hebben dezelfde bevoegdheden, plichten en aansprakelijkheden als bestuurders, voor zover deze verenigbaar zijn met hun taak als vereffenaar.

33.4 Hetgeen na voldoening van de schulden is overgebleven wordt uitgekeerd aan de aandeelhouders naar evenredigheid van het gezamenlijk nominaal bedrag van ieders aandelen.

33.5 Nadat de vennootschap heeft opgehouden te bestaan worden de boeken, bescheiden en andere gegevensdragers gedurende zeven (7) jaren bewaard door degene die daartoe door de algemene vergadering is aangewezen.

SLOTVERKLARINGEN

Ten slotte verklaarde de verschijnende persoon namens de Oprichter:

a. Het bij de oprichting geplaatste kapitaal bedraagt één euro (EUR 1) bestaande uit één (1) aandeel, genummerd 1.
In het geplaatste kapitaal neemt de Oprichter deel voor één (1) aandeel.
De plaatsing geschiedt a pari.
Het geplaatste kapitaal is niet volgestort. De Oprichter is tot volstorting verplicht nadat de vennootschap het zal hebben opgevraagd. Storting in een andere geldeenheid, dan die waarin het nominale bedrag van het aandeel luidt, is toegestaan.

b. Voor de eerste maal worden tot directeuren van de vennootschap benoemd:
- **Muhterem Kaan Terzioğlu**;
- **Asghar Jameel**; en
- **Maciej Bogdan Wojtaszek**.

c. Het eerste boekjaar van de vennootschap eindigt op éénendertig december tweeduizend vierentwintig.

d. Het adres van de vennootschap is Claude Debussylaan 88, 1082 MD Amsterdam.

De in deze akte gebruikte onderstreepte opschriften zijn slechts indicatief bedoeld.

Van de volmacht aan de verschijnende persoon blijkt uit één (1) onderhandse akte van volmacht welke aan deze akte is gehecht.

De verschijnende persoon is mij, notaris, bekend.

WAARVAN AKTE,

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verleden te Amsterdam op de datum in het hoofd van deze akte vermeld. De inhoud is aan de verschijnende persoon opgegeven en toegelicht. De verschijnende persoon heeft verklaard op volledige voorlezing van de akte geen prijs te stellen, tijdig voor het verlijden van de inhoud van deze akte te hebben kennis genomen en met de inhoud in te stemmen. Deze akte is beperkt voorgelezen en onmiddellijk daarna ondertekend, eerst door de verschijnende persoon en vervolgens door mij, notaris.

(Volgt ondertekening)

UITGEGEVEN VOOR AFSCHRIFT

mr K.F. Tan
NOTARIS TE AMSTERDAM

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THE UNDERSIGNED:

Kim Francis Tan, / Kim Francis Tan, civil-law notary in Amsterdam, the Netherlands,

HEREBY DECLARES THAT:

the attached document is a fair English translation of the deed of incorporation of **VEON Intermediate Holdings B.V.**, executed before K.F. Tan, aforementioned, on 23 December 2024.

In this translation, an attempt has been made to be as literal as possible, without jeopardizing the overall continuity. Inevitably, there may be differences between the original Dutch text and this English translation. If this is the case, the Dutch text will govern by law.

Amsterdam, the Netherlands, 23 December 2024.

mr K.F. Tan NOTARIS TE AMSTERDAM

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20240213/01/ABV

INCORPORATION
VEON INTERMEDIATE HOLDINGS B.V.

On this day, the twenty-third day of December two thousand and twenty-four, appeared before me, Kim Francis Tan, civil-law notary in Amsterdam, the Netherlands (the "**notary**"):
Laurentia Elisabeth Rietvelt, born in 's-Hertogenbosch, the Netherlands, on the third day of July nineteen hundred seventy-nine, for the purpose hereof electing as her domicile the office of the notary (Claude Debussylaan 54, 1082 MD Amsterdam, the Netherlands), here acting upon a written power of attorney granted by:
VEON Amsterdam B.V., a private company with limited liability organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, with office address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands and registered with the Trade Register of the Chamber of Commerce under number 34378904 (the "**Incorporator**").
The appearing person declared to incorporate a private company with limited liability for

and on behalf of the Incorporator, which shall be governed by the following:

ARTICLES OF ASSOCIATION

Definition of terms

Article 1

In these articles of association, the following terms have the following meanings:

a. general meeting: the corporate body of the company formed by the shareholders or, as the case may be, the meeting of the holders of a meeting right;

b. depositary receipts: depositary receipts for shares in the company's capital;

c. subsidiary: a legal entity or company as referred to in article 2:24a Dutch Civil Code;

d. annual accounts: the balance sheet and the profit and loss account, plus the explanatory notes thereto;

e. written/in writing: in the form of any message transmitted and received in writing via any normal means of communication, including fax or e-mail;

f. holder of a meeting right: party who, pursuant to the law or these articles of association, holds a meeting right;

g. meeting right: the right to attend and address the general meeting, either in person or by written proxy.

Name and corporate seat

Article 2

2.1 The company's name is **VEON Intermediate Holdings B.V.**

2.2 The company has its corporate seat in Amsterdam, the Netherlands.

Objects

Article 3

The objects of the company are:

a. to incorporate, conduct the management of, participate in and take any other financial interest in other companies and/or enterprises;

b. to render administrative, technical, financial, economic or managerial services to other companies, persons and/or enterprises;

c. to acquire, dispose of, manage and operate real property, personal property and other goods, including patents, trademark rights, licences, permits and other industrial property rights;

d. to borrow and/or lend monies, provide security or guarantee or otherwise warrant performance jointly and severally on behalf of others,

the foregoing whether or not in collaboration with third parties and inclusive of the performance and promotion of all activities which directly and indirectly relate to those objects, all this in the broadest sense of the words.

Shares and depositary receipts

Article 4

4.1 The company has an issued share capital divided into one (1) or more shares.

4.2 At least one (1) share must be held by a party other than the company or one (1) of its subsidiaries and for a purpose other than to benefit the company or one (1) of its subsidiaries.

4.3 The shares have a nominal value of one euro (EUR 1.00) each.

4.4 All shares are registered and are numbered consecutively from 1 onwards. No share certificates shall be issued. Attached to each share is a voting right, a meeting right and a right to share in the company's profits and reserves, in accordance with the provisions of these articles of association.

4.5 No meeting right is attached to depositary receipts. In deviation of the provision in the preceding sentence, the general meeting is authorized to attach or to cancel the meeting right in relation to one (1) or more depositary receipts.

Shareholders' register

Article 5

5.1 The company's board of managing directors shall keep a register in which the names and addresses of all the shareholders are recorded, specifying the date on which they acquired their shares, the date of acknowledgment by or service upon the company, the type or class of the shares and the amount paid up on each share. Should a shareholder be exempt from an obligation, requirement or suspension of rights as defined in article 2:192 paragraph 1 Dutch Civil Code under the articles of association, that exemption shall be noted. The register shall also contain the names and addresses of all holders of a usufruct or right of pledge on shares, specifying the date on which they acquired such usufruct or right of pledge, the

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date of acknowledgment by or service upon the company and the rights attached to the shares which are vested in them in accordance with articles 11 and 29 of these articles of association. The names and addresses of the holders of depositary receipts to which a meeting right is attached shall be recorded in the register, specifying the date on which the meeting right was attached to their depositary receipts and the date of acknowledgement by or service upon the company.

5.2 Shareholders and others whose details must be included in the shareholders' register pursuant to paragraph 1 of this article shall provide the board of managing directors with the required details in a timely fashion. If an electronic address is also provided for inclusion in the shareholders' register, such provision shall be deemed the permission of the relevant shareholder or other holder of a meeting right to be sent all notifications and announcements, as well as convocations to general meetings, by electronic means.

5.3 The register shall be updated regularly and the grant of each release from liability for payments not yet made shall be recorded therein. All entries or notes in the register shall be signed by a managing director.

5.4 Further to a request to that effect, the board of managing directors shall provide each shareholder, usufructuary, pledgee or holder of a depositary receipt to which a meeting right is attached with an extract from the register relating to its entitlement to its share or depositary receipt, free of charge. If a usufruct or right of pledge has been created on a share, the extract will specify to whom the rights referred to in articles 11 and 29 of these articles of association accrue.

5.5 The board of managing directors shall make the register available at the company's offices for inspection by the shareholders as well as by the usufructuaries or pledgees to whom the rights referred to in articles 11 and 29 of these articles of association accrue as well as to holders of depositary receipts to which is attached a meeting right. The particulars in the register in respect of shares which have not been paid up in full shall be available for public inspection and a copy or an extract of such particulars shall be provided at no more than cost.

Issue of shares

Article 6

6.1 The company may only issue shares pursuant to a resolution of the general meeting. The general meeting may delegate its powers in this respect to another corporate body of the company and may revoke such delegation.

6.2 Paragraph 1 of this article shall apply *mutatis mutandis* to the granting of rights to subscribe for shares but will not apply to the issuing of shares to persons exercising a previously obtained right to subscribe for shares.

Conditions for issuing of shares. Pre-emptive rights

Article 7

7.1 Any resolution to issue shares shall also specify the issue price and any further conditions in connection with the issue. The issuing of shares shall require a notarial deed to be executed for that purpose before a civil-law notary practicing in the Netherlands, to which those involved are party.

7.2 With due observance of the restrictions stipulated by law, each shareholder shall have a pre-emptive right on any further share issue, in proportion to the aggregate amount of his shares.

7.3 Shareholders shall have a similar pre-emptive right with respect to the granting of rights to subscribe for shares.

7.4 The pre-emptive rights may be limited or suspended for each single issue by the corporate body of the company authorized to issue shares.

Payment on shares

Article 8

8.1 On subscription for a share, payment must be made of its nominal value. The company may require that the nominal value or a part thereof must first be paid after a certain period of time or after the company has requested such payment.

8.2 Payment on a share must be made in cash unless another form of contribution has been agreed. The company's permission is required to pay on shares in a currency other than that in which the nominal value of the shares is denominated.

Acquisition of shares by the company in its own capital

Article 9

9.1 The company may only acquire shares in its own capital pursuant to a resolution of the board of managing directors.

9.2 Any acquisition by the company of shares in its own capital that are not fully paid up shall be null and void.

9.3 Unless it acquires such shares free of charge, the company may not acquire fully paid-up shares in its own capital if the amount of its equity, less the acquisition price, is less than the reserves that the company must maintain by law or pursuant to these articles of association or if the board of managing directors knows or could reasonably be expected to foresee that the acquisition would make the company unable to continue paying any of its due and payable debts.

9.4 If, after making such an acquisition that was not made free of charge, the company is unable to continue paying its due and payable debts, the managing directors shall, subject to the provisions of law, be jointly and severally liable to the company for the shortfall created by the acquisition. A party disposing of shares who knows or could reasonably be expected to foresee that the acquisition would make the company unable to continue paying any of its due and payable debts shall be liable to the company for payment of the shortfall created by the acquisition of that party's shares, with said liability not to exceed the acquisition price of the shares it disposed to the company and with due observance of the provisions of law.

9.5 The provisions in the preceding paragraphs shall not apply to shares acquired by the company by operation of law.

9.6 Any acquisition of shares at the expense of the reserves referred to in paragraph 3 of this article shall be null and void. The managing directors shall be jointly and severally liable to a good faith seller of shares who incurs a loss as a result of a sale being declared null and void.

9.7 The term 'shares' as used in this article shall be taken to include depositary receipts.

Capital reduction

Article 10

With due observance of article 4 paragraph 2 of these articles of association and the provisions of law, the general meeting may resolve to reduce the issued capital of the company, either by a cancellation of shares or by a reduction of the nominal value of the shares by means of an amendment of the articles of association. A resolution to reduce

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the issued capital with a repayment in respect of the shares shall have no effect as long as it has not been approved by the board of managing directors. The provisions of article 2:216 paragraphs 2 up to and including 4 Dutch Civil Code shall apply accordingly to the resolution referred to in the previous sentence.

Transfer of shares and depositary receipts. Restricted rights

Article 11

11.1 The transfer of shares and the transfer – including the creation and disposal – of any restricted rights attached to shares shall require a notarial deed to be executed for that purpose before a civil-law notary practicing in the Netherlands, to which those involved are party.

11.2 The transfer in accordance with paragraph 1 of this article will also be valid vis-à-vis the company by operation of law. Unless the company is a party to the legal act, the rights attached to shares cannot be exercised until the company either acknowledges the legal act or the notarial deed has been served upon the company in accordance with the relevant statutory provisions.

11.3 The provisions of paragraph 2 of this article shall apply *mutatis mutandis* to the transfer of depositary receipts to which a meeting right is attached.

11.4 A shareholder may create a usufruct or right of pledge on one or more of his shares.

11.5 The voting right attached to the shares encumbered with a usufruct or right of pledge shall be vested in the shareholder. The voting right may be vested in the usufructuary or pledgee if this is stipulated on the establishment of the usufruct or right of pledge or if this is agreed afterwards in writing between the shareholder and the usufructuary or pledgee, provided that both this provision and – in the case of a transfer of the usufruct or if another party succeeds to the rights of the pledgee – the transfer of the voting right is approved by the general meeting.

11.6 The provisions of paragraph 2 of this article shall apply *mutatis mutandis* to a written agreement as referred to in paragraph 5 of this article, above.

Transferability of shares

Article 12

Shares can be transferred freely and without any restrictions as referred to in article 2:195

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Dutch Civil Code.

Board of managing directors

Article 13

13.1 The board of managing directors consists of one (1) or more managing directors, with the actual number being determined by the general meeting. Each managing director of the company has the title of director (*directeur*).

13.2 The managing directors are appointed by the general meeting.

13.3 For the purposes of article 9 paragraph 4, article 10 and article 23 paragraph 3 of these articles of association, a person who has determined or co-determined the company's policies as if he or she were a managing director shall be considered equivalent to a managing director, including the same responsibilities and liabilities.

Suspension and dismissal

Article 14

14.1 The general meeting is authorized to suspend or dismiss a managing director from office at any time.

14.2 Any such suspension may be extended once or more often, but will be limited to a total of three (3) months. Such suspension shall expire on lapse of this period unless a resolution has been adopted either to lift the suspension or to dismiss the managing director prior to the end of this period.

Remuneration

Article 15

The general meeting determines the remuneration and other terms and conditions of employment of each managing director.

Managerial duties

Article 16

16.1 Subject to the restrictions set forth in these articles of association and with due observance of the law, the board of managing directors is charged with the management of the company.

16.2 The board of managing directors may adopt rules and regulations governing its decision-making process.

16.3 The board of managing directors may make a division of duties, specifying the individual duties of each managing director. Such division of duties shall require the approval of the general meeting.

16.4 The board of managing directors must conduct itself in accordance with the instructions of the general meeting.

The board of managing directors is obliged to follow these instructions unless the instructions are contrary to the best interests of the company and the enterprise affiliated with the company.

Meetings of the board of managing directors

Article 17

17.1 The board of managing directors shall meet as often as a managing director requests a meeting.

17.2 Each managing director is authorized to convene a meeting of the board of managing directors in writing, specifying the topics to be discussed. Such convocation shall take place no later than five (5) days prior to the day of the meeting.

17.3 A summary reflection of the matters addressed at the meeting must be recorded in the minutes.

17.4 A managing director may be represented at the meeting by a fellow managing director authorized by written power of attorney.

17.5 No legally valid resolutions may be passed with regard to items that are not included in the agenda, the written convening notice or which have not been announced as prescribed or within the prescribed convocation term, unless the managing directors unanimously agree that resolutions on these items shall be passed.

Resolutions of the board of managing directors. Conflict of interest

Article 18

18.1 The board of managing directors adopts resolutions by an absolute majority of the votes cast. Each managing director has a right to cast one (1) vote. In the event the votes are equally divided, the proposal is rejected.

18.2 A managing director with a direct or indirect personal interest that conflicts with the company's interest may not take part in the deliberations or decision-making. If no resolution can be adopted by the board of managing directors as result thereof, such resolution must be adopted by the general meeting or by a corporate body as appointed by the general meeting for that purpose, which corporate body - notwithstanding the provisions of this paragraph - may also be the board of managing directors.

18.3 The board of managing directors may adopt resolutions outside meetings provided that all its members have agreed with this method of decision-making and have expressed themselves regarding the proposal concerned in writing.

Representative authority

Article 19

19.1 The board of managing directors represents the company. The authority to represent the company is also vested in two (2) managing directors acting jointly in the case that the board of managing directors consists of more than one (1) managing director.

19.2 The board of managing directors may appoint officers with a limited or unlimited power of attorney. Each officer will represent the company within the scope of his authority. The officers' titles are determined by the board of managing directors.

Approval of board resolutions

Article 20

20.1 The general meeting is authorized to make subject to its approval resolutions by the board of managing directors. Any such resolution must be clearly described and reported to the board of managing directors in writing.

20.2 The absence of approval as defined in this article will not impair the representative authority of the board of managing directors or of the managing directors.

Absence. Inability to act

Article 21

If one or more managing director(s) is/are absent or unable to perform his/their duties, the remaining managing director or managing directors shall be temporarily charged with the management of the company. In the event of the absence or inability to act of all the managing directors or the sole managing director, a person appointed for that purpose by the general meeting shall be temporarily charged with the management of the company.

Financial year. Annual accounts

Article 22

22.1 The financial year corresponds with the calendar year.

22.2 The board of managing directors is required to draw up the annual accounts within five (5) months of the end of the company's financial year, unless this period has been extended by a maximum of five (5) months by the general meeting on account of special circumstances.

22.3 The annual accounts must be signed by the managing directors; if one or more of their signatures is missing, this shall be stated giving the reason therefore.

22.4 The general meeting adopts the annual accounts.

22.5 A resolution to adopt the annual accounts shall not automatically discharge a managing director. The general meeting may resolve to grant one or more managing directors full or partial discharge.

22.6 If all of the shareholders are also managing directors of the company, the signing of the annual accounts by all of the managing directors shall not be considered an adoption as referred to in paragraph 4 of this article.

22.7 If so required by law, the company shall instruct a qualified auditor to examine its accounts and records. The general meeting is authorized to appoint the auditor. If the general meeting fails to appoint the auditor, the board of managing directors is authorized to do so. The appointment of the auditor may be withdrawn for good reasons with due observance of article 2:393 paragraph 2 Dutch Civil Code.

22.8 The statutory provisions apply to the directors' report, the additional data to be added, the auditor's report and the publication of the directors' report.

Profits

Article 23

23.1 The general meeting is authorized to allocate the profit determined by adopting the annual accounts and to resolve on any distributions, to the extent that the company's equity exceeds the reserves that the company must maintain pursuant to the law or these articles of association.

23.2 A resolution intending a distribution shall not be effected until the board of managing directors approves such resolution. The board of managing directors

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shall withhold such approval only if it knows, or could reasonably be expected to foresee, that the distribution would make the company unable to continue paying any of its due and payable debts.

23.3 If, after making such a distribution, the company is unable to continue paying its due and payable debts, the managing directors shall, subject to the provisions of prevailing law, be jointly and severally liable to the company for the shortfall created by the distribution. A party receiving such distribution who knows or could reasonably be expected to foresee that the distribution would make the company unable to continue paying any of its due and payable debts shall be liable to the company for payment of the shortfall created by the distribution, with said liability not to exceed the amount of the distribution received by that party and with due observance of the provisions of prevailing law.

23.4 In calculating the profit distribution, the shares held by the company in its own capital will not be taken into account.

23.5 In calculating the amount to be distributed on each share, only the amount of the obligatory payments on the nominal amount of the shares will be taken into account.

23.6 A claim of a shareholder to receive a distribution expires after five (5) years.

<u>General meetings</u>

<u>Article 24</u>

24.1 At least once during each financial year, either a general meeting shall be held, or resolutions shall be passed in accordance with article 31 paragraph 1 of these articles of association, or the annual accounts shall be adopted with due observance of the provisions of article 22 paragraph 6 of these articles of association.

24.2 The agenda for such general meeting as mentioned in paragraph 1 of this article shall, among other things, include the following items:

a. the directors' report;

b. adoption of the annual accounts;

c. discharging the managing directors for the management they performed in the past financial year;

d. allocation of result;

e. the filling of any vacancies;

f. other proposals by the board of managing directors or shareholders or others entitled to cast votes and/or other holders of a meeting right, provided that these proposals have been raised and announced with due observance of the provisions of article 26 of these articles of association.

Other meetings

Article 25

25.1 Without prejudice to the provisions of article 24 paragraph 1 of these articles of association, other general meetings shall be held as often as the board of managing directors or a single managing director considers necessary.

25.2 One or more shareholders who, alone or together, represent at least one one-hundredth (1/100) of the issued capital may submit a written request to the board of managing directors to convene a general meeting, provided that such request contains a detailed description of the items to be addressed at said meeting. The board of managing directors will take the steps necessary to ensure that the general meeting is held within four (4) weeks of its receipt of such request, except in the event of a countervailing substantial company interest.

25.3 For the purposes of the application of this article, shareholders shall be equated with other holders of a meeting right.

Convocation of meetings. Agenda

Article 26

26.1 General meetings are convened by the board of managing directors or a single managing director, without prejudice to the provisions laid down in article 25 paragraph 2 of these articles of association.

26.2 Convocation shall take place in writing to the addresses recorded in the register of shareholders with due observance of article 5 paragraph 2 of these articles of association and no less than on the eighth (8th) day prior to the day of the meeting.

26.3 The convening notice shall specify the matters to be addressed at the general meeting. Any matters not specified in the convening notice may be announced later, with due observance of the requirements of paragraph 5 of this article.

26.4 Shareholders and other holders of a meeting right who jointly represent at least one

one-hundredth (1/100) part of the issued capital shall be entitled to request the board of managing directors to place one (1) or more matters on the agenda for the next general meeting. The board of managing directors shall place such matter(s) on the agenda except in the event of a countervailing substantial company interest. If the convening notice referred to in paragraph 2 of this article for the next meeting has already been sent out and there are fewer than thirty (30) days between the request for matters to be placed on the agenda and the day of the next meeting, the said matters shall be placed on the agenda for the meeting following that next meeting.

26.5 No legally valid resolutions may be passed with regard to items that are not included in the agenda, the written convening notice or which have not been announced as prescribed or within the prescribed convocation term, unless all holders of a meeting right have agreed with the decision-making on these items and the managing directors have been given the opportunity to advise on the items to be resolved upon prior to the adoption thereof.

Venue for general meetings

Article 27

General meetings shall be held in the municipality in which the company has its corporate seat, its head office, or in the municipality of Haarlemmermeer (Schiphol Airport). A general meeting may be held elsewhere, provided that all holders of a meeting right have agreed with the meeting venue and the managing directors have been given the opportunity to advise on the items to be resolved upon prior to the adoption thereof.

Chair. Minutes

Article 28

28.1 The general meeting shall appoint its own chairperson. The chairperson appoints a secretary.

28.2 The secretary shall take minutes of the proceedings at each general meeting. The said minutes shall be confirmed and signed in evidence thereof by the chairperson and the secretary.

28.3 The chairperson or the party who convened the meeting may resolve to have a notarial report made of the proceedings at the meeting. Such notarial report shall be co-signed by the chairperson.

28.4 The board of managing directors is required to keep records of the resolutions adopted by the general meeting and deposit them at the company's office for inspection by the shareholders and other holders of a meeting right. Upon request, each shareholder and holder of a meeting right will be provided with a copy of or excerpt from the records at no more than cost.

28.5 If the board of managing directors is not represented at a meeting, the chairperson of the meeting is responsible for ensuring that the board of managing directors is given a copy of the resolutions adopted as soon as possible after the meeting.

Meeting right. Right to attend

Article 29

29.1 A meeting right is allocated to shareholders, holders of depositary receipts for shares to which a meeting right is attached and to usufructuaries and pledgees who hold voting rights. Usufructuaries and pledgees who do not hold voting rights shall not have a meeting right unless provisions to the contrary were agreed upon the creation or transfer of the usufruct or right of pledge.

29.2 Each holder of a meeting right or its representative who attends a meeting must sign the attendance list.

29.3 Each holder of a meeting right or its representative participating in the general meeting by way of electronic means of communication shall be identified by the chairperson in the manner as stated in the terms and conditions mentioned in paragraph 6 of this article. The name of the holder of a meeting right and the name of any representative participating in the general meeting by way of electronic means of communication shall be added to the attendance list.

29.4 The managing directors have, in that capacity, an advisory vote at general meetings.

29.5 The general meeting may resolve to allow persons, other than those referred to in this article, to attend general meetings of shareholders.

29.6 The board of managing directors may determine that a holder of a meeting right or its representative may attend and address general meetings, and, insofar as possible, exercise its voting right by electronic means of communication. The board of managing directors sets the terms and conditions for electronic participation to the meeting as mentioned in the previous sentence and announces those in the convening notice. These conditions in any case encompass the method by which the holder of a meeting right or its representative can (i) be identified through the electronic means of communication, (ii) take direct cognisance of the proceedings at the meeting and (iii) insofar as possible, exercise its voting right.

Resolutions of the general meeting

Article 30

30.1 Resolutions are passed by an absolute majority of the votes cast, unless the law or these articles of association require a greater majority.

30.2 Each share confers the right to cast one (1) vote. No votes may be cast during the general meeting for a share held by the company or any of its subsidiaries; nor for shares of which either of them holds the depositary receipts.

30.3 If there is a tie in voting at the election of persons, a drawing of lots shall determine the issue. If there is a tie in voting on other matters, the proposal shall be considered rejected.

30.4 Blank votes and invalid votes will be deemed not to have been cast.

30.5 The conditions as referred to in article 29 paragraph 6 of these articles of association mention the manner in which a shareholder or its representative may participate in the voting by way of electronic means.

Resolutions adopted outside a meeting

Article 31

31.1 Shareholder resolutions may be adopted outside meetings, provided that all holders of a meeting right have agreed with this method of decision-making. The managing directors must be given the opportunity to advise on the items to be resolved upon prior to the adoption thereof.

31.2 If resolutions are passed outside meetings, the votes shall be cast in writing. The requirement that votes be cast in writing may also be satisfied if the resolution is adopted in writing and includes a statement of the method by which each of the shareholders cast its vote.

Amendment to the articles of association

Baker McKenzie.

Article 32

The general meeting is authorized to adopt a resolution to amend the articles of association. If a proposal to amend the articles of association is submitted to the general meeting, this must always be stated in the notice convening the general meeting and simultaneously a copy of the proposal containing the proposed amendment verbatim must be deposited at the company's office for inspection by the shareholders and other holders of a meeting right until the end of the meeting.

Dissolution and liquidation

Article 33

33.1 The general meeting is authorized to adopt a resolution to dissolve the company. If a resolution is to be proposed to the general meeting for dissolving the company, such shall be stated in the convening notice.

33.2 In the event of the company being dissolved, the managing directors shall be the liquidators of the assets of the dissolved company, unless the general meeting appoints other persons to do so.

33.3 The liquidators have the same powers, duties and liabilities as managing directors, insofar as such is compatible with their task as liquidator.

33.4 Any surplus assets remaining after the company's debts have been settled shall be distributed to the shareholders in proportion to the aggregate nominal value of their individual shareholding.

33.5 After the company has ceased to exist, the company's accounts, records and other data carriers must be kept for seven (7) years by the person designated for that purpose by the general meeting.

FINAL PROVISIONS

Finally, the person appearing declared on behalf of the Incorporator:

a. The company's issued capital on incorporation is one euro (EUR 1.00), consisting of one (1) share, numbered 1.

   The Incorporator shall participate in the issued capital of the company by subscribing for one (1) share.

   The share has been issued at par.

   The issued share has not been fully paid up in cash. The Incorporator is obliged to fully pay up the share upon the company's request. The share may be paid up in a currency other than that in which the nominal value of the share is denominated.

b. The following persons are hereby appointed as the company's first managing directors:

- **Muhterem Kaan Terzioğlu**;
- **Asghar Jameel**; and
- **Maciej Bogdan Wojtaszek**.

c. The company's first financial year ends on the thirty-first day of December two thousand and twenty-four.

d. The address of the company is Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands.

The underlined headings in this deed have been included for ease of reference only.
The existence of the power of attorney to the appearing person appears from one (1) attached to this deed.
The appearing person is known to me, notary,
IN WITNESS WHEREOF,
the original of this deed was drawn up and executed in Amsterdam, the Netherlands on the date in the first paragraph of this deed. The substance of this deed was stated and clarified to the appearing person. The appearing person declared to have taken note of the content of this deed in time before its execution, agreed to its content and did not require a full reading of this deed. Subsequently, after limited reading in accordance with the law, this deed was signed by the appearing person and me, notary.

BIJLAGE IV / SCHEDULE IV

OVERZICHT VAN DE VERMOGENSBESTANDDELEN TE BEHOUDEN DOOR HOLDCO / OVERVIEW OF ASSETS AND LIABILITIES TO BE RETAINED BY HOLDCO

De volgende vermogensbestanddelen:	The following assets and liabilities:
- alle aandelen in het kapitaal van JSC Kyivstar, een vennootschap naar het recht van Oekraïne ("**Kyivstar**");	- all shares in the capital of JSC Kyivstar, a company organized and existing under the laws of Ukraine ("**Kyivstar**");
- voor zover niet anders aangegeven in dit Splitsingsvoorstel, de intra-groep leningen en andere intra-groep regelingen tussen HoldCo en Kyivstar;	- unless otherwise specified in this Demerger Proposal, the intercompany loans and other intercompany arrangements by and between HoldCo and Kyivstar;
- de uitstaande obligaties uitgegeven door HoldCo met vervaldatum april 2025 (Regulation S ISIN: XS2058691663; Regulation S Common Code: 205869166; Rule 144A ISIN: US92334VAA35; Rule 144A Common Code: 206069716; en Rule 144A CUSIP: 92334VAA3);	- the outstanding bonds issued by HoldCo due April 2025 (Regulation S ISIN: XS2058691663; Regulation S Common Code: 205869166; Rule 144A ISIN: US92334VAA35; Rule 144A Common Code: 206069716; and Rule 144A CUSIP: 92334VAA3);
- de uitstaande obligaties uitgegeven door HoldCo met vervaldatum juni 2025 (Regulation S ISIN: XS2184900186; Regulation S Common Code: 218490018; Rule 144A ISIN: XS2184900269; Rule 144A Common Code: 218490026; en Rule 144A CUSIP: N/A);	- the outstanding bonds issued by HoldCo due June 2025 (with Regulation S ISIN: XS2184900186; Regulation S Common Code: 218490018; Rule 144A ISIN: XS2184900269; Rule 144A Common Code: 218490026; and Rule 144A CUSIP: N/A);
- de uitstaande obligaties uitgegeven door HoldCo met vervaldatum november 2027 (Regulation S ISIN: XS2252958751; Regulation S Common Code: 225295875; Rule 144A ISIN: US91823N2A05; Rule 144A Common Code: 226227318; en Rule 144A CUSIP: 91823N2A0);	- the outstanding bonds issued by HoldCo due November 2027 (with Regulation S ISIN: XS2252958751; Regulation S Common Code: 225295875; Rule 144A ISIN: US91823N2A05; Rule 144A Common Code: 226227318; and Rule 144A CUSIP: 91823N2A0);
- de uitstaande obligaties uitgegeven door HoldCo met vervaldatum april 2025	- the outstanding bonds issued by HoldCo due April 2025 (Regulation S ISIN:

(Regulation S ISIN: XS2824765098; Regulation S Common Code: 282476509; Rule 144A ISIN: XS2824765767; Rule 144A Common Code: 282476576; en Rule 144A CUSIP: N/A);

- de uitstaande obligaties uitgegeven door HoldCo met vervaldatum juni 2025 (Regulation S ISIN: XSXS2834471976; Regulation S Common Code: 283447197; Rule 144A ISIN: XS2834472198; Rule 144A Common Code: 283447219; en Rule 144A CUSIP: N/A);
- aandelen in VEON Ltd. welke door HoldCo worden gehouden, inclusief daarmee samenhangende overeenkomsten;
- bankrekeningen die momenteel worden aangehouden en geëxploiteerd door HoldCo;
- voor zover de april 2025 HoldCo USD notes en de juni 2025 HoldCo RUB notes (tezamen, de "**HoldCo 2025 Notes**") niet volledig zijn terugbetaald op de datum van de Splitsing, een bedrag aan contanten en een intra-groep leningsvordering op VEON Amsterdam die in totaal voldoende zijn om de terugbetaling van de HoldCo 2025 Notes op of vóór hun vervaldata te dekken, met inbegrip van bedragen welke nodig zijn voor eventuele oude april 2025 en juni 2025 obligaties die mogelijk zijn geconverteerd in HoldCo 2025 Notes op of vóór de vervaldatum van de HoldCo 2025 Notes die dienen te worden terugbetaald;
- een bedrag in contanten van USD 10.000.000 bovenop het totaalbedrag aan contanten en een intra-groep leningsvordering op VEON Amsterdam om de betaling van de HoldCo 2025 Notes te dekken;

XS2824765098; Regulation S Common Code: 282476509; Rule 144A ISIN: XS2824765767; Rule 144A Common Code: 282476576; and Rule 144A CUSIP: N/A);

- the outstanding bonds issued by HoldCo due June 2025 (Regulation S ISIN: XSXS2834471976; Regulation S Common Code: 283447197; Rule 144A ISIN: XS2834472198; Rule 144A Common Code: 283447219; and Rule 144A CUSIP: N/A);
- shares of VEON Ltd. held by HoldCo, including any related contracts;
- bank accounts currently held and operated by HoldCo;
- to the extent the April 2025 HoldCo USD notes and the June 2025 HoldCo RUB notes (together, the "**HoldCo 2025 Notes**") have not been repaid in full by the date of the Demerger, an amount of cash and intercompany loan receivable due from VEON Amsterdam that in aggregate are sufficient to cover the repayment of the HoldCo 2025 Notes at or before their maturity dates, including amounts required for any legacy April 2025 and June 2025 notes potentially converted into HoldCo 2025 Notes at or prior to maturity of the HoldCo 2025 Notes that would need to be repaid;
- an amount of cash of USD 10,000,000 in addition to the aggregate amount of cash and intercompany loan receivable due from VEON Amsterdam to cover the repayment of the HoldCo 2025 Notes;

- overeenkomsten met betrekking tot activa, passiva en overeenkomsten die door HoldCo worden behouden ingevolge deze Bijlage IV; en
- crediteurensaldi die betrekking hebben op overeenkomsten die door HoldCo worden behouden.

- contracts involving any of the assets, liabilities and contracts that are being retained by HoldCo pursuant this Schedule IV; and
- accounts payable balances relating to contracts retained by HoldCo.

BIJLAGE V / SCHEDULE V

OVERZICHT VAN DE VERMOGENSBESTANDDELEN TE VERKRIJGEN DOOR MIDCO / OVERVIEW OF ASSETS AND LIABILITIES TO BE TRANSFERRED TO MIDCO

De volgende vermogensbestanddelen:

- International Wireless Communications Pakistan Limited, een vennootschap naar het recht van Malta, kantoorhoudende te 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta en ingeschreven in het Malta Business Registry onder nummer C 37679;
- Telecom Ventures Limited, een vennootschap naar het recht van Malta, kantoorhoudende te 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta en ingeschreven in het Malta Business Registry onder nummer C 40453;
- VEON Central Asia B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 88909174;
- VEON Uzbekistan Holding B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 88909239;

The following assets and liabilities:

- International Wireless Communications Pakistan Limited, a company organized and existing under the laws of Malta, with registered address at 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta and registered with the Malta Business Registry under number C 37679;
- Telecom Ventures Limited, a company organized and existing under the laws of Malta, with registered address at 2 Sir Augustus Bartolo Street, Ta'Xbiex, XBX 1091, Malta, and registered with the Malta Business Registry under number C 40453;
- VEON Central Asia B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 88909174;
- VEON Uzbekistan Holding B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the

Trade Register of the Dutch Chamber of Commerce under number 88909239;

- VEON Adtech Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 88564614;

- VEON Global Tower Holdings 2 B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 86544756;

- VEON Microfinance Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 75591839;

- VEON Pakistan Fintech Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 86416030;

- VEON Pakistan Holdings 2 B.V., een vennootschap naar het recht van

- VEON Adtech Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 88564614;

- VEON Global Tower Holdings 2 B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 86544756;

- VEON Microfinance Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 75591839;

- VEON Pakistan Fintech Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 86416030;

- VEON Pakistan Holdings 2 B.V., a company organized and existing under

Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 90385357;

- VIP Kazakhstan Holding AG, een vennootschap naar het recht van Zwitserland, kantoorhoudende te c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Zwitserland en ingeschreven in het *Handelsregisteramt Kanton Zug* onder nummer CHE-352.824.607;
- VIP Kyrgyzstan Holding AG, een vennootschap naar het recht van Zwitserland, kantoorhoudende te c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Zwitserland en ingeschreven in het *Handelsregisteramt Kanton Zug* onder nummer CHE-486.679.611;
- voor zover niet anders blijkt uit dit Splitsingsvoorstel, de intra-groep leningen en andere intra-groep regelingen tussen HoldCo en de MidCo Subsidiaries alsmede intra-groep leningen en andere intra-groep regelingen tussen HoldCo en andere entiteiten binnen de VEON groepsstructuur;
- het restant van de intra-groep leningsvordering op VEON Amsterdam

the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 90385357;

- VIP Kazakhstan Holding AG, a company organized and existing under the laws of Switzerland, with registered address at c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Switzerland and registered with the Commercial Register of the Canton of Zug (*Handelsregisteramt Kanton Zug*) under number CHE-352.824.607;
- VIP Kyrgyzstan Holding AG, a company organized and existing under the laws of Switzerland, with registered address at c/o lagom.swiss AG, Pilatusstrasse 3, 6300 Zug, Switzerland and registered with the Commercial Register of the Canton of Zug (*Handelsregisteramt Kanton Zug*) under number CHE-486.679.611;
- unless otherwise specified in this Demerger Proposal, the intercompany loans and other intercompany arrangements by and between HoldCo and the MidCo Subsidiaries and intercompany loans and other intercompany arrangements by and between HoldCo and other entities within the VEON group structure;
- the residual of the intercompany loan receivable due from VEON Amsterdam

dat niet door HoldCo wordt behouden zoals beschreven in Bijlage IV;

- de intra-groep leningsvordering op VEON Ltd. en opgelopen rente;
- de uitstaande obligaties uitgegeven door HoldCo met vervaldatum november 2027 (Regulation S ISIN: XS2824764521; Regulation S Common Code: 282476452; Rule 144A ISIN: XS2824766146; Rule 144A Common Code: 282476614; en Rule 144A CUSIP: N/A);
- de werknemers van HoldCo (indien die er nog zijn omdat ze nog niet overgedragen zijn aan VEON Amsterdam);
- alle contanten minus (i) de contanten die bij HoldCo zullen blijven zoals beschreven in Bijlage IV; en (ii) het bedrag aan contanten dat wordt toegewezen aan Intermediate HoldCo zoals beschreven in Bijlage VI;
- overeenkomsten met betrekking tot de activa, passiva, overeenkomsten of werknemers die overeenkomst deze Bijlage V zullen overgaan;
- crediteurensaldi die betrekking hebben op overeenkomsten die overgaan op MidCo;
- gekapitaliseerde software (Oracle Fusion / EPM / FCCS); en
- voor zover bepaalde MidCo Subsidiaries verlieslatend zijn, voorzieningen voor de netto schulden van deze verlieslatende MidCo Subsidiaries.

that is not retained by HoldCo as described in Schedule IV;

- the intercompany loan receivable from VEON Ltd. and accrued interest;
- the outstanding bonds issued by HoldCo due November 2027 (Regulation S ISIN: XS2824764521; Regulation S Common Code: 282476452; Rule 144A ISIN: XS2824766146; Rule 144A Common Code: 282476614; and Rule 144A CUSIP: N/A);
- the employees of HoldCo (if there are any left which have not yet been transferred to VEON Amsterdam);
- all cash minus (i) the cash that shall remain with HoldCo as described in Schedule IV; and (ii) the amount of cash that will be allocated to Intermediate HoldCo as described in Schedule VI;
- contracts involving any of the assets, liabilities, contracts or employees being transferred in accordance with this Schedule V;
- accounts payable balances relating to contracts transferred to MidCo;
- capitalized software (Oracle Fusion / EPM / FCCS); and
- to the extent that any of the MidCo Subsidiaries are loss-making, provisions for the net liability balances of such loss-making MidCo Subsidiaries.

BIJLAGE VI / SCHEDULE VI

OVERZICHT VAN DE VERMOGENSBESTANDDELEN TE VERKRIJGEN DOOR INTERMEDIATE HOLDCO / OVERVIEW OF ASSETS AND LIABILITIES TO BE TRANSFERRED TO INTERMEDIATE HOLDCO

De volgende vermogensbestanddelen:

- Bardym Enterprises Limited, een vennootschap naar het recht van Cyprus, kantoorhoudende te Griva Digeni 59, Kaimakliotis Building, 5e verdieping, 6043, Larnaca, Cyprus, en ingeschreven in het handelsregister van Cyprus onder nummer HE254343;
- Global Telecom Holding S.A.E., een vennootschap naar het recht van Egypte, kantoorhoudende te 2005A Cornish El Nile, Nile City Towers, North Tower, Ramlet Beaulac, Cairo, 11221, Egypte, en ingeschreven in het Cairo Commercial Register onder nummer 365751;
- VEON Finance Ireland Designated Activity Company, een vennootschap naar het recht van Ierland, kantoorhoudende te 3 Fitzwilliam Court, Upper Pembroke Street, Dublin 2, Dublin, D02WP99, Ierland, en ingeschreven in het Companies Registration Office onder nummer 707921;
- VEON Luxembourg Holdings, een vennootschap met beperkte aansprakelijkheid (*société à responsabilité limitée*) naar het recht van Luxemburg, kantoorhoudende te

The following assets and liabilities:

- Bardym Enterprises Limited, a company organized and existing under the laws of Cyprus, with registered address at Griva Digeni 59, Kaimakliotis Building, 5th Floor, 6043, Larnaca, Cyprus and registered with the Trade Register of Cyprus under number HE254343;
- Global Telecom Holding S.A.E, a company organized and existing under the laws of Egypt, with registered address at 2005A Cornish El Nile, Nile City Towers, North Tower, Ramlet Beaulac, Cairo, 11221, Egypt and registered with the Cairo Commercial Register under number 365751;
- VEON Finance Ireland Designated Activity Company, a company organized and existing under the laws of Ireland, with registered address at 3 Fitzwilliam Court, Upper Pembroke Street, Dublin 2, Dublin, D02WP99, Ireland, and registered with the Companies Registration Office under number 707921;
- VEON Luxembourg Holdings, a private limited liability company (*société à responsabilité limitée*) organized and existing under the laws of the Grand Duchy of Luxembourg,

39 Avenue John F. Kennedy, L-1855, Luxemburg, Luxemburg en ingeschreven in het *Registre de Commerce et des Sociétés de Luxembourg* onder nummer B199019;

with registered address at 39 Avenue John F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B199019;

- VEON Georgia Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 56067518;

- VEON Georgia Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 56067518;

- VEON Micro Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 57744858;

- VEON Micro Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 57744858;

- VEON Global Services B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 66124557;

- VEON Global Services B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 66124557;

- VEON Central Procurement B.V., een

- VEON Central Procurement B.V., a

vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 68691467;	company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 68691467;
- VEON Bangladesh Holdings B.V., een vennootschap naar het recht van Nederland, kantoorhoudende te Claude Debussylaan 88, 1082 MD Amsterdam en ingeschreven in het handelsregister van de Kamer van Koophandel onder nummer 75545454;	- VEON Bangladesh Holdings B.V., a company organized and existing under the laws of the Netherlands, with registered address at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 75545454;
- voor zover niet anders blijkt uit dit Splitsingsvoorstel, de intra-groep leningen en andere intra-groep regelingen tussen HoldCo en de Intermediate HoldCo Subsidiaries;	- unless otherwise specified in this Demerger Proposal, the intercompany loans and other intercompany arrangements by and between HoldCo and the Intermediate HoldCo Subsidiaries;
- een bedrag in contanten van USD 10.000.000;	- an amount of cash of USD 10,000,000;
- overeenkomsten met betrekking tot de activa, passiva en overeenkomsten die overeenkomst deze <u>Bijlage VI</u> zullen overgaan;	- contracts involving any of the assets, liabilities and contracts being transferred in accordance with this <u>Schedule VI</u>;
- crediteurensaldi die betrekking hebben op overeenkomsten die overgaan op Intermediate HoldCo; en	- accounts payable balances relating to contracts transferred to Intermediate HoldCo; and
- voor zover bepaalde Intermediate HoldCo Subsidiaries verlieslatend zijn, voorzieningen voor de netto	- to the extent that any of the Intermediate HoldCo Subsidiaries are

schulden van deze verlieslatende Intermediate HoldCo Subsidiaries.

loss-making, provisions for the net liability balances of such loss-making Intermediate HoldCo Subsidiaries.

BIJLAGE VII / SCHEDULE VII

PRO FORMA WINST- EN VERLIESREKENINGEN VAN DE VENNOOTSCHAPPEN / PRO FORMA PROFIT AND LOSS ACCOUNTS OF THE COMPANIES

PROFORMA INCOME STATEMENTS

		"Proforma"		
(In millions of U.S. dollars)	**1 October 2024**	**VEON Holdings B.V.**	**VEON Midco B.V.**	**VEON Intermediate B.V.**
General and administrative expenses	(4)*	(1)	(2)	(1)
Finance income	99	20	79	0
Finance expenses	(77)	(9)	(49)	(19)
Share in results of subsidiaries	477	193	113	171
Profit before tax	**495**	**203**	**141**	**151**

**proforma adjustments made to remove employee related costs as all VEON Holdings B.V. employees are being transferred to VEON Amsterdam B.V.*

Annual Report 2021

VEON Holdings B.V.

Claude Debussylaan 88,

1082 MD Amsterdam

The Financial Statements are approved by the Shareholder on May 24, 2022

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INFORMATION ON THE COMPANY

Overview

VEON Holdings B.V. (the "Company" or "VEON Holdings"), was incorporated as a private company ('besloten vennootschap') with limited liability under the laws of the Netherlands by notarial deed executed on 29 June 2009. The Company changed its name from VimpelCom Holdings B.V. to VEON Holdings B.V., effective as of September 29, 2017.

The Company has its statutory seat and its principal place of business in Amsterdam. The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

The Directors' Report as presented is prepared by the management of the Company and in line with the business and strategic decisions of VEON Ltd. ("VEON" or the "Group" and also referred to as "We", "Our" and "Us"), the ultimate parent company. The strategic and business decisions made by management of VEON Ltd. are pertinent to VEON Holdings B.V. and its subsidiaries. In this directors' report we will therefore often refer to the governance structure being in place at the level of VEON Ltd. as the Company will be impacted directly and indirectly by this governance structure and the related processes and procedures.

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 220 million customers with voice, fixed broadband, data and digital services. VEON currently offers services to customers in several countries: Russia, Ukraine, Pakistan, Kazakhstan, Algeria, Uzbekistan, Bangladesh, Kyrgyzstan and Georgia. VEON's reportable segments currently consist of the following six segments: Russia, Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh. We provide services under the "Beeline," "Kyivstar," "Banglalink," "Jazz" and "Djezzy" brands. As of December 31, 2021, we had 44,585 employees. For a breakdown of total revenue by category of activity and geographic segments for each of the last three financial years, see *—Operating and Financial Review and Prospects.*

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" - future assets which seeks to identify, acquire and develop "know-how" and technologies that open up adjacent growth opportunities.

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 *—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 *—Operating and Financial Review and Prospects—Key Developments During 2021* and *Operating and Financial Review and Prospects—Recent Developments after year end 2021.*

History

Our predecessor PJSC VimpelCom (formerly OJSC "VimpelCom") was founded in 1992. In 1996, VimpelCom listed on the New York Stock Exchange, where it remained listed until 2013 when VimpelCom moved its listing to the NASDAQ Global Select Market. In March 2017, VimpelCom rebranded to VEON and on April 4, 2017, VEON began trading its ordinary shares on Euronext Amsterdam.

In the early 2000s, we began an expansion into the Commonwealth of Independent States (CIS) 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. Our expansion efforts have included transactions involving operations outside of CIS. 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 Algeria, 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 Algeria, 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 Algeria, 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 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 Algerian business has, in line with the IFRS 5 requirements, become a discontinued operation, and accounted for as "Asset held for sale." The result is that the Algerian operations do not contribute to both the comparison base and the actual reported numbers of VEON, without any change in the net economic value of this business.

Key Developments

VEON completes the acquisition of minority shareholding in Pakistan Mobile Communications Limited

In March 2021, VEON successfully concluded the acquisition of the 15% minority stake in Pakistan Mobile Communications Limited ("PMCL"), the operating company of Pakistan's leading mobile operator, Jazz, from the Dhabi Group for USD 273 million.

This transaction follows the Dhabi Group's exercise of its put option announced on September 28, 2020 and gives VEON 100% ownership of PMCL. This simplifies and streamlines the Group's governance over its Pakistani assets and enables VEON to capture the full value of this growing business, including future dividends paid by PMCL. The transaction is presented within 'Acquisition of non-controlling interest' within the Consolidated Statement of Cash Flows.

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 million equivalent) to purchase the spectrum.

Ukraine Tower Carve out

In June 2021, Kyivstar (a wholly owned subsidiary of VEON group) formalized the plan to carve out its tower related passive infrastructure to a newly incorporated entity, Ukraine Tower Holdings B.V. (an entity indirectly held by VEON Ltd. outside of VEON holdings group). All board approvals to form this carve out were obtained and accordingly the net book value of towers was classified as held for sale.

VEON announced the exercise of its put option to sell its stake in Djezzy

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algérie SpA ("Omnium") to the Algerian National Investment Fund, Fonds National d'Investissement ("FNI"). Omnium owns Algerian mobile network operator, Djezzy. The exercise of the option initiates a process under which a third-party valuation will be undertaken to determine the fair market value at which the transfer shall take place. Under the terms of the shareholders' agreement with FNI, the transaction is expected to be completed in the second quarter of 2022 for a sale price of US$682 million.

Novation of VC-ESOP loan from Luxembourg Finance S.A. to VEON Amsterdam B.V.

In August 2021, VEON Luxembourg Finance S.A and VEON Amsterdam B.V. signed a transfer deed whereby VEON Luxembourg Finance S.A. (a subsidiary of the Company) transferred the rights and all obligation relating to loan receivable from VC-ESOP (a subsidiary of the ultimate parent company) for US$150 to VEON Amsterdam B.V. for a consideration of one US dollar and is considered as deemed dividend for these financials.

Agreement between VEON and Service Telecom regarding the sale of its Russian tower assets

On September 5, 2021, the Company and VEON Ltd., ultimate parent of the Company, signed an agreement for the sale of its mobile network towers in Russia to Service Telecom Group of Companies LLC ("Service Telecom"). The sale reflects VEON's continued focus on active portfolio management and the pursuit of opportunities to realize the value of its infrastructure portfolio. On December 1, 2021, VEON announced the successful conclusion of the sale of its Russian tower assets to Service-Telecom for RUB 70.65 billion (US$957 million equivalent), paving the way for the establishment of a long-term partnership pursuant to a master tower agreement that has been entered into between PJSC VimpelCom and Service Telecom.

Internal Transfer International Wireless Communications Pakistan Limited and Telecom Ventures Limited

The Company acquired direct ownership in International Wireless Communications Pakistan Limited and Telecom Ventures Limited from VEON Pakistan holdings and VEON Bangladesh Holdings (wholly owned indirect subsidiaries of the Company) for consideration payable as at December 31, 2021, of US$948 and US$132 respectively. Since the Company is the ultimate shareholder of these entities, the settlement of the short-term payable to group companies is at the full discretion of the Company.

VEON aligns executive compensation with total shareholder returns

On December 7, 2021, VEON announced a new incentive plan for its Group executive leadership. The purpose of the new compensation scheme is to reward long-term value creation and ensure the alignment of management and shareholder interests.

Management changes

In April 2021, VEON announced changes to its leadership structure. Co-CEO Sergi Herrero, who joined the company in September 2019, stepped down as co-CEO effective June 30, 2021. Kaan Terzioglu continues in his role as CEO of VEON Ltd. with overall responsibility for corporate matters and the Group's general operations.

In addition, in April 2021, VEON announced the appointment of two new members of the Group's leadership team. Alex Bolis joined VEON as Group Head of Corporate Strategy, Communications and Investor Relations while Dmitry Shvets joined as Group Head of Portfolio and Performance Management, a new role that includes oversight of VEON's Performance Management and M&A teams. Mr. Bolis joined VEON on April 1, 2021 and Mr. Shvets on April 15, 2021.

On August 17, 2021, VEON announced the appointment of Michael Schulz as VEON's Group Chief People Officer.

On October 21, 2021, VEON announced that its Group General Counsel, Scott Dresser, would be leaving VEON effective on December 31, 2021.

On December 18, 2021, VEON announced that Victor Biryukov had been appointed as its Group General Counsel effective January 1, 2022, succeeding Scott Dresser.

Board of Director changes

In June 2021, VEON Ltd. 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, who previously served as co-CEO of VEON. Shareholders also elected 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.

On July 15, 2021, VEON announced that Stephen Pusey decided to step down from its Board of Directors.

On January 7, 2020, Kaan Terzioglu was appointed as a statutory director of the Company

On June 30, 2021 and September 30, 2021, Jochem Benjamin Postma and Paul Klaassen were appointed statutory directors of the Company, respectively, replacing Sergi Herrero and Murat Kirkgoz, respectively.

See —*Recent Developments after year end 2021* below for further information on changes to our Board of Directors in 2022.

Financing activities

In March 2021, VEON Holdings B.V. successfully entered into a new multi-currency revolving credit facility agreement of US$1,250 million. The RCF replaced the revolving credit facility signed in February 2017, which was cancelled. The RCF has an initial tenor of three years, with VEON having the right to request two one-year extensions, subject to lender consent. International banks from Asia, Europe and the United States have committed to the RCF. The new RCF caters for USD LIBOR cessation with the secured overnight financing rate ("SOFR") administered by the Federal Reserve Bank of New York agreed as the replacement risk free rate with credit adjustment spreads agreed for interest periods with a one month, three month and six month tenor. SOFR will apply to interest periods commencing on and from October 31, 2021. VEON will have the option to make each drawdown in either U.S. dollars or euro.

In March 2021, PMCL successfully entered into a new PKR 15 billion (US$98 million equivalent) syndicated facility with MCB Bank as agent and PKR 5 billion (US$33 million equivalent) bilateral term loan facility with United Bank Limited. Both these floating rate facilities have a tenor of seven years.

In March 2021, VEON Holdings B.V. successfully amended and restated its existing RUB 30 billion (US$396 million equivalent) bilateral term loan agreement with Alfa Bank and increased the total facility size to RUB 45 billion (US$594 million equivalent), by adding a new floating rate tranche of RUB 15 billion (US$198 million equivalent). The new tranche has a five year term. In April 2021, the proceeds from Alfa Bank new tranche of RUB15 billion (US$198 million equivalent) were used to early repay RUB 15 billion (US$198 million equivalent) of loans from Sberbank, originally maturing in June 2023.

In June 2021, PMCL secured a PKR 50 billion (US$320 million equivalent) syndicated credit facility from a banking consortium led by Habib Bank Limited. This ten years facility will be used to finance the company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities.

In September 2021, VEON Holdings B.V. issued senior unsecured notes of RUB 20 billion (US$273 million equivalent), 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 million equivalent) of outstanding loans to Sberbank that were originally maturing in June 2023.

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US$612 million equivalent) Term Facilities Agreement with Alfa Bank which includes a RUB 30 billion (US$408 million equivalent) fixed rate tranche and a RUB 15 billion (US$204 million equivalent) floating rate tranche, both with a maturity date of December 2026. The facilities are guaranteed by VEON Holdings B.V.. The proceeds from the Alfa Bank facilities have been used to finance intercompany loans to PJSC Vimpel-Com. See *—Recent Developments after year end 2021—Novation of Loans* for a discussion of the novation of this loan in 2022.

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US$611 million equivalent) Term Facility Agreement with Sberbank with a floating rate. Maturity date of the facility is December 2026 and it is guaranteed by VEON Holdings B.V.. The proceeds from the Sberbank facility have been used to finance an intercompany loan to PJSC Vimpel-Com. See *—Recent Developments after year end 2021.—Novation of Loans* for a discussion of the novation of this loan in 2022.

In December 2021, VEON Holdings B.V. repaid RUB 45 billion (US$611 million equivalent) of outstanding loans to Alfa Bank, comprising of a RUB 30 billion loan (US$407 million equivalent) originally maturing in March 2025 and a RUB 15 billion (US$204 million equivalent) loan originally maturing in March 2026.

In December 2021, VEON Holdings B.V. repaid RUB 45 billion (US$612 million equivalent) of outstanding loans to Sberbank, comprising of a RUB 15 billion (US$204 million equivalent) loan originally maturing in June 2023 and a RUB 30 billion (US$408 million equivalent) loan originally maturing in June 2024.

VEON concludes comment letter process with the AFM

On November 25, 2020, we received a letter from the AFM asserting that the goodwill impairment tests for the cash-generating units in Russia and Algeria had not been applied correctly in the first half of 2020 because our goodwill impairment tests did not take into account all aspects that market participants would take into account in determining the fair value less cost of disposal. The AFM comment process began in November 2020, when we received an initial comment letter from the AFM seeking additional information regarding our goodwill impairment testing performed in the first half of 2020 as disclosed in the 2020 Interim Financial Report. The AFM had asserted that they did not agree with our assumptions regarding the discount rate and projected cash flows used in our discounted cash flow model.

We responded to these requests from the AFM during 2020 and 2021 and met several times with the AFM to discuss our goodwill impairment testing. We maintained that our goodwill impairment tests were performed correctly and that no re-performance of the past impairment tests is necessary. These discussions with the AFM have now been resolved without a restatement of previously issued financial statements or other changes to our goodwill impairment testing being imposed.

Recent Developments after year end 2021

Karen Linehan joins VEON board as a non-executive director

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.

VEON announces its intention to establish a new parent holding company in the United Kingdom

On February 3, 2022, VEON announced its intention to move its group parent company to the United Kingdom, with the introduction of a newly formed UK incorporated public limited company (the "new UK Parent Company") as the top holding company of the VEON Group. It is expected that the new UK Parent Company will replace VEON Ltd. as the VEON Group's ultimate parent company by way of a Bermuda court-approved scheme of arrangement. VEON has since suspended all activities related to the previously proposed re-domiciliation of VEON Ltd. to the United Kingdom and will continue to consider the optimal corporate structure for the Group.

The Conflict between Russia and Ukraine

In response to the ongoing conflict between Russia and Ukraine, the United States, European Union (including individual E.U. member states), the United Kingdom, as well as other countries (such as, Japan, Canada, Switzerland) have imposed wide-ranging economic sanctions and trade restrictions which have targeted individuals and entities, as well as large swaths of the Russian (and Belarussian) economy. The United States, the European Union and the United Kingdom have also imposed sanctions on a number of individuals and entities from both Russia and Belarus (including many Russian and Belarussian financial institutions), including measures that prohibit dealings with these individuals and entities and/or freezing their assets and measures that prohibit dealing with newly issued securities or extending credit to designated entities and, in the case of the United Kingdom, persons connected with Russia. In addition, certain Russian banks have been removed from the SWIFT payment messaging system, which facilitates transfers of funds between financial institutions and across borders. In addition to economic sanctions, the United States, the European Union and the United Kingdom have expanded export and import prohibitions on items destined for or from Russia or Belarus, including, among other things, restrictions on the export to or for use in Russia certain commodities, critical-industry software and technology, iron and steel products, and luxury goods. Ukraine has also enacted sanctions with respect to certain Russian entities and individuals, such as MOEX on which VEON Ltd.'s shares are listed and traded on an unsponsored basis. The sanctions and trade restrictions have been frequently updated as events have unfolded and are subject to ongoing change.

Furthermore, as a response to the new sanctions Russia recently introduced a number of counter-sanctions and measures aimed at stabilizing domestic financial markets. These, among others, include new 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 introduction of certain of these measures may significantly harm our business. For example, we are limited in our ability to pay and receive dividends, including interest payments on intercompany loans and dividends from our subsidiary PJSC VimpelCom, we may also be limited in issuing or repaying intra-group loans, completing corporate restructurings or planned M&A transactions. Moreover, new Russian counter-sanctions may affect our ability to service our indebtedness towards non-Russian creditors as Russian counter-sanctions introduce new rules related to debt repayment towards foreign creditors.

As of the date on this Annual Report, the conflict between Russia and Ukraine is still ongoing. For a discussion of the potential impact of the conflict on our business, see—*Risk Factors* and —*Factors Affecting Comparability and Results of Operations—The Conflict Between Russia and Ukraine.*

Mikhail Fridman steps down from VEON board

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

Liquidity and financing update

On March 2, 2022, VEON announced that as of February 27, 2022, it had approximately US$2.1 billion of cash and deposits, including US$1.5 billion of U.S. dollars and euro-denominated cash and deposits held at the level of its HQ in Amsterdam. The HQ cash and deposits are held in bank accounts, money market funds and on-demand deposits at a diversified group of international banks from the European Union, the United States and Japan. In addition, VEON utilized US$430 million under its RCF on February 28, 2022 to repay the principal and accrued interest of its US$417 million notes due March 1, 2022.

On March 11, 2022, a subsidiary of VEON prepaid its RUB 30 billion interest-bearing loan with VTB Bank, which had been entered into on February 17, 2021, in accordance with its terms, and the facility was cancelled. The repayment and cancellation was in compliance with applicable sanctions. In February 2022, VEON requested a one-year extension to the RCF, which was approved by eight lenders, and in March 2022, commitments of two Russia-based banks under the RCF were cancelled as it is no longer possible for them to fund drawings under the RCF given the recently introduced Russian currency controls. As a result, the commitments under the RCF will be reduced from US$1,250 million to US$1,055 million.

On April 13, 2022, VEON announced that it had approximately US$1.3 billion of cash held at the level of its HQ in Amsterdam, which was deposited with international banks and fully accessible at HQ, with approximately US$700 million available under its RCF. In addition, VEON's operating companies had a total cash position equivalent to over US$500 million.

In April 2022, VEON Holdings BV and VEON Digital Amsterdam BV extended the maturity of the intercompany loan until April 2023.

In April and May 2022, VEON Holdings B.V. has received US$610 following a utilization under the RCF. This amount can be rolled until maturity.

In February 2022, PMCL fully utilized the remaining PKR 40 billion that it had available under its existing line of credit and in April 2022, PMCL entered into a PKR 40 billion syndicated loan with a ten year maturity and Banglalink entered into a BDT 12 billion syndicated loan with a five year maturity. In addition, in April, Kyivstar prepaid a UAH 1,350 million loan with JSC CitiBank, prepaid a portion of a UAH 1,677 million loan with Alfa Bank (UAH 1,003 million) and prepaid a portion of a UAD 1,275 million loan with JSC Credit Agricole (UAH 940 million prepaid).

Robert Jan van de Kraats steps down from VEON Board

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

U.S., EU and UK Sanctions not applicable to VEON

On March 15, 2022 and April 13, 2022, we announced our conclusion that, on the basis of information available to us, VEON is not the subject of any sanctions imposed by the United States, the European Union or the United Kingdom. Bermuda adopts UK sanctions by operation of law.

VEON has no ultimate controlling shareholder. As disclosed in this Annual Report, LetterOne holds 47.85% of our common and voting shares. Mr. Mikhail Fridman and Mr. Peter Aven, upon whom sanctions have been imposed on by the European Union and the United Kingdom, hold in the aggregate a less than 50% interest in the LetterOne group, the ultimate shareholding entity of LetterOne, and both have stepped down from the LetterOne group board. All of our shareholders have identical voting rights. None have 'special' voting rights (either through the bye-laws or as a matter of agreement between VEON and any shareholder). On the basis of public filings, there are no agreements in place between LetterOne and any other shareholders relating to the voting of VEON shares, and neither Mr. Fridman nor Mr. Aven directly or indirectly own any voting interests in VEON shares or ADSs outside of their interest in LetterOne. As we announced on 1 March 2022, Mr. Fridman stepped down as a director of VEON effective 28 February 2022. Mr. Aven is not a director of VEON or of any company within our Group.

Michiel Soeting joins the VEON Board as a non-executive Director

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.

VEON confirms notification from NASDAQ on minimum share price requirement

On April 12, 2022, VEON confirmed that on 7 April 2022 VEON received notification from the Listing Qualifications Department of NASDAQ that VEON is not in compliance with the minimum bid price requirement set forth in NASDAQ's Listing Rule 5550(a)(2). This does not impact current NASDAQ listing and trading, and VEON will evaluate options to return to compliance.

Spectrum Acquisition in Bangladesh and Pakistan

On March 31, 2022, Banglalink acquired new spectrum for a fee of US$205 million payable in installments over eleven years, which doubles its spectrum holding in Bangladesh. Banglalink acquired 40 MHz of spectrum from the 2300 MHz band. On April 12, 2022, Jazz signed a 4G license renewal with the PTA for a fee of US$486 million for 15 years, of which 50% has been settled, and the remaining amount will be paid in five equal annual installments.

Novation of Loans

As a result of current economic sanctions affecting Russian banks, in April 2022, VEON novated two group-level loans, with Sberbank and Alfa Bank respectively, and totaling RUB 90 billion, to PJSC VimpelCom. 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 RUB liabilities are held within Russia and as such are matched to the market where RUB revenues are generated, enabling further review of the capital structure of PJSC VimpelCom.

First Quarter 2022 Trading Update

On April 28, 2022, VEON announced a trading update for the first quarter period ended March 31, 2022 (unaudited), including selected financial and operational details.

Business Units and Reportable Segments

VEON Holdings 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 six geographic segments: Russia, 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 Georgia 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 *—Operating and Financial Review and Prospects—Reportable Segments* and *Note 2—Segment information* to our Audited Consolidated Financial Statements for further details.

This *section* - Information on the Company provides a description of our business that is current as of December 31, 2021, but is not updated to reflect the uncertainty of our business operations and prospects in Russia and Ukraine in light of the ongoing conflict. Important aspects of our business operations are 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 *Risk Factors* and *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, 2021. 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
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 %
LLC "VEON Georgia"	Georgia	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 %
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 %
Banglalink Digital Communications Limited	Bangladesh	Operating	100.0 %

** The Group has concluded that it controls Omnium Telecom Algérie S.p.A and Optimum Telecom Algeria S.p.A, See Significant Accounting Judgments in Note 14—Investments in Subsidiaries of the Audited Consolidated Financial Statements for further details. For discussion of our Algeria interests as a discontinued operation see Note 10—Held for Sale and Discontinued Operations of the Audited Consolidated Financial Statements.*

VEON, through its operating companies, provides customers with mobile and fixed-line telecommunications services in certain markets, which are 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 Russia, Pakistan, Ukraine, Kazakhstan, Uzbekistan, and Bangladesh:

Russia	We have interconnection agreements with mobile and fixed-line operators in Russia. During 2021, we had the following MTRs in Russia: average cost per minute of national traffic at RUB 0.9541 and average price per minute of national traffic at RUB 0.9853, which were broadly stable as compared to average cost per minute at RUB 0.9483 and average price per minute of national traffic at RUB 0.9827 in 2020 and average cost per minute at RUB 0.9480 and average price per minute of national traffic at RUB 0.9861 in 2019.
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 MTRs in 2019 and 2020, were at PKR 0.8 and PKR 0.7, respectively, and in 2021 it was PKR 0.70.
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 international termination rate was changed with effect from February 14, 2020, following which the minimum termination rates became US$ 0.006/min. Henceforth, IGW operators share 22.5% of international call termination revenue with mobile operators based on the minimum international call termination rate. The domestic termination rate was changed, with effect from August 14, 2018, to 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 SMP operators.
Ukraine	We have interconnection agreements with various mobile and fixed-line operators. As of December 31, 2021, in Ukraine, the effective MTR was UAH 0.10/min and effective IMTR equaled US$ 0.053/min.
Uzbekistan	We have interconnection agreements with various mobile and fixed-line operators. On September 5, 2017, the State Committee of Uzbekistan on Privatization, Demonopolization and Development of Competition ("State Committee of Uzbekistan") issued an injunction requiring Unitel LLC to implement equal mobile termination rates for all national operators. Unitel LLC unsuccessfully challenged this injunction in the Uzbek courts. Our MTR for 2021 was UZS 0.05/ minute as established by the court decision.
Kazakhstan	We have interconnection agreements with mobile and fixed operators. Our MTR for 2021 for local mobile operators was KZT 5.60/min and for fixed operators was KZT 14.80/min, except for those with Kazakh telecom. For Kazakhtelecom, our MTR is KZT 16.66/min and our IMTR is KZT 53.76/min.

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, 2021.

Mobile Service Description	**Russia**	**Pakistan**	**Bangladesh**	**Ukraine**	**Uzbekistan**	**Kazakhstan**	**Others**[3]
Value added and call completion services [1]	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
National and international roaming services[2]	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Wireless Internet access	*Yes*	*Yes*	*Yes*	*Yes*[4]	*Yes*	*Yes*	*Yes*
Mobile financial services	*Yes*	*Yes*	*Yes*	*Yes*[5]	*Yes*	*Yes*	*Yes*[6]
Mobile bundles	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*[7]

(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 and Georgia, see "—Mobile Business in Others."

(4) Includes 4G.

(5) Includes Smart Money (payment method for services via mobile phone).

(6) Only reflects services offered in Kyrgyzstan.

(7) Only reflects mobile bundles provided in Kyrgyzstan.

Mobile Business in Russia

In Russia, through our operating company PJSC VimpelCom and our "Beeline" brand, we primarily offer mobile telecommunications services to our customers under two types of payment plans: postpaid plans and prepaid plans. As of December 31, 2021, approximately 86.8% of our customers in Russia were on prepaid plans.

The table below presents a description of the primary mobile telecommunications services we offer in Russia.

Voice
• 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
• GPRS/EDGE; 3G/HSPA; 4G/LTE; special wireless "Plug&Play" USB modems
Roaming
• active roaming agreements with 700 GSM networks in 213 countries • GPRS roaming with 647 networks in 195 countries • 4G/LTE roaming with 441 networks in 157 countries • roaming agreements generally state that the host operator bills PJSC VimpelCom for roaming services; PJSC VimpelCom pays these charges and then bills the customer for these services on a monthly basis
VAS
• caller-ID; voicemail; call forwarding; conference calling; missed call notification (via text); call blocking and call waiting
Messaging
• SMS (consumer and corporate); MMS and voice messaging (allows customers to send pictures, audio and video to mobile phones and to e-mails); mobile instant messaging
Content/infotainment
• voice services (including referral services); content downloadable to telephone (including music, pictures, games and video); RBT; mobile cloud solutions; geo-positioning and compass service for fleet and assets management; and M2M control center solution for all M2M/IoT verticals, Smart TV services, including Beeline TV
Mobile financial services
• Mobile payment; banking card; trusted payment; loans repayments; remittances; banks notification; and mobile insurance

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

Services	License	Expiration
Super-regional GSM (GSM900, GSM1800, GSM900/1800, UMTS 900 and 4G/LTE 1800 standards)	Moscow, Central and Central Black Earth, North Caucasus, North-West, Siberia, Ural and Volga	September 2022- April 2023 (various dates)
GSM(1) (GSM900, GSM1800, GSM900/1800 and 4G/LTE 1800 standards)	Regions in the Far East super-region of Russia	2024 - 2027 (various dates)
	Orenburg region	June 2025
	Irkutsk region	2026 (various dates)
3G(2) (UMTS/LTE)	Nationwide(4)	May 2022
4G(3) (LTE)	Nationwide(4)	July 2022
4G/LTE 2600	32 districts of Russia	April 2026

(1) In total, our GSM licenses cover approximately 97% of Russia's population.

(2) PJSC VimpelCom holds one of three 3G licenses in Russia.

(3) In July 2012, PJSC VimpelCom was awarded a mobile license, a data transmission license, a voice transmission license and a telematic license for the provision of 4G/LTE services in Russia. These licenses allow PJSC VimpelCom to provide services using radio-electronic devices in Russia via networks that use 4G/LTE standard equipment within any of the following frequency bands. 735-742.5/776-783.5 MHz, 813.5-821/854.5-862 MHz, and 2550-2560/2670-2680 MHz. Certain channels allocated to us in accordance with the licenses have restrictions on their use. To remove restrictions, we have to perform organizational technical measure field tests. The rollout of the 4G/LTE network is using a phased approach based on a pre-defined schedule pursuant to the requirements of the license.

(4) This includes 83 regions of Russia.

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PJSC VimpelCom must pay an annual fee for the use of radio frequency spectrum. These fees were RUB 3,794 million and RUB 3,952 million for the years ended December 31, 2021 and 2020, respectively. Under Federal Law No. 126 FZ "On Communication" and license terms, PJSC VimpelCom is required to make universal service fund contributions in the amount equal to 1.2% of corporate revenues from provided communications services. Universal service fund contributions were RUB 2,138 million and RUB 2,152 million for the years ended December 31, 2021 and 2020, respectively. PJSC VimpelCom is also subject to certain other license fees on a case-by-case basis.

Mobile bundles

In 2021, our products focused on the needs of our customers by simplifying offers and maintaining competitive prices with transparent conditions. In October 2021, we released a new product "Your Decision," which allowed subscribers to purchase telecommunication and non-telecommunication services and customize their tariff, which is managed in the My Beeline app. The features of our new customizable tariff include unlimited access to messengers and unlimited use of certain popular streaming television, video and music services. This product was part of a rebranding exercise - "On your side," which intends to convey the idea that we are ready to provide our customers with our support and assistance in achieving their goals through the speed and convenience of our services and products. In addition, in the fourth quarter of 2021, we also updated our bundle tariffs and removed unlimited data in all our tariffs and switched from a daily write-off to a "smart" (monthly) write-off for our customers. We also continued to attract customers through shared bundle product and convergence offers.

Distribution

In 2021, we optimized the number of our stores by closing unprofitable locations. Compared to December 31, 2020, as of December 31, 2021 the number of owned retail monobrand stores was 2,184 compared to 2,284; the number of franchise stores was 1,544 compared to 1,658; the number of "Know How" stores was 80 compared to 94; and the total number of owned retail monobrand stores was 3,808 stores compared to 4,036. We have continued to increase the efficiency of retail stores and have closed more than 1,100 stores over the last three years.

In 2021, we were able to maintain high availability for our high ARPU generating customers in all of our contact centers, while also simplifying a number of service procedures and business processes, which we believed helped to improve the quality of our customer service. We were able to achieve this through the launch of various initiatives, such as the launch of several remote contact centers that provides us with staffing flexibility, text messenger support in several regions, the continued development of self-service systems, and the enhancement of our interactive voice responses to encourage the conversion from traditional voice channels to digital text and self-service systems.

Competition

The following table shows our and our primary mobile competitors' respective customer numbers in Russia as of December 31, 2021:

Operator	Customers in Russia (in millions)
MTS	80.4
MegaFon	74.4
PJSC VimpelCom	49.4
Tele2	47.5

Source: Operators' reports, GSMA.

According to GSMA, there were approximately 265.6 million mobile cellular customers in Russia as of December 31, 2021, compared to approximately 257.1.4 million mobile cellular customers as of December 31, 2020, representing a mobile cellular penetration rate of approximately 182.1%, compared to approximately 176.2% as of December 31, 2020.

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 2021, 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 263 cities.

In Pakistan, we offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2021, approximately 97.2% of our customers in Pakistan were on prepaid plans.

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

Voice
• 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
• GPRS, EDGE, 3G and 4G/LTE
Roaming
• active roaming agreements with 319 GSM networks in 148 countries • GPRS roaming with 246 networks in 116 countries • CAMEL roaming through 125 networks in 70 countries • LTE roaming through 55 networks in 40 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
• caller-ID; voicemail; call forwarding; missed call alert; credit balance; balance share; conference calling; call blocking and call waiting
Messaging
• SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail), and mobile instant messaging
Content/infotainment
• ecosystem of digital services: mobile TV, music and live audio streaming, video streaming, mobile magazine, sports (including cricket), mega deals, games
Mobile financial services[1]
• mobile payment; banking card; trusted payment; banks notification; and mobile insurance

(1) *Mobilink Microfinance Bank Limited ("Mobilink Bank"), our wholly owned subsidiary, carries on a microfinance banking business and provides certain MFS, 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	2022
	Nationwide	2034 [2]
3G	Nationwide	2029
	Nationwide	2032
4G/LTE (NGMS)	Nationwide	2019 [2]

(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 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 is currently 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.

(2) The ex-Warid license renewal was due in May 2019. Pursuant to directions from the Islamabad High Court, the PTA issued a license renewal decision on July 22, 2019 requiring payment of US$40 million per MHz for 900 MHz spectrum and US$29.5 million per MHz for 1800 MHz spectrum, equating to an aggregate price of approximately US$450 million (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. In September 2019, May 2020, and May 2021 Jazz deposited approximately US$225 million, US$58 million, and US$51.5 million respectively, in order to maintain its appeal in the Islamabad High Court regarding the PTA's underlying decision on the license renewal. There were no specific terms and conditions attached to the deposit. The appeal in Islamabad High Court was dismissed on July 19, 2021 upholding the PTA order. The Islamabad High Court order has been challenged in the Supreme Court. Last hearing in this regard was conducted on November 25, 2021. The matter has been adjourned and next date of hearing is awaited. The ex-Warid 2019 license was renewed by signing under protest on October 18, 2021.

(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 2007, PMCL renewed its 2G license for a further term of 15 years. As of December 31, 2020, PMCL had paid its outstanding balance of US$14.5 million to the PTA for the renewal of its 2G license (paid on December 5, 2019). This amount had been payable in yearly installments of US$14.5 million, payable in December of each year, until December 2019. PMCL has one 15-year license for provision of cellular mobile 2G services in AJK and Gilgit-Baltistan.

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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$24.6 million, US$23.7 million, and US$24.7 million for the years ended December 31, 2021, 2020 and 2019, respectively. PMCL's total spectrum administrative fee payments, including for Warid's spectrum, were US$1.7 million, US$1.9 million and US$1.6 million for the years ended December 31, 2021, 2020 and 2019, 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, which include on-net minutes, 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 corporate customers, as well as offering dedicated account management to our large corporate customers and a 24x7 business support helpline.

Distribution

As of December 31, 2021, our sales channels in Pakistan included 10 business centers, a direct sales force of 550 employees looking after indirect sales channels, 430 exclusive franchise stores currently active and over 199,000 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, 2021, Jazz brand SIMs are sold through more than 47,650 retailers, supported by biometric verification devices.

Competition

The following table shows our and our competitors' respective customer numbers in Pakistan as of December 31, 2021:

Operator	Customers in Pakistan (in millions)
PMCL ("Jazz")	72.6
Telenor Pakistan	49.5
Zong	42.3
Ufone	22.7

Source: The Pakistan Telecommunications Authority.

According to the PTA, there were approximately 187.1 million mobile customers in Pakistan as of December 31, 2021, compared to approximately 175.6 million mobile customers in Pakistan as of December 31, 2020, representing a mobile penetration rate of approximately 85.9% compared to approximately 82.3% as of December 31, 2020.

Mobile Business in Ukraine

We operate in Ukraine with our operating company "Kyivstar" JSC and our brand, "Kyivstar." The Ukrainian mobile market operates on a 2G, 3G and 4G/LTE basis. As of December 31, 2021, approximately 82% of our customers in Ukraine were on prepaid plans. Kyivstar secured 4G/LTE licenses and spectrum in two separate transactions in 2018.

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

Voice
• 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
• GPRS/EDGE, 3G and 4G/LTE
Roaming
• 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 140 networks in 83 countries
Messaging
• SMS; voice messaging and SMS services (including information services such as news, weather, entertainment chats and friend finder)
Content/infotainment
• voice services (including referral services); content downloadable to telephone (including music, pictures, games and video); mobile TV and RBT
Mobile financial services
• mobile payment; banking card; trusted payment; banks notification; mobile insurance; and Smart Money (payment method for services via mobile phone)

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)	Nationwide	October 5, 2026(4)
3G(2)	Nationwide	April 1, 2030
4G/LTE(3)	Nationwide	July 1, 2033 (1800 MHz)
4G/LTE(3)	Nationwide	January 31, 2033 (2600 MHz)
4G/LTE(5)	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. Services provided in the 2100 MHz band. 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 WiMax. Our network coverage is (except the Anti-Terrorist Operation zone where Kyivstar is not able to use and control its network): 91.46% of the 2G network; 18.7% of the 3G network; 9,864 localities covered by 2G network; and 25,484 localities covered by 3G network.

(3) 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.

(4) The date is valid for licenses to provide telecommunications services. Due to the changes to legislation that came into force on December 24, 2019, extensions and renewals of these licenses will not be required in future

(5) The licenses for the radio frequency resource in 900 MHz re-issued (1 July 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.

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In 2021, Kyivstar PJSC made spectrum and license payments as follows: annual fee for the use of radio frequency spectrum - UAH 961.1 million (paid to the State Budget); EMC and monitoring - UAH 290.3 million (paid to Ukrainian State Center of Radio Frequencies); and an extension of existing licenses and acquisition of new licenses including within the framework of refarming project for implementation of LTE-900 (13 licenses in all) on use of radio frequency spectrum - UAH 350.5 million (paid to the State Budget).

Kyivstar has a range of regional and national licenses for the use of radio frequency resources in both radio-relay and WiMax standards. Our network coverage was as follows: 2G network – 27,518 localities (91.46% of territory controlled by Ukrainian state as of December 31, 2021); 3G network – 7,686 localities (18.7% of territory controlled by Ukrainian state as of December 31, 2021); and 4G network - 16,675 localities (68% of territory controlled by Ukrainian state as of December 31, 2021).

Mobile bundles

Kyivstar offers bundles including combinations of voice, SMS, mobile data, OTT services and swappable benefits (telecommunications and non-telecommunications).

Distribution

Kyivstar's strategy is to maintain a leadership position by using the following distribution channels: distributors (33% of all connections), monobranded stores (24%), local chains (16%), direct sales (11%), active sales (8%) and national chains (7%).

Competition

The following table shows our and our primary mobile competitors' respective customer numbers in Ukraine as of September 30, 2021:

Operator	Customers (in millions)
Kyivstar	26.3
"VF Ukraine" JSC	19.0
"lifecell" LLC	8.9

Source: National Commission for the State Regulation of Communication and Informatization ("NCCIR")

According to GSMA, as of December 31, 2021, there were approximately 55.2 million customers in Ukraine, representing a mobile penetration rate of approximately 127.5% compared to approximately 54.2 million customers and a mobile penetration rate of approximately 124.3% as of December 31, 2020.

Mobile Business in Kazakhstan

In Kazakhstan, we operate as Beeline Kazakhstan, the country's largest independent mobile operator. As of December 31, 2021, approximately 91.9% of our customers in Kazakhstan were on prepaid plans.

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

Voice
• Standard voice services
• VoLTE 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
• 3G and 4G/LTE service
• technology neutral licenses
Roaming
• voice roaming with 577 networks in 195 countries
• 4G/LTE roaming with 285 networks in 107 countries
• 3G roaming with 413 networks in 139 countries
• GPRS roaming with 499 networks in 160 countries
• CAMEL roaming through 429 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
• caller-ID; voicemail; call forwarding; call blocking; trusted payment; mobile transfer (transferring funds from the balance of one subscriber to the balance of another)
• SMS inform, free phone (Voice CPA)
Messaging
• SMS; display of Beeline account balance information
Content/infotainment
• Brand Content (including Yandex, ZVOOQ, Book.beeline.kz, Viktorina, RingBack Tone (RBT), Press, SeZim, Beeline.Music, NoStress, MySafety, Traditional, Engster, Fitness)
Mobile financial services
• mobile payments (including Kazeuromobile and Woopay payment organizations
• mobile transfers (including Sim2Sim, Sim2Card, Sim2IBAN, Sim2ATM, Sim2post)
• digital wallet, card "Simply"
• trusted payment
• Google DCB

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

Licenses (as of December 31, 2021)	Expiration
Mobile services (GSM900/1800, UMTS/WCDMA2100, 4G/ LTE800/1800)[1][2][3]	Unlimited term

- License received on August 24, 1998.
- 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).
- 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 2021 KaR-Tel was required to pay: (i) an annual fee for the use of radio frequency spectrum amounting to KZT 1,247,232,473 for mobile and KZT 224,736,182 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 2,248,250,484.

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. We also promote data services with unlimited access to popular resources: social networks, instant messaging, video hosting, allowance exchange and data package sharing with friends. In 2022, we plan to 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 December 31, 2021, the penetration of bundles into our active base is 87.1%.

Distribution

We distribute our products in Kazakhstan through owned monobranded stores, franchises and other distribution channels. As of December 31, 2021, we had 57 total stores in Kazakhstan, as well as 8,052 other points of sale and 632 electronics stores).

Competition

The following table shows our and our primary mobile competitors' respective customers in Kazakhstan as of December 31, 2021:

Operator	**Customers (in millions)**
Beeline Kazakhstan	9.9
Kcell	8.0
Tele2/Altel	6.6

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 Q4 2021 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, 2021, there were approximately 24.5 million mobile customers in Kazakhstan, representing a mobile penetration rate of approximately 128.7% compared to approximately 24.3 million customers and a mobile penetration rate of approximately 129.0% in 2020.

Mobile Business in Uzbekistan

In Uzbekistan, we operate through our operating company, LLC "Unitel," and our brand, "Beeline." We offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2021, approximately 97.7% of our customers in Uzbekistan were on prepaid plans.

Our 3G/HSPA services were commercially launched in 2008, and the majority of the network was constructed in 2010. Our 4G/LTE services were commercially launched in 2014. Unitel was the first mobile operator in Uzbekistan to provide 4G/LTE services.

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

Voice
• 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 40 minutes
Internet and data access
• GPRS/EDGE/3G/4G/LTE networks
Roaming
• active roaming agreements with 492 GSM networks in 186 countries • GPRS roaming with 404 networks in 163 countries • CAMEL roaming through 306 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
• caller-ID; voicemail; call forwarding; conference calling; call blocking; and call waiting • the process of implementation of two-step verification for VAS subscriptions (the "double yes" program) began in December 2020 and is part of the transparency policy for all of Beeline users
Messaging
• SMS and voice messaging
Content/infotainment
• Beeline Games (more than 1000 mobile games), Beeline Press (more than 200 periodicals), and partnership project with Bookmate (online service for books and audiobooks); Beeline Club 2.0 (loyalty program available via app, online, USSD, universal virtual discount and cashback card); virtual cashback; and My Beeline app
Mobile financial services
• proprietary payment system "Beepul" (including card-to-card transfer); bank card payments; trusted payment; and M-commerce

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 2021, 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$4,667,659.63 and renewal of existing licenses (7 licenses in total) in the total amount of US$3,235,067.76 paid to the state budget of Ministry for Development of Information Technologies and Communications.

Mobile bundles

We offer bundled tariff plans, which may differ by types or volume of traffic, duration (daily and monthly), and region or charge type. Currently, we provide data only bundles consisting of different types of traffic volume, charge and duration and integrated bundles consisting of traditional voice with SMS and data traffic.

Distribution

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. As of December 31, 2021, our sales channels in Uzbekistan include 32 owned offices, 650 exclusive stores and 2,350 multi-brand stores.

Competition

The following table shows our and our primary mobile competitors' respective customers in Uzbekistan as of December 31, 2021:

Operator	**Customers (in millions)**
LLC "Unitel"	7.1
Ucell	10.7
UzMobile (Uzbektelecom)	8.6
UMS	3.4
Perfectum	0.1

Source: GSMA

According to GSMA, as of December 31, 2021, there were approximately 29.9 million mobile customers in Uzbekistan, representing a mobile penetration rate of approximately 89.7% compared to approximately 27.6 million customers and a mobile penetration rate of approximately 84.0% as of December 31, 2020.

Mobile Business in Bangladesh

We operate through our operating company, Banglalink Digital Communications Limited ("BDCL" or "Banglalink") with our brand "banglalink" in Bangladesh. On February 19, 2018, BDCL acquired a 4G/LTE license for US$1.2 million in order to launch a high-speed data network. Following the rollout of the 4G/LTE network, BDCL's data customers as well as data usage have grown rapidly, which has contributed to an increase in BDCL's data revenue and ARPU. As of December 31, 2021, Banglalink had a 4G population coverage of 69.0% and is recognized by Ookla Speedtest as the nation's fastest 4G network provider.

The telecommunications market in Bangladesh is largely comprised of prepaid customers. As of December 31, 2021, approximately 94.4% of our customers were on prepaid plans.

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

Voice
• voice telephony to postpaid and prepaid customers through voice packs and mixed bundles
Internet and data access
• GPRS, EDGE, 3G and 4G/LTE technology • data services provided via pay-per-use and via bundles
Roaming
• active roaming agreements with 304 GSM networks in 164 countries • GPRS roaming with 204 networks in 126 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
• call forwarding; conference calling; call waiting; caller line identification presentation, voicemail; and missed call alert
Messaging
• SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail) and mobile instant messaging
Content/Infotainment
• news alert service; sports related content; job alerts; music streaming; mobile TV; content download; religious content; and RBT
Mobile financial services
• SMS and data network is provided to Bangladesh Post Office for their Electronic Money Transfer Service (EMTS)

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)	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 (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) The BTRC is planning on carrying out an auction of further technology neutral spectrum in the 2.3 GHz and 2.6 GHz bands by the first quarter of 2022. The BTRC intends to release this spectrum to enhance 4G data speed, which could be used at a later date to deploy 5G technology.

LICENSE FEES
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$0.6 million as of December 31, 2021) 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. Banglalink's total license fees (annual license fees plus revenue sharing) in Bangladesh were equivalent to US$38.6 million, US$36.8 million, and US$36.9 million for the years ended December 31, 2021, 2020, and 2019, 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 started to revise the formula for annual spectrum charges with the intention to apply a single formula to calculate the charge for all of the different licenses. A proposal has been sent to the PTD for approval. BDCL's annual spectrum charges were equivalent to US$13.7 million, US$10.3 million, and US$11.8 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Distribution

As of December 31, 2021, our sales and distribution channels in Bangladesh included 85 monobrand stores, a direct sales force of 58 enterprise sales managers and 165 zonal sales managers (for mass market retail sales), 60,060 retail SIM outlets, 298,979 top-up selling outlets, online sales channels, and 1,052 key retail outlets. 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 avoid customer reliance on call center agents. In order to stimulate data usage and smartphone penetration, we offer banglalink branded internet through reverse-bundle model via device partners' channels.

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, 2021.

Operator	Customers in Bangladesh (in millions)
Grameenphone	83.5
Robi Axiata	53.7
Banglalink	37.2
Teletalk	6.7

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 96.3% of the mobile market which consisted of approximately 174.4 million customers as of December 31, 2021, compared to approximately 170.1 million customers as of December 31, 2020. According to GSMA, as of December 31, 2021, Bangladesh had a mobile penetration rate of approximately 107.0% compared to 101.6% as of December 31, 2020.

Mobile Business in Others

In the countries in our "Others" category, we generally offer our customers mobile telecommunications services under prepaid and postpaid plans.

The "Others" category represents our operations in Kyrgyzstan and Georgia. For information on reportable segments, see—*Operating and Financial Review and Prospects—Reportable Segments.*

As of December 31, 2021, we had the following percentages of prepaid and postpaid customers:

Payment Plan	Kyrgyzstan	Georgia
Prepaid	93.7%	100%
Postpaid	6.3%	—

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

Voice	
• 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	
• 3G and 4G/LTE services in each of Kyrgyzstan and Georgia • technology neutral licenses in each of Kyrgyzstan and Georgia	
Roaming	
Kyrgyzstan	Voice: 439 networks in 130 countries GPRS: 292 networks in 105 countries 4G/LTE:179 networks in 75 countries CAMEL: 223 networks in 92 countries
Georgia	Voice: 243 networks in 91 countries GPRS: 225 networks in 84 countries CAMEL: 173 networks in 67 countries
• roaming agreements generally state that the host operator bills for roaming services; we pay these charges and then bill the customer for these services (in some cases on a monthly basis)	
VAS	
• caller-ID; voicemail; call forwarding; conference calling; call blocking and call waiting	
Messaging	
• SMS, MMS, voice messaging and mobile instant messaging	
Content/infotainment	
• SMS CPA, Voice CPA, RBT, voice services (including referral services), content downloadable to telephone (including music, pictures, games and video); access to radio or television broadcasting online or via mobile app	
Mobile financial services	
• balance transfer, trusted payment, mobile wallet	

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

Country	Licenses (as of December 31, 2021)	Expiration
Kyrgyzstan	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
Georgia	GSM1800 10 MHz frequency	February 2030
	GSM900 5.49 MHz frequency	February 2030
	LTE 800 10 MHz frequency	February 2030
	10 MHz 3G frequency	December 2031

Wireless internet services

We have promotional zero-zones for major local and international social networks in each of these countries to lower the entry barrier for new data users and stimulate consumption for existing ones. We also focus on smartphone penetration growth in each of these countries as the major source of effective demand for our mobile internet services. In 2022, we are aiming to focus on improving network capacity in the north of Kyrgyzstan and completed spectrum refarming in the south of Kyrgyzstan.

Distribution

We distribute our products in Kyrgyzstan and Georgia through owned monobranded stores, franchises and other distribution channels. As of December 31, 2021, we had 81 stores in Kyrgyzstan (as well as 6,648 other points of sale) and 41 stores in Georgia (28 own monobranded stores and 13 franchises).

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 each of the countries in each of Kyrgyzstan as of December 31, 2021 and December 31, 2020 and Georgia as of October 31, 2021 and December 31, 2020.

	2021 *(millions of customers)*	**Mobile Penetration**	**2020** *(millions of customers)*	**Mobile Penetration**
Kyrgyzstan(1)	10.6	160.2%	10.2	156.9%
Georgia(2)	1.3	138.0%	1.3	116%

Source: GSMA.

(2) Source: Georgian National Communications Commission as of October 31, 2021 and December 31, 2020, respectively

Description of Our Fixed-line Telecommunications

In Russia, Ukraine and 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. In Kazakhstan, we offer a range of fixed-line business services for B2O, B2B and B2C segments. In Pakistan, we offer internet and data connectivity services over a wide range of access media, covering major cities of Pakistan. We do not offer fixed-line telecommunications services in Bangladesh, Kyrgyzstan or Georgia.

Fixed-line Business in Russia

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

Services
• network access and hardware and software solutions, including configuration and maintenance, SaaS and an integrated managed service
• local access services by connecting the customers' premises to our own fiber network, international and domestic long-distance services and VSAT services to customers located in remote areas
• internet access to both corporate and consumer customers through backbone networks and private line channels
• IP address services, the ability to rent leased channels with different high-speed capacities and remote access to corporate information, databases and applications.
• managed Wi-Fi networks based on IEEE 802.11b/g/n/ac wireless technology
• virtual PSTN number, xDSL services, session initiation protocol (SIP) connection, financial information services, data center services, such as co-location, web hosting, audio conference and domain registration services
• IPTV and TVE services (for FTTB/FMC users, 2.1 million customers), virtual PBX, certain Microsoft Office packages (including SaaS), web-videoconferencing services and sale, rental and technical support for telecommunications equipment
• Pay TV (cable TV) (approximately 19,500 customers)
• OTT TV (TVE)
• FMC product services (1,674,021 customers)
• carrier and operator services, including voice, internet and data transmission over our own networks and roaming services
• MPLS-based IP VPN, local, domestic and international private lines, equipment and equipment maintenance (under interconnection agreements with international global data network operators
• high-speed domestic and international channels to international and Russian operators to sell excess backbone network capacity
Coverage
• all major population centers 40 regions of Russia (189 cities covered by FTTB network), including FVNO projects (18 cities)
Operations
• operate a number of competitive local exchange carriers that operate fully digital overlay networks in a number of major Russian cities
Customers
• FTTB and FMC
• large multinational corporate groups
• government clients
• SMEs
• high-end residential buildings in major cities

Distribution

We use a direct sales force, operating both with fixed-line and mobile customers and supported by specialists in technical sales support, marketing, customer service and end-user training. In addition, we employ a team of regional sales managers and a dedicated sales force in each of our regional branch offices, as well as having sales incentive plans with our regional partners.

Competition

Our fixed-line telecommunications business faces significant competition from other service providers and competes principally on the basis of convergent services and bundles, installation time, network quality, geographical network reach, customer service, range of services offered and price.

The table below presents our competitors in the voice services, data services and fixed-line broadband markets in Russia.

	Voice Services	
• Rostelecom	• TransTelecom	• OJSC "Multiregional TransitTelecom" (acquired by MTS in 2021)
	Data Services	
• Rostelecom	• TransTelecom	• MegaFon
	Fixed-line Broadband	
• Rostelecom • MegaFon	• ER-Telecom	• MTS

In terms of end-user internet penetration, the consumer internet access business in Russia is saturated and end-user internet penetration is high. Competition for customers in Russia is intense, with internet providers utilizing new marketing efforts (for example, aggressive price promotions) in order to retain existing customers and attract new ones. We expect competition to increase in the future due to wider market penetration, consolidation of the industry, the growth of current operators and the appearance of new technologies, products and services.

Licenses

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

Services	License	Expiration
Leased Communications Circuits Services	St. Petersburg	October 4, 2022
Telematic Services	Krasnodar	August 1, 2022
	Nizhny Novgorod	August 1, 2022
	Khabarovsk	August 1, 2022
	Novosibirsk	August 1, 2022
	Rostov	August 1, 2022
	St. Petersburg	August 1, 2022
Data Transmission Services License	Krasnodar	August 1, 2022
	St. Petersburg	August 1, 2022
	Nizhny Novgorod	August 1, 2022
	Novosibirsk	August 1, 2022
	Rostov	August 1, 2022
Communications Services for the Purposes of Cable Broadcasting	Krasnodar	December 6, 2022
	Moscow	December 6, 2022
	St. Petersburg	December 6, 2022
	Yekaterinburg	December 6, 2022
	Khabarovsk	December 6, 2022
	Nizhny Novgorod	December 6, 2022
	Novosibirsk	December 6, 2022
	Rostov	December 6, 2022

Fixed-line Business in Pakistan

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

Services
• 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 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 • dedicated lines of data transmission • dedicated line access and fixed-line mobile convergence
Coverage
• 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
• long-haul fiber optic network covers more than 13,000 kilometers and, supplemented by wired and wireless networks
Customers
• 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 faces significant competition from 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 • Wateen	• Transworld • Cybernet	• World Call • Multinet
Carrier and Operator Services		
• PTCL • Wateen	• Transworld • Telenor Pakistan	• World Call
Fixed-line Broadband		
• Pakistan Telecommunication Company Limited, or "PTCL" • Multinet • Wateen	• Cybernet • Nexlinx • Nayatel	• Supernet

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
• data • broadband services • corporate internet access • Fixed-line: VPN services, data center, contact center, voice, fixed-line telephony and a number of VAS • Internet access services: ADSL, symmetrical and Ethernet interfaces at speeds ranging from 256 kilobytes per second to 10 gigabytes per second • FMC • FTTB services tariffs for fixed-line broadband internet access targeted at different customer segments
Coverage
• provided services in 126 cities in Ukraine (excluding cities in Crimea and the ATO zone) • engaged in a project to install FTTB for fixed-line broadband services in approximately 43,486 residential buildings in 125 cities, providing over 60,442 access points

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.

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, 2021, our penetration of fixed-mobile convergence ("FMC") in fixed broadband was 75%, due to a high level of migration of mobile customers to FMC.

Competition

There is a high level of competition with 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 corresponds to a 14.5% market share. The table below presents our competitors in Ukraine in the services indicated.

	Voice Services(1) and Data Services(2)	
• Ukrtelecom	• Data Group	• Farlep-Invest (Vega)
	Retail Internet Services	
• Kyivstar	• Ukrtelecom	• Data Group and Volia
	Top 5 ISPs (market share)(3)	
• Kyivstar (14.5%)	• Ukrtelecom (10.6%)	• Data Group and Volia (9.6%)
• Freenet (2.0%)	• Lanet (1.2%)	

(1) Voice services market for business customers only.

(2) Data services for corporate market only

(3) Source NCCIR as of September 30, 2021

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, licensing of radio frequency resource (RFR) use remains unchanged.

Fixed-line Business in Kazakhstan

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

Services
• 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
• 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, Smarkand, 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

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. 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 *—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

Our mobile telecommunications business is subject to certain seasonal effects. Generally, revenue from our contract and prepaid tariff plans tends to increase during the December holiday season, and then decrease in January and February. Mobile revenue is also higher in the summer months, when roaming revenue increases significantly as customers tend to travel more during these months. Guest roaming revenue on our networks also tends to increase in the summer period.

Our fixed-line telecommunications business is also subject to certain seasonal effects. Among the influencing factors is the number of working days in a given period, as well as periods of vacations. Generally, our revenue from our fixed-line telecommunications business is lower when there are fewer working days in a period or a greater number of customers are on vacation, such as during the December holiday season and in the summer months.

In 2021, these trends were less pronounced due to the COVID-19 pandemic, which resulted in associated restrictions imposed by governments across the world that impacted international travel and led to an increase in remote working arrangements, as well as disruption to supply chains. Roaming revenues were significantly lower as compared to normal years, while we saw a pick-up in usage of our fixed-line services due to work-from-home conditions and travel restrictions. However, going forward we expect the seasonal trends described above to continue.

Information Technology

As part of the execution of our digital operator strategy, in 2021, we devoted considerable resources to the maintenance, development and improvement of our IT systems. For example, in 2021, we completed the enhancement of the digital business support systems ("DBSS") of our operating companies in Pakistan and Ukraine, and completed the DBSS modernization across Algeria, Bangladesh, Pakistan, Ukraine, Georgia and Kyrgyzstan. DBSS enhancements are currently ongoing in Russia, Uzbekistan and Kazakhstan.

The enhancement of our IT capabilities optimizes the experience of our customers as they use our core services, and also enables our operators to offer IT and big data / artificial intelligence-based products as a part of their B2B portfolios. Our portfolio of advance IT/big data services includes data-driven marketing (AdTech), scoring models, geo-analytics, video/audio analytics, cyber security as a service, private industrial networks, integration and cloud infrastructure services. Key developments in this area in 2021 include Beeline Russia's acquisition of a majority stake in OTM, a major AdTech provider in Russia and the 100% acquisition of IBS DataFort, a cloud IT infrastructure provider. 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 the broader business community in Pakistan.

Cybersecurity and compliance with data protection regulations remain our key priorities. We have established a Group-wide horizontal experience exchange mechanism to share best practices in cybersecurity as well as cross-operating companies alarm channels enabling us to respond to cyber threats of global scale. Our updated cybersecurity policy came into effect on January 1, 2021, requiring each of our operating companies to meet international best practice standards including ISO 27001. In addition to the onboarding of fully dedicated cyber security teams, each operating company has appointed a chief cyber security officer to ensure operational focus and consistency of our cyber security function.

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 *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.*

Property, Plants and Equipment

Buildings

The buildings housing our offices in Amsterdam and London are leased. Our global headquarters activities are hosted in Amsterdam, 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 our London-based staff now utilize an alternative space located in central London. Our subsidiaries, including those in Russia, 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, ZTE, Huawei, Nokia, and Cisco 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 assets base while increasing operating costs. See *Operating and Financial Review and Prospects—Key Developments during 2021—Agreement between VEON and Service Telecom regarding the sale of its Russian tower assets.*

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. In Russia, we have agreements with MTS and MegaFon in different regions and for different technology combinations, respectively.

Fixed-lined infrastructure

Our infrastructure in Russia, Pakistan, Ukraine, Uzbekistan and Kazakhstan, where we provide fixed-line services, supports our mobile businesses as well as our fixed-line businesses. 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.

Sustainability

The Group Head of Corporate Strategy, Communications and Investor Relations oversees the corporate sustainability 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 2020 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, the Company 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, considering the evolving character of the European regulatory framework, the level of complexity of the available legislation and the lack of clarity around how to interpret and apply it, we expect that reporting will evolve and, over time, with more scoping to be done in coming periods.
It is concluded that VEON Group with its core business activities is not identified as a relevant source of GHG emissions.

Our assessment of Taxonomy-eligibility is focused on economic activities defined as the provision of goods or services on a market, thus (potentially) generating revenues. In this context, we, as a telecommunications group, define voice, fixed broadband, data and digital services as the core of our business activities. We define activities such as the acquisition/ construction of new buildings (for our shops, front and back offices, warehouses, data centers) and towers or the transport for our administrative and engineering staff as underlying activities necessary to conduct our core business activities. They are not reported as Taxonomy-eligible activities and not included in our turnover KPI as they are not generating external turnover on a standalone basis.

Our turnover is Taxonomy-non-eligible because our economic activities are not covered by the Climate Delegated Act to date. Consequently, the capital and operating expenditure related with these activities are Taxonomy-non-eligible.

In addition, the capital and operating expenditure to be reported also include those that are related to the purchase of output from Taxonomy-aligned economic activities and certain individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. Due to our accounting policy regarding these individually Taxonomy-eligible Capex/Opex (cf. section "Capex KPI and Opex KPI" in the description of our accounting policies), we report our total KPIs as follows:

Table 1 - Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in total turnover, Capex and Opex

	Total (USD million)	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-non-eligible economic activities (in %)
Turnover	7,788	0%	100%
Capital expenditure (Capex)	3,052	2 %	98 %
Operating expenditure (Opex)	4,460	— %	100 %

The table above represents figures for VEON Ltd., the ultimate shareholder of the Company. There are no material differences for VEON Holdings B.V.

Accounting Policies

The key performance indicators ("KPIs") include the turnover KPI, the Capex KPI and the Opex KPI. For the reporting period 2021, the KPIs have to be disclosed in relation to Taxonomy-eligible economic activities and Taxonomy-non-eligible economic activities

The specification of the KPIs is determined in accordance with Annex I of the Art. 8 Delegated Act. We determine the Taxonomy-eligible KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

Turnover KPI

Definition The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding our consolidated net turnover, please refer to Note 3 of our Annual Report 2021.

With regard to the numerator, we have not identified any Taxonomy-eligible activities as explained above.

Capex KPI

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by our total Capex (denominator). With regard to the numerator, we refer to our explanations below.

Total Capex consists of additions to Property and Equipment and Intangible assets during the financial year. Total Capex can be reconciled to our consolidated financial statements as the reference to the sum of total Additions line of Note 12 and Note 13.

Opex KPI

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by our total Opex (denominator). With regard to the numerator, we refer to our explanations below.

The Taxonomy-eligible Opex consists of Opex related to purchase of renewable energy. Apart from that we have not identified any other Opex in our business stream that is Taxonomy-eligible.

Explanations on the numerator of the Capex KPI and the Opex KPI

As we have not identified Taxonomy-eligible economic activities, we do not record Capex/Opex related to assets or processes that are associated with Taxonomy-eligible economic activities in the numerator of the Capex KPI and the Opex. Only "category c" Capex and Opex can therefore qualify as Taxonomy-eligible, and considered for calculating of the proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in Capex and Opex (Table 1), i.e., Capex/Opex related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling certain target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions (Sect. 1.1.2.2. (c) of Annex I to the Art. 8 Delegated Act). As the disclosure requirements for the 2021 financial year relate exclusively to Taxonomy-eligible Capex/Opex, we consider as Taxonomy-eligible, Capex/Opex related to this category when the purchased output/individual measure fulfills at least the substantial contribution criteria of its respective economic activity .

We have identified the following economic activities in the Climate Delegated Act resulting in Capex/Opex which can be considered as individually Taxonomy-eligible purchased output/measures:

Table 2 - Individually Taxonomy-eligible Capex/Opex and the respective economic activities

Description of the individually Taxonomy-eligible purchased output/measure	**Respective economic activity (Annex I to Climate Delegated Act)**
All our vehicle fleet (leasing)	6.5. Transport by motorbikes, passenger cars and light commercial vehicles
All renovation measures of our existing buildings including own shops, front and back offices, warehouses and towers	7.2. Renovation of existing buildings
Maintenance and repair of the energy efficient equipment for our base stations	7.3. Installation, maintenance and repair of energy efficiency equipment
Installation, maintenance and repair of renewable energy technologies for our base stations	7.6. Installation, maintenance and repair of renewable energy technologies

Our acquisition of buildings (i.e. eligibility of all buildings taking into account the legal or economic ownership, including the right of use from a lease of a building) including shops, front and back offices, warehouses and towers	7.7. Acquisition and ownership of buildings
Our data centers	8.1. Data processing, hosting and related activities

For the allocation of Capex and Opex we have identified the relevant purchases and measures and identified the primarily related economic activity in the Climate Delegated Act. In this way, we ensure that no Capex or Opex is considered more than once.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Senior Management

The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Postma and Paul Klaassen.

The Company is part of the VEON Ltd. Group. VEON Ltd. is governed by our Board of Directors. As of April 15, 2022, our directors, their respective ages, positions, dates of appointment and assessment of independence were as follows:

Name	Age	Position	First Appointed	Independent
Gennady Gazin	57	Chairman of Board of Directors	2020 (as Chairman); 2015 (as member)	☒
Hans Holger Albrecht	58	Director	2020	☒
Leonid Boguslavsky	70	Director	2021	☒
Yaroslav Glazunov	42	Director	2020	
Andrei Gusev	49	Director	2014	
Sergi Herrero	41	Director	2021	
Gunnar Holt	67	Director	2015	☒
Karen Linehan	63	Director	2021	☒
Irene Shvakman	54	Director	2021	☒
Vasily Sidorov	51	Director	2021	☒
Michiel Soeting	59	Director	2022	☒

The board of directors of VEON ("Board of Directors") consists of eleven members, eight of whom we deem 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.

All members of the Board of Directors are elected by our shareholders through a cumulative voting process. Nominations to the board of directors are managed by its nominating and corporate governance committee ("NCGC"), which is led by Gunnar Holt, whom we deem to be an independent member of the Board of Directors. The NCGC looks 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.

The members of our current Board of Directors, with the exception of Ms. Linehan and Mr. Soeting, were elected at the June 10, 2021 annual general meeting of shareholders in accordance with our bye-laws. Ms. Linehan was appointed as a director on January 5, 2022 to fill the casual vacancy created when Steve Pusey stepped down from the Board of Directors in July 2021. Mikhail M. Fridman stepped down from the Board of Directors, effective on February 28, 2022. Mr. Soeting was appointed on March 16, 2022 to fill the vacancy created when Robert-Jan van de Kraats stepped down from the Board of Directors in March 2022. All members of our Board of Directors, including Ms. Linehan and Mr. Soeting, 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.

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 advisory committee 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.

The GEC of VEON Ltd. is currently comprised of the Group Chief Executive Officer, the Group Chief Financial Officer, the Group General Counsel, the Group Chief People Officer, the Group Chief Internal Audit & Compliance Officer, the Group Head of Corporate Strategy, Communications and Investor Relations, the Group Head of Portfolio Management and the Chief Executive Officer, VEON Ventures. 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 April 15, 2022, the members of our GEC, their respective ages, positions and dates of appointment were as follows:

Name	Age	Position	First Appointed
Kaan Terzioğlu	53	Group Chief Executive Officer	March 2020 (as co-CEO)
Serkan Okandan	51	Group Chief Financial Officer	May 2020
Victor Biryukov	46	Group General Counsel	January 2022
Michael Schulz	55	Group Chief People Officer	July 2021
Joop Brakenhoff	56	Group Chief Internal Audit & Compliance Officer	July 2020
Alex Bolis	61	Group Head of Corporate Strategy, Communications and Investor Relations	April 2021
Dmitry Shvets	49	Group Head of Portfolio Management	April 2021
Khairil Abdullah	50	Chief Executive Officer, VEON Ventures	March 2022

Board of Directors

Mr. Gennady Gazin (Chairman of Board of Directors) has served as the Chairman of the VEON Ltd. Board of Directors since June 2020 and a director of the company since June 2015. We deem Mr. Gazin to be an independent director. Mr. Gazin is a member of the NCGC and the Audit and Risk Committee, and served as a member of the finance committee (the "Finance Committee") until June 2021. Mr. Gazin has served as the chairman of the board at Genesis Philanthropy Group since 2014, a member of the advisory board of DVO Private Equity since 2018, a member of the board of Greenscreens.ai since 2018, a member of the board of Zibra.ai since 2021, and a member of the board of PAWA.ai since 2021. Previously, Mr. Gazin served as an affiliate partner at Lindsay Goldberg, a New York based private equity firm, from 2015 until December 2020, a member of the board of Geo-Alliance Oil-Gas Public Ltd. from May 2010 until September 2019, a member of the advisory board of LetterOne Technology LLP from 2015 until May 2020, and a member of the investment committee of the Russia Kazakhstan Nano Technology Fund from November 2012 until 2018. From 2007 to 2012, Mr. Gazin served as the chief executive officer of EastOne, an international investment advisory group. Prior to EastOne, Mr. Gazin worked at McKinsey & Company's New York and Moscow offices for 14 years, during which time he was an active member of the telecommunications practice and also served as the senior partner responsible for McKinsey's CIS practice. Mr. Gazin is also the Chairman of Friends of Babyn Yar, a Ukrainian Holocaust memorial center. He started his professional career as a systems and telecommunications engineer at Bell Communications Research/Tellcordia and General Dynamics in the United States. Mr. Gazin received a Bachelor's degree in electrical engineering from Cornell University in 1987, a Master's degree in electrical engineering from Stanford University in 1988 and an M.B.A. from the Wharton School of Business at the University of Pennsylvania in 1993.

Mr. Hans Holger Albrecht (Director) has been a director of VEON Ltd. since June 2020 and we deem him to be an independent director. Mr. Albrecht is a member of the compensation and talent committee (the "CTC") and is the Chairman of the digital and innovation committee (the "Digital Committee"). Mr. Albrecht has served as the chairman of the supervisory board of Scout24 AG, a publicly listed operator of online marketplaces in several industries, since 2018. Starting in 2022, Mr. Albrecht serves as the chairman of the board of Storytel, one of the world's largest subscribed audiobook and e-book streaming services. Mr. Albrecht was the chief executive officer of Deezer Group, a French online music streaming service from 2015 to July 2021 and continues to serve as a member of its board starting in 2022. Mr. Albrecht holds a Doctorate from Ruhr-Universitat Bochum in Germany and a Master of Law from the University of Freiburg.

Mr. Leonid Boguslavsky (Director) has been a director of VEON Ltd. since January 2021 and we deem him to be an independent director. Mr. Boguslavsky is a member of Digital Committee. Mr. Boguslavsky is an entrepreneur, scientist and venture capitalist and founder of RTP Global (formerly known as ru-Net), which since 2000 has focused on investments in early-stage start-ups across the globe. Mr. Boguslavsky was a managing partner at PricewaterhouseCoopers from 1997 to 2001. Mr. Boguslavsky has served as a member of the board of directors of JSC "AC Rus Media" since 2019, a member of the board of directors of Sberbank PJSC between 2017 and 2021, a member of the board of directors of Super League Holdings Pte. LTD (Singapore) since 2016, and the chairman of the board of Ivi.ru LLC since 2012. Mr. Boguslavsky graduated from the Moscow Institute of Transport Engineering (MIIT) in 1973, majoring in computer science and applied mathematics.

Mr. Yaroslav Glazunov (Director) has been a director of VEON Ltd. since October 2020 and we deem him to be a non-independent director. Mr. Glazunov serves as the Chairman of the CTC and is a member of the NCGC. Mr. Glazunov has been in the global leadership advisory business for over 20 years focusing on chief executive officer succession, efficiency and performance and has worked with corporate boards and founders of companies in Europe, India and Russia. Since 2021, Mr. Glazunov is a partner and managing director for the Russia and CIS practice of Korn Ferry, a global organizational consulting company. Mr. Glazunov holds a Master's degree in management from Plekhanov University. He previously completed a leadership program at INSEAD in Fontainebleau, France, and an executive program at Singularity University in Silicon Valley, California, United States.

Mr. Andrei Gusev (Director) has been a director of VEON Ltd. since April 2014 and we deem Mr. Gusev to be a non-independent director. He is 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, from 2006 to 2010, served as its director of business development and M&A. 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. Sergi Herrero (Director) has been a director of VEON Ltd. since June 2021 and we deem Mr. Herrero to be a non-independent director. He is a member of the Digital Committee. Mr. Herrero joined VEON in September 2019 to lead VEON Ventures and later served as co-Chief Executive Officer from March 2020 to June 2021. Prior to joining VEON, Mr. Herrero served as global director of payments and commerce partnerships at Facebook, where he helped to build and expand Facebook's successful payments and commerce business. Previously, Mr. Herrero held senior executive positions at the financial services company Square and the French bank BNP-Paribas. Mr. Herrero currently serves as mentor at Endeavor, the world's leading community of high impact entrepreneurs. He also serves as venture advisor at THCAP, an early-stage venture capital fund, and as senior advisor at Ripplewood, an American private equity firm. Mr. Herrero holds a Bachelor of Science in electrical engineering and a Master of Science in telecommunication management, both from Ramon Llull University in Barcelona. He also completed a program in angel investing and venture capital at Stanford University.

Mr. Gunnar Holt (Director) has served as a director of VEON Ltd. since June 2015 and we deem him to be an independent director. He is the Chairman of the NCGC and a member of the Finance Committee. Mr. Holt was a senior advisor at Telenor ASA from 2006 to 2017 and previously served as group finance director. From 1995 to 1999, he worked at Aker ASA and Aker RGI ASA, serving as executive vice president and chief financial officer. 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 advisor in the Norwegian Ministry of Petroleum and Energy. Mr. Holt has served on a number of corporate boards. Mr. Holt holds a Doctor of Business Administration degree and Advanced Postgraduate Diploma in Management Consultancy 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 also received a *Diplomøkonom* Degree from The Norwegian School of Management.

Ms. Karen Linehan (Director) has been a director of VEON Ltd. since January 2022 and we deem her to be an independent director. She is a member of the Audit and Risk Committee and the NCGC. Ms. Linehan retired at the end of 2021 as the executive vice president and general counsel of Sanofi, a CAC 40 global pharmaceutical company, and as a member of the supervisory boards of Sanofi Aventis Deuschland GmbH and Euroapi, which are both Sanofi subsidiaries. From 2022, Ms. Linehan serves as a board member, chairwoman of the audit committee and member of the appointment, compensation and RSE committee of Aelis Farma SA, a French biotech company. She also serves as a board member and member of the audit committee of CNH Industrial N.V. since April 2022 and 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. Ms. Linehan graduated from Georgetown University with Bachelor of Arts and Juris Doctorate degrees. Prior to practicing law, 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) has been a director of VEON Ltd. since June 2021 and we deem her to be an independent director. She is a member of the CTC and the Digital 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. Since 2017, Ms. Shvakman has served on the board of directors of MTS Bank PJSC, prior to which she 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) has been a director of VEON Ltd. since June 2021 and we deem Mr. Sidorov to be an independent director. He is a member of the Audit and Risk Committee and the Finance Committee. Mr. Sidorov has over 25 years' experience in top management and non-executive directorship roles in telecoms, digital and other industries. His executive roles include president and chief executive officer of MTS from 2003-2006, chief financial officer of Svyazinvest (Russia) in 1997-2000, and first VP for finance and investments at Sistema-Telecom (Russia) in 2000-2003. He was also 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 also served on boards of large public and non-public corporations, such as Russian Railways (from 2012 to 2018), Aeroflot (from 2013 to 2020) and Russian Post (from 2019 to 2020). He is currently a principal venture capital, private equity and special situations investor in Russia, Continental Europe and the United States, as well as in several frontier markets. Mr. Sidorov serves as a member of the Board of AS RUS MEDIA, publisher of Forbes Russia, since 2018.

Mr. Michiel Soeting (Director) has been a director of VEON Ltd. since March 2022 and we deem Mr. Soeting to be an independent director. He is the Chairman of the Audit and Risk 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 KMPG 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 also 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 and completed there his Doctoral studies in Economics. He holds an MBA from Georgia Southern University in the United States. Mr. Soeting is also a qualified Chartered Accountant in the United Kingdom.

Group Executive Committee

Mr. Kaan Terzioğlu has served as VEON's Chief Executive Officer since June 30, 2021, and has overall responsibility for corporate matters and our general operations. He was previously the co-Chief Executive Officer from March 2020 to June 2021. Previously, he served as a joint Chief Operating Officer from November 2019, and as a member of the Board of Directors from June 2019 until November 2019. Mr. Terzioğlu was Turkcell's chief executive officer from April 2015 until March 2019. He serves as a member of the Board of Directors of Digicel since July 2019. Mr. Terzioğlu is a member of the GSMA Board, the leading international association of the mobile communication industry. He also serves on the board of the GSMA Foundation, which focuses on the role of mobile communications industry to support sustainable development. In 2019, Mr Terzioglu was the recipient of GSMA's "Outstanding Contribution to the Mobile Industry" award. Mr Terzioglu started his professional life in 1989 at Arthur Andersen Turkey and later took on management roles in Arthur Andersen United States and Belgium. In 1999, he joined CISCO, where he served as Managing Director of Technology Marketing, and later as the Vice President for Central and Eastern Europe. Between 2012 and 2015, he served as a Board member of several Turkish companies in banking, insurance, retail, technology and pharmaceuticals industries. Mr Terzioglu holds a BA in Business Administration from Boğaziçi University of Turkey.

Mr. Serkan Okandan has served as VEON's Group Chief Financial Officer since May 2020. 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. During his time at the Etisalat Group and Turkcell, Mr. Okandan also held senior management and board positions of subsidiaries in Asia, Africa and the Middle East, including Morocco, Nigeria and Saudi Arabia, Ukraine and Pakistan. Mr. Okandan is a graduate of the Faculty of Economics and Administrative Sciences at Bosphorus University in Istanbul, Turkey.

Mr. Victor Biryukov has served as VEON's Group General Counsel since January 2022. From February 2017 to December 2021, Mr. Biryukov served as vice president for legal, government relations and compliance and a member of the management board of Beeline Russia, VEON's operating company in Russia. Prior to joining Beeline Russia, Mr. Biryukov served as general counsel of Access Industries for Russia and CIS, managing director for Legal Affairs of Brunswick Rail Managements and a board member of a number of large Russian companies. Mr. Biryukov holds a Law degree from Moscow State Institute of International Relations, and a Masters of Law degree from Northwestern University. He is also a graduate of Harvard Business School's General Management Program.

Mr. Michael Schulz has served as VEON's Group Chief People Officer since July 2021. Prior to joining VEON, Mr. Schulz was chief people and culture officer of Puma Energy and worked closely with the company's board of directors as a member of its group executive committee. Prior to Puma Energy, he 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. 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 Bayreuth, Bavaria, with a degree in law. He also specialized in parallel in organizational psychology and business finance. He holds an MSc equivalent in law from the State of Rhineland Palatine.

Mr. Joop Brakenhoff has served as VEON's Group Chief Internal Audit and Compliance Officer since July 2020. Mr. Brakenhoff joined VEON as the 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 audit roles. Mr. Brakenhoff is a Chartered Accountant (*registeraccountant*) of the Royal Netherlands Institute of Chartered Accountants (NBA) and a Certified Operational Auditor.

Mr. Alex Bolis has served as VEON's Group Head of Corporate Development, Communications and Investor Relations since April 2021. Mr. Bolis has over 20 years' senior management experience in finance, telecommunications and investor relations. Following a 12 year career in investment banking specializing in securities, treasury and derivatives, Mr. Bolis spent 21 years at Telecom Italia S.p.A. where he held the roles of group treasurer, head of investor relations and strategic advisor to the chief executive officer, as well as serving as a board member for a number of the company's subsidiaries. Mr. Bolis has also served as an advisor in investor relations and shareholder services to listed companies and holds a variety of professional affiliations, including memberships of the Italian Association of Financial Analysts and Italy's NedCommunity. Mr. Bolis received a degree in Economics and Business Administration from LUISS University, Rome. He has also completed London Business School's senior executive program and Assogestioni & Assonime's induction program for board members and statutory auditors, and is an Italian registered CPA (*revisore legale*).

Mr. Dmitry Shvets has served as VEON's Group Head of Portfolio Management since April 2021. His role includes oversight of VEON's performance management and merger and acquisition 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 programme 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. Khairil Abdullah has served as the Chief Executive Officer of VEON Ventures since March 2022. Prior to joining VEON, Mr. Abdullah was chief executive officer of Axiata Digital Services, a member of the Axiata Group, a leading mobile operator in South East Asia. While at Axiata Digital Services, he built and operated successful digital businesses in data, artificial intelligence, fintech and system integration, while securing attractive venture capital opportunities and relevant external funding. Prior to arriving at the Axiata Group in 2012 as group chief marketing and operations officer, Mr. Abdullah was at Bain & Company for 15 years, becoming a partner in the Tech, Media and Telecommunications practice for South East Asia. He graduated from the University of Cambridge with a BA and Masters in Engineering and holds an MBA from INSEAD.

Compensation

In order to ensure alignment with the long-term interests of the company's shareholders, the CTC periodically evaluates 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 NCGC both the CTC and the NCGC make 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$55 million for services provided during 2021. For more information regarding our director and senior management compensation, see *Note 21—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 Short Term Incentive ("STI") Scheme provides cash pay-outs to participating employees based on the achievement of established Key Performance Indicators ("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 our financial and operational results (such as total operating revenue, EBITDA and equity free cash flow), 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, and pay-out of the STI award is dependent upon final approval by the CTC. The STI Scheme for the GEC has been revised to a 50 : 50 shares / cash scheme, which is effective for the year 2022. 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. See *Note 21—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.

Board Practices

VEON Ltd. is governed by our Board of Directors, currently consisting of 11 directors. Our bye-laws provide that our Board of Directors consists of at least seven and no more than 13 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.

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, 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. A Group Authority Matrix and updated policy framework has also been implemented, establishing clear decision making parameters 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 fulfilling its oversight and governance duties. These charters set out the purpose, membership, meeting requirement, authorities and responsibilities of the committees.

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.

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.

Under the articles of association for the Company, the management board shall consist of one or more members. The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Benjamin Postma and Paulus (Paul) Klaassen.

Committees of the Board of Directors

The committees of our board of directors consist of: the Audit and Risk Committee, CTC, Finance Committee, NCGC and Digital and Innovation Committee. Our Board of Directors and committees meet at least quarterly. In 2021, our Board of Directors met ten times, the Audit and Risk committee met eight times, the CTC met four times, the Finance Committee met 19 times, the NCGC met twelve times, the Digital Committee met nine times, and the Telecommunications Committee met seven times. Each director who served on our Board of Directors during 2021 attended at least 90% 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.

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; and the company's compliance program. The current members of the Audit and Risk Committee, Michiel Soeting (chairman), Gennady Gazin, Karen Linehan and Vasily Sidorov, are expected to serve until our next annual general meeting.

Compensation and Talent Committee

The CTC is 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 has overall responsibility for approving and evaluating company's director, executive and employee compensation and benefit plans. The CTC advises 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 evaluates 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 formulates recommendations to the Board of Directors regarding such director compensation and any adjustments in compensation and/or incentives that the CTC considers appropriate. Such recommendations are reviewed by the NCGC, and both committees jointly deliver to the board such recommendations for consideration and approval. Finally, the CTC evaluates 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. The current members of the CTC, Yaroslav Glazunov (chairman), Hans Holger Albrecht and Irene Shvakman, are expected to serve until our next annual general meeting.

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 incurrence of indebtedness, finance policies, dividends, material litigation, arbitration or other proceedings, and certain material and outside of the ordinary course business contracts. The current members of the Finance Committee, Andrei Gusev (chairman), Gunnar Holt and Vasily Sidorov, are expected to serve until our next annual general meeting.

Nominating and Corporate Governance Committee

The NCGC is responsible for identifying and recommending to the Board 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 reviews 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. The current members of the NCGC, Gunnar Holt (chairman), Gennady Gazin, Yaroslav Glazunov and Karen Linehan, are expected to serve until our next annual general meeting.

Digital and Innovation Committee

The Digital and Innovation Committee is responsible for advising on, and overseeing, the development of our digital strategy and digital initiatives. The current members of the Digital and Innovation Committee, Hans Holger Albrecht (chairman), Sergi Herrero, Leonid Boguslavsky and Irene Shvakman, are expected to serve until our next annual general meeting.

Telecommunications Committee

The Telecommunications Committee was responsible for oversight of the operations and business strategy of our telecommunications business, including the operational and technological capabilities associated with that strategy. The Telecommunications Committee was discontinued in June 2021 and its activities assumed by the Board of Directors and the board of directors of our operating companies.

Employees

The following chart sets forth the number of our employees as of December 31, 2021, 2020 and 2019, respectively:

	As of December 31,		
	2021	2020	2019
Russia	28,235	26,453	28,003
Pakistan	5,091	4,539	4,325
Bangladesh	1,128	1,137	1,200
Ukraine	3,794	3,628	3,527
Uzbekistan	1,555	1,604	1,594
Kazakhstan	3,868	2,521	2,142
HQ	31	63	116
Others	799	824	2,634
Total*	**44,586**	**40,893**	**43,711**

* Total number of employees does not include employees in our Algeria operations, which has 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, 2021, according to geographic location and our estimates of main categories of activities:

	As of December 31, 2021					
Category of activity(1)	**Russia**	**Pakistan**	**Ukraine**	**Kazakhstan**	**Uzbekistan**	**Bangladesh**
Executive and senior management	21	24	18	13	12	8
Engineering, construction and information technology	5,027	804	1,469	1,281	430	344
Sales, marketing and other commercial operations	14,799	3,130	964	1,501	352	552
Finance, administration and legal	2,020	541	444	231	146	123
Customer service	4,915	250	775	660	370	35
Procurement and logistics	471	76	65	53	35	23
Other support functions	982	266	59	129	210	43
Total	**28,235**	**5,091**	**3,794**	**3,868**	**1,555**	**1,128**

(1) A breakdown of employees by category of activity is not available for our HQ segment and our "Others" category.

We have established a joint works council ("Joint Works Council") for VEON Ltd, VEON Holdings B.V., VEON Amsterdam B.V., and VEON Central Procurement 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. As of December 31, 2021, we had a separate works council for VEON Wholesale Services B.V. ("VWS") that addresses management decisions that may affect the VWS workforce, and we are currently working to integrate the VWS works council into the Joint Works Council. Once integrated, the Joint Works Council may utilize legal remedies that can impact the timing of implementation of decisions at our Amsterdam headquarters or within VWS that are subject to consultation or approval by the Joint Works Council.

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 —*General Risk Factors—Our business may be adversely impacted by work stoppages and other labor matters.*

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The Company is indirectly (via VEON Amsterdam B.V.) wholly-owned by VEON Ltd., which in turn has one major shareholder, LetterOne Holding S.A. ("LetterOne").

The following table sets forth information with respect to the beneficial ownership of VEON Ltd. as of April 15, 2022, by each person who is known by us to beneficially own 5.0% or more of our issued and outstanding shares. As of April 15, 2022, 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
L1T VIP Holdings S.à r.l.[(1)]	840,625,001	47.85
Stichting Administratiekantoor Mobile Telecommunications Investor[(2)]	145,947,562	8.31
Exor N.V.	89,174,902	5.10

(1) *As reported on Schedule 13D, Amendment No. 20, filed on September 13, 2019, by L1T VIP Holdings S.à r.l. ("L1T"), Letterone Core Investments S.à r.l. ("LCIS") and Letterone Investment Holdings S.A ("LetterOne") with the SEC, L1T is the direct beneficial owner of 840,625,001 common shares. LCIS is the sole shareholder of L1T, and LetterOne is the sole shareholder of LCIS and, in such capacity, each of L1T, LCIS and LetterOne may be deemed to be the beneficial owner of the 840,625,001 common shares held for the account of L1T. Each of L1T, 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. The common shares held by Stichting represent approximately 8.31% of VEON Ltd.'s issued and outstanding shares.

Based on a review of our register of members maintained in Bermuda, as of April 15, 2022, a total of 1,228,276,40 common shares representing approximately 69.92% 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 511,889,772 common shares representing approximately 29.14% 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, and a total of 16,564,960 common shares representing approximately 0.94% 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. As of April 15, 2022, 23 record holders of VEON Ltd.'s ADRs, holding an aggregate of 763,528,329 common shares (representing approximately 43.46% 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 March 14, 2022 by Exor N.V., Exor N.V. bought 89,174,902 of VEON Ltd. common stock, in the form of ADSs. This transaction represented approximately 5.1% of the total outstanding common stock of VEON Ltd.

As reported on Schedule 13D, Amendment 43, filed on November 25, 2019 by Telenor East Holding II AS, Telenor Mobile Holding AS and Telenor ASA with the SEC, on November 22, 2019, Telenor East Holding sold 156,703,840 of VEON Ltd. common stock, in the form of ADSs, at a price per share of US$2.31, representing all of Telenor East Holding's remaining interest in VEON Ltd. The sale resulted in net proceeds to Telenor East Holding of approximately US$362 million. This transaction represented approximately 8.9% of the total outstanding common stock and Telenor East Holding's final exit from VEON Ltd. Please also see Schedule 13D, Amendment 38, filed on April 12, 2017 by Telenor East Holding II AS, Telenor Mobile Holding AS and Telenor ASA with the SEC, reporting a sale by Telenor East Holding II AS of 70,000,000 of ADSs in VEON Ltd. pursuant to an underwritten offering and Schedule 13D, Amendment 40, filed on September 25, 2017 by Telenor East Holding II AS, Telenor Mobile Holding AS, and Telenor ASA with the SEC, reporting a sale by Telenor East Holding II AS of 90,000,000 ADSs in VEON Ltd. pursuant to an underwritten offering.

In addition to the transactions described below, VEON Holdings B.V. 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 Holdings B.V. 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 21—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, Altimo Holdings & Investments Ltd. and Altimo Coöperatief U.A. 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.

Separately, in connection with the issuance of US$1,000,000,000 in aggregate principal amount of 0.25% exchangeable bonds due 2019, exchangeable for VEON Ltd. ADSs (the "Telenor Exchangeable Bond") by Telenor East Holding II AS, VEON Ltd. entered into a registration rights agreement, dated September 21, 2016 (the "New Registration Rights Agreement") for the benefit of holders of the Telenor Exchangeable Bonds. Following Telenor's divestment of its interest in VEON Ltd. ADSs in November 2019, the New Registration Rights Agreement is no longer effective.

Board of Directors

Compensation paid to the Board of Directors is disclosed in — *Directors and Senior Management — Compensation.*

Mikhail M. Fridman, a former director of VEON Ltd., served as the Chairman of the Supervisory Board of the Alfa Group Consortium and was a member of the board of directors of JSC Alfa-Bank, until February 28, 2022.

In September 2021, VEON Holdings B.V. issued senior unsecured notes of RUB 20 billion, under its global medium term note program, maturing in September 2026, and the Alfa Group participated in the issuance as an underwriter.

In December 2021, VEON Finance Ireland Designated Activity Company, an indirect wholly-owned subsidiary of VEON Ltd. (ultimate parent of the Company), concluded a loan facility with JSC Alfa-Bank of RUB 45 billion, which was subsequently novated to PJSC VimpelCom. See *Operating and Financial Review and Prospects—Recent Developments after year end 2021 —Novation of Loans* for more details on the novation of the loan.

The Alfa Group also participated in our RCF, which we entered into on March 9, 2021, following their purchase of a 10% interest in the syndication, which was cancelled in March 2022. See *Operating and Financial Review and Prospects—Recent Developments after year end 2021—Liquidity Update* for more details.

In January 2021, VEON Ltd. entered into an agreement with Alexander Pertsovsky, a former member of the Board of Directors, under which he will provide certain consulting and advisory services relating to strategic transactions in Russia. Under the agreement, Mr. Pertsovsky receives a fixed annual fee of €240,000 in compensation for his services, as well as the potential for a discretionary success fee (subject to approval by the Board of Directors). The initial term of the agreement was for one year, which was then extended through to June 2022, although either party may terminate the agreement for any reason upon 30 days written notice. The agreement was terminated by VEON Ltd. in March 2022.

Except as specified above, during 2021 and through the date of this Annual Report, none of our Board of Directors have been involved in any material related party transactions with us.

HOW WE MANAGE RISKS

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, our management aims to identify, assess, adequately manage, monitor and report risks that could jeopardize the achievement of our strategic objectives. The VEON ERM framework is implemented and consistently applied throughout the organization through a well-defined governance structure and a robust ERM process. The ERM framework also supports identifying opportunities that enable us to achieve our strategic objectives and enable sustainable growth.

Strengthening our risk culture: three lines of defense

The 'three lines of defense' approach provides a simple and effective way to enhance communications around governance, risk management and control by clarifying roles and responsibilities. VEON has adopted this model to provide reasonable assurance that risks to achieving strategic objectives are identified and mitigated.

First line of defense

VEON recognizes that the first line of defense consists of the business, who owns and is responsible and accountable for directly assessing, controlling and mitigating risks. Since 2016, targeted communication campaigns have been launched globally to foster risk and control awareness across the Group.

To embed a culture aligned to our risk appetite and individual responsibilities in relation to risk management we embarked on a program in 2019 which continued through 2021. This program involved an awareness campaign using sport, games and the idea of teamwork to highlight the importance of every individual's contribution to effective risk management and a strong control environment, which was launched to reinforce accountability and ownership for risk management and the internal control environment. During 2021, a Risk Culture survey assessment was performed across our nine operating companies (OpCos) and our HQ with the help of an external consultancy firm. This exercise was aimed at supporting management in assessing the risk culture within the organization based on eight risk culture dimensions, and to identify potential actions to strengthen or improve VEON's risk culture in comparison with an external benchmark. Based on the results of the survey, almost all risk culture dimensions at VEON outperformed the external consultant's benchmark, which demonstrates a very positive outcome. To further improve risk culture and capitalize on survey results, a set of recommendations was provided by the external consultant tailored for each OpCo and HQ based on the assessment of each of the eight dimensions. The recommendations were not mandatory in nature but were embraced as an opportunity to ensure a continuous improvement in risk culture and served as the basis for action plans development. Status of the action plans and progress of the OpCos is tracked periodically and reported to the OpCos' Business Risk Committees (BRC) and the Group Audit & Risk Committee (ARC).

Second line of defense

The second line of defense monitors and facilitates the implementation of effective risk management practices and internal controls by the first line. The second line comprises Group Internal Control, Group Enterprise Risk Management, Group Ethics and Compliance and Group Legal, amongst other Group functions. The second line supports the business functions in identifying what could go wrong and provides the methods, tools and guidance necessary to support the first line in managing their risks.

Group ERM provides general oversight on ERM activities in the OpCos, such as quarterly risk reporting as well as facilitating the Group functions with the performance of regular deep dives on specific risks, for example, Regulatory and Tax risks, and assessments of Anti-bribery and Corruption (ABC), Anti-money Laundering (AML), and International Sanctions and Export Controls risks. The ERM process is also embedded into the strategy setting and business planning process to ensure consistency and completeness of VEON's risk profile and that informed risk-based decisions are taken. Group ERM also provides guidance on ERM reporting at BRC and leads the annual process of reviewing and revising VEON's Risk Appetite with the VEON Group Executive Committee members, approving it with the Group CEO and presenting the outcome to the ARC. The Risk Appetite is then formally communicated to OpCos for local application in decision making and submission of business decision approvals to their respective OpCo VEON Board.

Third line of defense

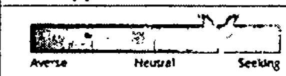
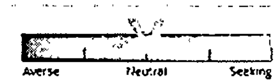
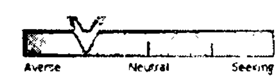
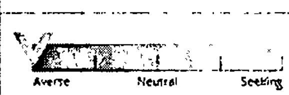
The Group Internal Audit function comprises the third line of defense and is responsible for providing independent assurance to senior management on the effectiveness of the first and second lines of defense. The function conducts financial, information technology, strategic and operational audits in accordance with its annual plan and special investigations or audits, as and when considered necessary. Throughout, Internal Audit conducts its activities in a manner based on a continuous evaluation of perceived business risks.

Defining our risk appetite

Defining our risk appetite in line with the COSO Framework, the VEON Enterprise Risk Management (ERM) Framework groups risk into four risk categories: Strategic, Operational, Financial and Compliance.

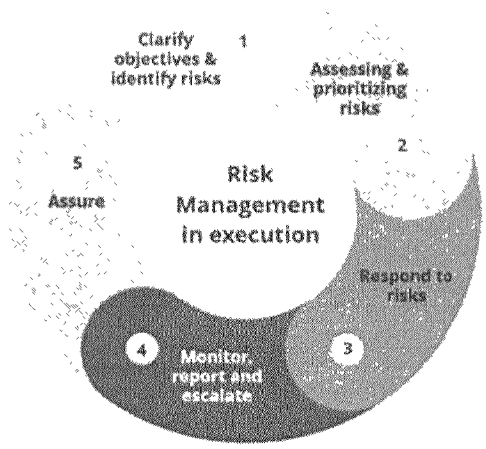
Our risk appetite is defined for each of the four risk categories by considering our strategic and business objectives, as well as potential threats to achieving these objectives. On an annual basis, the VEON appetite statements for each category of risk are revised and approved by the VEON Group Executive Committee and presented to the ARC. These statements are then integrated into the business through our group policies and procedures and our risk management cycle.

Risk Appetite Table

Risk Category	Category Description	Risk Appetite
Strategic risk	Risks arising from strategic changes in the business environment and from adverse strategic business decisions impacting prospective earnings and capital.	
Operational risk	Risks arising from inadequate or failed internal processes, people and systems or external events impacting current operational and financial performance and capital.	
Financial risk	Risks relating to financial loss arising from uncertainties/decisions impacting the financial structure, cash flows and financial instruments of the business, including capital structure, insurance and fiscal structure, which may impair VEON's ability to provide an adequate return.	
Compliance risk	Risks resulting from non-compliance with applicable local and/or international laws and regulations, internal policies and procedures, ethical behavior, compliance culture also including legal and regulatory risks that could result in criminal liability.	

Risk Management in Execution

Effective risk management requires a continuous and iterative process and involves the following five steps:



1. Clarify objectives and identify risks:

VEON's strategy is developed with a comprehensive understanding of the inherent risks involved in doing business. We consider the potential effects of the business context on our risk profile as well as possible ways of mitigating the risks we are exposed to.

2. Assess and prioritize risks:

Risks identified as relevant for VEON are assessed in order to understand the severity of each risk on the ability to execute VEON's strategy and business objectives. The severity of risk is assessed at multiple levels of the business as it may vary same across functions and operating companies.

3. Respond to risk:

The assessed severity of the risk is utilized by management to determine an appropriate risk response (Take, Treat, Transfer or Terminate) which may include implementing mitigations, taking into account the risk appetite.

4. Monitor, report and escalate:

VEON's Group Executive Committee review significant risks assessed and prioritized based on the Group's ERM framework. The top Group risks are also reported to VEON's Board of Directors, in particular to the ARC (at least on a quarterly basis), to evaluate material Group risks. Top Group risks include HQ-specific risks, as well as consolidated assessment of key risks from the OpCos. Local risk assessments are also reviewed by OpCo CEO and Senior Management and are reported to the BRCs and OpCo Boards.

The Board of Directors maintains a number of committees, including the ARC, OpCo Boards and BRCs, which provides independent oversight of the ERM framework and the timely follow-up on critical actions based on the progress updates.

To ensure strong governance and oversight of our risks, we established in each of our OpCos a BRC and an OpCo Board. Each OpCo's BRC, is chaired by either the Group Chief Financial Officer, his nominee or the Group Chief Internal Audit & Compliance Officer. The purpose of the OpCo BRCs is to consider the overall risk profile of the OpCo and the Group and ensure risk informed decision making. The OpCo BRC regularly reviews the OpCo's governance and decision-making framework and compliance with VEON Group and OpCo requirements, including those set out in the VEON Group Authority Matrix/Delegation and policies. The BRC also receives, reviews and makes recommendations on reports from OpCo management regarding any noncompliance with the VEON Group Authority Matrix/Delegation and policies. The BRC provides active VEON Group-level governance, oversight and policy guidance and aligns the activities of the Group's various assurance functions to coordinate and manage actions efficiently in support of the local OpCo VEON Board and the VEON Board in its oversight role for the VEON Group.

Each of the OpCos are managed by way of OpCo Boards which comprises of the respective OpCo CEO and management team with the oversight by their respective Board of Directors. Each OpCo's overall risk profile is presented to its OpCo Board regularly (at least once per quarter) and is accompanied by recommendations of its OpCo Business Risk Committee. This program is continuously monitored by OpCo management and the OpCo Boards, and reviewed by both OpCo and Group Internal Audit, with the Group Audit & Risk Committee providing ultimate oversight, with each OpCo Business Risk Committee providing active monitoring and engagement with the OpCos on all enterprise risks, control, compliance and assurance matters.

5. Assure:

On a quarterly basis, through our management certification process, OpCo CEOs and CFOs certify that significant risks have been considered and appropriate measures have been taken to manage the identified risks in accordance with the Group's ERM policies and procedures, including our risk appetite.

Control framework

VEON is publicly traded on a U.S. stock exchange and registered with the U.S. Securities and Exchange Commission. Thus, it must comply with the Sarbanes-Oxley Act (SOX). Section 404 of SOX requires that management perform an assessment of the Internal Control over Financial Reporting (ICFR) and disclosures to confirm both the design and operational effectiveness of the controls.

Our internal control system is 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. The VEON ICFR Framework incorporates risk assessment as part of our scoping process, an assessment of the design effectiveness of the required controls, testing of the operating effectiveness of the key control activities and monitoring of our financial reporting at entity-wide and functional levels. VEON has established uniform governance, policies and control standards that apply to controlled subsidiaries. Our ICFR testing results are reported into our OpCo Business Risk Committees, OpCo VEON Boards, members of our Group Executive Committee, and our Audit and Risk Committee at least on a quarterly basis as part of our assurance model. For a more detailed overview of the Governance changes in 2021 see Director's Report section in these Financial statements.

Our Disclosure and Review Committee supports our Group Chief Executive Officer and Group Chief Financial Officer in ensuring that public disclosures made by VEON are accurate and complete, fairly present VEON's financial condition and results of operations in all material respects, and are made on a timely basis, in compliance with applicable laws, stock exchange rules and other regulatory requirements.

Local management is responsible for business operations of our subsidiaries, including risk mitigation and compliance with laws, regulations and internal requirements. We have created uniform governance and control standards for all our levels of operations. The standards apply to all our subsidiaries with the same expectation: that they conduct business in accordance with ethical principles, internal policies and procedures, and applicable laws and regulations. The standards are intended to define and guide conduct with respect to relevant compliance and ethics principles and rules, and to create awareness about when and where to ask for advice or report a compliance or ethics concern, which includes the use of VEON's SpeakUp channels. The principles apply to all VEON employees in all operating businesses and headquarters. Employees receive annual Code of Conduct (Code) training, which includes certification to comply with the Code. Our group-wide Code applies to all VEON employees, officers and directors, including its Chief Executive Officer and Chief Financial Officer. Our Code is available on our website at http://www.veon.com (information appearing on the website is not incorporated by reference into this Annual Report.

A Group Authority Matrix/Delegation has been established and is regularly reviewed and updated. It provides clarity on the role and focus of the VEON's corporate HQ, empowers OpCos to ensure they have the appropriate scope of authority and accountability to operate and manage local businesses, and ensures requisite oversight and control across the Group by CEOs and management teams and OpCo and VEON Boards, among other things.

We have a Group-wide, quarterly management certification process in place, which requires the Chief Executive Officer and Chief Financial Officer at each of our OpCos and certain Group Functional directors at our HQ to certify compliance with the uniform governance and control standards established in VEON, including:

- Compliance with our Code of Conduct and related Group policies and procedures, including compliance with VEON's principles, procedures and policies on ethics and compliance, fraud prevention and detection, accounting and internal control standards, and disclosure requirements
- Compliance with local laws and regulations
- Compliance with the VEON Accounting Manual
- Internal disclosure obligations
- Deficiencies, if applicable, in design and operation of internal controls over financial reporting have been reported

Key risks table for VEON and example of mitigation and 2021 developments

Below is a summary of the key risks we face in operating our business and a discussion of certain mitigation efforts associated with these risks. For a more detailed discussion of the risks and uncertainties relating to our business, see the Risk Factors Section of this Annual Report. The risks listed may not be exhaustive, and additional risks and uncertainties not presently known to VEON or that it currently deems immaterial, may also have, or develop a material adverse effect on its business, operations, financial condition or performance, or other interests.

Prioritization of Strategic, Operational and Financial risks is based on EBITDA business impact's thresholds and likelihood scales from 1 to 5. Once the identified risks are assessed and prioritized based on the above scales, the risk response strategy (take, treat, terminate, transfer) is decided and mitigating action plans are defined and/or updated, the outcome of the risk assessment information is captured in our Global GRC Tool. The risk response strategy is determined based on the business context, risk appetite, severity and prioritization. Further the risk response must also consider the anticipated costs and benefits commensurate with the severity and prioritization of the risk and address any obligations and expectations (e.g. industry standards, shareholder expectations, etc.).

Prioritization of some compliance risks such as Non-compliance to Anti-bribery and corruption laws, and Non-compliance to International Sanction and export laws and regulations is performed qualitatively, due to their nature, based on external factors sourced from independent non-governmental reports (where possible) and Internal factors sourced from VEON's business processes by the Local Ethics and Compliance and Legal teams

The sequence in which the risks and mitigating actions are presented below are not intended to be in any order of severity, chance or materiality. Legend (qualitatively assessed of net risk i.e. considering mitigating actions):

Risk increased: ↑ Risk decreased: ↓ Risk stable: =

Risk	Examples of how we mitigate	Some examples of 2021 developments
1. Market		
Our business is subject to a variety of market-related risks across our geographies. These include:		
↑ The ongoing conflict between Russia and Ukraine and the related responses of the United States, the European Union, the United Kingdom and certain other nations, as well as related responses by our service providers, partners, suppliers and other counterparties, have and will continue to impact our operations in Russia, Ukraine and elsewhere, including via reputational harm. ↑ Foreign exchange-related risks since a significant proportion of our costs and liabilities are in US dollars and Russian rubles while a proportion of our revenue is in a variety of other currencies. ↑ Unfavorable economic conditions and the impact of geopolitical developments and unexpected global events outside of our control, such as, pandemics, wars, international economic sanctions and export controls, especially those recently imposed on Russia, among other factors. ↑ Emerging markets-related risks given that all of our nine operating markets are in the developing world and are subject to a varying degree of political, economic and legal variability around issues such as capital controls and rules on foreign investment, as well as social instability and military conflicts. ↑ Risk related to our ability to continue as a going concern as a result of the effects of the ongoing conflict between Russia and Ukraine. ↑ Competition since we operate in highly competitive markets which may impact our ability to attract, retain and engage customers and achieve our financial targets. = Keeping pace with technology since our future success will depend on our ability to effectively anticipate and adapt to the changes in the technological landscape and deploying networks and services that these enable.	• We closely monitor the developments related to international economic sanctions, including those recently imposed on Russia as well as counter-sanctions being rolled out by Russia, which allows us to adapt our services and capital structure accordingly in a timely manner and to ensure the Group acts in accordance with applicable sanctions requirements. • We hedge part of our exposure to fluctuations on the translation into US dollars of the revenues and expenditures of its foreign operations by holding borrowings in local currencies and by the use of foreign exchange swaps and forwards. • We review and analyze OPEX and CAPEX expenditures on an ongoing basis to optimize the cost structure while maintaining our commitments towards VEON's employees, government and financial institutions and our critical business partners. • We manage a diverse portfolio of emerging markets businesses, which helps ensure that in the event of a market underperforming for whatever reason its impact on the financial and operating performance of the Group as a whole is limited. • We have taken a number of measures to protect our liquidity and cash provision, such as accumulating a significant cash balance at HQ and maintaining a RCF from a group of diversified lenders headquartered in the United States, Europe and Asia. • We develop and offer customers new digital products and services in line with our digital operator strategy, which is focused on delivering high-quality and seamless services to our customers. • We are monitoring and responding to technology developments and competitor activity that could have an impact on us achieving our goals.	• Project 'Optimum' was rolled out in 2021 throughout the Group to drive sustainable cost efficiency with P&L impact, focusing on all structural costs and headquarters. The project is driving short-term tactical improvement and long-term structural savings. • On 1 July 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 ("FNI"). Under the terms of the shareholders' agreement with the FNI, the transaction is expected to be completed in the second quarter of 2022, unless any disagreements develop, or any existing disagreements are exacerbated. Conclusion of this deal will allow to further streamline our operations, with an improved focus on our core markets. • We have concluded and officially communicated that Group liquidity is sufficient to fund the business operations for at least another 12 months. As at 13 April 2022, VEON has USD 1.3 billion in cash and deposits, which is mostly held with international banks from the European Union, the United States and Japan, and USD 0.7 billion in undrawn revolving credit facilities. As at the date of this Annual Report, VEON Holdings B.V. is in the process of drawing down the remaining committed amounts under the RCF, with a portion of the related utilization request having been received as of such date. Once the drawdown is complete, the RCF will be fully drawn. The proceeds of this drawing will be used for general corporate purposes. • In 2021 in Pakistan, we secured a syndicated credit facility from a banking consortium for an amount of USD 320 million. This 10-year facility is being used to finance the company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities. • In accordance with our digital operator strategy, in Russia Beeline has launched a first joint tariff plan with Yandex.Plus, which includes connectivity services as well as access to Kinopoisk, Yandex Music and cashback points in Yandex services. *Continued next page*

Risk	Examples of how we mitigate	Some examples of 2021 developments
1. Market		
Our business is subject to a variety of market-related risks across our geographies. These include:		
		• In Pakistan, JazzCash has introduced a unique digital-first shopping experience AlaCart on its mobile app, powered by largest logistics provider TCS. • In Kazakhstan, we launched the country's first digital payment card integrated with MFS offering under the "Simply" brand. • In 2021, in Russia we acquired IBS DataFort a cloud IT infrastructure provider, which will be integrated into Beeline's BeeCLOUD business unit. This will enable to expand the portfolio of cloud services for business customers, as well as offer new products and integrated solutions at the intersection of cloud, cybersecurity, Big Data analytics and IoT.

Risk	Examples of how we mitigate	Some examples of 2021 developments
2. Liquidity & Capital		

Our business requires considerable financial capital in order to invest in the growth opportunities we identify. This requires us to manage a number of risks relating to capital and liquidity. These include:

↑ Liquidity risk since as a holding company, VEON Ltd. depends on the performance of its subsidiaries and their ability to pay dividends, and may therefore be affected by changes in exchange controls and dividends or currency restrictions in the countries in which its subsidiaries operate, as well as the ongoing conflict between Russia and Ukraine, impacting local economies and our operations in those countries. ↑ Debt service risks given that substantial amounts of indebtedness and higher debt service obligations could materially impact our cash flow and affect our ability to raise additional capital, especially in case of breach of covenants, significant FX volatility or impaired ability to generate revenue due to the ongoing conflict between Russia and Ukraine. ↑ Access to capital since VEON's substantial amounts of indebtedness and debt service obligations may not be fully covered by our cash flow and VEON's worsened credit rating might hinder our ability to access capital markets on acceptable terms, both in terms of interest rate and financial covenants. ↑ Banking and Financial Counterparty risk given that the banking systems in many countries in which we operate remain underdeveloped and there are a limited number of creditworthy banks in these countries with which we can conduct business. In addition, restrictions on international transfers, foreign exchange or currency controls and other requirements might restrict our activity in certain markets in which we have operations, including as a result of the ongoing conflict between Russia and Ukraine.	• We have a centralized treasury function whose job is to manage liquidity and funding requirements as well as our exposure to financial and market risks. • Our policy is to create a balanced debt maturity profile and to use market opportunities to extend the maturity and reduce the cost of its borrowings as they arise. • We monitor our risk to a shortage of funds using a recurring liquidity planning tool. Our 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 primary objective of our capital management is to ensure that it maintains healthy capital ratios, so as to secure access to debt and capital markets at all times and maximize shareholder value. We manage our capital structure and make adjustments to it in light of changes in economic conditions. • We adopt a prudent approach to managing our balance sheet leverage increasing the level of our local currency borrowing and maintain borrowing headroom in our revolving credit facilities.	• We assessed the concentration of risk with respect to refinancing our debt and concluded it to be possible based on liquidity in the markets we have access to, and our recent history of refinancing, also taking into account recently introduced additional US, EU and UK sanctions against Russian financial institutions. • We have entered into a new multi-currency revolving credit facility (RCF) agreement of USD 1.25 billion with commitments from international banks from Asia, Europe and the US. This RCF supports Group's liquidity profile and provides greater financial flexibility. As at the date of this Annual Report, VEON Holdings B.V. is in the process of drawing down the remaining committed amounts under the RCF, with a portion of the related utilization request having been received as of such date. Once the drawdown is complete, the RCF will be fully drawn. The proceeds of this drawing will be used for general corporate purposes. • In December 2021 we have also signed two bilateral loans in Russia with Sberbank and Alfa bank for a total amount of approximately USD 1,215 million. Due to the US and UK sanctions rolled out against these Russian banks, both loans were novated to our Russian subsidiary PJSC VimpelCom, with the former borrower (VEON Finance Ireland DAC) and the former guarantor (VEON Holdings BV) having been released. In addition, the novation of these loans has allowed us to ensure that the majority of the Group's RUB liabilities are matched to the market where RUB revenues are generated, enabling further review of the capital structure of PJSC VimpelCom. • During 2021 we had a RUB drawdown under our MTN program established in April 2020. This was the fourth drawdown overall and its net proceeds are used for general corporate purposes. • During 2022 we expect to receive dividends from certain of our OpCos (net of amounts paid to minorities), however the ability of our subsidiaries to pay dividends 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. • In addition, proceeds from the sale of our stake in the Algerian subsidiary, Omnium Telecom Algérie SpA, could provide additional liquidity cushion during the year, subject to absence of any disagreements or exacerbation of any existing disagreements.

Risk	Examples of how we mitigate	Some examples of 2021 developments
3. Operational		
VEON is a complex business operating across nine markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks, which include:		
↑ Cyber-attacks and other cybersecurity threats, to which telecoms providers are vulnerable given the open nature of their networks and services, which could result in financial, reputational and legal harm to our business should these succeed in disrupting our services and result in the leakage of customer data or of our intellectual property. ↑ Network stability and business continuity risks given that our equipment and systems are subject to damage, disruption and failure for various reasons, including as a result of the ongoing conflict between Russia and Ukraine. ↑ Supply chain risks since we depend on third parties for certain services and products important to our business and there may be unexpected disruptions to supply chains due to a variety of factors, including regulatory (e.g. trade and export restrictions such as a result of the ongoing conflict between Russia and Ukraine), natural disasters, pandemics and similar unforeseen events. = Challenges in local implementation of our strategic initiatives, which could be affected by a variety of unforeseen issues, including (but not limited to) technological limitations, regulatory constraints and insufficient customer engagement. = Partnership risks given that we participate in strategic partnerships and joint ventures in a number of countries, agreements around which may affect our ability to execute on our strategy and, where the consent of our partners is required, to withdraw funds and dividends from these entities. Partnerships could also give rise to reputational and indirect regulatory risks with respect to the behaviors and actions of our partners, as well as risks surrounding losing a partner with important insights in the local market. *Continued next page*	• We monitor and log our network and systems, and keep raising our employees' security awareness through training, and operate a structured vulnerability scanning process within our security operations centers. • Each OpCo monitors the business continuity risks and ensures appropriate mitigation action plans, activities and systems are put in place to minimize risks of network instability and disruption. • We reduce our reliance on single vendors to the extent possible and opt for use of alternative suppliers where possible and ensure compliance with the applicable licensing and approval requirements in case of sanctions and export control restrictions. • We conduct risk-based due diligence on our business partners and mitigate apparent risks through contractual requirements, representations, indemnities, warranties, etc. • We regularly monitor the media presence and reputations or our partners and respond accordingly. • We remain committed to simplifying our business structure, which extends to our local partnerships.	• We are enhancing our cyber security strategy with a greater emphasis on local identification and response to cyber threats, which we believe will enable us to better identify potential threats that may impact our business and, consequently, aid us in the implementation of the required security measures to address such threats. • Our operating companies are in the process of implementing ISO 27001 standard by identifying potential gaps with the help of third-parties and resolving those gaps in accordance with the standard requirements. • Due to the rolled-out US export control restrictions, our Russian subsidiary is continuously assessing the developments in relevant licensing requirements to ensure continuity of the supply chain and compliance with all the applicable restrictions. • To lessen the dependency on Chinese vendors, during 2021, a swap of Huawei/ ZTE equipment has taken place in Ukraine, where the IP MLPS tender was awarded to CISCO, and in Georgia, which partnered with Nokia for the core network modernization, which is now the sole provider for VEON Georgia. • As part of our initiative to digitize our core telecommunications business, we intend to continue focusing on increasing our capital investment efficiency, including with respect to our IT, network, and distribution costs. We 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. • On 1 December 2021 the sale of our Russian tower assets was successfully concluded. The transaction involved the sale of 100% of National Tower Company ("NTC"), a subsidiary of VEON, which operates a portfolio of approximately 15,400 mobile network towers in Russia, to Service-Telecom. *Continued next page*

Risk	Examples of how we mitigate	Some examples of 2021 developments
3. Operational		
Ours is a complex business operating across ten markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks, which include:		
= Infrastructure risks given that the physical infrastructure in some of our markets is in poor condition and may require significant investment by local governments or additional substantial and ongoing expenditures by us, in order to sustain our operations, in addition to risk of maintaining our infrastructure in Ukraine and responding to the ongoing conflict as it develops further. = Spectrum and license rights given that the success of our operations depends on acquiring and maintaining spectrum and licenses in each of our markets, most of which are granted for specified terms with no assurance that they will be renewed once expired, or at what price. = Interconnection agreements with other operators upon which the economic viability of our operations depend. A significant rise in these costs, or a decrease in the interconnection rates we earn, could impact the financial performance of our business, as could adverse local regulation of Mobile Termination rates (MTRs), which govern the rates at which carriers compensate each other for carrying calls that originate on one another's networks.		• In 2021 in Kazakhstan and Uzbekistan we partnered with Amdocs for new monetization, service and network automation solutions, catalogue management, commerce and care systems, as well as enabling new multi-channel front ends for digital services. This will provide us the business agility and IT velocity needed in our digital operator transformation. • In March 2021 VEON purchased the remaining 15% shareholding in Pakistan Mobile Communications Limited ("PMCL"), the operating company of Pakistan's leading mobile operator Jazz, from the Abu Dhabi Group, so now VEON owns 100% of PMCL. • Ukrainian OpCo is in the process of sites restoration and critical infrastructure relocation when and where possible to ensure service continuity. • We have also acquired new spectrum in Bangladesh, 40 MHz of spectrum from the 2300 MHz band, to boost our network capacity, enhance spectral efficiency and further increase customer satisfaction. In Russia, Beeline has also expanded its 4G coverage, which enabled an increase in the average speed of mobile internet by up to 30%. In Pakistan, Jazz signed a 4G license renewal for 15 years.

Risk	Examples of how we mitigate	Some examples of 2021 developments
4. Legal		

Our business is subject to a variety of laws and regulations, including:

🡅 Regulatory & compliance risks given that we operate in a highly regulated industry and are subject to a large number of laws and regulations, which change from time to time, vary between jurisdictions and can attract considerable costs, including fines and penalties, with respect to regulatory compliance.

🡅 Sanction and export controls risks since we are subject to, depending on the transaction or business dealing, laws and regulations prescribed by various jurisdictions, including the United States, the United Kingdom and the European Union and especially in connection with the ongoing conflict between Russia and Ukraine. Applicable requirements remain subject to change and may impact our ability to conduct business in certain countries and with certain parties with which we have services, supply or other business arrangements.

🡅 Unpredictable tax claims, decisions, audits & systems, as well as changes in applicable tax treaties, laws, rules or interpretations, which could give rise to significant uncertainties and risks that could complicate our tax planning and business decisions.

= Unethical or inappropriate behavior, including potentially bribery and corruption, which could result in fraud or a breach of regulation or legislation and could, in turn, expose VEON to significant penalties, criminal prosecution and damage to our brand and reputation.

= Money Laundering rules which require Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) systems and controls due to our expansion of Digital and Mobile Financial services (DFS and MFS) offerings beyond our core telecommunications services.

= Data privacy since we collect and process customer personal data, we are subject to an increasing amount of data privacy laws and regulations. In some cases these laws and regulations also bring restrictions on cross border transfers of personal data and surveillance related requirements to store data and contents of communication for minimum periods.

- We maintain good bilateral relationships with the regulatory authorities in our operating markets in order to help us understand and adapt to their concerns with respect to local regulation.
- We closely monitor the developments related to international economic sanctions and export controls to comply with applicable sanctions and export control requirements and restrictions.
- We operate a policy of diverse sourcing with respect to equipment suppliers to ensure that we are not overly reliant on any single vendor should a supply disruption arise, including as a consequence of the imposition of sanctions and export controls laws.
- Developments in tax legislation and requirements as well as tax claims and decisions are monitored by local tax teams with oversight from HQ to ensure compliance with tax reporting and timely mitigation of possible tax disputes and audits.
- Our Ethics & Compliance and Legal teams maintain oversight and expertise from HQ and rely on dedicated local teams with knowledge of the legal and regulatory requirements of each of our operating markets and supplement with external counsel when required.
- We maintain an Ethics & Compliance program which includes a comprehensive approach to detecting, investigating, remediating and reporting misconduct, as well as fostering a strong Tone at The Top (TaTT) to encourage discussions about behavior and values and to optimize the cooperation and communication between HQ and OpCos to ensure appropriate standards of behaviors are communicated throughout the Group and enforced locally.
- We maintain appropriate know-your-customer (KYC) and anti-money laundering (AML) controls across our DFS and MFS products and services as required by local rules and international best practices.
- We maintain a privacy program that includes data privacy controls such as privacy assessments, data breach response and individual rights processes, to ensure we comply with EU and local data privacy laws for the collection and processing of personal data for our services, human resource management and compliance processes.

- Our Legal team, with support from external counsel, have assessed the impact of the sanctions on our major shareholder and their shareholders and concluded that VEON is not subject to UK, US or EU sanctions as of the 24 May 2022.
- Since 24 February 2022 the US and the UK, as well as the EU since 6 April 2022, have imposed full blocking sanctions on VTB bank in Russia. On 9 March 2022 we pre-paid and closed a RUB 30 billion (approximately USD 259 million) interest-bearing loan with VTB Bank. Following this payment to VTB, VEON has no further loans outstanding with VTB. As of 6 April 2022, both Sberbank and Alfa Bank were also sanctioned by the US and UK. Both Sberbank and Alfa Bank loans were novated to PJSC VimpelCom, with the former borrower (VEON Finance Ireland DAC) and the former guarantor (VEON Holdings BV) having been released for their obligations. In addition, the novation of these loans has allowed us to ensure that the majority of the Group's RUB liabilities are held within Russia and as such are matched to the market where RUB revenues are generated, enabling further review of the capital structure of PJSC VimpelCom.
- A central Export Administration Regulations (EAR) database has been created and is being utilized by the Group since October 2021 with regards to US sanctions and export controls against HUAWEI. This "living list" contains more than 15 thousand SKUs (stock keeping unit) from HUAWEI and is being regularly updated. OpCos check items against this list before any purchase, return, re-sale or utilization of equipment of SKUs to ensure EAR compliance.
- The Tone at The Top (TaTT) model was introduced in 2021, which focuses on fully embedding the new operational model and proper change management to realize value creation, protect and strengthen VEON's reputation, and better align the Board, GEC and OpCo management on company culture.
- OpCo Business Risk Committees (BRCs) are utilized to ensure Group management is in close alignment with local OpCo managers and key risks they face, and that effective, informed and risk-based decision making by the local OpCo Boards and VEON's Board takes place.

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 shares listed on AEX, you should carefully consider all of the information set forth in this Annual Report including, but not limited to, the risks set forth in this section. 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 ongoing conflict between Russia and Ukraine, such as its adverse impact on the economic conditions and outlook of Russia and Ukraine; physical damage to property, infrastructure and assets; the effect of sanctions and export controls on Russia and counter-sanctions enacted by Russia, in each case, on our supply chain, the ability to transact with key counterparties, obtain financing and the ability to operate our business; the resulting volatility in the Russia ruble and Ukrainian hryvnia; our ability to operate and maintain our infrastructure; reputational harm we may suffer as a result of the conflict and geographical location of our operations; and its impact on our liquidity, financial condition and our ability to operate as a going concern;

- 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 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 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 related to the ongoing COVID-19 pandemic, and other potential public health events, contagions and diseases, such as adverse impacts on our financial performance resulting from lockdown restrictions or dangerous, new variants;

- risks relating to a failure to meet expectations regarding various strategic initiatives, including, but not limited to, changes to our portfolio of operating companies, product and technology offerings, development of networks and customer services;

- risks associated with data protection, data breaches, cyber-attacks or systems and network disruptions, 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 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 demand for and market acceptance of our products and services, laws regulating the ability to provide goods and services to governmental customers, 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, availability of line capacity, fiber capacity, international gateway access, 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 associated with our existing and future transactions, including with respect to realizing the expected synergies of closed transactions, satisfying closing conditions for new transactions, obtaining regulatory approvals, implementing remedies, and assuming related liabilities; and

- other risks and uncertainties as set forth in this *section.*

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

Market Risks

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

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 negatively impacted and will continue to negatively impact our results and operations in Russia and Ukraine, and may affect our results and operations in the other countries in which we operate. Specifically, the ongoing conflict has had a marked impact on the economies of Russia and Ukraine. See *Operating and Financial Review and Prospects—Recent Developments after year end 2021—The Conflict Between Russia and Ukraine.* Our operations in Russia and Ukraine represented approximately 51% and 14% of our revenue for the year ended December 31, 2021.

In Russia, economic conditions and outlook have deteriorated significantly since the beginning of the conflict. We expect our results of operations in Russia on a U.S. dollar basis to be lower for the foreseeable future compared to results prior to the onset of the conflict, largely due to the volatility of the Russian ruble. For example, the-Central Bank of Russia exchange rates of the Russian ruble to U.S. dollar was 74.3 on December 31, 2021 and depreciated to 120.4 as of March 11, 2022 and appreciated to 63.5 as of May 18, 2022. See *—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing conflict between Russia and Ukraine.* Annual inflation in Russia accelerated to 9.15% in February 2022, compared to 5.17% in February 2021. In response to accelerating inflation and the depreciation of the Russian ruble, on February 28, 2022, the CBR increased its key interest rate from 9.5% to 20.0%, which was subsequently reduced to 17.0%, effective on April 11, 2022. Due to these monetary policy changes and the anticipated decline in the Russian economy, the domestic financial and banking markets may experience periodic shortages of liquidity in the domestic money market. Lower money supply and higher funding costs may cause banks to cut their lending programs and decrease exposure limits and become significantly more risk averse. These factors could negatively affect the Russian banking sector as a whole and contribute to the worsening of economic conditions in the corporate sector, as well as lower household spending across various retail sectors of the economy. See—*The international economic environment, geopolitical developments and unexpected global events could cause our business to decline* for a more detailed discussion on how this could affect our business.

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, which may have an effect on our customers and their spending patterns. As of March 8, 2022, several countries, including the United States, announced sanctions on oil and gas exports from Russia, while the United Kingdom announced a phase out of Russian oil imports by the end of 2022, all of which is expected to further negatively impact the Russian economy and cause fossil fuel prices to increase. If additional countries were to impose further sanctions on fossil fuel exports from Russia, or the existing sanctions were accelerated or tightened, the price increases for related products would be exacerbated, which could cause further strain on our customers. Rising fuel prices also make it more expensive for us to power our networks and operations. Furthermore, the Russian economy is also expected to be significantly affected as result of many U.S. and other multi-national businesses across a variety of industries indefinitely suspending their operations and pausing all commercial activities in Russia. These corporate boycotts have resulted in supply chain disruptions and unavailability or scarcity of certain raw materials, goods and services in Russia, which may in turn have a spillover effect on the wider Russian economy, which could negatively impact our business. As a result of the above, unemployment rates in Russia have risen significantly, and could rise further if the conditions mentioned above are sustained. This could cause affected customers to downgrade or disconnect their services, and make it more difficult for us to maintain ARPUs and subscriber numbers at existing levels within Russia.

In the current climate, whether in connection with such sanctions or otherwise, the possibility of a sovereign debt default in Russia cannot be excluded. On April 6, 2022, the Russian Ministry of Finance announced that it had attempted to pay interest on certain U.S. dollar bonds in U.S. dollars, but was unable to do so when the U.S. Treasury Department did not grant approval for a dollar payment through the U.S. correspondent bank. As a result the interest payment was made in rubles, though the terms of the bonds do not contain provisions allowing payment in another currency. The Credit Derivatives Determinations Committee of ISDA ruled on April 20, 2022 that such failure to pay interest in U.S. dollars is a potential default (which would mature into a default 30 days after the required interest payment date if payment has not been paid in U.S. dollars prior to the end of such grace period). Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") downgraded its credit rating of the Russian Federation to "selective default" following the missed U.S. dollar payment. Even prior to the April 6, 2022 announcement, the credit rating of the Russian Federation had been downgraded by each of Fitch Ratings CIS Limited ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's, as a result of the negative impact on the Russian economy from the new international sanctions imposed on Russia and the economic isolation by parts of the international business community, as well as countermeasures introduced by the Russian government. Each of these agencies subsequently withdrew their Russia ratings following the EU prohibition on providing credit ratings to entities established in the Russian Federation. While we cannot predict the effects of a sovereign default, on the Russian economy, such effects could be pronounced and prolonged.

As of April 15, 2022, it is estimated by the United Nations High Commissioner of Refugees that approximately 4.85 million people have fled Ukraine and the country has sustained significant damage to infrastructure and assets. If the ongoing conflict persists, we could lose a 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. We have been and will also 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 or our infrastructure within Ukraine is significantly damaged or destroyed. 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. 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.

International economic sanctions may also adversely affect our ability to operate in Russia, Ukraine or elsewhere. Many jurisdictions including the United States, the United Kingdom and the European Union have passed new legislation and implemented new sanctions designations that are far more expansive than those previously imposed, targeting additional banks, individuals and key sectors in and related to Russia. Among other measures, the United Kingdom has imposed sectoral sanctions on transferable securities and money-market instruments, restrictions on correspondent banking relationships, and the provision of certain financial services, and has also introduced a new designation capability under its Russia sanctions regime on the basis of which anyone who is or has been involved in obtaining a benefit from or supporting the Russian government can become a designated party and subject to sanctions, which among other things, includes persons who carry on business of economic significance, or in a sector of strategic significance, to the government of Russia. The imposition of U.S., EU and UK sectoral and blocking sanctions against certain Russian financial institutions has affected our ability to continue to engage with them, and if a broader range of Russian financial institutions were to be targeted by sanctions, that would affect our ability to continue to engage with those financial institutions in the context of existing and new loan financings, commercial agreements, and bonds and may require us to make a change in our repayment terms, to exercise our prepayment options, or to make a mandatory prepayment, which could require that we seek authorization from the relevant regulatory authorities and relevant lenders or investors and we may be unable to obtain such authorizations. 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.* In addition, given the international composition of our board of directors and senior management, these sectoral and blocking sanctions have required us to make certain adjustments to our corporate governance framework. Such measures could make it more difficult for us to transact with key counterparties in Russia.

In addition, Ukraine has also introduced new 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 requiring government approval for the payment of foreign vendors, and other restrictive measures that target companies that have Russian affiliations, such as the increase of taxes by 150% on our Ukrainian subsidiary as we have operations in Russia. Furthermore, the government of Russia has introduced countermeasure sanctions, which, together with any such future measures, could make it more difficult for our Russian subsidiaries to transact with parties outside Russia, or with parties whose shareholders or controlling persons are outside Russia, and could subject our legal entities and employees in Russian and/or 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.

If further sanctions issued by the United States, the United Kingdom or the European Union 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. Furthermore, while we have not been named as, and have concluded that we are otherwise not, the target of the European Union's or the United Kingdom's sanctions as a consequence of L1T VIP Holdings S.à r.l. ("LetterOne") being a 47.85% shareholder in VEON (as of April 15, 2022), it cannot be ruled out that VEON or LetterOne could become the target of future sanctions legislation or executive orders, which would 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, transact in U.S. dollars, raise funds from international capital markets, acquire equipment from international suppliers or access assets held abroad. Moreover, if we become subject to U.S., 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. We are also aware of initiatives by U.S. governmental entities and U.S. institutional investors, such as pension funds, to adopt or consider adopting laws, regulations or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with certain countries, which, if implemented, could limit the liquidity of our securities and thereby have an adverse impact on their value.

The legislative sanctions imposed are more complex and comprehensive than any such measures to date, and are evolving on a daily basis. We are not able to predict further developments on this issue, including those that could affect our operations in Russia, Ukraine or elsewhere, nor can we predict when sanctions targeting Russia imposed by the United States, the United Kingdom, the European Union and/or other countries as a result of Russia's involvement in the ongoing conflict might be lifted. There may be additions to the restricted parties lists (which could include VEON or certain of our counterparties) or other expansions of sanctions by the United States, the United Kingdom, the European Union and/or other countries that target Russia and restrict dealings with businesses operating in Russia, as well as related to Russian-occupied areas of Ukraine in the future. The interpretation and enforcement of these new sanctions and counter-sanctions may result in unanticipated outcomes and could give rise to significant uncertainties, which could complicate our business decisions. 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 us or any of our 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.

In addition to economic sanctions, our business operations could be adversely affected by export controls imposed as a result of the ongoing conflict between Russia and Ukraine. For example, the United States imposed sweeping new 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.

As a leading telecommunications provider in each of Russia and Ukraine, we have been adversely impacted by the ongoing conflict. While we are still assessing the extent of the impact on our operations and financial performance, as long as the conflict is ongoing, we expect a deterioration of our performance in Ukraine, which will be exacerbated as the conflict continues. In Russia, the ongoing conflict between Russia and Ukraine and related sanctions will have an impact on our operations, including as a result of the volatility of the Russian ruble and the CBR key interest rate. 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, Russia, 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, an inability for us to transact with key suppliers and counterparties, difficulties for us to access and service financing, and the severe depreciation of, and restrictions on, the Russian ruble, 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.

Our independent auditors have included an emphasis of matter paragraph on going concern 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 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 VEON's financial performance as a whole. After evaluating the uncertainties mentioned above and other conditions and events discussed in *Note 23—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, 2021, has stated that there is significant doubt about our ability to continue as a going concern. 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 future imposed sanctions as well as potential new counter-sanctions, and the given the possible future imposition of external administration over our Russian and Ukrainian operations in particular, we have concluded that a material uncertainty remains related to events or conditions that may cast significant doubt on our ability to continue as a going concern, such that we may be unable to realize our assets and discharge our liabilities in the normal course of business. See *Note 23—Basis of Preparation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements for our disclosure on going concern.

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

We have in the past recognized substantial impairment charges, and may in the future recognize material 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, particularly in Russia, which has a significant goodwill balance. Due to the current developments that impact the value of the Company, the recoverability of the loan receivable of US$1,361 due from VEON Amsterdam B.V. may also be materially impacted. As of the date of this Annual Report , as a result of the factors discussed under *—The ongoing conflict between Russia and Ukraine is having, and will continue to have, a significant impact on our business, financial condition, results of operations, cash flows and prospects*, we anticipate that the ongoing conflict between Russia and Ukraine may have a material impact on our operations and business plans in Russia and Ukraine. Over the next few months, we will be undertaking an assessment of the need and amount of potential impairment charges, which is not as of yet determinable due to a number of factors, including the fluidity of the current situation and our ability to obtain relevant data required to build a business plan given the ongoing conflict and associated uncertainties. We anticipate that we will report material impairment charges with respect to assets in Ukraine and/or Russia during 2022. If there is a significant improvement in the current underlying conditions, including a lasting resolution of the ongoing conflict, this will enable positive adjustments to our business plans. We are still gathering the necessary data and we are not able at this time to estimate the amount or range of this potential impairment charge to the profit and loss statement. It is possible these 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 case scenario, when the true value of assets is lower than the liabilities, could require early repayments of our long term debt. See *Note 23—Basis of Preparation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements for a more detailed discussion on the possible impact of a material impairment charge..

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 goodwill, particularly in Russia, which had a goodwill balance of approximately US$1 billion as of December 31, 2021. See *Note 13—Intangible Assets* to our Audited Consolidated Financial Statements for a further discussion. The possible consequences of a financial and economic crisis in relation 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. 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. See *—The international economic environment, geopolitical developments and unexpected global events could cause our business to decline* for a discussion on how the ongoing conflict between Russia and Ukraine has impacted, and could continue to impact on our Russian subsidiary's weighted average cost of capital.

For further information on the impairment of tangible and intangible assets and recoverable amounts (particularly key assumptions and sensitivities), see *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, 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,* and *—The ongoing conflict between Russia and Ukraine is having, and will continue to have, a significant impact on our business, financial condition, results of operations, cash flows and prospects.*

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

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 then LetterOne shareholders, Mr. Fridman, Mr. Aven, Alexey Kuzmichev and German Khan, and the European Union additionally designated Mr. Khan and Mr. Kuzmichev (collectively, and 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.

We have not been named as, and have concluded that we are otherwise not, the target of the European Union's or the United Kingdom's sanctions, including as a consequence of LetterOne being a 47.85% shareholder in VEON. However, as a result of the association of Designated Persons with our largest shareholder, we have suffered reputational harm. In addition, as VEON is perceived by some as having undue exposure to Russia, we have experienced difficulties in transacting with certain key suppliers, business partners and other key counterparties at the Group level, and 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 ended December 31, 2022. This could have an adverse effect on our ability to obtain financing to meet our capital needs or service our debt, or to access our existing cash held in third-party bank accounts or to access committed amounts under credit facilities, and could lead to a delisting of our securities. We have to date noted an unwillingness among certain of our business partners to continue to do business with us, which could be further exacerbated if current conditions continue and which could affect our prospects to engage in new business initiatives with existing or potential future business partners. Moreover, 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), including our Russia-based operating subsidiary, 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 Russia-based 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 companies were the target of government-imposed sanctions. Finally, the price of securities have suffered significant volatility in recent months as a result of exposure, and perceived exposure to the ongoing conflict between Russia and Ukraine. The inability to conduct business with 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 and Russian rubles, while our operating revenue is denominated in Russian rubles, Ukrainian hryvnia and other local currencies. In general, declining values of local currencies against the U.S. dollar and Russian rubles 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 or Russian rubles, 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. 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.* 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.

The value of the Russian ruble has experienced significant volatility following the outbreak of conflict between Russia and Ukraine and such volatility may continue for the foreseeable future, particularly if the scope and severity of sanctions are maintained or increased. For example, the Central Bank of Russia exchange rates of the Russian ruble to U.S. dollar was 74.3 on December 31, 2021 and depreciated to 120.4 as of March 11, 2022 and appreciated to 81.3 as of April 15, 2022. When the Russian ruble depreciates against the U.S. dollar in a given period, the results of our Russian business expressed in U.S. dollars will be lower period-on-period, even assuming consistent Russian ruble revenue across the periods. In addition to the direct effect of sanctions on the Russian ruble, we could be materially adversely impacted by a decline in the value of the Russian ruble against the U.S. dollar due to the decline of the general economic performance of Russia, investment in Russia or trade with

Russian companies decreasing substantially, the Russian 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 Russian sovereign debt. Depreciation of the Russian ruble may be sustained over a long period of time due to rising inflation levels in Russia as well. Although this would have a positive impact on our local currency results in Russia, such gains could be offset by a corresponding depreciation of the Russian ruble in U.S. dollar terms. In addition, a significant depreciation of the Russian ruble 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 Russian ruble, the values of the Pakistani rupee, Ukrainian hryvnia, Kazakh tenge, Algerian dinar, and Uzbekistani som have experienced significant volatility in recent years in response to certain political and economic issues, and such volatility may continue and result in depreciation of these currencies against the U.S. dollar. For example, as a result of the ongoing conflict between Russia and Ukraine, the National Bank of Ukraine has fixed the Ukrainian hryvnia against the U.S. dollar and there is a 10-20% gap between this set exchange rate and the unofficial exchange rate. Other countries in which we operate have recently experienced periods of high levels of inflation, such as Pakistan and Uzbekistan during 2020. Our profit margins in those countries could be harmed as well 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 costs, which 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. In addition, following the onset of the conflict between Russia and Ukraine, fewer counterparties are willing to transact in Russian rubles, particularly following the sanctioning of the Russian central bank and Russia's exclusion from the international SWIFT payments system, and as a result, our ability to hedge our exposure to Russian ruble exchange rate risk has been less effective. For more information about our foreign currency translation and associated risks, see *—Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations*, *—Quantitative and Qualitative Disclosures About Market Risk* and *Note 18—Financial Risk Management* to our Audited Consolidated Financial Statements.

The international economic environment, 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 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 Russian and Ukrainian economies (and other economies that are closely tied to the Russian economy), will affect our operations and financial condition in 2022, 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. Sustained high levels of inflation or hyperinflation in Russia would create significant imbalances in the Russian economy and undermine any efforts the government is taking to create conditions that support economic growth in the wake of the conflict with Ukraine, which would have an adverse impact on our results of operations. For example, it has had, and may have in the future, an impact on our Russian subsidiary's weighted average cost of capital, which could result in potential impairment of our cash generating units in Russia. See *—Market Risks—We have recognized substantial impairment charges, and may in future, recognize material impairment charges.* 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 following the no-confidence vote that resulted in the removal of 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 U.S. and China, can have an adverse effect on 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 a source of a large subscriber base in Russia. 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. 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. While lockdown restrictions have eased around the world since vaccines have become available, many governments respond to surges in case numbers or the emergence of new variants by re-imposing lockdown and travel restrictions. The uncertainty surrounding the ongoing COVID-19 pandemic, both in terms of new variants and surges and government responses thereto, continues to impact our ability to accurately predict our financial performance. 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 may also 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, 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. This, combined with increased energy prices, supply shortages resulting from logistical difficulties arising from the COVID-19 pandemic and the ongoing conflict between Russia and Ukraine, may adversely impact our customers' discretionary spending, which could, in turn, affect their usage levels of our products or their 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, unchecked discretion and are susceptible to abuse and corruption and the rapid reversal of political and economic policies. 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. For example, over the past several years, Russia has been involved in conflicts, both economic and military, involving neighboring and distant states. On several occasions, this resulted in deterioration of relations between Russia and other countries, including the United States and various countries in Europe. Changes in government policy, other government actions and political risks could adversely affect our operations and the value of investments in Russia. Shifts in governmental policy and regulation in the Russian Federation are less predictable than in many Western countries, and could disrupt political, economic, social, regulatory and business processes and environments. Russian authorities have been reported to sometimes apply policies selectively and arbitrarily, including through withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions, asset freezes, seizures or confiscations, regulatory measures, and civil actions. Federal and local governmental entities have, in the past, used common defects in share issuances and registration as pretexts for court claims and other demands to invalidate such issuances and registrations and/or to void transactions, which may be seen as being influenced by political or business considerations. Some observers have noted that takeovers of major private sector companies by state controlled companies following tax, environmental and other challenges in recent years may reflect a shift in official policy in favor of state control at the expense of individual or private ownership, at least where large enterprises are concerned. This has, in turn, resulted in significant fluctuations in the market price of Russian securities and had a negative impact on foreign investments in the Russian economy, over and above any recent general market dislocations. Any similar actions by the Russian authorities which result in a further negative effect on investor confidence in Russia's business and legal environment could have a further adverse impact on the Russian securities market and prices of Russian securities or securities issued or backed by Russian entities.

In addition, our ability to provide service in Ukraine following the onset of the conflict with Russia has been impacted due to power outages, disruption to traffic volumes 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 situation in the country, and our operations and services in Kazakhstan were affected during the riots in January 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, a significant impact on our business, financial condition, results of operations, cash flows and prospects* for a detailed discussion on the impact that the ongoing conflict between Russia and Ukraine has 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 appropriation should Russian forces obtain control of the regions within Ukraine where those assets are situated and therefore may have a significant adverse effect on our ability to operate in Ukraine.

As part of the measures that Ukraine is considering in response to the ongoing conflict with Russia, amendments to the nationalization law (the "Nationalization Law") in Ukraine have been published and 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. In addition, we cannot rule out the possibility that Russia might also consider enacting a similar nationalization law in response to Ukraine's Nationalization Law Amendments or to sanctions imposed by the international community. Such measures, if adopted and applied in relation to either our Ukrainian or Russian subsidiary, or both, could lead to the involuntary deconsolidation of our Ukrainian and/or Russian 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, the marked economic impact in Ukraine associated with the conflict with Russia has adversely impacted our gross connections, airtime sales, and roaming revenue from customers in Ukraine. The ramifications of the Russia-Ukraine conflict may become more severe and the extent of such ramifications cannot be known at this time as the conflict is ongoing. 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, 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, particularly in Russia. The impact of this was only partially offset by increases in fixed line revenue, as lockdown restrictions encouraged home working and schooling.

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 *—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 financial performance has been and will continue to be significantly determined 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 — *Business Overview.*

Each of the items discussed immediately below regarding increased competition could materially harm our business, financial condition, results of operations, cash flows or prospects:

- we cannot assure you that our revenue will grow in the future, as competition puts downward pressure on the prices we offer to our customers;

- 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, there are limits on the extent to which we can continue to grow our customer base, and 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 develop 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*;

- 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, Mobile Financial Services ("MFS") and Digital Financial Services ("DFS") offerings, 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 core services of voice, messaging and data and the development of services by application developers (commonly referred to as OTT players) could significantly 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; further, our competitors may partner with such OTT players to provide integrated customer experiences, and we may be unable to implement offers, products and technology to compete with the offerings of our telecommunications competitors or to support our commercial partnerships;

- 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;

- our customers in countries outside of Russia may, as a result of the ongoing conflict in Russia and Ukraine, choose to migrate to local competitors that do not have a connection to Russia; and

- as a result of the unfavorable economic circumstances in Russia or other countries, our customers may opt for lower cost offerings by our competitors over our products.

We may be unable to develop 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.

Increasing competition, market saturation and technological development have led to the increased importance of data services and access to next generation technologies such as 4G/LTE in the markets in which we operate, including Russia, Commonwealth of Independent States ("CIS") countries, Pakistan and Bangladesh. The provision of such technologies and services requires significant capital investment in spectrum and network presenting a risk that we cannot keep up with the demands of our customers. In addition, the mobile markets in Russia, Ukraine, Kazakhstan, Kyrgyzstan and Georgia have each reached mobile penetration rates exceeding 100%, according to GSMA and publicly available government sources. As a result, we have become increasingly focused on revenue market share growth in each of these markets. The key components of this strategy are to increase 4G/LTE penetration rates, data usage and improve customer loyalty. However, we cannot guarantee that these initiatives will be successful, particularly in markets where the potential for additional growth of our customer base is limited. Failure to develop additional revenue market share could materially harm our business, financial condition, results of operations, cash flows or prospects. 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 *—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. 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.

For example, while we continue deploying mobile networks such as 4G/LTE, in certain markets the telecommunications industry as a whole is already well advanced in planning for the future deployment of 5G, which is expected to drive continued demand for data in the future. 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.

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.

Banking and other financial systems in many of our countries of operation remain underdeveloped and currency control requirements in certain countries restrict our activities, including as a result of the ongoing conflict between Russia and Ukraine.

The banking and other financial systems in our countries of operation are underdeveloped and/or underregulated, 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 the paying dividends and third party suppliers. For example, on February 28, 2022, Russian President Vladimir Putin signed an order (the order "On the Application of Special Economic Measures in Connection With the Unamicable Actions of the U.S. and the Adjoining Foreign States and International Organizations") restricting certain cross-border currency transactions. For more information on currency restrictions, see *Note 18—Financial Risk Management—Liquidity Risks* to our Audited Consolidated Financial Statements. 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, 2021, the outstanding principal amount of our external debt for bonds, bank loans, and other borrowings amounted to approximately US$7.6 billion. In addition to these borrowings, we also have lease liabilities amounting to US$2.7 billion. For more information regarding our outstanding indebtedness and debt agreements, see *—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, such as 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 some of our debt is denominated in U.S. dollars. In addition, capital controls and other restrictions, asset freezes, including limitations on payment of dividends or international funds transfers may be imposed in Russia, along with punitive taxes and penalties targeted at certain foreign entities which may also impact our liquidity or ability to comply with certain of the above mentioned ratios. Involuntary deconsolidation of either of our Russian or Ukrainian operations or both would also 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 expected lower revenues in Ukraine, the volatility of the Russian ruble and tightened currency controls within Russia and Ukraine. On April 13, 2022, VEON announced that it had approximately US$1.3 billion of cash held at the level of its HQ in Amsterdam, which was deposited with international banks and fully accessible at HQ, with approximately US$700 million available under its RCF. In addition, VEON's operating companies had a total cash position equivalent to over US$500 million. In April and May 2022, VEON Holdings B.V. has received US$610 following a utilization under the RCF. This amount can be rolled until maturity. The proceeds of this drawing will be used for general corporate purposes. Despite our current liquidity levels, there can be no assurance that our existing cash balances and revolving credit lines, together with cash generation made available to the Group level, will be sufficient over the medium term to service our existing indebtedness, including to address our upcoming bond maturities in February 2023 and April 2023. In addition, we may have technical difficulty transferring cash to our Russian and Ukrainian operations to service their loan repayments, if required. 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 *Operating and Financial Review and Prospects—Liquidity and Capital Resources.*

Furthermore, there is no assurance that we will be able to service our debt obligations when due. For example, as a result of current or future economic sanctions affecting Russian banks and decreased availability of the Russian ruble on international markets, we might be required to refinance part or all of our existing Russian ruble loans or bonds, which could have a material impact on our liquidity. Following the designation of VTB Bank as a sanctioned entity by the United States and the United Kingdom, we repaid our RUB 30 billion seven year term loan with VTB Bank on March 9, 2022. If we are unable to meet our debt obligations, including debt obligations that are accelerated as a results of sanctions, or if we fail to comply with the financial and other covenants contained in the agreements governing such debt obligations, we may as a consequence be required to refinance all or part of our debt, which may necessitate selling important strategic assets at unfavorable prices in order to meet such refinancing requirements, or entering into restructuring negotiations with our creditors. For example, these highly 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 on a regular and continuous basis both at the group and operating company levels. A continued 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 RCF and negatively impact our liquidity. We may also be impacted by conditions or local legal requirements in local or international markets that could make it more difficult to refinance existing debt or service our existing debt obligations. In addition, there can be no assurance that any assets which we could be required to dispose of can be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale will be acceptable. If such contingencies develop and we are unsuccessful in these efforts, we may not have sufficient cash to meet our obligations.

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, may also be affected by a further downgrade or withdrawal of our credit rating, which may happen for reasons outside our control and could materially harm our business, financial condition, results of operations and prospects. In March 2022, following the onset of the conflict between Russia and Ukraine, Fitch revised VEON's credit rating from "BBB-" to "B+" and S&P revised VEON's credit rating from "BB+" to "CCC+" following a downgrade of the Russian sovereign rating as a result of the ongoing conflict between Russia and Ukraine. S&P withdrew VEON's rating in April 2022. Following these downgrades and withdrawal, 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, financial covenants and restrictive covenants.

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, such as our multi-currency revolving credit facility (the "RCF") in particular with Russian banks. In March 2022, commitments of two Russia-based banks under the RCF were cancelled as it is no longer possible for them to fund drawings under the RCF given the recently introduced Russian currency controls. As a result, the commitments under the RCF will be reduced from US$1,250 million to US$1,055 million. Economic sanctions could affect our ability to service our debt obligations, and our ability to secure future external financing. Our ability to secure future external financing may also be affected by an unwillingness of non-Russian banks, finance providers and 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. See *—Market Risks—We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine.* Furthermore, two of our group-level loans with Sberbank and Alfa Bank respectively, totaling RUB 90 billion in total, were novated to PJSC VimpelCom. This resulted in the release of the former borrower (VEON Finance Ireland DAC) and the former guarantor (VEON Holdings BV) from their obligations. See *Operating and Financial Review and Prospects —Recent Developments after year end 2021* for a further discussion of the novation of the Sberbank and Alfa Bank RUB loans.

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. For example, as a result of the ongoing conflict between Russia and Ukraine, the Central Bank of Russia increased key policy interest rates to 20% from 9.5% on February 28, 2022, which was subsequently reduced to 17.0%, effective on April 11, 2022, and any further increase in interest rates would have an impact on our Russian subsidiary's weighted average cost of capital, which could result in potential impairment of our cash generating units in Russia. See *—Market Risks—We have recognized substantial impairment charges, and may in future, recognize material impairment charges* for a further discussion on potential impairment risks.

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 Holdings B.V., as well as the ability to make certain intercompany payments and transfers.

VEON Holdings B.V. 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 Holdings B.V. depends on cash dividends, distributions, 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 Holdings B.V. 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 Holdings B.V.'s subsidiaries operate or both. Capital controls and other restrictions, asset freezes, including limitations on payment of dividends or international funds transfers may be imposed in Russia, along with punitive taxes and penalties targeted at certain foreign entities, which may impact our ability to receive loan repayments, dividends and distributions from Russia.

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 both Russia and Ukraine. In Russia, this is due to many of our entities' countries of incorporation being considered to be an "unfavorable jurisdiction" by the Russian state. We have also encountered difficulties exchanging currency into Russian rubles for our Russian operations due to sanctions and other restrictions imposed on the Russian banking system. For example, certain Russian banks have been removed from the SWIFT payment messaging system which facilitates transfers of funds between financial institutions and across borders. As the effects of current and any future sanctions continue to put downward pressure on the Russian economy, see *—Market Risks—The international economic environment, geopolitical developments and unexpected global events could cause our business to decline*, there is the possibility that the Russian government could implement orders prohibiting the transfer of foreign currency, or even Russian rubles, from entities within Russia to entities outside of Russia. In Ukraine, capital controls introduced by the National Bank of Ukraine prohibit our Ukrainian subsidiary from making any interest or dividend payments to us and transferring foreign currency to entities outside of Ukraine.

Furthermore, VEON Holdings B.V.'s ability to withdraw funds and dividends from our subsidiaries and operating companies may depend on the consent of our strategic partners, where applicable, as well as the tax regimes and treaties between the Netherlands and the local jurisdictions in which we operate.

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—Banking and other financial systems in many of our countries of operation remain underdeveloped and currency control requirements in certain countries restrict our activities, including as a result of the ongoing conflict between Russia and Ukraine*, respectively.

We are exposed to cyber-attacks and other cybersecurity threats 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, 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, networks and data by private or state-sponsored third parties through exploiting unidentified existing or new weaknesses or flaws in our 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 would 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 the development and 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 are 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 access and process the customer and business information we hold, or authorized users may improperly process such data. Such risks are inherent in our business operations and we will never be able to fully insulate ourselves from these risks. Our systems will remain vulnerable to attacks by third parties who are able to thwart the safeguards we have in place with tactics that are unforeseen or prove to be too sophisticated, and our systems in Russia and Ukraine may be particularly vulnerable to these attacks given the ongoing conflict.

Moreover, we may experience cyber-attacks and IT and network failures and outrages 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, and the inability to protect our systems from phishing attacks. There is also a possibility that we are not currently aware of certain undisclosed vulnerabilities in our IT systems, processes and other assets. 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). Although our subsidiaries have implemented cyber-security strategies for mitigating these risks, we cannot be sure that our network and information technology systems will not be subject to such issues, or, if they are, that we will be able to maintain the integrity of our customers' and employees' data or that malware, other technical or operational issues or human error will not disrupt our network or systems and cause significant harm to our operations. For example, in August 2021, certain personal data held by our Russian operations was inadvertently made public due to human error. We have been monitoring the darknet to ensure no information was published, which to date has not occurred, and have been working on mitigation measures to prevent such cases in the future. In addition, from time to time, we experience cyber-attacks of varying degrees to gain access to our computer systems and networks. As of April 15, 2022, we have suffered various cybersecurity incidents, which targeted our internal infrastructure but were contained by our response teams and generated limited or negligible impacts. In addition, we have identified unauthorized access to some of our network systems, possibly with the intention to capture information or manipulate the communications. Although we found no evidence that any such capture or manipulation was performed, we cannot guarantee that they did not take place, that all such attempts will be successfully thwarted in the future or that the impact of such attempts, if successful, would not be material to our business. We have also experienced infections by malware, advanced persistent threats, and network service interruptions during installations of new software. 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. 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, as of the date of this Annual Report, there have been an increasing number of cyber-attacks on our Russian operations, which have caused service disruptions in certain instances. Our insurance coverage may not be sufficient to cover significant expenses and losses related to such cyber-attacks and cybersecurity incidents.

The occurrence of any of the foregoing events could result in reputational harm, lawsuits, violations of applicable laws, adverse regulatory actions, an inability to operate our digital services or our wireless or fixed-line networks, loss of revenue from business interruption or significant additional costs. As a result of this, our customers may curtail or stop using our products and services, which could harm our business, financial condition, results of operations, cash flows or prospects. In addition, the potential liabilities associated with the occurrence of any of these events could exceed the cyber insurance coverage we maintain and certain violations of applicable laws (including as a result of data leakage) could result in the suspension of operating licenses, imprisonment or fines for the entity and/or the individuals involved.

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 which may have an increased threat of terrorism and military conflict, incidents on or near our premises, equipment or points of sale could result in causalities, property damage, business interruption, legal liability and damage to our brand or reputation. For example, while we have not sustained major damage to our assets in Ukraine thus far as a result of the ongoing conflict between Russia and Ukraine, there can be no assurance that our Ukrainian network will not sustain additional damage that cannot be repaired in a timely manner as the conflict continues.

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, Nokia, Cisco and ZTE. 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 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, a significant impact on our business, financial condition, results of operations, cash flows and prospects.* 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, 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 may decide to reevaluate or cancel projects with such entity for reputational or other reasons. As result of the ongoing conflict between Russia and Ukraine, various U.S. and other multi-national businesses across a number of industries, including consumer goods and retail, food, energy, finance, media and entertainment, tech, travel and logistics, manufacturing and others, have indefinitely suspended their operations and paused all commercial activities in Russia and Belarus. Depending on the extent and breadth of sanctions, export controls and other measures that may be imposed in connection with the conflict in Ukraine, 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. 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 material adverse 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. In addition, if the United States were to impose similar export control restrictions on Russian entities as a result of the ongoing conflict between Russia and Ukraine, that could impact the supply of items critical to the telecommunications sector in Russia and 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 Russia and 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 Russia, 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, as we did with Ericsson in February 2019. For more information on this revised agreement, see *—Business Overview—Information Technology.* 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 *—Business Overview—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 of operation. In September 2019, we announced a strategy framework comprising 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 and services independently ("self-care"), digital applications (e.g. TV, music, financial services), billing systems and customer relationship management systems 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, and updating our networks, developing enterprise resource management systems, human capital management systems and enterprise performance management systems, and reducing and simplifying our IT cost base. In addition, we recently implemented a distributed governance model that empowers its operating companies with the authority and accountability to manage their operations subject to certain limits and a framework to allow our operating companies to operate more efficiently and capitalize on local insight.

We cannot assure you that we will be able to implement this strategy or any future strategies 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 current and future strategies effectively could adversely affect our business, financial condition, results of operations, cash flows or prospects.

In addition, the onset of the ongoing conflict between Russia and Ukraine has disrupted our strategic plans in the short-term and diverted management's attention from such initiatives while focusing on the impact the ongoing conflict has had on our business. In addition, management's attention may be diverted from operations in other countries, if it continues to focus on our operations in Russia and Ukraine. We may also have to divert and/or hold funds at the Group-level to respond to maintenance capital expenditure requirements in Ukraine and Russia instead of being able to incur strategic and growth-related capital expenditures in the other countries where we have operations. The diversion of management's attention or funds and 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), Algeria (Omnium Telecom Algérie S.p.A., "OTA"), Uzbekistan (Joint Venture Buzton LLC), and Kyrgyzstan ("Sky Mobile" LLC and Terra LLC) as well as an e-commerce platform in Bangladesh, which is held by a parent company in Singapore (a minority holding in Shopup Pte. Ltd.). 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. 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* ("FNI"). The exercise of the option initiated a process under which a third party valuation has been undertaken to determine the fair market value at which the transfer is to take place. Under the terms of the shareholders' agreement with the FNI, the transaction is expected to be completed in the second quarter of 2022 for a sale price of US$682 million. If disagreements develop, or any existing disagreements are exacerbated, this might result in a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.

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 does 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, 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 for qualified personnel in our markets of operation 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, 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. 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 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 have a significant impact on 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. The physical infrastructure in our countries of operation, including transportation networks, power generation and transmission and communications systems is in poor condition. Supply chain issues arising from the geopolitical developments in Russia and Ukraine, from restrictions enacted as a result of the COVID-19 pandemic, or from other issues, including but not limited to export control regulation and other regulation, may result in significant increases to our costs, capital expenditures or inability to access equipment and technology required for business continuity or expansion. For example, in Russia, public switched telephone networks have reached capacity limits and are in need of modernization, which may create connectivity issues for our customers and as a result, will require us to make additional capital expenditures if there is continued traffic growth and development in the services provided. 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 expenditures 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. 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, a significant impact on our business, financial condition, results of operations, cash flows and prospects.* and *—Market Risks—We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine.* For example, a decline in gross connections and lower than expected ARPU due to the swift decline in the Russian and Ukrainian economies and the Russian ruble will severely limit our ability to fund capital expenditures in Russia and Ukraine. In Russia, as a result of sanctions and other restrictions affecting the Russian ruble, we may not be able to fund these expenditures from cash generated in other countries or to apply the proceeds from foreign financings to Russian capital expenditures. If that is the case, we may need to access capital from local Russian banks or deplete our Russian ruble-denominated cash reserves. In Ukraine, we have already made expenditures, and as the ongoing conflict continues, may need to spend a significant amount of capital, to repair or replace infrastructure and other systems to ensure consistency of our services.

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 a material adverse impact on our business, financial condition, results of operations, cash flows or prospects. For more information on our future liquidity needs, see*—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, form strategic partnerships through investments, the formation of joint ventures or otherwise, for various strategic 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 digital financial services, banking or 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, including divestitures of operations in certain markets, infrastructure or business lines. 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. For example, following the sale of our mobile network towers in Russia in 2021, as part of our "infrastructure" strategy, we may incur increased operating costs in accessing tower and network infrastructure in Russia and are exposed to increased counterparty risks, as our network service provider may not fulfil their obligations under our service agreement or perform the necessary maintenance of the tower infrastructure. 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, we had previously been unable to obtain frequency allocations in an assigned frequency band for the development of our LTE network in Russia, and until March 2021, had 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 amongst 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. 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 many countries in which we operate, including Russia and 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, a decision which is currently under appeal in the Pakistan Supreme Court, even though the license renewal was signed under protest on October 18, 2021.

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. In addition, certain roaming partners have been targeted by sanctions restrictions, which has led us to change or terminate certain roaming relationships, and as a result of the ongoing conflict between Russia and Ukraine, there is a possibility that certain of our partners could choose to terminate their roaming relationships with us. See *—Market Risks—The international economic environment, geopolitical developments and unexpected global events could cause our business to decline.* 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 — *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", "Beeline" (Russia, Kazakhstan, Uzbekistan, Georgia and Kyrgyzstan), "Kyivstar" (Ukraine), "Jazz" (Pakistan), "Djezzy" (Algeria) 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. In addition, as we continue our investment into a growing ecosystem of local digital services and execute our "digital operator" 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 tradenames, logos and designs. As of March 1, 2022, we have achieved registration of the VEON name in thirteen of the seventeen jurisdictions sought (although in only certain classes in the European Union), with the remaining four pending. With respect to the logo, we have achieved registration in thirteen of the seventeen jurisdictions sought (although in only certain classes in the European Union and Bermuda), with the remaining four pending. 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 TV, Tamasha and Beeline TV, and overlapping product functions increase as we execute our "ventures" and "digital operator" strategies, the possibility of intellectual property infringement claims against us may correspondingly increase. 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 offerings of these services, 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 have a significant impact on 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. 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, a significant impact on our business, financial condition, results of operations, cash flows and prospects.* 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*—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 (Russia and 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 MFS, 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 MFS and DFS, see *—Our MFS and DFS offerings are complex and increase our exposure to fraud, money laundering, reputational and reputational 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. For example, in Russia, telecommunications operators are required to provide information to Russian investigative authorities and gradually install pre-approved equipment to ensure storage of metadata for three years and contents of communications for six months pursuant to Federal Law No 374-FZ (commonly referred to as the Yarovaya laws). Violation of these laws by an operator may result in fines, suspension of activities or license revocation. See*—Anti-terror legislation passed in Russia and other jurisdictions could result in additional operating costs and capital expenditures* for a discussion of the impact of the Yarovaya laws on our business. 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.

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 are subject to certain 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.

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 Russia and 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.

Our recent unsponsored listings on MOEX and the St. Petersburg Stock Exchange ("SPB Exchange") also exposes us to increased risk that designated individuals and entities may buy, sell or otherwise transact with VEON Ltd.'s shares, as there are certain brokers in the Russian market that are currently designated entities and certain brokers do not have policies against providing services to designated individuals or entities. Further, in March 2022, the U.S. government imposed expansive new 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. These restrictions apply to items critical to the telecommunications sector and 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 in Russia and therefore have a significant impact on our operations and results of operation.

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 Russia, Algeria, Egypt, Pakistan, Bangladesh, Ukraine, Kazakhstan, Georgia, 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 that additional taxes, interest, fines and other penalties 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 repeat complex and thematic tax audits in Kyrgyzstan, Russia 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* to our Audited Consolidated Financial Statements.

Changes in tax treaties, laws, rules or interpretations could significantly adversely affect on 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 an 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. 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, 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 significantly 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.

The Russian government has historically placed limitations on the ability of foreign persons to own and invest in companies that operate in Russia, and such restrictions have already and will continue to be increased as the ongoing conflict between Russia and Ukraine continues. For a discussion of the recently-enacted sanctions, see *Operating and Financial Review and Prospects—Recent Developments after year end 2021—The Conflict Between Russia and Ukraine,* including the Deoffshorization Law, where since VEON Ltd. is incorporated in Bermuda (which is considered an "offshore" jurisdiction for purposes of the Deoffshorization Law), our operating subsidiary in Russia is prohibited from participating in new state and municipal procurement procedures in Russia.

There is also 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 telecommunications activities as an operator of long-distance or international communications or owns fixed communication lines without the consent of the Ministry of Digital Development, Innovation and Aerospace Industry and national security authorities 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, MFS, 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 Russia or in Ukraine as a consequence of the ongoing conflict between Russia and Ukraine) could have a significant 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 establish a legal framework for preventing cyber-attacks and protecting critical information infrastructure. For example, Russian telecommunications operators are obliged to take various measures to protect their information infrastructure, provide reliable data transmission channels and inform government agencies and partners about incidents on critical information infrastructure. In addition, Federal Law No. 90-FZ "On certain amendments to the Federal Law 'On communications' and Federal Law 'On information, information technologies and information protection'" (commonly referred to as the RuNet law) was adopted in Russia in 2019. The RuNet law is aimed at the development of an autonomous system that can support the operation of the internet in Russia in the event of disconnection from the global network and allow the Russian government to centralize, control and restrict data traffic in case of certain emergencies as may be determined by the Russian authorities. The provisions of the RuNet law impose a number of obligations that aim to ensure the centralization and control over data traffic on a broad range of persons. Telecommunications operators, including us, are required to, among other things, install counter-threat equipment to be provided by the Russian authorities, participate in trainings and file certain notifications to the Russian authorities. We are currently in the process of ensuring compliance with these requirements. However, the application of the RuNet law may, among other things, reduce the data transfer speed significantly, adversely affect the functioning of our infrastructure and business operations, restrict the use of or result in interruption of certain services, and trigger material costs. Most of the provisions of the RuNet law and subordinate legislation entered into force between November 1, 2019 and May 11, 2020. On December 30, 2020, the Russian government decree "On licensing of activities in the field of communication services" introduced a new license requirement: ensuring the implementation of requirements related to the stability, security and integrity of the internet. The new provisions came into force on January 1, 2021. The implementation and support of measures to comply with the legislation may lead to substantial investments.

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 complying 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—*Our MFS and DFS offerings are 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, representation, 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 significantly 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 Ltd. 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 a material adverse impact on our business, financial condition, results of operations, cash flows or prospects.

Our MFS and DFS offerings are complex and increase our exposure to fraud, money laundering, reputational and regulatory risk.

MFS and DFS offerings are 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 MFS/DFS offerings 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 "ventures" strategy, we may seek to expand our MFS and DFS offerings, thereby compounding our exposure to such risks.

For example, Mobilink Bank in Pakistan carries on a microfinance banking business and provides certain MFS, DFS 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. 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 MFS and DFS offerings require 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—

We collect and process sensitive customer 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 MFS and DFS businesses also require 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 that identifies or may be used to identify an individual, such as 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. These laws and regulations are subject to frequent revisions and differing interpretations and are becoming more stringent over time.

We are subject to numerous data protection regulations. For example, in Russia and certain other 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 corresponding levels of protection, permitted registration, disclosure and required safeguards. In each case, we are required to implement the appropriate level of data protection and cooperate with government authorities on 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 potential liability and exposure to fines and sanctions. In addition, the European Union introduced a data protection framework, the General Data Protection Regulation ("GDPR"), which came into effect on May 25, 2018 and is still applicable in the United Kingdom following its withdrawal from the European Union on December 31, 2020. While we believe that 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 GDPR, our operations in other markets, such as in Ukraine, may also become subject to this regulation. For example, if such operations involve the offering of goods or services to, or monitoring the behavior of, individuals in the European Union and the United Kingdom or if other markets align their data privacy requirements to those of the GDPR. Laws and regulations may also become more stringent over time. For example, the current draft of the EU ePrivacy Regulation is expected to be expanded 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. This could broaden the exposure of our business to data protection liability, restrict our ability to leverage our data and increase our costs.

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 laws on data localization requiring data to 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, require us to change our business practices in a manner adverse to our business or conflict with other laws we are subject to, 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. The current draft of the ePrivacy Regulation is going through the EU legislative process and is intended to replace the 2002/58 e-Privacy Directive. 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 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.

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 have a material adverse effect on 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.

Anti-terror legislation passed in Russia and other jurisdictions could result in additional operating costs and capital expenditures.

Russian Federal Law No 374-FZ (the "Yarovaya law") amended anti-terrorism legislation and imposed certain obligations on communication providers, including, among others, a requirement to store certain communications information for a specified period of time. This requirement came into force on July 1, 2018 for voice traffic and on October 1, 2018 for data traffic. Failure to comply with the Yarovaya law may lead to administrative fines and could impact our licenses. The implementation and support of measures to comply with the legislation led to substantial investments for the design of our IT systems in Russia and the purchase of specialized equipment and tools, as the Russian authorities required, among other things, the use of specific storage equipment. We estimate that total Yarovaya law-related expenditures will be RUB 45 billion over five to seven years starting from 2018. Although the Yarovaya-law-related investment plans are progressing in alignment with legal requirements, it is possible that in the future the Russian government will adopt additional requirements, which will lead to additional expenditures or otherwise necessitate additional investments to be compliant.

Similar legislation has been implemented, or is being contemplated, in our other countries of operation. Compliance with such measures may require substantial costs and management resources and conflict with our legal obligations in other countries. Failure to comply may lead to administrative fines, impair our ability to operate or cause reputational damage. In addition, compliance with any such obligations may prompt allegations related to data privacy or human rights concerns, which could in turn result in reputational harm or otherwise impact our ability to operate or our 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 have an adverse impact on 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 *—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—*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 have been enacted as a result of the ongoing conflict between Russia and Ukraine and how this 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 dubious 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 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 our 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 medium-to-long term 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

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"), the Dutch Authority for the Financial Markets (the "AFM"), and our independent registered public accounting firm 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 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 24—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 2021. 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—*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. 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.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

For discussion related to our financial condition, changes in financial condition, and the results of operations for 2020 compared to 2019, Operating and Financial Review and Prospects in our Annual Report for the fiscal year ended December 31, 2020, which was filed on March 15, 2021, 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 Algeria as a discontinued operation (see Note 10—Held for Sale and Discontinued Operations in our Audited Consolidated Financial Statements), which is discussed in this section.

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. 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 — How We Manage Risks — 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 220 million customers with voice, fixed broadband, data and digital services. VEON, through its operating companies, offers services to customers in several countries: Russia, Pakistan, Ukraine, Kazakhstan, Uzbekistan, Algeria, Bangladesh, Kyrgyzstan and Georgia. We provide services under the "Beeline," "Jazz," "Kyivstar," "banglalink" and "Djezzy" 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, 2021, our reportable segments consist of the following segments: Russia, Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh.

Following the exercise of the put option for our stake in Algeria on July 1, 2021, the Algerian business has, in line with the IFRS 5 requirements, become a discontinued operation, and accounted for as an "Asset held for sale." Refer to *Note 9—Significant Transactions* 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 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. 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 and adopted by European Union, 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 24—Significant Accounting Policies* of our Audited Consolidated Financial Statements attached hereto.

Key Developments for the year ended December 31, 2021

VEON completes the acquisition of minority shareholding in Pakistan Mobile Communications Limited

In March 2021, VEON successfully concluded the acquisition of the 15% minority stake in Pakistan Mobile Communications Limited ("PMCL"), the operating company of Pakistan's leading mobile operator, Jazz, from the Dhabi Group for USD 273 million.

This transaction follows the Dhabi Group's exercise of its put option announced on September 28, 2020 and gives VEON 100% ownership of PMCL. This simplifies and streamlines the Group's governance over its Pakistani assets and enables VEON to capture the full value of this growing business, including future dividends paid by PMCL. The transaction is presented within 'Acquisition of non-controlling interest' within the Consolidated Statement of Cash Flows.

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 million equivalent) to purchase the spectrum.

Ukraine Tower Carve out

In June 2021, Kyivstar (a wholly owned subsidiary of VEON group) formalized the plan to carve out its tower related passive infrastructure to a newly incorporated entity, Ukraine Tower Holdings B.V. (an entity indirectly held by VEON Ltd. outside of VEON holdings group). All board approvals to form this carve out were obtained and accordingly the net book value of towers was classified as held for sale.

VEON announced the exercise of its put option to sell its stake in Djezzy

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algérie SpA ("Omnium") to the Algerian National Investment Fund, Fonds National d'Investissement ("FNI"). Omnium owns Algerian mobile network operator, Djezzy. The exercise of the option initiates a process under which a third-party valuation will be undertaken to determine the fair market value at which the transfer shall take place. Under the terms of the shareholders' agreement with FNI, the transaction is expected to be completed in the second quarter of 2022 for a sale price of US$682 million.

Novation of VC-ESOP loan from Luxembourg Finance S.A. to VEON Amsterdam B.V.

In August 2021, VEON Luxembourg Finance S.A and VEON Amsterdam B.V. signed a transfer deed whereby VEON Luxembourg Finance S.A. (a subsidiary of the Company) transferred the rights and all obligation relating to loan receivable from VC-ESOP (a subsidiary of the ultimate parent company) for US$150 to VEON Amsterdam B.V. for a consideration of one US dollar and is considered as deemed dividend for these financials.

Agreement between VEON and Service Telecom regarding the sale of its Russian tower assets

On September 5, 2021, the Company and VEON Ltd., ultimate parent of the Company, signed an agreement for the sale of its mobile network towers in Russia to Service Telecom Group of Companies LLC ("Service Telecom"). The sale reflects VEON's continued focus on active portfolio management and the pursuit of opportunities to realize the value of its infrastructure portfolio. On December 1, 2021, VEON announced the successful conclusion of the sale of its Russian tower assets to Service-Telecom for RUB 70.65 billion (US$957 million equivalent), paving the way for the establishment of a long-term partnership pursuant to a master tower agreement that has been entered into between PJSC VimpelCom and Service Telecom.

Internal Transfer International Wireless Communications Pakistan Limited and Telecom Ventures Limited

The Company acquired direct ownership in International Wireless Communications Pakistan Limited and Telecom Ventures Limited from VEON Pakistan holdings and VEON Bangladesh Holdings (wholly owned indirect subsidiaries of the Company) for consideration payable as at December 31, 2021, of US$948 and US$132 respectively. Since the Company is the ultimate shareholder of these entities, the settlement of the short-term payable to group companies is at the full discretion of the Company.

VEON aligns executive compensation with total shareholder returns

On December 7, 2021, VEON announced a new incentive plan for its Group executive leadership. The purpose of the new compensation scheme is to reward long-term value creation and ensure the alignment of management and shareholder interests.

Management changes

In April 2021, VEON announced changes to its leadership structure. Co-CEO Sergi Herrero, who joined the company in September 2019, stepped down as co-CEO effective June 30, 2021. Kaan Terzioglu continues in his role as CEO of VEON Ltd. with overall responsibility for corporate matters and the Group's general operations.

In addition, in April 2021, VEON announced the appointment of two new members of the Group's leadership team. Alex Bolis joined VEON as Group Head of Corporate Strategy, Communications and Investor Relations while Dmitry Shvets joined as Group Head of Portfolio and Performance Management, a new role that includes oversight of VEON's Performance Management and M&A teams. Mr. Bolis joined VEON on April 1, 2021 and Mr. Shvets on April 15, 2021.

On January 7, 2020, Kaan Terzioglu was appointed as a statutory director of the Company

On June 30, 2021 and September 30, 2021, Jochem Benjamin Postma and Paul Klaassen were appointed statutory directors of the Company, respectively.

On August 17, 2021, VEON announced the appointment of Michael Schulz as VEON's Group Chief People Officer.

On October 21, 2021, VEON announced that its Group General Counsel, Scott Dresser, would be leaving VEON effective on December 31, 2021.

On December 18, 2021, VEON announced that Victor Biryukov had been appointed as its Group General Counsel effective January 1, 2022, succeeding Scott Dresser.

Board of Director changes

In June 2021, VEON Ltd. 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, who previously served as co-CEO of VEON. Shareholders also elected 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.

On July 15, 2021, VEON announced that Stephen Pusey decided to step down from its Board of Directors.

See —*Recent Developments after year end 2021* below for further information on changes to our Board of Directors in 2022.

On January 7, 2020, Kaan Terzioglu was appointed as a statutory director of the Company

On June 30, 2021 and September 30, 2021, Jochem Benjamin Postma and Paul Klaassen were appointed statutory directors of the Company, respectively, replacing Sergi Herrero and Murat Kirkgoz, respectively.

Financing activities

In March 2021, VEON Holdings B.V. successfully entered into a new multi-currency revolving credit facility agreement of US$1,250 million. The RCF replaced the revolving credit facility signed in February 2017, which was cancelled. The RCF has an initial tenor of three years, with VEON having the right to request two one-year extensions, subject to lender consent. International banks from Asia, Europe and the United States have committed to the RCF. The new RCF caters for USD LIBOR cessation with the secured overnight financing rate ("SOFR") administered by the Federal Reserve Bank of New York agreed as the replacement risk free rate with credit adjustment spreads agreed for interest periods with a one month, three month and six month tenor. SOFR will apply to interest periods commencing on and from October 31, 2021. VEON will have the option to make each drawdown in either U.S. dollars or euro.

In March 2021, PMCL successfully entered into a new PKR 15 billion (US$98 million equivalent) syndicated facility with MCB Bank as agent and PKR 5 billion (US$33 million equivalent) bilateral term loan facility with United Bank Limited. Both these floating rate facilities have a tenor of seven years.

In March 2021, VEON Holdings B.V. successfully amended and restated its existing RUB 30 billion (US$396 million equivalent) bilateral term loan agreement with Alfa Bank and increased the total facility size to RUB 45 billion (US$594 million equivalent), by adding a new floating rate tranche of RUB 15 billion (US$198 million equivalent). The new tranche has a five year term. In April 2021, the proceeds from Alfa Bank new tranche of RUB15 billion (US$198 million equivalent) were used to early repay RUB 15 billion (US$198 million equivalent) of loans from Sberbank, originally maturing in June 2023.

In June 2021, PMCL secured a PKR 50 billion (US$320 million equivalent) syndicated credit facility from a banking consortium led by Habib Bank Limited. This ten year facility will be used to finance the company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities.

In September 2021, VEON Holdings B.V. issued senior unsecured notes of RUB 20 billion (US$273 million equivalent), maturing in September 2026. The notes were issued under its existing Global Medium Term Note Program with a Program 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 million equivalent) of outstanding loans to Sberbank that were originally maturing in June 2023.

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US$612 million equivalent) Term Facilities Agreement with Alfa Bank which includes a RUB 30 billion (US$408 million equivalent) fixed rate tranche and a RUB 15 billion (US$204 million equivalent) floating rate tranche, both with a maturity date of December 2026. The facilities are guaranteed by VEON Holdings B.V. The proceeds from the Alfa Bank facilities have been used to finance intercompany loans to PJSC VimpelCom. See *—Recent Developments after year end 2021—Novation of Loans* for a discussion of the novation of this loan in 2022.

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US$611 million equivalent) Term Facility Agreement with Sberbank with a floating rate. The maturity date of the facility is December 2026 and it is guaranteed by VEON Holdings B.V. The proceeds from the Sberbank facility have been used to finance an intercompany loan to PJSC VimpelCom. See *—Recent Developments after year end 2021—Novation of Loans* for a discussion of the novation of this loan in 2022.

In December 2021, VEON Holdings B.V. repaid RUB 45 billion (USD611 million equivalent) of outstanding loans to Alfa Bank, comprising of a RUB 30 billion loan (US$407 million equivalent) originally maturing in March 2025 and a RUB 15 billion (US$204 million equivalent) loan originally maturing in March 2026.

In December 2021, VEON Holdings B.V. repaid RUB 45 billion (US$612 million equivalent) of outstanding loans to Sberbank, comprising of a RUB 15 billion (US$204 million equivalent) loan originally maturing in June 2023 and a RUB 30 billion (US$408 million equivalent) loan originally maturing in June 2024.

VEON concludes comment letter process with the AFM

On November 25, 2020, we received a letter from the AFM asserting that the goodwill impairment tests for the cash-generating units in Russia and Algeria had not been applied correctly in the first half of 2020 because our goodwill impairment tests did not take into account all aspects that market participants would take into account in determining the fair value less cost of disposal. The AFM comment process began in November 2020, when we received an initial comment letter from the AFM seeking additional information regarding our goodwill impairment testing performed in the first half of 2020 as disclosed in the 2020 Interim Financial Report. The AFM had asserted that they did not agree with our assumptions regarding the discount rate and projected cash flows used in our discounted cash flow model.

We responded to these requests from the AFM during 2020 and 2021 and met several times with the AFM to discuss our goodwill impairment testing. We maintained that our goodwill impairment tests were performed correctly and that no re-performance of the past impairment tests is necessary. These discussions with the AFM have now been resolved without a restatement of previously issued financial statements or other changes to our goodwill impairment testing being imposed.

Recent Developments after year end 2021

Karen Linehan joins VEON board as a non-executive director

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.

VEON announces its intention to establish a new parent holding company in the United Kingdom

On February 3, 2022, VEON announced its intention to move its group parent company to the United Kingdom, with the introduction of a newly formed UK incorporated public limited company (the "new UK Parent Company") as the top holding company of the VEON Group. It is expected that the new UK Parent Company will replace VEON Ltd. as the VEON Group's ultimate parent company by way of a Bermuda court-approved scheme of arrangement. VEON has since suspended all activities related to the previously proposed re-domiciliation of VEON Ltd. to the United Kingdom and will continue to consider the optimal corporate structure for the Group.

The Conflict between Russia and Ukraine

In response to the ongoing conflict between Russia and Ukraine, the United States, European Union (including individual E.U. member states), the United Kingdom, as well as other countries (such as, Japan, Canada, Switzerland) have imposed wide-ranging economic sanctions and trade restrictions which have targeted individuals and entities, as well as large swaths of the Russian (and Belarussian) economy. The United States, the European Union and the United Kingdom have also imposed sanctions on a number of individuals and entities from both Russia and Belarus (including many Russian and Belarussian financial institutions), including measures that prohibit dealings with these individuals and entities and/or freezing their assets and measures that prohibit dealing with newly issued securities or extending credit to designated entities and, in the case of the United Kingdom, persons connected with Russia. In addition, certain Russian banks have been removed from the SWIFT payment messaging system, which facilitates transfers of funds between financial institutions and across borders. In addition to economic sanctions, the United States, the European Union and the United Kingdom have expanded export and import prohibitions on items destined for or from Russia or Belarus, including, among other things, restrictions on the export to or for use in Russia certain commodities, critical-industry software and technology, iron and steel products, and luxury goods. Ukraine has also enacted sanctions with respect to certain Russian entities and individuals, such as MOEX on which VEON Ltd.'s shares are listed and traded on an unsponsored basis. The sanctions and trade restrictions have been frequently updated as events have unfolded and are subject to ongoing change.

Furthermore, as a response to the new sanctions Russia recently introduced a number of counter-sanctions and measures aimed at stabilizing domestic financial markets. These, among others, include new 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 introduction of certain of these measures may significantly harm our business. For example, we are limited in our ability to pay and receive dividends, including interest payments on intercompany loans and dividends from our subsidiary PJSC VimpelCom, we may also be limited in issuing or repaying intra-group loans, completing corporate restructurings or planned M&A transactions. Moreover, new Russian counter-sanctions may affect our ability to service our indebtedness towards non-Russian creditors as Russian counter-sanctions introduce new rules related to debt repayment towards foreign creditors.

As of the date on this Annual Report, the conflict between Russia and Ukraine is still ongoing. For a discussion of the potential impact of the conflict on our business, see—*Risk Factors* and *—Factors Affecting Comparability and Results of Operations—The Conflict Between Russia and Ukraine.*

Mikhail Fridman steps down from VEON board

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

Liquidity and financing update

On March 2, 2022, VEON announced that as of February 27, 2022, it had approximately US$2.1 billion of cash and deposits, including US$1.5 billion of U.S. dollars and euro-denominated cash and deposits held at the level of its HQ in Amsterdam. The HQ cash and deposits are held in bank accounts, money market funds and on-demand deposits at a diversified group of international banks from the European Union, the United States and Japan. In addition, VEON utilized US$430 million under its RCF on February 28, 2022 to repay the principal and accrued interest of its US$417 million notes due March 1, 2022.

On March 11, 2022, a subsidiary of VEON prepaid its RUB 30 billion interest-bearing loan with VTB Bank, which had been entered into on February 17, 2021, in accordance with its terms, and the facility was cancelled. The repayment and cancellation was in compliance with applicable sanctions. In February 2022, VEON requested a one-year extension to the RCF, which was approved by eight lenders, and in March 2022, commitments of two Russia-based banks under the RCF were cancelled as it is no longer possible for them to fund drawings under the RCF given the recently introduced Russian currency controls. As a result, the commitments under the RCF will be reduced from US$1,250 million to US$1,055 million.

On April 13, 2022, VEON announced that it had approximately US$1.3 billion of cash held at the level of its HQ in Amsterdam, which was deposited with international banks and fully accessible at HQ, with approximately US$700 million available under its RCF. In addition, VEON's operating companies had a total cash position equivalent to over US$500 million. In April and May 2022, VEON Holdings B.V. has received US$610 following a utilization under the RCF. This amount can be rolled until maturity. The proceeds of this drawing will be used for general corporate purposes.

In April 2022, VEON Holdings BV and VEON Digital Amsterdam BV extended the maturity of the intercompany loan until April 2023.

In April and May 2022, VEON Holdings B.V. has received US$610 following a utilization under the RCF. This amount can be rolled until maturity.

In February 2022, PMCL fully utilized the remaining PKR 40 billion that it had available under its existing line of credit and in April 2022, PMCL entered into a PKR 40 billion syndicated loan with a ten year maturity and Banglalink entered into a BDT 12 billion syndicated loan with a five year maturity. In addition, in April, Kyivstar prepaid a UAH 1,350 million loan with JSC

CitiBank, prepaid a portion of a UAH 1,677 million loan with Alfa Bank (UAH 1,003 million) and prepaid a portion of a UAD 1,275 million loan with JSC Credit Agricole (UAH 940 million prepaid).

Robert Jan van de Kraats steps down from VEON Board

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

U.S., EU and UK Sanctions not applicable to VEON

On March 15, 2022 and April 13, 2022, we announced our conclusion that, on the basis of information available to us, VEON is not the subject of any sanctions imposed by the United States, the European Union or the United Kingdom. Bermuda adopts UK sanctions by operation of law.

VEON has no ultimate controlling shareholder. As disclosed in this Annual Report, LetterOne holds 47.85% of our common and voting shares. Mr. Mikhail Fridman and Mr. Peter Aven, upon whom sanctions have been imposed on by the European Union and the United Kingdom, hold in the aggregate a less than 50% interest in the LetterOne group, the ultimate shareholding entity of LetterOne, and both have stepped down from the LetterOne group board. All of our shareholders have identical voting rights. None have 'special' voting rights (either through the bye-laws or as a matter of agreement between VEON and any shareholder). On the basis of public filings, there are no agreements in place between LetterOne and any other shareholders relating to the voting of VEON shares, and neither Mr. Fridman nor Mr. Aven directly or indirectly own any voting interests in VEON shares or ADSs outside of their interest in LetterOne. As we announced on 1 March 2022, Mr. Fridman stepped down as a director of VEON effective 28 February 2022. Mr. Aven is not a director of VEON or of any company within our Group.

Michiel Soeting joins the VEON Board as a non-executive Director

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.

VEON confirms notification from NASDAQ on minimum share price requirement

On April 12, 2022, VEON confirmed that on 7 April 2022 VEON received notification from the Listing Qualifications Department of NASDAQ that VEON is not in compliance with the minimum bid price requirement set forth in NASDAQ's Listing Rule 5550(a)(2). This does not impact current NASDAQ listing and trading, and VEON will evaluate options to return to compliance.

Spectrum Acquisition in Bangladesh and Pakistan

On March 31, 2022, Banglalink acquired new spectrum for a fee of US$205 million payable in installments over eleven years, which doubles its spectrum holding in Bangladesh. Banglalink acquired 40 MHz of spectrum from the 2300 MHz band. On April 12, 2022, Jazz signed a 4G license renewal with the PTA for a fee of US$486 million for 15 years, of which 50% has been settled, and the remaining amount will be paid in five equal annual installments.

Novation of Loans

As a result of current economic sanctions affecting Russian banks, in April 2022, VEON novated two group-level loans, with Sberbank and Alfa Bank respectively, and totaling RUB 90 billion, to PJSC VimpelCom. 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 RUB liabilities are held within Russia and as such are matched to the market where RUB revenues are generated, enabling further review of the capital structure of PJSC VimpelCom.

First Quarter 2022 Trading Update

On April 28, 2022, VEON announced a trading update for the first quarter period ended March 31, 2022 (unaudited), including selected financial and operational 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. While we are still assessing the extent of the impact on our operations and financial performance, as long as the conflict is ongoing, we expect a deterioration of our performance in Ukraine, which will be exacerbated as the conflict continues. In Russia, the ongoing conflict between Russia and Ukraine and related sanctions will have an impact on our operations, including as a result of the volatility of the Russian ruble. See *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 legislative sanctions imposed, coupled with self-imposed restrictions by multinational companies and service providers unwilling to conduct business in Russia, are more complex and comprehensive than any such measures to date, and are evolving on a daily basis. We are not able to predict further developments on this issue, including those that could affect our operations in Russia, Ukraine or elsewhere, nor can we predict when sanctions targeting Russia imposed by the United States, the United Kingdom, the European Union and/or other countries as a result of Russia's involvement in the ongoing conflict might be lifted.

These are highly uncertain times and it is not possible to predict with precision how certain developments will impact our results and operations, nor our ability to execute comprehensive contingency planning in Ukraine due to the ongoing conflict and inherent danger in the country. For a discussion of the potential impact of the conflict on our business, see *—Risk Factors.*

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 Russian ruble in Russia, 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 *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 *—Risk Factors.*

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. For example, the COVID-19 pandemic has significantly affected our results of operations as it had various adverse impacts on supply and demand and caused 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. Following the introduction of lockdown measures, we saw a significant impact on roaming revenues, while travel restrictions that were imposed in certain of our countries of operation further saw a market reduction in the migrant workforce, which has traditionally been a source of a large subscriber base in Russia. 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 Russian and Ukrainian economies will significantly affect our operations and financial condition in 2022, and will likely continue to have a significant impact for the foreseeable future. In addition, 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 Russia would create significant imbalances in the Russian economy and undermine any efforts the government is taking to create conditions that support economic growth in the wake of the conflict with Ukraine, which would have an adverse impact on our results of operations. For more information regarding economic trends and how they affect our operations, see *—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.

Execution of Business Strategies and Initiatives

In September 2019, we announced a strategy framework comprising of three vectors: infrastructure, digital operator and ventures. See *—Information on 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. Although it is our objective that such initiatives improve our results of operation and financial profile, no assurance can be given that such effects will be achieved in the time frame indicated or at all.

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 termination of the double tax treaty between Russia and the Netherlands that became effective on December 31, 2021, the withholding tax rate applicable to profit distributions from Russia to the Netherlands increased from 5% to 15%, which contributed to an increase in the amount total amount of dividend restrictions to US$ 1 billion (PY: US$525 million). 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 *—Operational Risks—As a holding company, VEON Holdings B.V.. depends on the performance of its subsidiaries and their ability to pay dividends or make other transfers to VEON Holdings B.V.* as well as Note 4 to the Company Financial Statements as attached to this Annual report.

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.

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

In millions of U.S. dollars	Year ended December 31, 2021	2020*
Consolidated income statement data:		
Service revenues	7,128	6,786
Sale of equipment and accessories	508	388
Other revenues	134	117
Total operating revenues	**7,770**	**7,291**
Other operating income	5	4
Service costs	(1,379)	(1,334)
Cost of equipment and accessories	(487)	(378)
Selling, general and administrative expenses	(2,435)	(2,282)
Depreciation	(1,542)	(1,429)
Amortization	(302)	(306)
Impairment (loss) / reversal	(20)	(784)
Gain / (loss) on disposal of non-current assets	(13)	(37)
Gain / (loss) on disposal of subsidiaries	101	(78)
Operating profit	**1,698**	**667**
Finance costs	(702)	(677)
Finance income	28	64
Other non-operating gain / (loss)	12	111
Net foreign exchange gain / (loss)	4	(49)
Profit / (loss) before tax from continuing operations	**1,040**	**116**
Income tax expense	(255)	(316)
Profit / (loss) from continuing operations	**785**	**(200)**
Profit / (loss) after tax from discontinued operations	**151**	**79**
Profit / (loss) for the period	**936**	**(121)**
Attributable to:		
The owners of the parent (continuing operations)	740	(190)
The owners of the parent (discontinued operations)	69	36
Non-controlling interest	127	33
	936	**(121)**

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

Total Operating Revenue

In millions of U.S. dollars, includes intersegment revenue	Year ended December 31, 2021	2020
Russia	3,950	3,819
Pakistan	1,408	1,233
Ukraine	1,055	933
Kazakhstan	569	479
Uzbekistan	194	198
Bangladesh	564	537
Others	81	125
HQ and eliminations	(51)	(33)
Total	7,770	7,291

For the year ended December 31, 2021, our consolidated total operating revenue increased to US$7,770 million as compared to US$7,291 million for the year ended December 31, 2020. This was an increase of 6.6% primarily due to higher mobile data and fixed revenue in Russia, 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 *—Reports of our reportable segments* below.

Operating Profit

For the year ended December 31, 2021, our consolidated operating profit increased to US$1,698 million compared to US$667 million for the year ended December 31, 2020, primarily due growth in operating revenues as discussed above as well as an impairment loss of US$784 million booked in 2020 in respect of our operations in Russia and Kyrgyzstan. For more information refer to *Note 11 — Impairment of Assets* of our audited consolidated financial statements attached hereto.

Non-Operating Profits And Losses

Finance Costs

For the year ended December 31, 2021, our consolidated finance costs were US$702 million as compared to US$677 million for the year ended December 31, 2020. This was an increase of 3.7% that was primarily driven by an increase in borrowings.

Finance Income

For the year ended December 31, 2021, our consolidated finance income decreased by 56.3% to US$28 million for the year ended December 31, 2020, primarily due to the lower short-term deposit balances held in our accounts.

Other Non-Operating Gain / (Loss)

For the year ended December 31, 2021,, we recorded an other non-operating gain of US$12 million, as compared to a non-operating gain of US$111 million in 2020. This change was mainly driven by a one-off non-operating gain in 2020 in relation to a revaluation of contingent consideration liability, and another one-off non-operating gain upon reaching a settlement in connection with the dispute concerning the sale of Telecel Globe Limited.

Net Foreign Exchange Gain / (Loss)

For the year ended December 31, 2021, we recorded a net foreign exchange gain of US$4 million as compared to a net foreign exchange loss of US$49 million for the year ended December 31, 2020. This change was primarily due to the stabilization of the value of the Russian ruble against the U.S. dollar, which was partially offset by the impact of the deterioration in the value of the Pakistani rupee against the U.S. dollar in 2021. For a discussion of risks related to foreign currency fluctuation and translation, see *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.*

Income Tax Expense

For the year ended December 31, 2021, our consolidated income tax expense decreased by 19.3% to US$255 million as compared to US$316 million for the year ended December 31, 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 attached hereto.

Profit / (Loss) after Tax from Discontinued Operations

For the year ended December 31, 2021, we recorded a profit after tax from discontinued operations of US$151 million as compared to a profit after tax from discontinued operations of US$79 million for the year ended December 31, 2020. The increase was mainly due to an increase in service revenue as curfew measures resulting from the COVID-19 pandemic were lifted in Algeria and the repositioning of the business toward the Algerian youth market with a dedicated digital-centric platform. For a discussion of the sale of our Algeria operations, please refer to Note 10 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, 2021, we recorded a profit attributable to the owners of the parent from continuing operations of US$740 million as compared to a loss attributable to the owners of the parent from continuing operations of US$190 million in 2020, that was mainly due to an increase in operating profit as discussed above.

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

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 of our discontinued operations in Algeria.

Adjusted EBITDA

In millions of U.S. dollars	Year ended December 31, 2021	2020
Russia	1,476	1,504
Pakistan	643	612
Ukraine	704	630
Kazakhstan	307	265
Uzbekistan	89	68
Bangladesh	235	228
Others	41	22
HQ and eliminations	(21)	(28)
Total	**3,474**	**3,301**

For the year ended December 31, 2021, our total Adjusted EBITDA was US$3,474 million as compared to US$3,301 million for the year ended December 31, 2020. This was an increase of 5.2% that was mainly due to higher operating revenue 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, 2021 and 2020 please refer to table below.

In millions of U.S. dollars	Year ended December 31, 2021	2020
Profit / (loss) before tax from continuing operations	**1,040**	**116**
Depreciation	1,542	1,429
Amortization	302	306
Impairment loss / (reversal)	20	784
(Gain) / loss on disposal of non-current assets	13	37
(Gain) / loss on disposal of subsidiaries	(101)	78
Finance costs	702	677
Finance income	(28)	(64)
Other non-operating (gain) / loss	(12)	(111)
Net foreign exchange (gain) / loss	(4)	49
Total Adjusted EBITDA	**3,474**	**3,301**

RESULTS OF SEGMENTS

Russia

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**3,950**	**3,819**	**4,481**	**3.4 %**	**-14.8 %**
Mobile service revenue	2,916	2,917	3,485	0.0 %	-16.3 %
- of which fixed-mobile convergence ("FMC")	179	164	151	9.1 %	8.6 %
- of which mobile data	948	919	972	3.2 %	-5.5 %
Fixed-line service revenue	552	523	539	5.5 %	-3.0 %
Sales of equipment, accessories and other	482	379	457	27.2 %	-17.1 %
Operating expenses	**2,478**	**2,319**	**2,523**	**6.9 %**	**-8.1 %**
Adjusted EBITDA	**1,476**	**1,504**	**1,957**	**-1.9 %**	**-23.1 %**
Adjusted EBITDA margin	**37.4%**	**39.4%**	**43.7%**	**-2.0pp**	**-4.3pp**

Results of Operations in RUB

In millions of RUB (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**290,749**	**274,480**	**289,875**	**5.9 %**	**-5.3 %**
Mobile service revenue	214,657	209,527	225,555	2.4 %	-7.1 %
- of which FMC	13,163	11,796	9,788	11.6 %	20.5 %
- of which mobile data	69,831	66,071	62,894	5.7 %	5.1 %
Fixed-line service revenue	40,648	37,657	34,850	7.9 %	8.1 %
Sales of equipment, accessories and other	35,444	27,296	29,470	29.9 %	-7.4 %
Operating expenses	**182,374**	**167,009**	**163,177**	**9.2 %**	**2.3 %**
Adjusted EBITDA	**108,660**	**107,775**	**126,698**	**0.8 %**	**-14.9 %**
Adjusted EBITDA margin	**37.4%**	**39.3%**	**43.7%**	**-1.9pp**	**-4.4pp**

Selected Performance Indicators

	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Mobile					
Customers in millions	49.4	49.9	54.6	-1.0%	-8.6%
Mobile data customers in millions	34.5	32.9	35.5	4.9%	-7.3%
ARPU in US$	4.9	4.6	5.3	6.5%	-13.2%
ARPU in RUB	359.0	333.0	340.0	7.8%	-2.1%

Total Operating Revenue

For the year ended December 31, 2021 our total operating revenue in Russia increased by 3.4% (in USD terms) and by 5.9% (in local currency terms) as compared to the year ended December 31, 2020. Local currency growth was primarily attributable to higher device and accessories sales, increased demand for mobile data leading to an increase in mobile data revenue, continued growth in our B2B business and an increase in fixed line revenues due to the expansion of our broadband customer base in Russia.

Adjusted EBITDA

For the year ended December 31, 2021, our Russia Adjusted EBITDA decreased by 1.9% (in USD terms) and increased by 0.8% (in local currency terms) as compared to the year ended December 31, 2020. Local currency growth was primarily due to an increase in total operating revenue and a decrease in marketing cost, which was partially offset by an increase in personnel costs following a return to regular operations after various COVID-19 related lockdowns and additional headcount due to the acquisitions of OTM and Westcall.

Number of Mobile Customers

As of December 31, 2021, we had 49.4 million mobile customers in Russia representing a decrease of 1.0% as compared to December 31, 2020. The decrease was primarily due to customer perceptions of network quality, as well as a reduction in sales through alternate distribution channels and loss of migrant customers from our subscriber base due to COVID-19 related travel and lockdown restrictions.

Mobile ARPU

Our mobile ARPU in Russia increased by 6.5% (in USD terms) and by 7.8% (in local currency terms) for the year ended December 31, 2021 as compared to the year ended December 31, 2020, which was mainly driven by the increase in mobile data customers of 4.9% over this period that corresponded to an increase in mobile data revenue. The increase in mobile data customers was in line with our focus on improving the quality of our customer base.

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**1,408**	**1,233**	**1,321**	**14.2 %**	**-6.7 %**
Mobile service revenue	1,285	1,134	1,229	13.3 %	-7.7 %
- of which mobile data	534	426	370	25.4 %	15.1 %
Sales of equipment, accessories and other	123	99	92	24.2 %	7.6 %
Operating expenses	**765**	**620**	**652**	**23.4 %**	**-4.9 %**
Adjusted EBITDA	**643**	**612**	**669**	**5.1 %**	**-8.5 %**
Adjusted EBITDA margin	**45.7%**	**49.6%**	**50.6%**	**-3.9pp**	**-1.0pp**

Results of Operations in PKR

In millions of PKR (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**228,927**	**199,280**	**197,604**	**14.9 %**	**0.8 %**
Mobile service revenue	208,923	183,367	183,760	13.9 %	-0.2 %
- of which mobile data	86,977	68,965	55,517	26.1 %	24.2 %
Sales of equipment, accessories and other	20,004	15,913	13,844	25.7 %	14.9 %
Operating expenses	**124,360**	**100,092**	**97,531**	**24.2 %**	**2.6 %**
Adjusted EBITDA	**104,567**	**99,188**	**100,074**	**5.4 %**	**-0.9 %**
Adjusted EBITDA margin	**45.7%**	**49.8%**	**50.6%**	**-4.1pp**	**-0.8pp**

Selected Performance Indicators

	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Mobile					
Customers in millions	72.6	66.4	60.5	9.3%	9.8%
Mobile data customers in millions	50.9	44.0	38.8	15.7%	13.4%
ARPU in US$	1.5	1.5	1.7	0.0%	-11.8%
ARPU in PKR	248.0	239.0	261.0	3.8%	-8.4%

Total Operating Revenue

For the year ended December 31, 2021, our Pakistan total operating revenue increased by 14.2% (in USD terms) and 14.9% (in local currency terms), as compared to the year ended December 31, 2020, which was mainly due to an increase in our customer base of 9.3% over this period and increased 4G penetration that generated a growth in mobile data revenue. This increase in our customer base supported higher device sales and we also benefited from strong growth in digital financial services in 2021.

Adjusted EBITDA

For the year ended December 31, 2021 our Pakistan Adjusted EBITDA increased by 5.1% (in USD terms) and by 5.4% (in local currency terms), as compared to the year ended December 31, 2020, which was primarily attributable to higher gross margins in 2021, strong growth in our customer base and customer engagement, and the change in classification of certain costs for the ex-Warid license paid in the form of security (under protest) from service costs in 2020 to amortization of licenses in 2021.

Number of Mobile Customers

As of December 31, 2021, we had 72.6 million mobile customers in Pakistan, representing an increase of 9.3% as compared to December 31, 2020, which was driven primarily by growth in our mobile data customers, which increased by 15.7% 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, 2021, our mobile ARPU in Pakistan was unchanged as compared to 2020 (in USD terms) due to devaluation of the PKR against USD and increased by 3.8% (in local currency terms), which was mainly driven by the increase in mobile data customers as discussed above.

Ukraine

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**1055**	**933**	**870**	**13.1 %**	**7.2 %**
Mobile service revenue	980	869	812	12.8 %	7.0 %
- of which mobile data	590	489	421	20.7 %	16.2 %
Fixed-line service revenue	68	59	52	15.3 %	13.5 %
Sales of equipment, accessories and other	6	5	6	20.0 %	-16.7 %
Operating expenses	**351**	**303**	**298**	**15.8 %**	**1.7 %**
Adjusted EBITDA	**704**	**630**	**572**	**11.7 %**	**10.1 %**
Adjusted EBITDA margin	**66.7%**	**67.5%**	**65.7%**	**-0.8pp**	**1.8pp**

Results of Operations in UAH

In millions of UAH (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**28,748**	**25,158**	**22,392**	**14.3 %**	**12.4 %**
Mobile service revenue	26,712	23,418	20,903	14.1 %	12.0 %
- of which mobile data	16,092	13,191	10,847	22.0 %	21.6 %
Fixed-line service revenue	1,859	1,602	1,350	16.0 %	18.7 %
Sales of equipment, accessories and other	176	138	139	27.5 %	-0.7 %
Operating expenses	**9,556**	**8,181**	**7,709**	**16.8 %**	**6.1 %**
Adjusted EBITDA	**19,196**	**16,979**	**14,683**	**13.1 %**	**15.6 %**
Adjusted EBITDA margin	**66.8%**	**67.5%**	**65.6%**	**-0.7pp**	**1.9pp**

Selected Performance Indicators

	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Customers in millions	26.2	25.9	26.2	1.2 %	-1.1%
Mobile data customers in millions	18.5	17.1	16.9	8.2 %	1.2%
ARPU in US$	3.1	2.8	2.6	10.7 %	7.7%
ARPU in UAH	85.0	75.0	66.0	13.3 %	13.6%

Total Operating Revenue

For the year ended December 31, 2021, our Ukraine total operating revenue increased by 13.1% (in USD terms) and by 14.3% (in local currency terms) as compared to the year ended December 31, 2020. The change was primarily due to strong growth in mobile data consumption due to 4G adoption by customers as a result of our continued focus on 4G connectivity and migration to data-centric tariffs, as well as an increase in B2B revenue as we promoted new digital solutions for our business customers. Fixed line revenue also increased in 2021 as customers continued to consume fixed line data at home and as we focused on rolling out fiber-to-the-building services.

Adjusted EBITDA

For the year ended December 31, 2021, our Ukraine Adjusted EBITDA increased by 11.7% (in USD terms) and by 13.1% (in local currency terms) as compared to the year ended December 31, 2020, primarily due to the increase in our total operating revenue as discussed above, which was partially offset by higher technology and personnel costs compared to 2020.

Number of Mobile Customers

As of December 31, 2021, we had 26.2 million mobile customers in Ukraine representing an increase of 1.2% year-on-year. This was primarily due to growth in our mobile data customers, which increased by 8.2% as compared to 2020.

Mobile ARPU

For the year ended December 31, 2021, our mobile ARPU in Ukraine increased by 10.7% (in USD terms) and by 13.3% (in local currency terms) for the year ended December 31, 2020, primarily due to the growth in mobile data consumption during 2021 as described above.

Kazakhstan

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**569**	**479**	**486**	**18.8 %**	**-1.4 %**
Mobile service revenue	459	392	379	17.1 %	3.4 %
- of which mobile data	265	199	157	33.2 %	26.8 %
Fixed-line service revenue	91	78	66	16.7 %	18.2 %
Sales of equipment, accessories and other	19	9	41	111.1 %	-78.0 %
Operating expenses	**262**	**214**	**216**	**22.4 %**	**-0.9 %**
Adjusted EBITDA	**307**	**265**	**270**	**15.8 %**	**-1.9 %**
Adjusted EBITDA margin	**54.0%**	**55.3%**	**55.6%**	**-1.3pp**	**-0.3pp**

RESULTS OF OPERATIONS IN KZT

In millions of KZT (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**242,509**	**197,775**	**186,039**	**22.6 %**	**6.3 %**
Mobile service revenue	195,583	161,873	144,925	20.8 %	11.7 %
- of which mobile data	113,045	82,383	59,986	37.2 %	37.3 %
Fixed-line service revenue	38,676	32,198	25,423	20.1 %	26.6 %
Sales of equipment, accessories and other	8,250	3,704	15,691	122.7 %	-76.4 %
Operating expenses	**111,449**	**88,403**	**82,586**	**26.1 %**	**7.0 %**
Adjusted EBITDA	**131,060**	**109,373**	**103,454**	**19.8 %**	**5.7 %**
Adjusted EBITDA margin	**54.0%**	**55.3%**	**55.6%**	**-1.3pp**	**-0.3pp**

Selected Performance Indicators

	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Mobile					
Customers in millions	9.9	9.5	10.2	4.2%	-6.9%
Mobile data customers in millions	7.9	7.2	6.9	9.7%	4.3%
ARPU in US$	3.9	3.3	3.1	18.2%	6.5%
ARPU in KZT	1,671.0	1,364.0	1,192.0	22.5%	14.4%

Total Operating Revenue

For the year ended December 31, 2021, our Kazakhstan total operating revenue increased by 18.8% (in USD terms) and increased by 22.6% (in local currency terms) as compared to the year ended December 31, 2020, primarily due to strong demand for our mobile data services that also supported the strong growth in sale of equipment and an increase in demand for our digital services. This strong demand was attributable to the increase of our 4G customers accounting for 63.5% of our customer base as at December 31, 2021, largely due to an expansion to our 4G network. Fixed line services revenue grew mainly as a result of the growth in our broadband customer base, which was partially attributable to the popularity of our convergent product offers, which included fixed line services products.

Adjusted EBITDA

For the year ended December 31, 2021, our Kazakhstan Adjusted EBITDA increased by 15.8% in (USD terms) and increased by 19.8% (in local currency terms) as compared to the year ended December 31, 2020, primarily due to higher total operating revenue as described above. This increase was partially offset by increased technology costs, marketing spend, and general and administrative costs as well as the adjustment that was made to discount the US$ 6 million gain that was recorded related to a government grant for radio frequency taxes.

Number of Mobile Customers

As of December 31, 2021, we had 9.9 million mobile customers in Kazakhstan representing an increase of 4.2% as compared to December 31, 2020, primarily driven by growth in mobile data customers, which increased by 9.7% over this period as a result of improved mobile data services and the expansion of our 4G network.

Mobile ARPU

For the year ended December 31, 2021, our mobile ARPU in Kazakhstan increased by 18.2% (in USD terms) and by 22.5% (in local currency terms) as compared to the year ended December 31, 2020, which was 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$

In millions of U.S. dollars (except as indicated)	Year ended December 31, 2021	2020	2019	'20-21 % change	'19-20 % change
Total operating revenue	**194**	**198**	**258**	**-2.0 %**	**-23.3 %**
Mobile service revenue	193	196	255	-1.5 %	-23.1 %
- of which mobile data	122	111	120	9.9 %	-7.5 %
Fixed-line service revenue	0.89	1	2	-11.0 %	-50.0 %
Sales of equipment, accessones and other	0.36	1	1	-64.0 %	0.0 %
Operating expenses	**105**	**130**	**122**	**-19.2 %**	**6.6 %**
Adjusted EBITDA	**89**	**68**	**136**	**30.9 %**	**-50.0 %**
Adjusted EBITDA margin	**45.9%**	**34.3%**	**52.7%**	**11.6pp**	**-18.4pp**

Results of Operations in UZS

In millions of UZS (except as indicated)	Year ended December 31, 2021	2020	2019	'20-21 % change	'19-20 % change
Total operating revenue	**2,056,545**	**1,985,465**	**2,275,256**	**3.6 %**	**-12.7 %**
Mobile service revenue	2,043,366	1,966,778	2,251,950	3.9 %	-12.7 %
- of which mobile data	1,298,999	1,114,049	1,059,616	16.6 %	5.1 %
Fixed-line service revenue	9,404	11,489	13,229	-18.1 %	-13.2 %
Sales of equipment, accessories and other	3,774	7,198	10,077	-47.6 %	-28.6 %
Operating expenses	**1,112,252**	**1,307,334**	**1,071,233**	**-14.9 %**	**22.0 %**
Adjusted EBITDA	**944,432**	**679,613**	**1,204,023**	**39.0 %**	**-43.6 %**
Adjusted EBITDA margin	**45.9%**	**34.2%**	**52.9%**	**11.7pp**	**-18.7pp**

Selected Performance Indicators

	Year ended December 31, 2021	2020	2019	'20-21 % change	'19-20 % change
Mobile					
Customers in millions	7.1	6.8	8.1	4.4%	-16.0%
Mobile data customers in millions	5.7	4.8	5.2	18.8%	-7.7%
ARPU in US$	2.3	2.2	2.4	4.5%	-8.3%
ARPU in UZS	24,217	21,758	21,390	11.3%	1.7%

Total Operating Revenue

For the year ended December 31,2021, our Uzbekistan total operating revenue decreased by 2.0% (in USD terms) as compared to the year ended December 31, 2020 primarily due to currency devaluation, and increased by 3.6% (in local currency terms) as compared to the year ended December 31, 2020, which was primarily due to an increased demand for mobile data that corresponded with an increase of 16.6% to mobile data revenue over the period, a decrease in excise rates from 15% to 10% and the entry into new contracts with higher tariff rates.

Adjusted EBITDA

For the year ended December 31, 2021, our Adjusted EBITDA in Uzbekistan increased by 30.9% (in USD terms) and by 39.0% (in local currency terms) as compared to the year ended December 31, 2020, mainly due to the recording of a one-off non income tax provision in the third quarter of 2020 and efficient cost management in 2021.

Number of Mobile Customers

As of December 31,2021, the number of mobile customers in Uzbekistan increased by 4.4% to 7.1 million. This increase was primarily driven by growth in our mobile data customers which increased by 18.8% as compared to December 31, 2020, which was mainly due to the continued expansion of our 4G network in Uzbekistan.

Mobile ARPU

For the year ended December 31, 2021, our mobile ARPU in Uzbekistan increased by 4.5% (in USD terms) and 11.3% (in local currency terms) as compared to December 31, 2020, which was primarily attributable to growth in our mobile data customers base and focus on high value customers.

Bangladesh

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**564**	**537**	**537**	**5.0 %**	**0.0 %**
Mobile service revenue	553	527	525	4.9 %	0.4 %
- of which mobile data	160	133	109	20.3 %	22.0 %
Sales of equipment, accessories and other	10	10	12	0.0 %	-16.7 %
Operating expenses	**329**	**310**	**314**	**6.1 %**	**-1.3 %**
Adjusted EBITDA	**235**	**228**	**222**	**3.1 %**	**2.7 %**
Adjusted EBITDA margin	**41.7%**	**42.5%**	**41.3%**	**-0.8pp**	**1.2pp**

Results of Operations in BDT

In millions of BDT (except as indicated)	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Total operating revenue	**47,941**	**45,601**	**45,284**	**5.1 %**	**0.7 %**
Mobile service revenue	47,050	44,726	44,332	5.2 %	0.9 %
- of which mobile data	13,647	11,286	9,194	20.9 %	22.8 %
Sales of equipment, accessories and other	891	875	952	1.8 %	-8.1 %
Operating expenses	**27,975**	**26,286**	**26,522**	**6.4 %**	**-0.9 %**
Adjusted EBITDA	**19,966**	**19,315**	**18,762**	**3.4 %**	**2.9 %**
Adjusted EBITDA margin	**41.6%**	**42.4%**	**41.4%**	**-0.8pp**	**1.0pp**

Selected Performance Indicators

	2021	2020	2019	'20-21 % change	'19-20 % change
	Year ended December 31,				
Mobile					
Customers in millions	35.1	33.2	33.6	5.7%	-1.2%
Mobile data customers in millions	22.1	19.9	18.9	11.1%	5.3%
ARPU in US$	1.3	1.3	1.3	0.0%	0.0%
ARPU in BDT	115.0	111.0	112.0	3.6%	-0.9%

Total Operating Revenue

For the year ended December 31, 2021, our Bangladesh total operating revenue increased by 5.0% (in USD terms) and by 5.1% (in local currency terms) as compared to the year ended December 31, 2020. This was primarily due to an increase in mobile data revenue, which can be attributed to personalized data offers that increased our 4G user base and the demand for data, as well as an increase in voice and interconnect revenue.

Adjusted EBITDA

For the year ended December 31, 2021, our Bangladesh Adjusted EBITDA increased by 3.1% (in USD terms) and by 3.4% (in local currency terms) as compared to the year ended December 31, 2020. This was mainly due to the increase in mobile data revenue and change in minimum tax regime, which was partially offset by a slight increase in marketing, personnel and technology costs.

Number of Mobile Customers

As of December 31, 2021, the number of mobile customers in Bangladesh increased by 5.7% to 35.1 million as compared to December 31, 2020. This was primarily driven by growth in mobile data customers, which increased by 11.1% as compared to 2020, 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, 2021, our mobile ARPU in Bangladesh remained stable in USD terms and increased by 3.6% in local currency terms as compared to December 31, 2020. This was primarily driven by growth in mobile data and voice revenue and described above.

Working Capital

As of December 31, 2021, we had negative working capital of US$744 million, compared to negative working capital of US$1,519 million as of December 31, 2020. 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 2020, due to the proceeds received from the sale of our tower assets in Russia.

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 in the impact of the conflict between Russia and Ukraine, see —*Future Liquidity and Capital Requirements.*

In Algeria, under the terms of a shareholder agreement between Global Telecom Holding S.A.E., the *Fonds National d'Investissement* and others, our operating company may only distribute 42.5% of its net profit for a given financial year without receiving an approval from a qualified majority of its board. This effectively creates a restriction on the ability to freely distribute the accumulated retained earnings of our operating company in Algeria.

The consolidated financial statements included in this Annual Report 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 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 —*Risk Factors—Market Risks—Our independent auditors have included an emphasis of matter paragraph on going concern in their opinion as a result of the effects of the ongoing conflict between Russia and Ukraine* for a further discussion on our going concern disclosure that has been included in the consolidated financial statements included in this Annual Report

Consolidated Cash Flow Summary

(In millions of U.S. dollars)	Year ended December 31, 2021	2020*
Net cash flows from operating activities from continuing operations	**2,408**	**2,341**
Net cash flows from operating activities from discontinued operations	**263**	**212**
Net cash flows from / (used in) investing activities from continuing operations	**(1,064)**	**(2,092)**
Net cash flows from / (used in) investing activities from discontinued operations	**(114)**	**(102)**
Net cash flows from / (used in) financing activities from continuing operations	**(701)**	**135**
Net cash flows from / (used in) financing activities from discontinued operations	**(68)**	**(71)**
Net increase / (decrease) in cash and cash equivalents	724	423
Net foreign exchange difference	(20)	(47)
Cash and cash equivalents classified as discontinued operations/held for sale at the end of period	(113)	—
Cash and cash equivalents at beginning of period	1,566	1,190
Cash and cash equivalents at end of period, net of overdraft	**2,157**	**1,566**

**Prior year comparatives for the years ended December 31, 2020 are adjusted following the classification of Algeria 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, 2021, net cash flows from operating activities increased to US$2,408 million from US$2,341 million for the year ended December 31, 2020. The increase was primarily attributable to higher group EBITDA and an improvement in working capital as compared to 2020.

Investing Activities

For the year ended December 31, 2021, we recorded an outflow of USUS1,064 million from investing activities, compared to an outflow of US$2,092 million in 2020. The decrease was mainly due to proceeds received from sale of our tower assets in Russia. Our total payments for the purchase of property, equipment and intangible assets amounted to US$1,774 million compared to US$1,673 million in 2020.

Financing Activities

For the year ended December 31, 2021, net cash outflow from financing activities was US$701 million compared to net cash outflow of US$135 million for the year ended December 31, 2020. The higher net cash outflows for financing activities in 2021 was mainly driven by higher lease payments and the acquisition of non-controlling interests in PMCL. The lower cash outflow from financing activities for 2020 was mainly driven by the higher net inflows from bank loans and bonds, which was partially offset by dividends paid to VEON shareholders and non-controlling interests.

Indebtedness

As of December 31, 2021, the principal amounts of our external indebtedness represented by bank loans and bonds amounted to US$7,569 million, compared to US$7,675 million as of December 31, 2020. As of December 31, 2021, our debt includes overdrawn bank accounts related to cash-pooling program of US$13 million.

As of December 31, 2021, 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 (USD mln)	Maturity date
VEON Holdings B.V.	Notes	7.50%	USD	417	417	03.01.2022
VEON Holdings B.V.	Notes	5.95%	USD	529	529	02.13.2023
VEON Holdings B.V.	Notes	7.25%	USD	700	700	04.26.2023
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	269	06.18.2025
VEON Holdings B.V.	Loan from VTB	CBR Key Rate + 1.85%	RUB	30,000	404	07.09.2025
VEON Holdings B.V.	Notes	6.50%	RUB	10,000	135	09.11.2025
VEON Holdings B.V.	Notes	8.13%	RUB	20,000	269	09.16.2026
VEON Holdings B.V.	Notes	3.38%	USD	1,250	1,250	11.25.2027
VEON Holdings B.V. Total					**5,506**	
VEON Finance Ireland DAC	Loan from Sberbank	CBR Key Rate + 1.9%	RUB	45,000	605	12.22.2026
VEON Finance Ireland DAC	Loan from Alfa Bank	10.10%	RUB	30,000	404	12.23.2026
VEON Finance Ireland DAC	Loan from Alfa Bank	CBR Key Rate + 2.15%	RUB	15,000	202	12.23.2026
VEON Finance Ireland DAC Total					**1,211**	
PMCL	Syndicated Loan Facility	6M KIBOR + 0.35%	PKR	4,279	24	06.15.2022
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	33,848	191	09.02.2026
PMCL	Loan from Habib Bank Limited	6M KIBOR + 0.55%	PKR	14,369	81	09.02.2026
PMCL	Loan from United Bank Limited	3M KIBOR + 0.55%	PKR	5,000	28	05.18.2028
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	15,000	85	05.18.2028
PMCL	Syndicated Loan Facility	3M KIBOR + 0.88%	PKR	10,000	57	07.05.2031
PMCL	Other				33	
Pakistan Mobile Communications Limited Total					**499**	
PJSC Kyivstar	Loan from Alfa Bank	NBU Key Rate + 3%	UAH	1,677	61	12.14.2023
PJSC Kyivstar	Loan from OTP Bank	10.15%	UAH	1,250	46	12.22.2023
PJSC Kyivstar	Loan from JSC Credit Agricole Bank	NBU Key Rate + 3.5%	UAH	1,275	47	02.29.2024
PJSC Kyivstar	Loan from JSC CitiBank	Treasury Bill Rate + 3%	UAH	1,350	50	03.15.2024
PJSC Kyivstar	Loan from Raiffeisen Bank	11.00%	UAH	1,400	51	11.26.2025
PJSC Kyivstar	Others				1	
PJSC Kyivstar Total					**256**	
Banglalink	Syndicated Loan Facility	Average bank deposit rate + 4.25%	BDT	3,948	46	09.24.2022
Banglalink Digital Communications Ltd. Total					**46**	
Other entities	Cash-pool overdrawn accounts and other				51	
					7,569	

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, 2021.

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Bank loans and bonds	1,047	3,169	3,652	1,393	9,261
Lease liabilities	609	1,084	744	737	3,174
Purchase obligations	767	62	—	198	1,027
Total contractual obligations	**2,423**	**4,315**	**4,396**	**2,328**	**13,462**

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. For a description of some of the risks associated with certain of our indebtedness, see *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

We 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, 2021. We are subject to the legal restrictions to distribute accumulated profits from Algeria by virtue of a local shareholding agreement (i.e. it is allowed only to distribute 42.5% of current year profit), and the rest is restricted. As of December 31, 2021, the Company had restricted net assets of 102%, compared to 390% in 2020, of total net assets. The relative change in restricted net asset was primarily due to the impairment of our Russia and Kyrgyzstan CGUs in 2020, as well as the devaluation of exchange rates in the countries in which VEON operates, thus lowering the book value of the company's consolidated net assets compared to an unchanged share of the restricted assets. The restricted net assets in Algeria have no implications on the company's ability to pay dividends.

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. For more information on these risks, see *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 2021, our capital expenditures excluding licenses and right of use assets were US$1,822 million compared to US$1,794 million in 2020. The increase in 2021 was primarily due to investments in high-speed data networks in Russia, Pakistan, Ukraine and Kazakhstan, and the increase in 2020 was primarily due to investments in our networks in Russia, Pakistan, Ukraine and Bangladesh.

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 Russia, 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.

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 and tightened currency controls within Russia and 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 our credit ratings downgrade, the terms of such external financing may be less favorable than our existing financing, including due to the reputational harm we have suffered. See *Risk Factors—Market Risks—We have suffered reputational harm as a result of the ongoing conflict between Russia and Ukraine.*

As of December 31, 2021, we had an undrawn amount of US$1,479 million under existing credit facilities, of which US$ 1,250 million under VEON Holdings B.V.'s revolving credit 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 April 13, 2022, VEON announced that it had approximately US$1.3 billion of cash held at the level of its headquarters ("HQ") in Amsterdam, which was deposited with international banks and fully accessible at HQ, with approximately US$700 million available under its RCF. In addition, VEON's operating companies had a total cash position equivalent to over US$500 million. In In April and May 2022, VEON Holdings B.V. has received US$610 following a utilization under the RCF. This amount can be rolled until maturity. The proceeds of this drawing will be used for general corporate purposes. 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 in February 2023 and April 2023. See *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.*

Our future cash needs are subject to further significant uncertainties. For instance, we are exposed to the impact of future exchange rates on our U.S. dollar denominated debt obligations and future requirements for U.S. dollar denominated capital expenditures, which are generally funded by local currency cash flows of our subsidiaries. See *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.* In addition, remittances from our subsidiaries may be restricted by local regulations or subject to material taxes when remitted, as discussed above.

While we currently have sufficient liquidity to satisfy our current obligations at least over the next twelve months, our independent auditors have included an emphasis of matter paragraph in their Independent Auditor's Report as a result of the effects of the ongoing conflict between Russia and Ukraine. See *—Market Risks—Our independent auditors have included an emphasis of matter paragraph on going concern in their opinion as a result of the effects of the ongoing conflict between Russia and Ukraine* and *Note 23—Basis of Preparation of the 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:

	Year ended December 31,	
	2021	**2020**
Capital expenditures (excluding licenses and right-of-use assets) *	1,822	1,794
Adjusted for:		
Additions of licenses	482	53
Difference in timing between accrual and payment for capital expenditures (excluding licenses and right-of-use assets)	(530)	(174)
Purchase of property, plant and equipment and intangible assets	**1,774**	**1,673**

**Prior year comparatives for the years ended December 31, 2020 are adjusted following the classification of 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—*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 example, in Russia, we are working closely with a number of vendors to undertake joint research and testing of technologies, with a focus on 5G, LTE Advanced Pro and LTE-unlicensed technology. For a discussion of the risks associated with new technology, see - *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 *—Related Party Transactions* and *Note 21—Related Parties* to our Audited Consolidated Financial Statements.

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, 2021, the largest currency exposure risks for our group were in relation to the Russian ruble, the Pakistani rupee, the Algerian dinar, the Bangladeshi taka, the Ukrainian hryvnia, the Kazakh tenge and the Uzbekistani som, because the majority of our cash flows from operating activities in Russia, Pakistan, Algeria, 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 53% of our cash and bank deposits in U.S. dollars in order to hedge against the risk of local currency devaluation, in addition at December 31, 2021, we had RUB 30 billion of USD forwards outstanding to hedge part of our RUB cash balance against depreciation of the Russian ruble against the U.S. dollar.

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 Algerian dinar, the Ukrainian hryvnia or the Kazakh 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 —*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 *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, 2021, 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,
	2021	**2022**	**2023**	**2024**	**2025**	**2021**
Total debt:						
Fixed Rate (in US$ millions)	348	348	297	824	269	338
Average interest rate	9.38%	9.38%	9.36%	9.26%	9.66%	
Variable Rate (in US$ millions)	—	—	—	—	—	0
Average interest rate	—	—	—	—	—	
Total	**348**	**348**	**297**	**824**	**269**	**338**

As of December 31, 2021, 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.

Consolidated Financial Statements

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CONSOLIDATED INCOME STATEMENT

for the years ended December 31

(In millions of U.S. dollars)	Note	2021	2020*
Service revenues		7,128	6,786
Sale of equipment and accessories		508	388
Other revenues		134	117
Total operating revenues	3	**7,770**	**7,291**
Other operating income		5	4
Service costs		(1,379)	(1,334)
Cost of equipment and accessories		(487)	(378)
Selling, general and administrative expenses	4	(2,435)	(2,282)
Depreciation	12	(1,542)	(1,429)
Amortization	13	(302)	(306)
Impairment (loss) / reversal	11	(20)	(784)
Gain / (loss) on disposal of non-current assets		(13)	(37)
Gain / (loss) on disposal of subsidiaries	9	101	(78)
Operating profit		**1,698**	**667**
Finance costs		(702)	(677)
Finance income		28	64
Other non-operating gain / (loss)	15	12	111
Net foreign exchange gain / (loss)		4	(49)
Profit / (loss) before tax from continuing operations		**1,040**	**116**
Income tax expense	8	(255)	(316)
Profit / (loss) from continuing operations		**785**	**(200)**
Profit / (loss) after tax from discontinued operations	10	**151**	**79**
Profit / (loss) for the period		**936**	**(121)**
Attributable to:			
The owners of the parent (continuing operations)		740	(190)
The owners of the parent (discontinued operations)		69	36
Non-controlling interest		127	33
		936	**(121)**

** Prior year comparatives are adjusted following the classification of Algeria as a discontinued operation (see note 10)*

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended December 31

(In millions of U.S. dollars)	Note	2021	2020
Profit / (loss)		**936**	**(121)**
Items that may be reclassified to profit or loss			
Foreign currency translation	9	(200)	(622)
Other		—	1
Items reclassified to profit or loss			
Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation	9	—	96
Other	16	(3)	(15)
Other comprehensive income / (loss) for the period, net of tax		**(203)**	**(540)**
Total comprehensive income / (loss) for the period, net of tax		733	(661)
Attributable to:			
The owners of the parent		648	(604)
Non-controlling interests		85	(57)
		733	(661)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31

(In millions of U.S. dollars)	Note	2021	2020
Assets			
Non-current assets			
Property and equipment	12	6,705	6,853
Intangible assets	13	3,220	4,142
Investments and derivatives	16	1,412	1,951
Deferred tax assets	8	227	186
Other assets	6	217	179
Total non-current assets		**11,781**	**13,311**
Current assets			
Inventories		111	111
Trade and other receivables	5	797	690
Investments and derivatives*	16	456	263
Current income tax assets	8	70	70
Other assets	6	333	329
Cash and cash equivalents*	17	2,170	1,573
Total current assets		**3,937**	**3,036**
Assets classified as held for sale	10	**1,882**	**—**
Total assets		**17,600**	**16,347**
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent	19	1,981	1,528
Non-controlling interests		913	850
Total equity		**2,894**	**2,378**
Non-current liabilities			
Debt and derivatives	16	9,397	9,119
Provisions	7	85	141
Deferred tax liabilities	8	115	127
Other liabilities	6	36	27
Total non-current liabilities		**9,633**	**9,414**
Current liabilities			
Trade and other payables		2,072	2,171
Debt and derivatives	16	1,535	1,252
Provisions	7	100	110
Current income tax payables	8	228	175
Other liabilities	6	746	847
Total current liabilities		**4,681**	**4,555**
Liabilities associated with assets held for sale	10	**392**	**—**
Total equity and liabilities		**17,600**	**16,347**

**Certain comparative amounts have been reclassified , refer to Note 23 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, 2021

(In millions of U.S. dollars, except for share amounts)	Note	Number of shares outstanding	Attributable to equity owners of the parent: Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation	Total	Non-controlling interests	Total equity
As of January 1, 2021		**30,099,998**	**39**	**12,992**	**(2,392)**	**(2,537)**	**(6,573)**	**1,529**	**850**	**2,379**
Profit / (loss) for the period		—	—	—	—	809	—	809	127	936
Other comprehensive income / (loss)		—	—	—	(1)	(2)	(158)	(161)	(42)	(203)
Total comprehensive income / (loss)		**—**	**—**	**—**	**(1)**	**807**	**(158)**	**648**	**85**	**733**
Dividends declared	20	—	—	—	—	—	—	—	(89)	(89)
(Distributions to) / capital contributions from parent		—	—	36	—	—	—	36	—	36
Acquisition of non-controlling interest		—	—	—	(76)	—	—	(76)	69	(7)
Loan Novation	16	—	—	—	(150)	—	—	(150)	—	(150)
Other		—	—	—	(7)	1	—	(6)	(2)	(8)
As of December 31, 2021		**30,099,998**	**39**	**13,028**	**(2,626)**	**(1,729)**	**(6,731)**	**1,981**	**913**	**2,894**

for the year ended December 31, 2020

(In millions of U.S. dollars, except for share amounts)	Note	Number of shares outstanding	Attributable to equity owners of the parent: Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation	Total	Non-controlling interests	Total equity
As of January 1, 2020		**30,099,998**	**39**	**13,385**	**(2,377)**	**(2,406)**	**(6,111)**	**2,530**	**994**	**3,524**
Profit / (loss) for the period		—	—	—	—	(153)	—	(153)	33	(120)
Other comprehensive income / (loss)		—	—	—	(10)	(4)	(436)	(450)	(90)	(540)
Total comprehensive income / (loss)		**—**	**—**	**—**	**(10)**	**(157)**	**(436)**	**(603)**	**(57)**	**(660)**
Dividends declared	20	—	—	—	—	—	—	—	(89)	(89)
(Distributions to) / capital contributions from parent		—	—	(393)	—	—	—	(393)	—	(393)
Other		—	—	—	(5)	26	(26)	(5)	2	(3)
As of December 31, 2020		**30,099,998**	**39**	**12,992**	**(2,392)**	**(2,537)**	**(6,573)**	**1,529**	**850**	**2,379**

* *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.*

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	2021	2020*
Operating activities			
Profit / (loss) before tax		1,040	116
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation, amortization and impairment loss / (reversal)		1,864	2,519
(Gain) / loss on disposal of non-current assets		13	37
(Gain) / loss on disposal of subsidiaries		(101)	78
Finance costs		702	677
Finance income		(28)	(64)
Other non-operating (gain) / loss		(12)	(111)
Net foreign exchange (gain) / loss		(4)	49
Changes in trade and other receivables and prepayments		(261)	(18)
Changes in inventories		(7)	39
Changes in trade and other payables		64	(41)
Changes in provisions, pensions and other		30	(11)
Interest paid	16	(630)	(645)
Interest received		27	44
Income tax paid		(289)	(328)
Net cash flows from operating activities from continuing operations		**2,408**	**2,341**
Net cash flows from operating activities from discontinued operations		**263**	**212**
Investing activities			
Purchase of property, plant and equipment and intangible assets		(1,774)	(1,673)
Receipts from / (Payments) on deposits		(58)	(72)
Outflows on loan granted		(111)	(395)
Inflows on loan granted		46	6
Proceeds from sales of share in subsidiaries, net of cash		861	36
Receipts from / (investment in) financial assets****		(43)	14
Other proceeds from investing activities, net		15	(8)
Net cash flows from / (used in) investing activities from continuing operations		**(1,064)**	**(2,092)**
Net cash flows from / (used in) investing activities from discontinued operations		**(114)**	**(102)**
Financing activities			
Proceeds from borrowings, net of fees paid **	16	2,063	4,622
Repayment of debt	16	(2,466)	(4,051)
Acquisition of non-controlling interest	16	(279)	(1)
Contributions from / (Distributions to) owners of the parent	20	—	(393)
Dividends paid to non-controlling interests		(19)	(42)
Net cash flows from / (used in) financing activities from continuing operations		**(701)**	**135**
Net cash flows from / (used in) financing activities from discontinued operations		**(68)**	**(71)**
Net increase / (decrease) in cash and cash equivalents		724	423
Net foreign exchange difference		(20)	(47)
Cash and cash equivalents classified as discontinued operations/held for sale at the end of period		(113)	—
Cash and cash equivalents at beginning of period****		1,566	1,190
Cash and cash equivalents at end of period, net of overdraft ***	17	**2,157**	**1,566**

* Prior year comparatives are adjusted following the classification of Algena as a discontinued operation (see note 10)

** Fees paid for borrowings were US$32 (2020. US$28)

** *Overdrawn amount was US$13 (2020 US$7)

**** Certain comparative amounts have been reclassified, refer to Note 23 for further details.

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL INFORMATION ABOUT THE GROUP

1 GENERAL INFORMATION

VEON Holdings B.V. (**"VEON"**, the **"Company"**, and together with its consolidated subsidiaries, the **"Group"** or **"we"**) was established as a private company with limited liability under the laws of the Netherlands on June 29, 2009. The registered office and principal place of business of VEON is located at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands. The Company is an indirectly wholly-owned subsidiary of VEON Ltd.

VEON generates revenue from the provision of voice, data and other telecommunication services through a range of mobile and fixed-line technologies, as well as selling equipment and accessories.

The consolidated financial statements were authorized by the Board of Directors for issuance on May 24, 2022.

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 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 23 of these consolidated financial statements.

Major developments during the year ended December 31, 2021

Financing activities

In March 2021, VEON successfully entered into a new multi-currency revolving credit facility agreement (the "RCF") of US$1.25 billion. The RCF replaced the revolving credit facility signed in February 2017, which is now cancelled. For further details, refer to Note 16.

In March 2021, VEON successfully amended and restated its existing RUB30 billion (US$396), bilateral term loan agreement with Alfa Bank by adding a new floating rate tranche of RUB15 billion (US$198). For further details please refer to Note 16.

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 facilities have a tenor of seven years.

In April 2021, the proceeds from Alfa Bank new tranche of RUB 15 billion (US$198) were used to early repay RUB 15 billion (US$198) of loans from Sberbank, originally maturing in June 2023.

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 will be used to finance the company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities.

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 the Global Medium Term Note Programme established in April 2020 (the "GMTN Programme") and proceeds were used for the early repayment of RUB 20 billion (US$273) of outstanding loans to Sberbank that were originally maturing in June 2023.

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 are guaranteed by VEON Holdings B.V.. The proceeds from the Alfa Bank facilities have been used to finance intercompany loans to PJSC Vimpel-Com.

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. Maturity date of the facility is December 2026 and it is guaranteed by VEON Holdings B.V.. The proceeds from the Sberbank facility have been used to finance an intercompany loan to PJSC Vimpel-Com.

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.

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.

Other developments

In March 2021, VEON successfully concluded the acquisition of the 15% minority stake in PMCL from the Dhabi Group for US$273. For further details please refer to Note 16.

In March 2021, VEON's operating company in Bangladesh acquired spectrum following successful bids at an auction held by the BTRC. For further details please refer to Note 9.

In September 2021, VEON's operating company in Pakistan recognized the ex-Warid license. For further details please refer to Note 9.

Exercised Put option to sell entirety stake in Omnium Telecom Algerie SpA

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, Djezzy. Under the terms of the Shareholders' Agreement, the transaction is expected to be completed in 2022.

The Company classified its operations in Algeria as held-for-sale and discontinued operations. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of Algeria assets. The results for Algeria in the consolidated income statements and the consolidated statements of cash flows for 2021, 2020 and 2019 have been presented separately (see Note 10 Held for Sale and Discontinued Operations).

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, National Tower Company ("NTC"), with Service Telecom Group of Companies LLC, ("ST"), which was completed on December 1, 2021 (see Note 9 Significant Transactions).

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 Russia, Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh._ 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.

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**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Russia	3,950	3,819	1,476	1,504	1,019	1,017
Pakistan	1,408	1,233	643	612	318	249
Ukraine	1,055	933	704	630	203	179
Kazakhstan	569	479	307	265	134	119
Uzbekistan	194	198	89	68	34	52
Bangladesh	564	537	235	228	89	126
Others	81	125	41	22	25	33
HQ and eliminations	(51)	(33)	(21)	(28)	—	19
Total	7,770	7,291	3,474	3,301	1,822	1,794

The following table provides the reconciliation of consolidated Profit / (loss) before tax from continuing operations to Adjusted EBITDA for the years ended December 31:

	2021	**2020**
Profit / (loss) before tax from continuing operations	**1,040**	**116**
Depreciation	1,542	1,429
Amortization	302	306
Impairment loss / (reversal)	20	784
(Gain) / loss on disposal of non-current assets	13	37
(Gain) / loss on disposal of subsidiaries	(101)	78
Finance costs	702	677
Finance income	(28)	(64)
Other non-operating (gain) / loss	(12)	(111)
Net foreign exchange (gain) / loss	(4)	49
Total Adjusted EBITDA	3,474	3,301

5 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. In 2020, the Company presented 'Service revenue' (Mobile and Fixed) separately from 'Sale of equipment and accessories' and 'Other revenue', for each reportable segment.

	Service revenue				Sale of Equipment and accessories		Other revenue		Total revenue	
	Mobile		Fixed							
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Russia	2,916	2,917	552	523	472	366	10	13	3,950	3,819
Pakistan	1,285	1,134	—	—	18	11	105	88	1,408	1,233
Ukraine	980	869	68	59	—	—	7	5	1,055	933
Kazakhstan	459	392	91	78	17	7	2	2	569	479
Uzbekistan	193	196	1	1	—	—	—	1	194	198
Bangladesh	553	527	—	—	—	—	11	10	564	537
Others	81	102	—	19	—	4	—	—	81	125
HQ and eliminations	(33)	(31)	(18)	—	1	—	(1)	(2)	(51)	(33)
Total	6,434	6,106	694	680	508	388	134	117	7,770	7,291

Assets and liabilities arising from contracts with customers

The following table provides a breakdown of contract balances and capitalized customer acquisition costs.

	December 31, 2021	December 31, 2020
Contract balances		
Receivables (billed)	777	735
Receivables (unbilled)	49	41
Contract liabilities	(231)	(233)
Capitalized costs		
Customer acquisition costs	149	128

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 contract assets mostly relate to amounts due from other operators and postpaid customers. Contract assets, often referred to as 'Unbilled receivables,' are transferred to Receivables when the rights become unconditional, which usually occurs 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 have been 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:

	2021	2020
Network and IT costs	748	713
Personnel costs	730	660
Customer associated costs	654	602
Losses on receivables	27	55
Taxes, other than income taxes	80	55
Other	196	197
Total selling, general and administrative expenses	**2,435**	**2,282**

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

On January 1, 2019, the Company adopted IFRS 16 *Leases*. The Company applied a modified retrospective approach, which means that prior period comparatives were not restated.

Short-term leases and leases for low value items are immediately expensed as incurred and are immaterial in the aggregate.

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 in the consolidated statement of financial position and subsequently amortized within "Customer associated costs", see Note 3 for further details.

5 TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of the following items as of December 31:

	2021	2020
Trade receivables (gross)*	826	776
Expected credit losses**	(159)	(225)
Trade receivables (net)	**667**	**551**
Other receivable, net of expected credit losses allowance	130	139
Total trade and other receivables	**797**	**690**

** Includes contract assets (unbilled receivables), see Note 3 for further details*

*** Certain comparative amounts have been reclassified , refer to Note 23 for further details.*

The following table summarizes the movement in the allowance for expected credit losses for the years ended December 31:

	2021	2020
Balance as of January 1	**225**	**198**
Accruals for expected credit losses	35	76
Recoveries	(9)	(13)
Accounts receivable written off	(28)	(17)
Reclassification as held for sale	(56)	—
Foreign currency translation adjustment	(5)	(19)
Other movements	(3)	—
Balance as of December 31	**159**	**225**

Set out below is the information about the Group's trade receivables (including contract assets) using a provision matrix:

	Contract assets	Current	Days past due < 30 days	Days past due Between 31 and 120 days	Days past due > 120 days	Total
December 31, 2021						
Expected loss rate, %	0.0%	0.9%	3.7%	44.4%	95.7%	
Trade receivables	49	540	54	45	138	**826**
Expected credit losses	—	(5)	(2)	(20)	(132)	**(159)**
Trade receivables, net	**49**	**535**	**52**	**25**	**6**	**667**
December 31, 2020						
Expected loss rate, %	1.0%	1.3%	13.6%	88.9%	96.4%	
Trade receivables	41	468	44	27	196	**776**
Expected credit losses	—	(6)	(6)	(24)	(189)	**(225)**
Trade receivables, net	**41**	**462**	**38**	**3**	**7**	**551**

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.

6 OTHER ASSETS AND LIABILITIES

Other assets consisted of the following items as of December 31:

	2021	2020
Other non-current assets		
Customer acquisition costs (see Note 3)	149	128
Tax advances (non-income tax)	33	33
Other non-financial assets	35	18
Total other non-current assets	**217**	**179**
Other current assets		
Advances to suppliers	99	89
Input value added tax	153	155
Prepaid taxes	24	43
Other assets	57	42
Total other current assets	**333**	**329**

Other liabilities consisted of the following items as of December 31:

	2021	2020
Other non-current liabilities		
Long-term deferred revenue (see Note 3)	20	17
Other liabilities	16	10
Total other non-current liabilities	**36**	**27**
Other current liabilities		
Taxes payable (non-income tax)	311	371
Short-term deferred revenue (see Note 3)	154	158
Customer advances (see Note 3)	57	58
Other payments to authorities	52	95
Due to employees	134	133
Other liabilities	38	32
Total other current liabilities	**746**	**847**

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, 2020	**124**	**138**	**17**	**14**	**293**
Arising during the year	24	10	—	1	**35**
Utilized	(48)	(1)	—	—	**(49)**
Unused amounts reversed	(10)	—	—	(6)	**(16)**
Discount rate adjustment and imputed interest (change in estimate)	—	9	—	—	**9**
Translation adjustments and other	(4)	(15)	(3)	1	**(21)**
As of December 31, 2020	**86**	**141**	**14**	**10**	**251**
Non-current	—	141	—	—	**141**
Current	86	—	14	10	**110**
As of January 1, 2021	**86**	**141**	**14**	**10**	**251**
Arising during the year	19	31	4	2	**56**
Utilized	(11)	(1)	—	—	**(12)**
Unused amounts reversed	—	(19)	—	(15)	**(34)**
Reclassification as held for sale	—	(71)	(12)	—	**(83)**
Discount rate adjustment and imputed interest (change in estimate)	—	7	—	—	**7**
Translation adjustments and other	(6)	(3)	—	9	**—**
As of December 31, 2021	**88**	**85**	**6**	**6**	**185**
Non-current	—	85	—	—	**85**
Current	88	—	6	6	**100**

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.

In 2020, as a result of a change in estimate, Pakistan Mobile Communications Limited (**"PMCL"**) reversed a non-income tax provision of PKR11.2 billion (US$68), of which PKR8.6 billion (US$52) was recorded as a gain in Selling, general and administration expenses.

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, 2021 as set out below.

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$90) 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$89). 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$62) 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$20) 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, 2021, the Company has recorded a provision, for the cases discussed above of, US$11 (2020: US$11).

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. The Company's dispute with the Pakistan Telecommunication Authority over its license renewal in Pakistan, explained in Note 16 below, is an example of such a matter. The total value of all other individual contingencies that are able to be quantified and are above US$5, other than disclosed above and Note 8, amounts to US$442 (2020: US$484). Due to the high level of estimation uncertainty, as described in 'Source of estimation uncertainty' in this Note 7 and in Note 8, the Company is unable to make a reliable estimate of 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.

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:

	2021	2020
Current tax payable	70	30
Uncertain tax provisions	158	145
Total income tax payable	**228**	**175**

The 2020 balance of uncertain tax provisions is shown net of income tax assets which can be utilized to offset future tax charges should they arise, resulting in an increase of the prior period provision by US$10, with the gross amount being US$155. No such adjustment is required in 2021

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$158 (2020: US$175) . 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 on 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$70 (2020: 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:

	2021	2020
Current income taxes		
Current year	296	377
Adjustments in respect of previous years	43	(1)
Total current income taxes	**339**	**376**
Deferred income taxes		
Movement of temporary differences and losses*	(64)	(71)
Changes in tax rates	—	—
Changes in recognized deferred tax assets	—	2
Adjustments in respect of previous years	(22)	9
Other	2	—
Total deferred tax expense / (benefit)	**(84)**	**(60)**
Income tax expense	**255**	**316**

**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$23m was recorded in relation to the Right of Use asset.*

Effective tax rate

The table below outlines the reconciliation between the statutory tax rate in the Netherlands (25%) and the effective income tax rates for the Group, together with the corresponding amounts, for the years ended December 31:

	2021	2020	Explanatory notes
Profit / (loss) before tax from continuing operations	1,040	116	
Income tax benefit / (expense) at statutory tax rate (25.0%)	**(260)**	**(29)**	
Difference due to the effects of:			
Different tax rates in different jurisdictions	8	(29)	Certain jurisdictions in which VEON operates have income tax rates which are different to the Dutch statutory tax rate of 25%. Profitability in countries with lower tax rates (i.e. Russia, Ukraine) has a positive impact on the effective tax rate, partially offset with profitability in countries with higher rate (i.e. Pakistan, Bangladesh).
Non-deductible expenses	(37)	(206)	The Group incurs certain expenses which are non-deductible in the relevant jurisdictions. In 2021, 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 2020, 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	192	37	The Group earns certain income which is non-taxable in the relevant jurisdiction. In 2021, non-taxable income included gain from sale of NTC Tower company. 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. For further details, , refer to Note 16 and Note 7, respectively.
Adjustments in respect of previous years	(21)	(7)	In 2021, adjustments mainly relates to corrections in prior year filings in Pakistan, as part of the ADRC process. The effect of prior years' adjustments relates to various updated tax positions
Movements in (un)recognized deferred tax assets	(46)	(34)	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. This primarily occurs in holding entities In the Netherlands (2021: US$73, 2020: US$101, 2019: US$42) and in GTH (2021: US$(5)), 2020: US$—, 2019: US$43.
Withholding taxes	(69)	(59)	Withholding taxes are recognized to the extent that dividends from foreign operations are expected to be paid in the foreseeable future. In 2021, similar to previous years, expenses relating to withholding taxes were primarily influenced by dividends from Pakistan, Russia, Ukraine, Algeria and Uzbekistan.
Uncertain tax positions	(21)	1	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 2021, provisions were made for disputes in Russia, Italy. The impact of movements in uncertain tax positions is presented net of any corresponding deferred tax assets recognized.
Other	(1)	10	
Income tax benefit / (expense)	(255)	(316)	
Effective tax rate	**24.5 %**	**272.4 %**	

Deferred taxes

The Group reported the following deferred tax assets and liabilities in the statement of financial position as of December 31:

	2021	2020
Deferred tax assets	227	186
Deferred tax liabilities	(115)	(127)
Net deferred tax position	112	59

The following table shows the movements of net deferred tax positions in 2021:

		Movement in deferred taxes			
	Opening balance	Net income statement movement	Held for sale	Other movements	Closing balance
Property and equipment	(274)	125	7	42	(100)
Intangible assets	(14)	33	19	(2)	36
Trade receivables	43	7	(15)	(3)	32
Provisions	28	2	(6)	(8)	16
Accounts payable	140	7	(23)	(34)	90
Withholding tax on undistributed earnings	(60)	(39)	—	1	(98)
Tax losses and other balances carried forwards	1,690	45	—	(76)	1,659
Non-recognized deferred tax assets	(1,494)	(99)	—	62	(1,531)
Other	—	3	—	5	8
Net deferred tax positions	59	84	(18)	(13)	112

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$23m was recorded in relation to the Right of Use asset

The following table shows the movements of net deferred tax positions in 2020:

		Movement in deferred taxes		
	Opening balance	Net income statement movement	Other movements	Closing balance
Property and equipment	(288)	(23)	37	(274)
Intangible assets	(38)	19	5	(14)
Trade receivables	47	1	(5)	43
Provisions	31	1	(4)	28
Accounts payable	156	7	(23)	140
Withholding tax on undistributed earnings	(52)	(8)	—	(60)
Tax losses and other balances carried forwards	1,647	113	(70)	1,690
Non-recognized deferred tax assets	(1,515)	(46)	67	(1,494)
Other	6	(3)	(3)	—
Net deferred tax positions	(6)	61	4	59

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, 2021	0-5 years	6-10 years	More than 10 years	Indefinite	Total
Tax losses expiry					
Recognized losses	(15)	—	—	(173)	(188)
Recognized DTA	3	—	—	50	53
Non-recognized losses	—	—	(707)	(6,536)	(7,243)
Non-recognized DTA	—	—	131	1,276	1,407
Other credits carried forwards expiry					
Recognized credits	(2)	(73)	—	—	(75)
Recognized DTA	2	73	—	—	75
Non-recognized credits	—	—	—	(519)	(519)
Non-recognized DTA	—	—	—	124	124

As of December 31, 2020	0-5 years	6-10 years	More than 10 years	Indefinite	Total
Tax losses expiry					
Recognized losses	—	(107)	—	(172)	(279)
Recognized DTA	—	27	—	49	76
Non-recognized losses	(119)	(370)	—	(6,660)	(7,149)
Non-recognized DTA	30	92	—	1,272	1,394
Other credits carried forwards expiry					
Recognized credits	(19)	(102)	—	—	(121)
Recognized DTA	19	102	—	—	121
Non-recognized credits	—	—	—	(429)	(429)
Non-recognized DTA	—	—	—	100	100

Losses mainly relate to our holding entities in Luxembourg (2021: US$6,431; 2020: US$6,285) and the Netherlands (2021: US$414; 2020: US$596).

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$98 (2020: US$60), relating to the tax effect of the undistributed profits that will be distributed in the foreseeable future, primarily in its Russian, Ukrainian and Pakistan operations.

As of December 31, 2021, 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$7,403 (2020: US$5,241). 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.

INVESTING ACTIVITIES OF THE GROUP

9 SIGNIFICANT TRANSACTIONS

SIGNIFICANT TRANSACTIONS IN 2021

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 was obtained on November 12, 2021, and consummation of other customary 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 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 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, refer to Note 10.

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.

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.

SIGNIFICANT TRANSACTIONS IN 2020

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$622 recorded against the foreign currency translation reserve in the Statement of Comprehensive Income.

4. HELD-FOR SALE AND DISCONTINUED OPERATIONS

The following table provides the details over assets and liabilities classified as held-for-sale as of December 31, 2021:

	Assets held-for-sale	Liabilities held-for-sale
Algeria	1,846	392
Ukraine Towers	17	—
Other individual assets	19	—
Total assets and liabilities held for sale	**1,882**	**392**

Exercised Put option to sell entirety stake in Omnium Telecom Algerie SpA

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, Djezzy. Under the terms of the Shareholders' Agreement, the transaction is expected to be completed in Q2 2022 for a sale price of US$682.

The Company classified its operations in Algeria as a held-for-sale and discontinued operations. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of Algeria assets as of July 01, 2021. The results for Algeria in the consolidated income statements and the consolidated statements of cash flows for 2021, 2020 and 2019 have been presented separately.

There were no triggering events indicating any impairment or decline in the fair value of Algeria subsequent to its measurement as held for sale and discontinued operation. As such, the net assets of Algeria are presented at lower of cost and fair value less costs to sell.

The following table shows the profit/(loss) and other comprehensive income relating to Algeria operations for the period ended December 31, 2021:

Income statement and statement of comprehensive income	2021	2020
Operating revenue	659	689
Operating expenses	(470)	(564)
Other expenses	(17)	(17)
Profit / (loss) before tax for the period	172	108
Income tax benefit / (expense)	(21)	(29)
Profit / (loss) after tax for the period	151	79
Other comprehensive income / (loss)*	(68)	(157)
Total comprehensive income / (loss)	83	(78)

*Other comprehensive income is relating to the foreign currency translation

The following table shows the assets and liabilities classified as held-for-sale relating to Algeria as of December 31, 2021:

	2021
Property and equipment	527
Intangible assets excl. goodwill	111
Goodwill	1,001
Deferred tax assets	35
Other current assets	172
Total assets held for sale	1,846
Non-current liabilities	106
Current liabilities	286
Total liabilities held for sale	392

Net assets of the discontinued operations of Algeria includes US$667 relating to cumulative currency translation losses as of December 31, 2021, which will be recycled through the consolidated income statement upon the completion of the sale.

Ukraine Tower Carve out

In June 2021, Kyivstar (a wholly owned subsidiary of VEON group) formalized the plan to carve out its tower related passive infrastructure to a newly incorporated entity, Ukraine Tower Holdings B.V. (an entity indirectly held by VEON Ltd. outside of VEON holdings group). All board approvals to form this carve out were obtained and accordingly the net book value of towers was classified as held for sale.

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 with in operating, investing and financing activities. 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 weighted average cost of capital and the quarterly financial performances of each CGU when reviewing for indicators of impairment in interim periods.

Impairment losses in 2021

	Property and equipment	Intangible assets	Goodwill	Other	Total impairment
2021					
Kyrgyzstan	12	5	—	2	19
Russia	(7)	—	—	—	(7)
Other	8	—	—	—	8
	13	5	—	2	20

Impairment losses in 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.

Also 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 has 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, in regard with 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					
Russia	—	—	723	—	723
Kyrgyzstan	38	8	—	18	64
Other	5	—	—	(7)	(2)
	43	8	723	11	785

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 project 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 has been recognized.

Discount rates

Discount rates are initially determined in US 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 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)	
	2021	**2020**
Russia	9.3 %	10.1 %
Algeria**	— %	11.6 %
Pakistan	14.7 %	18.2 %
Kazakhstan	9.4 %	10.3 %
Kyrgyzstan *	—	— %
Uzbekistan	11.8 %	13.8 %

* *In 2020, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan, therefore discount rate was not determined*

***In 2021 no parameters were estimated for Algeria as it was classified as held for sale and discontinued operation, please refer to Note 10*

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 into 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		Terminal growth rate	
	2021	**2020**	**2021**	**2020**
Russia	4.6 %	4.3 %	1.6 %	1.8 %
Algeria**	— %	4.3 %	— %	1.0 %
Pakistan	6.4 %	9.7 %	5.5 %	5.8 %
Kazakhstan	6.6 %	5.3 %	1.0 %	3.1 %
Kyrgyzstan *	—	— %	—	— %
Uzbekistan	3.7 %	3.2 %	3.0 %	5.1 %

* *In 2020, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan, therefore revenue growth rates were not determined*

***In 2021 no parameters were estimated for Algeria as it was classified as held for sale and discontinued operation, please refer to Note 10*

Operating margin

The Company estimates operating margin based on pre-IFRS 16 Adjusted EBITDA 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.

	Average operating margin during the forecast period		Terminal period operating margin	
	2021	**2020**	**2021**	**2020**
Russia	33.1 %	31.2 %	35.5 %	35.7 %
Algeria**	— %	39.9 %	— %	40.4 %
Pakistan	43.4 %	42.0 %	42.0 %	44.6 %
Kazakhstan	48.8 %	49.5 %	47.0 %	50.0 %
Kyrgyzstan *	—	— %	—	— %
Uzbekistan	40.9 %	34.0 %	34.0 %	34.0 %

** In 2020, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan, therefore operating margin assumptions were not determined*

***In 2021 no parameters were estimated for Algeria as it was classified as held for sale and discontinued operation, please refer to Note 10*

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 of spectrum 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		Terminal period CAPEX as a percentage of revenue	
	2021	**2020**	**2021**	**2020**
Russia	25.5 %	27.9 %	21.0 %	21.0 %
Algeria**	— %	15.2 %	— %	14.0 %
Pakistan	22.0 %	19.6 %	20.0 %	18.9 %
Kazakhstan	19.9 %	19.8 %	20.0 %	19.0 %
Kyrgyzstan *	—	— %	—	— %
Uzbekistan	20.2 %	21.4 %	21.0 %	21.0 %

** In 2020, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan, therefore CAPEX assumptions were not determined*

***In 2021 no parameters were estimated for Algeria as it was classified as held for sale and discontinued operation, please refer to Note 10*

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 and equipment, 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 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 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, and the long-term estimates of these margins are highly uncertain. This is particularly the case for emerging markets that are not yet in a mature phase.

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	Telecommunications 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, 2020	**4,304**	**214**	**417**	**415**	**1,974**	**7,324**
Additions	47	2	16	1,626	446	**2,137**
Disposals	(50)	(5)	(10)	(12)	(15)	**(92)**
Depreciation charge for the year	(1,009)	(28)	(123)	—	(413)	**(1,573)**
Impairment	(28)	(1)	(2)	(7)	(5)	**(43)**
Transfers	1,282	5	111	(1,396)	(2)	—
Translation adjustment	(498)	(30)	(57)	(59)	(256)	**(900)**
As of December 31, 2020	**4,048**	**157**	**352**	**567**	**1,729**	**6,853**
Additions	47	2	18	1,559	755	**2,381**
Disposals*	(197)	(1)	(5)	(7)	(100)	**(310)**
Depreciation charge for the year	(990)	(19)	(125)	—	(408)	**(1,542)**
Reclassification as held for sale	(385)	(6)	(9)	(42)	(80)	**(522)**
Impairment	(12)	—	(1)	2	(2)	**(13)**
Transfers	1,416	16	182	(1,620)	(2)	**(8)**
Translation adjustment	(100)	—	(5)	(8)	(21)	**(134)**
As of December 31, 2021	**3,827**	**149**	**407**	**451**	**1,871**	**6,705**
Cost	11,020	359	1,400	553	2,901	**16,233**
Accumulated depreciation and impairment	(7,193)	(210)	(993)	(102)	(1,030)	**(9,528)**

**This includes disposal of NTC as explained in Note 9*

There were no material changes in estimates related to property and equipment in 2021 other than the impairment described in Note 11 of US$13 (2020: US$43) and lease term reassessments in Russia (included in 'Additions') which had the effect of increasing right-of-use assets by US$171. Please refer to Note 16 for more information regarding Source of estimation uncertainty for lease terms.

During 2021, VEON acquired property and equipment in the amount of US$726 (2020: US$601), which were not paid for as of year-end.

Property and equipment pledged as security for bank borrowings amounts to US$919 as of December 31, 2021 (2020: US$865), and primarily relate to securities for 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, 2020	**1,638**	**333**	**3**	**1,974**
Additions	339	102	5	446
Disposals	(15)	—	—	(15)
Depreciation charge for the year	(308)	(103)	(2)	(413)
Impairment	(1)	(4)	—	(5)
Transfers	—	(2)	—	(2)
Translation adjustment	(213)	(42)	(1)	(256)
As of December 31, 2020	**1,440**	**284**	**5**	**1,729**
Additions	682	69	4	755
Disposals	(100)	—	—	(100)
Depreciation charge for the year	(321)	(84)	(3)	(408)
Reclassification as held for sale	(71)	(9)	—	(80)
Impairment	—	(2)	—	(2)
Transfers	(4)	2	—	(2)
Translation adjustment	(18)	(3)	—	(21)
As of December 31, 2021	**1,608**	**257**	**6**	**1,871**
Cost	2,376	513	12	2,901
Accumulated depreciation and impairment	(768)	(256)	(6)	(1,030)

COMMITMENTS

Capital commitments for the future purchase of equipment are as follows as of December 31:

	2021	2020
Less than 1 year	709	747
Between 1 and 5 years	62	19
More than 5 years	198	—
Total commitments	**969**	**766**

The above table for 2021 includes future lease commitments relating to the lease agreements between Russia and NTC (Less than 1 year: US$4, Between 1 and 5 years: US$61 and More than 5 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).

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 of life of VEON's assets generally fall within the following ranges:

Class of property and equipment	Useful life
Telecommunication equipment	3 – 20 years
Buildings and constructions	10 – 50 years
Office and other equipment	3 – 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, where as 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 the 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	Telecommunication licenses, frequencies & permissions	Software	Brands and trademarks	Customer relationships	Other intangible assets	Goodwill	Total
As of January 1, 2020	**1,100**	**304**	**149**	**142**	**21**	**3,959**	**5,675**
Additions	53	188	3	5	5	13	**267**
Disposals	—	(6)	—	—	—	—	**(6)**
Amortization charge for the year	(139)	(155)	(23)	(15)	(7)	—	**(339)**
Impairment	(5)	(3)	—	—	—	(723)	**(731)**
Transfer	—	6	—	—	(6)	—	**—**
Translation adjustment	(88)	(42)	(12)	(16)	1	(567)	**(724)**
As of December 31, 2020	**921**	**292**	**117**	**116**	**14**	**2,682**	**4,142**
Additions	482	182	—	—	13	14	**691**
Disposals*	(1)	(1)	—	—	1	(51)	**(52)**
Amortization charge for the year	(162)	(131)	8	(15)	(2)	—	**(302)**
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)	1	(3)	2	(62)	**(103)**
As of December 31, 2021	**1,202**	**342**	**14**	**98**	**22**	**1,542**	**3,220**
Cost	*2,430*	*900*	*240*	*674*	*77*	*3,539*	***7,860***
Accumulated amortization and impairment	*(1,228)*	*(558)*	*(226)*	*(576)*	*(55)*	*(1,997)*	***(4,640)***

**This includes disposal of NTC as explained in Note 9*

During 2021, there were no material change in estimates related to intangible assets other than the impairment described in Note 11 of US$5 (2020: US$731).

During 2021, VEON acquired intangible assets in the amount of US$171 (2020: US$56), which were not yet paid for as of year-end.

Additions for the period 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, 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**

CGU	December 31, 2020	Impairment	Translation adjustment	Addition	December 31, 2019
Russia	1,131	(723)	(424)	13	2,265
Algeria	1,053	—	(114)	—	1,167
Pakistan	324	—	(11)	—	335
Kazakhstan	140	—	(14)	—	154
Uzbekistan	34	—	(4)	—	38
Total	**2,682**	**(723)**	**(567)**	**13**	**3,959**

* *There is no goodwill allocated to the CGUs of Ukraine, Bangladesh, Kyrgyzstan or Georgia*

** *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:

	2021	2020
Less than 1 year	58	31
Total commitments	**58**	**31**

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	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 2021	Equity interest held by the Group 2020
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 %	80.0 %
VEON Finance Ireland Designated Activity Company	Ireland	Holding	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 %	45.4 %
Optimum Telecom Algeria S.p.A.*	Algeria	Operating	45.6 %	45.4 %
Pakistan Mobile Communications Limited	Pakistan	Operating	100.0 %	85.0 %
Banglalink Digital Communications Limited	Bangladesh	Operating	100.0 %	100.0 %

** The Group has 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.*

The Company is 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 is restricted. Further restrictions on dividend distributions relate to withholding tax in respect of dividends mainly from Russia, Kazakhstan and Uzbekistan. The total amount of dividend restrictions amounts to US$ 1 billion (PY: US$525 million). The increase as compared to prior year relates mainly to the increase of the withholding tax from 5% to 15% for dividends from Russia to the Netherlands.

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 2021	Equity interest held by NCIs 2020	Book values of material NCIs 2021	Book values of material NCIs 2020	Profit / (loss) attributable to material NCIs 2021	Profit / (loss) attributable to material NCIs 2020
LLP "KaR-Tel" (**"Kar-Tel"**)	25.0 %	25.0 %	96	97	29	26
Omnium Telecom Algérie S.p.A. (**"OTA"**)	54.4 %	54.4 %	732	783	29	43

The summarized financial information of these subsidiaries before intercompany eliminations for the years ended December 31 are detailed below.

Summarized income statement

	Kar-Tel		OTA	
	2021	2020	2021	2020
Operating revenue	529	446	658	689
Operating expenses	(370)	(316)	(567)	(564)
Other (expenses) / income	(9)	4	(16)	(17)
Profit / (loss) before tax	150	134	75	108
Income tax expense	(32)	(28)	(21)	(29)
Profit / (loss) for the year	118	106	54	79
Total comprehensive income / (loss)	118	106	54	79
Attributed to NCIs	29	26	29	43
Dividends paid to NCIs	—	—	(43)	46

Summarized statement of financial position

	Kar-Tel		OTA	
	2021	2020	2021	2020
Property and equipment	300	276	442	492
Intangible assets	213	233	1,100	1,168
Other non-current assets	28	23	35	18
Trade and other receivables	29	21	31	31
Cash and cash equivalents	46	37	113	67
Other current assets	33	31	28	50
Debt and derivatives	(102)	(75)	(122)	(102)
Provisions	(6)	(6)	(37)	(23)
Other liabilities	(168)	(162)	(250)	(267)
Total equity	383	388	1,340	1,434
Attributed to:				
Equity holders of the parent	287	291	608	651
Non-controlling interests	96	97	732	783

Summarized statement of cash flows

	Kar-Tel		OTA	
	2021	2020	2021	2020
Net operating cash flows	231	184	263	211
Net investing cash flows	(106)	(88)	(114)	(102)
Net financing cash flows	(114)	(97)	(99)	(103)
Net foreign exchange difference	(1)	(2)	(5)	(5)
Net increase / (decrease) in cash equivalents	10	(3)	45	1

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 has concluded that it controls 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 is because the Company can exercise operational control through terms of a shareholders' agreement. Our partner in Algeria can 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 have 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 Algerie SpA (Algeria) to the Fonds National d'Investissement (FNI). 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:

	2021	2020
Ineffective portion of hedging activities	3	15
Change of fair value of other derivatives	(4)	6
Gain /(loss) from money market funds	7	12
Other gains / (losses)	6	78
Other non-operating gain / (loss), net	**12**	**111**

Included in 'Other gains / (losses)' in 2021 a gain of US$3 relating to Correction on data migration and a gain of US$3 on write off of certain payables.

Included in 'Other gains / (losses)' in 2020 is a gain of US$41 relating 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	
	2021	2020
At fair value		
Derivatives not designated as hedges	—	20
Derivatives designated as net investment hedges	—	3
	—	**23**
At amortized cost		
Loans granted to subsidiaries of the ultimate parent	1,720	1,837
Security deposits and cash collateral	49	325
Other investments	99	29
	1,868	**2,191**
Total Investments and derivatives	**1,868**	**2,214**
Non-current	1,412	1,951
Current	456	263

Loans granted to subsidiaries of the ultimate parent include Loans to VEON Amsterdam B.V. amounting US$1,361 at December 31, 2021, are callable on demand. The amounts receivable accrue interest at a variable rate of LIBOR +0.4%. As of December 31, 2021, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date. In February 2021, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this short-term loan by a further 12 months, with an automatic extension option up to a maximum of a further 36 months, resulting in a maximum final maturity date of August 2024.

Security deposits

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.

In September 2019, Jazz deposited approximately US$225 in order to maintain its appeal in the Islamabad High Court regarding the PTA's underlying decision on the license renewal. There were no specific terms and conditions attached to the deposit. The deposit is recorded as a non-current financial asset in the statement of financial position.

In May, 2020 a further US$57 was paid under protest, presented within 'Receipts from / (payment on) deposits' in the statement of cash flows. The most recent hearing on this matter was concluded before the Islamabad High Court on March 1, 2021.

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 and accordingly the security deposit balance of was also adjusted against the license fee payable.

DEBT AND DERIVATIVES

The Company holds the following outstanding debt and derivatives liabilities as of December 31:

	Carrying value	
	2021	**2020**
At fair value		
Derivatives not designated as hedges	4	52
Derivatives designated as net investment hedges	4	1
	8	**53**
At amortized cost		
Principal amount outstanding	7,569	7,675
Interest accrued	86	85
Discounts, unamortized fees, hedge basis adjustment	(14)	(5)
Bank loans and bonds	7,641	7,755
Loans received from subsidiaries of the ultimate parent	302	304
Lease liabilities	2,691	1,894
Put-option liability over non-controlling interest	—	273
Other financial liabilities*	290	92
	10,924	**10,318**
Total debt and derivatives	**10,932**	**10,371**
Non-current	9,397	9,119
Current	1,535	1,252

*Certain comparative amounts have been reclassified, refer to Note 23 for further details.

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 2021	2020
VEON Holdings	Loans	None	RUB	7.35% to 7.50%	2021	—	812
VEON Holdings	Loans	None	RUB	CBR Key Rate + 2.20%	2021	—	677
VEON Holdings	Notes	PJSC VimpelCom	US$	7.50%	2022	417	417
VEON Holdings	Notes	None	US$	5.95% to 7.25%	2023	1,229	1,229
VEON Holdings	Notes	None	US$	4.95%	2024	533	533
VEON Holdings	Loan	None	RUB	CBR Key Rate + 1.85%	2025	404	406
VEON Holdings	Notes	None	US$	4.00%	2025	1,000	1,000
VEON Holdings	Notes	None	RUB	6.30% to 6.50 %	2025	404	406
VEON Holdings	Notes	None	RUB	8.13%	2026	269	—
VEON Holdings	Notes	None	US$	3.38%	2027	1,250	1,250
VEON Finance Ireland DAC	Loans	VEON Holdings	RUB	CBR Key Rate + 1.90% to 2.15%	2026	807	—
VEON Finance Ireland DAC	Loan	VEON Holdings	RUB	10.10%	2026	404	—
PJSC VimpelCom, via VIP	Notes	None	US$	7.75%	2021	—	262
PMCL	Loans	None	PKR	6M KIBOR + 0.35%	2022	24	80
PMCL	Loans	None	PKR	6M KIBOR + 0.55%	2026	272	273
PMCL	Loan	None	PKR	3M KIBOR + 0.55%	2028	28	—
PMCL	Loan	None	PKR	6M KIBOR + 0.55%	2028	85	—
PMCL	Loan	None	PKR	3M KIBOR + 0.88%	2031	57	—
PJSC Kyivstar	Loan	None	UAH	NBU Key rate + 3.00%	2023	61	56
PJSC Kyivstar	Loan	VEON Holdings	UAH	NBU Key rate + 3.50%	2024	47	—
PJSC Kyivstar	Loan	VEON Holdings	UAH	Treasury Bill Rate + 3.00%	2024	50	—
PJSC Kyivstar	Loans	None	UAH	10.15% to 11.00%	2023-2025	97	85
Banglalink	Loans	None	BDT	Average bank deposit rate + 4.25%	2022	46	80
	Other bank loans and bonds					85	109
	Total bank loans and bonds					**7,569**	**7,675**

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, 2020	**7,569**	**2,064**	**9,633**
Cash flows			
Proceeds from borrowings, net of fees paid	4,622	—	**4,622**
Repayment of debt	(3,754)	(297)	**(4,051)**
Interest paid	(499)	(146)	**(645)**
Repayment of debt relating to Algeria discontinued operations	—	(25)	**(25)**
Interest paid relating to Algeria discontinued operations	—	(4)	**(4)**
Non-cash movements			
Interest and fee accruals	544	155	**699**
Lease additions, disposals, impairment and modifications	—	431	**431**
Foreign currency translation	(398)	(284)	**(682)**
Other non-cash movements*	(329)	—	**(329)**
Balance as of December 31, 2020	**7,755**	**1,894**	**9,649**
Cash flows			
Proceeds from borrowings, net of fees paid	2,063	—	**2,063**
Repayment of debt	(2,129)	(340)	**(2,469)**
Interest paid	(472)	(147)	**(619)**
Non-cash movements			
Interest and fee accruals	513	144	**657**
Lease additions, disposals, impairment and modifications	—	1,270	**1,270**
Held for sale - Note 10	—	(122)	**(122)**
Foreign currency translation	(67)	(8)	**(75)**
Other non-cash movements	(22)	—	**(22)**
Balance as of December 31, 2021	**7,641**	**2,691**	**10,332**

** Included in "Other non-cash movements" in 2020 is a reclassification of US$300 from "Bank loans and bonds" to "Loans received from subsidiaries of the ultimate parent" relating to the extension and extinguishment of Banglalink syndicated loan*

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 a new multi-currency revolving credit facility agreement (the "RCF") of US$1,250. The RCF replaced the revolving credit facility signed in February 2017, which is now cancelled. The RCF has an initial tenor of three years, with VEON having the right to request two one-year extensions, subject to lender consent. International banks from Asia, Europe and the US have committed to the RCF. The new RCF caters for USD LIBOR cessation with the secured overnight financing rate ("SOFR") administered by the Federal Reserve Bank of New York USA agreed as the replacement risk free rate with credit adjustment spreads agreed for interest periods with a one month, three months and six months tenor. SOFR will apply to interest periods commencing on and from October 31, 2021. VEON will have the option to make each drawdown in either U.S. dollars or euro.

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 has 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 will be used to finance the company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities.

Novation of VC-ESOP loan from Luxembourg Finance S.A. to VEON Amsterdam B.V.

In August 2021, VEON Luxembourg Finance S.A and VEON Amsterdam B.V. signed a transfer deed whereby VEON Luxembourg Finance S.A. (a subsidiary of the Company) transferred the rights and all obligation relating to loan receivable from VC-ESOP (a subsidiary of the ultimate parent company) for US$150 to VEON Amsterdam B.V. for a consideration of one US dollar and is considered as deemed dividend for these financials.

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 are 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. Maturity date of the facility is December 2026 and it is guaranteed by VEON Holdings B.V.. The proceeds from the Sberbank facility have been 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 million 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 p.p.

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 re-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., a subsidiary of the Company's parent, acquired the loan from the original lenders. No material transactional costs were incurred.

In April 2020, the Company granted a loan of US$300 to VEON Digital Amsterdam B.V under the same terms as the Banglalink syndicate loan mentioned above. The initial term of the loan is two years.

Drawdowns under the Revolving Credit Facility

In March 2020, VEON Holdings B.V., the Company's wholly-owned subsidiary, executed two drawdowns under its existing revolving credit facility for an aggregate amount of US$600. Although these drawdowns are short-term in nature, VEON Holdings B.V. has an enforceable right to roll them over until final maturity date of the facility in February 2022. All outstanding drawdowns under this facility have been fully repaid during June 2020 (US$100) and July 2020 (US$500). In March 2021, VEON entered into a new multi-currency revolving credit facility agreement

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 has been 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 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, 2021, 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 fair value is equal to US$7,986 (2020: US$8,330); and
- 'Lease liabilities', for which fair value has not been determined.

As of December 31, 2021 and December 31, 2020, 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, 2021 and 2020 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, 2021 and 2020, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

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	
					2021	2020
Foreign currency forward contracts	Forward	foreign currency basis spread	PJSC VimpelCom	RUB	6,986 **	26,758 **

* Refer to the Debt and Derivatives section above in this Note for information regarding the carrying amounts of the hedging instruments.

** Hedging instruments have a weighted average term to maturity of less than 1 year as of December 31, 2021 (2020: 1 year)

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.

During 2021, the Company recorded a loss of US$18 on derivatives designated as net investment hedge.

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, 2020	**(6,111)**	**9**
Foreign currency revaluation of the foreign operations and other	(614)	—
Effective portion of foreign currency revaluation of the hedging instruments *	178	—
Change in fair value of foreign currency basis spreads	—	7
Amortization of time-period related foreign currency basis spreads	(26)	(15)
As of December 31, 2020	**(6,573)**	**1**
Foreign currency revaluation of the foreign operations	(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)
Other movements in foreign currency translation reserve	—	—
As of December 31, 2021	**(6,731)**	**—**

* 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.

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:

	2021	2020
Cash and cash equivalents at banks and on hand	1,403	598
Cash equivalents with original maturity of less than three months*	767	975
Cash and cash equivalents**	**2,170**	**1,573**
Less overdrafts	(13)	(7)
Cash and cash equivalents, net of overdrafts, as presented in the consolidated statement of cash flows*	**2,157**	**1,566**

*Certain comparative amounts have been reclassified, refer to Note 23 for further details.

** Cash and cash equivalents include an amount of US$98 relating to banking operations in Pakistan.

Cash at bank 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 (DZD) equivalent was considered restricted and included in cash and cash equivalent balances, as it was pending completion of local regulatory processes and approvals . The amounts were paid out of Algeria on March 24, 2022 and received in the bank. (2020: nil).

Cash balances include investments in money market funds of US$397 (2020: US$543), which are carried at fair value through profit or loss with gains presented within 'Other non-operating gain / (loss)' within the consolidated income statement.

As of December 31, 2021, some bank accounts forming part of a cash pooling program and being an integral part of the Company's cash management remained overdrawn by US$13 (2020: US$7). 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.

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 the 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, 2021, approximately 72% of the Company's borrowings are at a fixed rate of interest (2020: 76%).

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. 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 translation risk related to the Company's net investment in PJSC VimpelCom.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a possible change in exchange rates against the US 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	
Change in foreign exchange rate against US$	10% depreciation	10% appreciation	10% depreciation	10% appreciation
2021				
Russian Ruble	18	(24)	9	(10)
Bangladeshi Taka	(30)	33	—	—
Pakistani Rupee	(3)	4	—	—
Georgian Lari	(37)	41	—	—
Other currencies (net)	(5)	5	—	—
2020				
Russian Ruble	35	(39)	32	(39)
Bangladeshi Taka	(30)	33	—	—
Pakistani Rupee	(4)	4	—	—
Georgian Lari	(36)	40	—	—
Other currencies (net)	8	(9)	4	(4)

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, loans granted to subsidiaries of the ultimate parent, 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, 2021 and 2020, 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.

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, 2021 and 2020 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, 2021, 11% of the Company's debt (2020: 5%) 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 assessed the concentration of risk with respect to refinancing its debt and concluded it to be low based on liquidity in the markets the Company has access to, and recent history of refinancing, except for the additional risks identified in Note 23.The Company believes that access to sources of funding is sufficiently available and the Company's policy is to diversify the funding sources where possible.

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
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

** Facility amount of US$ 0.3 is available until October 2025.*

	Amounts in millions of transactional currency				US$ equivalent amounts		
	Final availability period	Facility amount	Utilized	Available	Facility amount	Utilized	Available
2020							
VEON Holdings B.V. – Revolving Credit Facility *	Feb 2022	US$1,586	—	US$1,586	1,586	—	1,586
PMCL - Syndicated Term Facility and Islamic Finance Facility	Sep 2021	PKR 14,369	PKR 9,999	PKR 4,370	90	62	28
PMCL - Term Facility	Nov 2023	PKR 10,000	PKR 5,000	PKR 5,000	24	12	12

** Facility amount of US$1,586 was available until February 2021 Subsequently a reduced facility amount of US$1,382 was available until March 2021 In March 2021, VEON entered into a new multi-currency revolving credit facility agreement.*

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, 2021 and 2020, 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, 2021					
Bank loans and bonds	1,047	3,169	3,652	1,393	9,261
Loans from related parties	306	—	—	—	306
Lease liabilities	609	1,084	744	737	3,174
Derivative financial liabilities					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	8	—	—	—	8
Trade and other payables*	2,072	—	—	—	2,072
Other financial liabilities	120	144	21	15	300
Put option liability	—	—	—	—	—
Total financial liabilities	4,162	4,397	4,417	2,145	15,121
Related derivatives financial assets					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	—	—	—	—	—
Related derivative financial assets	—	—	—	—	—
Total financial liabilities, net of derivative assets	4,162	4,397	4,417	2,145	15,121

** Certain comparative amounts have been reclassified, refer to Note 23 for further details.*

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
As of December 31, 2020					
Bank loans and bonds	842	3,803	3,123	1,408	9,176
Loan from related parties	11	305	—	—	316
Lease liabilities	525	896	639	239	2,299
Derivative financial liabilities					
Gross cash inflows	(228)	—	—	—	(228)
Gross cash outflows	237	—	—	—	237
Trade and other payables*	2,171	—	—	—	2,171
Other financial liabilities	1	60	—	—	61
Warid non-controlling interest put option liability	273	—	—	—	273
Total financial liabilities	3,832	5,064	3,762	1,647	14,305
Related derivatives financial assets					
Gross cash inflows	152	—	—	—	152
Gross cash outflows	(149)	—	—	—	(149)
Related derivative financial assets	3	—	—	—	3
Total financial liabilities, net of derivative assets	3,835	5,064	3,762	1,647	14,308

** Certain comparative amounts have been reclassified, refer to Note 23 for further details*

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios, so as to secure access to debt and capital markets at all times and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic 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 while Company's Net Debt to Adjusted EBITDA ratio 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. There were no changes made in the Company's objectives, policies or processes for managing capital during 2021.

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 twelve 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 most of our credit facilities the Net Debt to Adjusted EBITDA ratio is calculated at consolidated level of VEON Ltd. and is "pro-forma" adjusted for acquisitions and divestments 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:

	2021	2020
Authorized common shares (nominal value of EUR 1 per share)	70,000,000	70,000,000
Issued and outstanding shares	30,099,998	30,099,998

As of December 31, 2021, the Company had 70,000,000 authorized common shares (2020: 70,000,000) with a nominal value of EUR 1 per share, of which 30,099,998 shares were issued, outstanding and are fully paid-up (2020: 30,099,998).

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 DIVIDENDS PAID AND PROPOSED

There were no dividends declared by the Company in respect of the year 2021.

In March, June and September 2020, the Company made capital distributions to its shareholder of US$270, US$71 and US$52 respectively.

DIVIDENDS DECLARED TO NON-CONTROLLING INTERESTS

During 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	**2021**	**2020**
Omnium Telecom Algeria S.p.A	44	45
VIP Kazakhstan Holding AG	27	24
TNS Plus LLP	8	16
Other	10	2
Total dividends declared to non-controlling interests	**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

RELATED PARTIES

The immediate parent and ultimate controlling shareholder of the Company are, respectively, VEON Amsterdam B.V. and VEON Ltd.

The following table provides the total amount of transactions that have been entered into with related parties and their affiliates for the years ended December 31:

	2021	2020
Finance income	12	43
Net gain on transfer of towers to Ukraine Tower Company	4	—
	16	43
Services from		
VEON Wholesale Services B.V.	2	3
VEON Ltd.	(15)	(9)
Finance cost	12	8
	(1)	2

The following table provides the total balance of accounts with related parties and their affiliates at the end of the relevant period:

	2021	2020
Accounts receivable due from		
VEON Ltd.	98	100
Others	21	20
Financial asset receivable from		
VEON Amsterdam B.V.	1,361	1,328
VEON Digital Amsterdam B.V.	300	302
VC ESOP N.V.	—	152
VEON Ventures BV	12	—
VEON Digital limited	16	33
Interest accrued	43	22
	1,851	1,957
Accounts payable to related parties		
VEON Ltd.	40	213
Others	32	29
Financial liabilities to related parties	—	—
VEON Digital Amsterdam B.V.	300	300
Ukraine Tower Company	77	—
Interest accrued	2	4
	451	546

As of December 31, 2021, the Company has no ultimate controlling shareholder. See also Note 19 for details regarding ownership structure.

COMPENSATION TO DIRECTORS AND SENIOR MANAGERS OF THE COMPANY

VEON Holdings B.V. and its consolidated subsidiaries are part of the VEON Group and their operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company to be the key senior managers and finds it appropriate to disclose the compensation of the key management of the VEON Group. The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Benjamin Postma and Paulus (Paul) Klaassen.

The following table sets forth the total compensation paid to our directors and senior managers, who are considered to be key management of the company:

	2021	2020
Short-term employee benefits	39	35
Long-term employee benefits	—	1
Share-based payments	9	—
Termination benefits	7	4
Total compensation to directors and senior management *	**55**	**40**

** The number of directors and senior managers vary from year to year. Total compensation paid to directors and senior management approximates the amount charged in the consolidated income statement for that year.*

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 Key Senior Managers

The following table sets forth the total remuneration expense to the key senior managers in 2021 and 2020 (gross amounts in whole euro and whole US$ equivalents). For further details on compensation and changes to key senior managers, please refer to the Explanatory notes below.

In whole euros	**Kaan Terzioglu** Group CEO	**Sergi Herrero** Group Co-CEO	**Ursula Burns** Group CEO	**Serkan Okandan** Group CFO	**Trond Westlie** Group CFO	**Murat Kirkgoz** Deputy Group CFO	**Kjell Johnsen** Group COO	**Scott Dresser** General Counsel	**Alex Kazbegi** Strategy Officer	**Brakenhoff** Compliance Officer	**Alex Bolis** Investor Relations	**Dmitry Shvets** Management	**Michael Schulz** People Officer
2021													
Short-term employee benefits													
Base salary	1,323,000	628,199	—	1,296,000	—	—	—	1,300,000	143,100	540,000	272,448	365,854	237,741
Annual incentive	1,695,094	623,036	—	1,192,320	—	—	—	1,300,000	128,437	496,800	239,754	372,351	197,107
Other	205,350	5,512,172	—	1,276,225	—	—	—	1,013,859	143,936	96,600	77,000	11,271	27,862
Long-term employee benefits	166,518	(144,764)	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	2,158,098	(60,701)	(103,954)	1,066,672	—	(26,417)	—	277,390	—	467,471	330,726	491,760	469,127
Termination benefits	—	2,936,759	—	—	—	—	—	2,625,000	579,675	—	—	—	—
Total remuneration expense *	**5,548,060**	**9,494,701**	**(103,954)**	**4,831,217**	**—**	**(26,417)**	**—**	**6,516,249**	**995,148**	**1,600,871**	**919,928**	**1,241,236**	**931,837**
2020													
Short-term employee benefits													
Base salary	1,323,000	1,181,368	1,162,750	864,000	16,810	211,600	—	1,300,000	553,500	224,100	—	—	—
Annual incentive	930,418	769,643	540,984	525,730	—	80,302	—	2,300,000	338,378	147,813	—	—	—
Other	439,657	2,158,022	554,328	297,341	212,631	40,360	299,333	24,100	104,124	39,908	—	—	—
Long-term employee benefits	76,366	706,925	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	88,056	58,707	111,403	76,316	(217,080)	(7,954)	(217,080)	(65,526)	—	8,775	—	—	—
Termination benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
Total remuneration expense *	**2,857,497**	**4,874,665**	**2,369,465**	**1,763,387**	**12,361**	**324,308**	**82,253**	**3,558,574**	**996,002**	**420,596**	**—**	**—**	**—**

* * *Total remuneration expense for 2021 excludes accrued payroll taxes of EUR-3 million (US$-3) (2020. EUR9 million (US$10) recorded in 'Selling, general and administrative expenses' incurred by the Company pertaining to payments made to Ursula Burns (2020· Ursula Burns and Kjell Johnsen).*

In whole US dollars	Kaan Terzioglu Group CEO	Sergi Herrero Group Co-CEO	Ursula Burns Group CEO	Serkan Okandan Group CFO	Trond Westlie Group CFO	Murat Kirkgoz Deputy Group CFO	Kjell Johnsen Group COO	Scott Dresser Group General	Alex Kazbegi Group Chief Strategy	Brakenhoff Group Chief Internal Audit	Alex Bolis Group Head of Corporate	Dmitry Shvets Group Head of Portfolio	Michael Schulz Group Chief People
2021													
Short-term employee benefits													
Base salary	1,564,015	742,676	—	1,532,096	—	—	—	1,536,825	169,169	638,373	322,081	433,078	281,051
Annual incentive	2,003,894	736,572	—	1,409,528	—	—	—	1,536,825	151,835	587,303	283,431	440,768	233,014
Other	242,759	6,516,660	—	1,508,718	—	—	—	1,198,557	170,158	114,198	91,027	13,342	32,938
Long-term employee benefits	196,853	(171,144)	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	2,551,245	(71,763)	(122,891)	1,260,991	—	(31,230)	—	327,923	—	552,631	390,975	582,119	554,589
Termination benefits	—	3,471,927	—	—	—	—	—	3,103,204	685,276	—	—	—	—
Total remuneration expense *	**6,558,766**	**11,224,928**	**(122,891)**	**5,711,333**	**—**	**(31,230)**	**—**	**7,703,334**	**1,176,438**	**1,892,505**	**1,087,514**	**1,470,412**	**1,101,592**
2020													
Short-term employee benefits													
Base salary	1,508,380	1,346,902	1,325,676	985,064	19,165	241,250	—	1,482,157	631,057	255,501	—	—	—
Annual incentive	1,060,789	877,486	616,787	599,396	—	91,554	—	2,622,278	385,792	168,525	—	—	—
Other	501,262	2,460,406	632,001	339,005	242,425	46,015	341,276	27,477	118,714	45,500	—	—	—
Long-term employee benefits	87,066	805,980	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	100,394	66,933	127,013	87,009	(247,497)	(9,069)	(247,497)	(74,708)	—	10,005	—	—	—
Termination benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
Total remuneration expense *	**3,257,891**	**5,557,707**	**2,701,477**	**2,010,474**	**14,093**	**369,750**	**93,779**	**4,057,204**	**1,135,563**	**479,531**	**—**	**—**	**—**

* *Total remuneration expense for 2021 excludes accrued payroll taxes of EUR-3 million (US$-3 (2020: EUR9 million (US$10) recorded in 'Selling, general and administrative expenses' incurred by the Company pertaining to payments made to Ursula Burns (2020. Ursula Burns and Kjell Johnsen).*

Explanatory notes

Base salary includes any holiday allowances pursuant to the terms of an individual's employment agreement. Annual incentive expense includes amounts accrued under the short-term incentive in respect of performance during the current year, as well as any special recognition bonus. Other short-term employee benefits include certain allowances (for example, pension allowance or reimbursement of certain losses etc.) and support (for example, relocation support).

Share-based payment expense relates to amounts related to the long-term incentive scheme and the deferred shared plan as well as amounts accrued under the value growth cash-based multi-year incentive plans, see below for further details.

Changes in Key Senior Managers

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.

Kjell Johnsen stepped down from the role of Group COO on November 1, 2019, 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.

Compensation of Board of Directors

The following table sets forth the total remuneration expense to the members of the Board of Directors members in 2021 and 2020 (gross amounts in whole euro and whole US dollar equivalents). For details on changes in Board of Directors, please refer to explanations below.

	Retainer		Committees		Other compensation		Total	
In whole euros	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Hans Holger Albrecht	487,500	204,167	136,458	72,917	1,098,610	—	**1,722,568**	277,084
Guillaume Bacuvier	—	105,114	—	23,125	—	—	—	128,239
Osama Bedier	155,556	308,333	44,444	68,750	—	—	**200,000**	377,083
Ursula Burns	—	323,864	—	—	—	—	—	323,864
Mariano De Beer	—	204,167	—	87,500	—	—	—	291,667
Peter Derby	155,556	204,167	66,667	87,500	—	—	**222,223**	291,667
Mikhail Fridman	75,000	60,417	—	—	—	—	**75,000**	60,417
Gennady Gazin	842,708	629,167	57,292	33,333	**1,971,749**	—	**2,871,749**	662,500
Amos Genish	155,556	204,167	66,667	87,500	—	—	**222,223**	291,667
Yaroslav Glazunov	75,000	13,350	—	—	—	—	**75,000**	13,350
Andrei Gusev	75,000	60,417	—	—	—	500,000	**75,000**	560,417
Gunnar Holt	350,000	308,333	150,000	118,750	—	—	**500,000**	427,083
Sir Julian Horn-Smith	—	105,114	—	10,511	—	—	—	115,625
Robert Jan van de Kraats	350,000	308,333	125,000	85,417	—	—	**475,000**	393,750
Guy Laurence	—	104,167	—	12,500	—	—	—	116,667
Alexander Pertsovsky	—	47,917	—	—	—	—	—	47,917
Steve Pusey	189,583	204,167	53,125	58,333	—	—	**242,708**	262,500
Leonid Boguslavsky	335,417	—	23,958	—	—	—	**359,375**	—
Sergi Herrero	195,417	—	13,958	—	—	—	**209,375**	—
Irene Shvakman	195,115	—	27,874	—	—	—	**222,989**	—
Vasily Sidorov	195,115	—	111,494	—	—	—	**306,609**	—
Total compensation	**3,832,523**	**3,395,361**	**876,937**	**746,136**	**3,070,359**	**500,000**	**7,779,819**	**4,641,497**

	Retainer		Committees		Other compensation		Total	
In whole US dollars	2021	2020	2021	2020	2021	2020	2021	2020
Hans Holger Albrecht	576,323	232,775	161,321	83,134	1,298,776	—	**2,036,420**	315,909
Guillaume Bacuvier	—	119,843	—	26,365	—	—	—	146,208
Osama Bedier	183,898	351,537	52,542	78,383	—	—	**236,440**	429,920
Ursula Burns	—	369,244	—	—	—	—	—	369,244
Mariano De Beer	—	232,775	—	99,761	—	—	—	332,536
Peter Derby	183,898	232,775	78,813	99,761	—	—	**262,711**	332,536
Mikhail Fridman	88,665	68,883	—	—	—	—	**88,665**	68,883
Gennady Gazin	996,250	717,326	67,730	38,004	2,331,001	—	**3,394,981**	755,330
Amos Genish	183,898	232,775	78,813	99,761	—	—	**262,711**	332,536
Yaroslav Glazunov	88,665	15,221	—	—	—	—	**88,665**	15,221
Andrei Gusev	88,665	68,883	—	—	—	570,060	**88,665**	638,943
Gunnar Holt	413,770	351,537	177,330	135,389	—	—	**591,100**	486,926
Sir Julian Horn-Smith	—	119,843	—	11,984	—	—	—	131,827
Robert Jan van de Kraats	413,770	351,537	147,775	97,386	—	—	**561,545**	448,923
Guy Laurence	—	118,763	—	14,252	—	—	—	133,015
Alexander Pertsovsky	—	54,631	—	—	—	—	—	54,631
Steve Pusey	224,125	232,775	62,804	66,507	—	—	**286,929**	299,282
Leonid Boguslavsky	396,530	—	28,323	—	—	—	**424,853**	—
Sergi Herrero	231,022	—	16,502	—	—	—	**247,524**	—
Irene Shvakman	230,665	—	32,952	—	—	—	**263,617**	—
Vasily Sidorov	230,665	—	131,808	—	—	—	**362,473**	—
Total compensation	**4,530,809**	**3,871,123**	**1,036,713**	**850,687**	**3,629,777**	**570,060**	**9,197,299**	**5,291,870**

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 will vest 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, 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 for until March 1, 2020, 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 1, 2020, VEON announced the results of the elections conducted at its Annual General Meeting of Shareholders. Shareholders elected five new members to the Company's Board of Directors, Hans-Holger Albrecht, Mariano De Beer, Peter Derby, Amos Genish and Stephen Pusey, as well as seven previously serving directors: Osama Bedier, Mikhail Fridman, Gennady Gazin, Andrei Gusev, Gunnar Holt, Robert Jan van de Kraats and Alexander Pertsovsky. Following the election of the directors, Gennady Gazin was appointed as Chairman of VEON's Board of Directors, effective June 1, 2020 and on October 28, 2020, Yaroslav Glazunov was appointed as an alternate director for Alexander Pertsovsky.

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.

Changes in Directors of VEON Holdings B.V.

On January 7, 2020, Kaan Terzioglu was appointed as a statutory director of the Company.

On June 30, 2021 and September 30, 2021, Jochem Benjamin Postma and Paul Klaassen were appointed statutory directors of the Company, respectively. Sergi Herrero and Murat Kirkgoz stepped down as statutory directors of the Company on June 30, 2021 and September 30, 2021, respectively.

The total remuneration expense for the Company's statutory directors for the year ended December 31, 2021 was US$0.2 million (2020: US$0).

Short Term Incentive Scheme

The Company's Short Term Incentive (**"STI"**) Scheme provides cash pay-outs 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.*

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. Pay-out of the STI award is dependent upon final approval by the compensation and talent committee.

Deferred Share Plan

In 2021, equity-settled awards were granted to certain key senior managers and directors under the Deferred Shares Plan (**"DSP"**), which are subject to a two year 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, 2021.

Long Term Incentive Scheme

In 2021, equity-settled awards were granted to certain key senior managers under the Long-Term Incentive Plan (**"LTIP"**), which are subject to a three year vesting period from the date of the grant as well as a performance condition in line with shareholder interests. The fair value of the awards were determined using the Black-Scholes Model and an expense of US$4 was incurred as of December 31, 2021.

Value growth cash-based multi-year incentive plans

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

Vesting is based on the attainment of certain Key Performance Indicators ("**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.

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.

22 EVENTS AFTER THE REPORTING PERIOD

Ongoing conflict between Russia and Ukraine

As of May 24, 2022, the conflict between Russia and Ukraine remains ongoing. Please refer to Note 23 for further details.

Financing activities

In February 2022, VEON Holdings B.V. repaid 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 is guaranteed by VEON Holding B.V. and has a Maturity of February 2029. The proceeds from this facility will be used for general corporate purposes, including the financing of intercompany loans to PJSC VimpelCom.

In February 2022, the maturity of the revolving credit facility (RCF) was extended one year until March 2025.

In February 2022, VEON Holdings B.V. has drawn US$430 under the RCF. The outstanding balance can be rolled over until maturity in 2025.

In February 2022, VEON Holdings B.V. repaid the 7.50% Note of US$417 which became due in March 2022.

In February 2022, Jazz, a subsidiary of the Company in Pakistan, fully utilized the remaining PKR 40 billion (US$222) available under their line of credit.

In March 2022, VEON Finance Ireland DAC prepaid a RUB 30 billion (US$259) Term Facility Agreement with VTB Bank in accordance with its terms, and the facility has been cancelled.

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 currency regulations following a presidential decree, they could no longer participate in the RCF. As a result, their available commitments were cancelled and the total available credit under the RCF reduced from US$1,250 to US$1,055.

In April 2022, the drawn portion from Alfa Bank under the RCF (US$43) was repaid. The drawn portion from Raiffeisen Bank Russia (US$24) is to be repaid by the end of May 2022.

In April 2022, VEON novated two group-level loans, with Sberbank and Alfa Bank respectively, and totaling RUB 90 billion (US$1,070), to PJSC VimpelCom, with the former borrower, VEON Finance Ireland DAC and the former guarantor, VEON Holdings B.V., having been released from their obligations.

In April 2022, VEON Holdings BV and VEON Digital Amsterdam BV extended the maturity of the intercompany loan until April 2023.

In March 2022, Kyivstar, a subsidiary of the Company in Ukraine, prepaid a UAH 1,350 million (US$46) loan with JSC CitiBank, prepaid a portion of a UAH 1,677 million loan with Alfa Bank (UAH 1,003 million (US$34) repaid), and in April 2022 prepaid a portion of a UAH 1,275 million loan with JSC Credit Agricole (UAH 940 million (US$32) repaid).

In April 2022, Jazz signed a PKR 40 billion (US$220) syndicated loan with a 10 year maturity.

In April 2022, Banglalink, a subsidiary of the Company in Bangladesh, signed a BDT 12 billion (US$139) syndicated loan with a five years maturity.

In April and May 2022, VEON Holdings B.V. has received US$610 following a utilization under the RCF. This amount can be rolled until maturity.

Other developments

On March 31, 2022, Banglalink acquired new spectrum for a fee of US$205 payable in 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 4G license renewal with the PTA for a fee of PKR 45 billion (US$486) for fifteen years, of which 50% has been settled, and the remaining amount will be paid in five equal annual installments.

In March 2022, the Company entered into an agreement for the sale of Georgia, an operating segment of the Company, and obtained regulatory and corporate approvals in May 2022. The transaction is expected to be completed in Q2 2022 for a sale price of US$45. The net assets of Georgia includes material cumulative currency translation losses as of December 31, 2021, which will be recycled through the consolidated income statement upon the completion of the sale.

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.

Notification from NASDAQ on Minimum Share Price Requirement

On April 12, 2022, VEON confirmed that on April 7, 2022 VEON received notification from the Listing Qualifications Department of NASDAQ that VEON is not in compliance with the minimum bid price requirement set forth in NASDAQ's Listing Rule 5550(a)(2). This does not impact current NASDAQ listing and trading, and VEON will evaluate options to return to compliance.

VEON announced its intention to establish a new parent holding company in the United Kingdom

On February 3, 2022, VEON announced its intention to move its group parent company to the United Kingdom, with the introduction of a newly formed UK incorporated public limited company (the "new UK Parent Company") as the top holding company of the VEON Group. It was expected that the new UK Parent Company would replace VEON Ltd. as the VEON Group's ultimate parent company by way of a Bermuda court-approved scheme of arrangement. VEON has since suspended all activities related to the previously proposed re-domiciliation of VEON Ltd. to the United Kingdom and will continue to consider the optimal corporate structure for the Group.

2. 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 and adopted by the European Union, 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, 2020 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.

ONGOING CONFLICT BETWEEN RUSSIA AND UKRAINE

As of May 24, 2022, hostilities continue in Ukraine. 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 May 24, 2022, most of our Ukraine subsidiary's employees remain in the country. As of April 15, 2022, millions of people have fled Ukraine and the country has sustained significant damage to infrastructure and assets.

If the ongoing conflict persists, we could lose a 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. We have been and also will 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. Furthermore, as a response to the imposed sanctions, Russia recently 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.

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, and the consequences of all the foregoing, have negatively impacted and will continue to negatively impact our operations and results in Russia and Ukraine, and may affect 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:

- 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. Currently, a significant majority of Ukraine's network infrastructure is operating effectively and disruptions in service are limited to specific areas where the conflict is most intense.
- We anticipate that we will report material impairment charges with respect to assets in Ukraine and/or Russia during 2022. If there is a significant improvement in the current underlying conditions, including a lasting resolution of the ongoing conflict, this will enable positive adjustments to our business plans. We are still gathering the necessary data and we are not able at this time to estimate the amount or range of this potential impairment charge to the profit and loss statement. It is possible these 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. Due to the current developments that impact the value of the Company, the recoverability of the loan receivable of US$1,361 due from VEON Amsterdam B.V. may also be materially impacted. The conflict is considered a non-adjusting subsequent event in accordance with IAS 10, Events after the reporting period, and as such, any impairment charge reported in 2022 does not impact the valuation of our assets and operations as of December 31, 2021. While the financial performance of Ukraine has been significantly impacted in 2022, our operations in Ukraine represents 14% of our revenue for the year ended December 31, 2021 and as such, there is no significant impact to group's financial performance as a whole. Further, there are no interdependencies of Ukraine's operations with the other operating segments.
- In Russia, macroeconomic conditions and outlook have deteriorated significantly since the beginning of the conflict. We expect our results of operations in Russia on a U.S. dollar basis to be lower for the foreseeable future compared to results prior to the onset of the conflict, largely due to the volatility of the Russian ruble.
- As of May 24, 2022, the Company has concluded that neither VEON Ltd. nor any of its subsidiaries is subject to any sanctions imposed by 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. For example, to protect US foreign policy and national security interests, the US government has broad discretion to at times impose a broad range of extraterritorial "secondary" sanctions under which non-US 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 US 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 US 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 the Company's operations and business plans in Russia and Ukraine.
- Based on the current state of affairs, the Company currently has sufficient liquidity to satisfy our current obligations at least over the next twelve months from the issuance of the financial statements without the needs of additional financing. Our current liquidity forecast assumes the completion of the anticipated sale of our business in Algeria as disclosed in Note 10, the remaining availability of the revolving credit facility, and no early repayments of our long-term debt. The Company also expects to meet its financial covenants as required by our debt agreements during the same period. However, these are highly 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 on a regular and continuous basis both at the group and operating company levels. A continued 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, 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.

- 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, there are laws under review by the Ukrainian government regarding nationalization of property and assets in Ukraine with association to the Russian Federation. Such measures, if adopted and applied in relation to either our Ukrainian or Russian subsidiary, or both, could lead to the involuntary deconsolidation of our Ukrainian and/or Russian operations. Additionally, 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.

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.
- The Company has performed sensitivities on the volatility of the Russian ruble 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. Refer to Note 18 for additional details.
- 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. This resulted in the release of the former borrower (VEON Finance Ireland DAC) and the former guarantor (VEON Holdings BV) from their obligations. In addition, the novation of these loans has allowed VEON to ensure that the majority of the Group's RUB liabilities are held within Russia and as such are matched to the market where RUB revenues are generated, enabling further review of the capital structure of PJSC VimpelCom.
- 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.
- 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. The United States imposed sweeping new 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 will negatively impact our operations and results of operation in Russia. 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 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 twelve 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.

24 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 2021

During 2021, the IASB issued an amendment to IFRS 16 'Leases', providing an option to apply a practical expedient in respect of accounting for certain rent concessions arising as a direct consequence of COVID-19, such as rent holidays and temporary rent reductions. Under this amendment, which became effective in 2021, lessees are exempted from having to consider whether these rent concessions are lease modifications. The Group has chosen not to apply the practical expedient available, and will therefore account for any rent concessions as lease modifications

Not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2021 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.

Amsterdam,

May 24, 2022

VEON Holdings B.V.

Company financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

Before appropriation of profit

as at December 31

(In millions of U.S. dollars)	Note	2021	2020
Assets			
Non-current assets			
Financial fixed assets	1	7,218	7,520
Total non-current assets		**7,218**	**7,520**
Current assets			
Receivables	2	830	1,115
Cash and cash equivalents	3	1,391	855
Total current assets		**2,221**	**1,970**
Total assets		**9,439**	**9,490**
Equity and liabilities			
Equity			
Issued capital		34	37
Capital surplus		10,294	10,487
Reserve results of subsidiaries		1,033	525
Foreign currency translation reserve		(6,729)	(6,574)
Retained earnings / (accumulated deficit)		(3,459)	(2,803)
Result for the year		809	(143)
Total equity	4	**1,982**	**1,529**
Provisions	5	**42**	**7**
Non-current liabilities	6	**5,504**	**7,297**
Current liabilities	7	**1,911**	**657**
Total equity and liabilities		**9,439**	**9,490**

COMPANY INCOME STATEMENT

for the year ended December 31

(In millions of U.S. dollars)	Note	2021	2020
General and administrative expenses	11	(13)	(19)
Recharged expenses to group companies		1	5
Operating profit / (loss)		**(12)**	**(14)**
Income from guarantee provided		—	6
Finance income	12	272	345
Finance expenses	12	(435)	(446)
Profit / (loss) before tax		**(175)**	**(109)**
Income tax	13	(48)	(13)
Share in results of subsidiaries after tax and result on sale of subsidiary	14	1,032	(21)
Net result		**809**	**(143)**

COMPANY AND GROUP ACTIVITIES

VEON Holdings B.V. ("**VEON**" or the "**Company**"), was incorporated on June 29, 2009. The Company has its statutory seat and its principal place of Business at Claude Debussylaan 88 in Amsterdam.

The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

For details of the Company's and its group of companies ("**VEON Group**") principal activities, reference is made to Note 1 (General information) to the Consolidated Financial Statements.

ACCOUNTING POLICIES

General

The Company 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 as endorsed by the European Union, except for the accounting policies disclosed below. For an appropriate interpretation, the Company financial statements should be read in conjunction with the consolidated financial statements.

The Company financial statements are presented in United States dollars ("U.S. dollar" or "US$"). In these financial statements, U.S. dollar amounts are presented in millions, except as otherwise indicated.

Comparison with previous year

The valuation principles and method of determining the results are the same as those used in the previous year.

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 derecognized 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 assets and liabilities 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.

Amounts due from investments in subsidiaries are stated initially at fair value and subsequently at amortized cost. Amortized cost is determined using the effective interest rate

Business combinations under common control

Business combinations under common control are accounted for using the carry-over accounting method. Accordingly, all assets and liabilities of the business acquired are recognized at the carrying value of those assets and liabilities as identified and measured in the consolidated financial statements of the Company. The resulting net assets from the business combination are recognized as an investment in subsidiary in the financial statements of the Company on the date of the business combination under common control. The difference between the net book value of the net asset acquired and the purchase consideration paid is recognized directly in Equity as a contribution in kind from or a dividend to the parent company, and it is recorded as a capital surplus. No goodwill or bargain purchase is recognized. The results of operations of acquired businesses are included in the company financial statements from the date of acquisition (i.e. no retrospective restatements in the company income statement).

Equity interests

For a full list of equity interests, reference is made to the list including entity details filed in accordance with Articles 379 and 414, Title 9 of Book 2 of the Dutch Civil Code at the Dutch Chamber of Commerce.

(in millions of U.S. dollars unless otherwise stated)

NOTES TO THE COMPANY FINANCIAL

1 FINANCIAL FIXED ASSETS

	2021	2020
Investment in subsidiaries	3,687	3,040
Long-term loans to group companies	2,129	2,810
Long-term loans to subsidiaries of the ultimate parent	1,361	1,663
Other financial assets	41	7
Balance as at December 31	**7,218**	**7,520**

Investment in subsidiaries

Movements in investments in consolidated subsidiaries were as follows:

	2021	2020
Balance as at January 1	**3,040**	**3,527**
Capital contribution / (distribution)	796	(672)
Acquisition of / investment in subsidiaries	936	1,531
Result of participating interests after tax	267	(21)
Share premium distributions	(236)	—
Disposal of subsidiaries	(141)	—
Acquisition of non-controlling interest	(79)	—
Deemed distributions due to loan novation/loan forgiveness	(293)	—
Dividend received from subsidiaries	(456)	(748)
(Reclassification) / Allocation of subsidiary losses*	—	(122)
Currency translation adjustments	(144)	(436)
Other comprehensive (loss) / income related to subsidiaries	(3)	(16)
Other	—	(3)
Balance as at December 31	**3,687**	**3,040**

** This represents the reclassification of allocated of negative value investments in subsidiary against other long term assets deemed to be part of the total net investment in 2019, and subsequently reversed in 2020 upon a return to profitability of the subsidiary.*

Restructure of Golden Telecom Inc.and Bardym Enterprises Limited

In October 2020, the Company purchased all of the shares in Bardym Enterprises Limited (**"Bardym"**) from its wholly-owned subsidiary, Golden Telecom Inc. (**"GTI"**), against a loan note of US$360. The investment in subsidiary was initially recognized based on the net asset value of Bardym of US$618, presented within "Acquisition of / investment in subsidiaries", while the excess in net asset value over consideration paid to GTI resulted in a reduction in the book value of Investment in PJSC "Vimpel-Communications" of US$258, presented as "Capital contribution/(distribution)".

At the time of this transaction, Bardym held 2,138 shares in its former parent, GTI (the "GTI shareholding"). In November 2020, Bardym resolved to distribute the GTI shareholding to the Company, against a reduction of the share premium account. As of December 31, 2020, the distribution from Bardym had not been received by the Company, thus resulting in the recognition of a receivable from Bardym equal to US$414, being the net asset value of the GTI shareholding, against a reduction in investment in subsidiary (presented as Capital contribution/(distribution)').

In January 2021, the Company received the GTI shareholding. Subsequently, in February 2021, the Company contributed the entire GTI shareholding to its wholly-owned subsidiary, PJSC "Vimpel-Communications."

In May 2021, the Company received a share premium distribution from Bardym of US$236, against the assignment of loan receivable from PJSC "Vimpel-Communications", accordingly recognizing the distribution against the value of investment.

Other developments

In September 2021, there was a transfer of investment relating to Unitell LLC from PJSC "Vimpel-Communications" to the Company that was recognized separately by the company as investment in VEON UZB by reducing the PJSC "Vimpel-Communications" investment at the net asset value of US$163.

(in millions of U.S. dollars unless otherwise stated)

In December 2021, the Company also acquired investment in Telecom Ventures Limited and International Wireless SA from Luxembourg entities at a net asset value for US$80 and US$813 respectively.

During the year, the Company was also assigned intercompany loans receivable from LLC Veon Georgia with a carrying value of US$406 by VEON Luxembourg Finance S.A. against the fair value of US$1 dollar. Since this was a common control transaction and the loan value was determined to be US$1, the Company accordingly adjusted the value of loan to reflect the fair value of loan and deemed distribution by its Luxembourg subsidiary.

GTH restructuring

In April 2020, the Company acquired all of the shares in GTH Finance B.V. ("GTHFBV") from GTH, in exchange for consideration of US$100 thousand. Subsequently, in May 2020, the Company effected a legal merger with GTHFBV. As a result of the merger, the net assets of GTHFBV became directly owned by the Company. The net assets of GTHFBV were recognized at carry-over value with effect from May 2020, against the disposal at book value of the original investment in GTHFBV.

Long-term loans to group companies

	2021	2020
Balance as at January 1	**2,810**	**2,868**
New loans granted and advances	713	2,028
Receipts during the year	(1,100)	—
Reclassification to short term	(341)	(2,217)
Reclassification from short term	27	—
Reclassification from investment	—	122
Unrealized foreign exchange gain / (loss)	20	2
Others	—	7
Balance as at December 31	**2,129**	**2,810**

As of December 31, 2021, the carrying amounts of all long-term loans to group companies are equal to or approximate their respective fair values.

Significant activities in 2021

In January 2021, the Company granted intercompany loans to various group entities totaling US$713. These primarily relates to loans to PJSC "Vimpel-Communications" of US$361 and a transferred investment loan to Bardym Enterprise Limited of US$235. The loan to PJSC "Vimpel-Communications" of US$361 is under existing credit facility a RUB-equivalent amount of US$377 signed in December 2020. The loan has a maturity date of December 2024 with a fixed interest rate of 8.75%. In July 2021, VEON Holdings B.V.(new lender) as transferee entered into a deed of transfer with Bardym Enterprises Limited as Transferor (existing Lender), whereby the transferor transferred investment of US$235 and related accrued interest in PJSC "Vimpel-Communications(Lender) under intercompany loan agreement. The loan has a maturity date of May 2024 with a fixed interest rate of 3.0%.

In December 2021, the amount due from PJSC "Vimpel-Communications" relating to different intercompany loans totaling US$1,100 was received.

Significant activities in 2020

In August 2020, the Company granted three term loans totaling RUB 105 billion (US$1,423) to its wholly-owned subsidiary in Russia, PJSC "Vimpel-Communications". Two of the loans have a maturity date in August 2024 with a fixed interest rate of 8.75%, while the third loan matures in August 2023, with a fixed interest rate of 8.50%.

In December 2020, the Company signed a credit facility agreement with PJSC "Vimpel-Communications" for a RUB-equivalent amount of US$377, with a maturity date in December 2024. The interest rate under the credit facility agreement is 8.75%. In January 2021 the Company provided US$361 to PJSC "VimpelCommunications", drawn under the credit facility agreement.

In February and March 2020, the Company granted two term loans of US$345 an US$15 respectively to its wholly-owned subsidiary, VEON Pakistan Holdings B.V. The two loans have a maturity date in February 2023 with a fixed interest rate of 3.5%.

In February 2020, the Company granted a term loan of US$245 its wholly-owned subsidiary, VEON Bangladesh Holdings B.V. The loan had a maturity date in February 2023 with a fixed interest rate of 3.5%.

Notes to the Company statement of financial position
(in millions of U.S. dollars unless otherwise stated)

Long-term loans to subsidiaries of the ultimate parent

	2021	2020
Balance as at January 1	**1,663**	**—**
New loans granted and advances	60	344
Reclassification from short term	—	1,309
Reclassification to short term	(341)	—
Reclassification	(21)	10
Balance as at December 31	**1,361**	**1,663**

Loans to VEON Amsterdam B.V. amounting US$1,361 at December 31, 2021, are callable on demand. The amounts receivable accrue interest at a variable rate of LIBOR +0.4%. As of December 31, 2021, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date. In February 2021, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this short-term loan by a further 12 months, with an automatic extension option up to a maximum of a further 36 months, resulting in a maximum final maturity date of August 2024.

In 2021, the Company also granted a term loans of US$52 to its immediate parent VEON Amsterdam B.V under its existing credit facility. The loans have a maturity date of August 2022 with a variable interest rate of LIBOR +0.4%.

In April 2020, the Company granted a term loan of US$300 to VEON Digital Amsterdam B.V., a subsidiary of its immediate parent. The loan has a maturity date of April 2022 with a floating interest rate of LIBOR +2.5%.

In March, July and December 2020, the Company granted a term loan of US$6, US$5 and US$3 respectively to VEON Digital Limited, a subsidiary of its immediate parent. The loans have a maturity date of May 2022 with a variable interest rate of LIBOR +0.6%.

2. RECEIVABLES

	2021	2020
Loans to subsidiaries of the ultimate parent*	316	—
Loans to group companies*	347	357
Amounts due from group companies	99	606
Dividend receivables	—	110
Accrued interest	52	30
Net derivative asset	—	9
Tax advance	—	2
Other receivables and prepayments	15	1
Balance as at December 31	**830**	**1,115**

**prior period comparative have been adjusted to conform with current year presentation*

Loans to subsidiaries of the ultimate parent

The following table shows the movements in loan to subsidiaries of the ultimate parent during the year:

	2021	2020
Balance as at January 1	**—**	**1,309**
New loans	21	—
Receipts during the year	(46)	—
Reclassification to long term	—	(1,309)
Reclassifications from long term	341	—
Balance as at December 31	**316**	**—**

Loans to group companies

The following table shows the movements in loan to group companies during the year:

	2021	2020
Balance as at January 1	**357**	**427**
New loans	17	27
Offset of loans	—	—
Repayment of loans	(334)	(1,924)
Reclassification from long term	341	2,217
Reclassifications	(27)	—
Foreign exchange result	(7)	(390)
Balance as at December 31	**347**	**357**

Amounts due from group companies

For 2020, amounts due from group companies were mainly comprised of a distribution receivable from Bardym, a wholly-owned subsidiary of the Company. For further details of this transaction, refer to Note 1.

3. CASH AND CASH EQUIVALENTS

All cash at bank and in hand is at the Company's free disposal.

As of December 31, 2021, some bank accounts forming part of a cash pooling program and being an integral part of the Company's cash management remained overdrawn by US$1 (2020: US$1). 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 financial liabilities within the statement of financial position.

4. EQUITY

for the year ended December 31, 2021

(In millions of U.S. dollars)	Issued capital	Capital Surplus	Reserve Results of Subsidiaries	Foreign currency translation	Retained Earnings / (accumulated deficit)	Result for the year	Total equity
As at January 1, 2021*	**37**	**10,487**	**525**	**(6,574)**	**(2,803)**	**(143)**	**1,529**
Profit for the period	—	—	—	—	—	809	809
Other comprehensive loss	—	—	—	(158)	(3)	—	(161)
Total comprehensive loss	**—**	**—**	**—**	**(158)**	**(3)**	**809**	**648**
Result appropriation	—	—	—	—	(143)	143	—
Movement in legal reserve due to currency restrictions	—	—	508	—	(508)	—	—
(Distributions to) / capital contributions from parent	—	36	—	—	—	—	36
Transfer of loan to shareholder	—	(150)	—	—	—	—	(150)
Transactions with non-controlling interest partners	—	(79)	—	—	—	—	(79)
Revaluation of issued capital	(3)	—	—	3	—	—	—
Other	—	—	—	—	(3)	—	(3)
As at December 31, 2021	**34**	**10,294**	**1,033**	**(6,729)**	**(3,460)**	**809**	**1,982**

for the year ended December 31, 2020

	Issued capital	Capital Surplus	Reserve Results of Subsidiaries	Foreign currency translation	Retained Earnings / (accumulated deficit)	Result for the year	Total equity
As at January 1, 2020	**34**	**10,880**	**571**	**(6,108)**	**(3,379)**	**522**	**2,520**
Profit for the period	—	—	—	—	—	(143)	(143)
Other comprehensive loss	—	—	—	(436)	(16)	—	(452)
Total comprehensive loss	**—**	**—**	**—**	**(436)**	**(16)**	**(143)**	**(595)**
Result appropriation	—	—	—	—	522	(522)	—
Movement in legal reserve due to currency restrictions	—	—	(46)	—	46	—	—
(Distributions to) / capital contributions from parent	—	(393)	—	—	—	—	(393)
Revaluation issued capital	3	—	—	(3)	—	—	—
Other	—	—	—	(27)	24	—	(3)
As at December 31, 2020	**37**	**10,487**	**525**	**(6,574)**	**(2,803)**	**(143)**	**1,529**

In August 2021, VEON Luxembourg Finance S.A and VEON Amsterdam B.V. signed a transfer deed whereby VEON Luxembourg Finance S.A. (a subsidiary of the Company) transferred the rights and all obligation relating to loan receivable from VC-ESOP (a subsidiary of the ultimate parent company) for US$150 to VEON Amsterdam B.V. for a consideration of one US dollar and is considered as deemed dividend for these financials.

In March, June and September 2020, the Company made capital distributions to its shareholder of US$270, US$71 and US$52 respectively.

(in millions of U.S. dollars unless otherwise stated)

Issued capital

Reference is made to Note 19 (Issued capital and reserves) to the Consolidated Financial Statements. The issued capital is nominated in EUR. In accordance with Article 373, paragraph 5, Title 9 of Book 2 of Dutch Civil Code the issued capital is translated into U.S. Dollars at the rate of exchange ruling at the balance sheet date EUR 1 = USD 1.1373 (2020: EUR 1 = USD 1.2216).

Capital surplus

Capital surplus represents primarily contributions into the Company from the shareholders.

Results of subsidiaries

The reserve Results of subsidiaries comprise the amount of profits that cannot be repatriated from subsidiaries due to dividend distribution restrictions, as well as withholding tax for undistributed profits in subsidiaries that are not covered by deferred tax liabilities.

Appropriation of result

The Board of Directors proposes to add the profit for the year of US$809 to the retained earnings / accumulated deficit. This has not been reflected in these financial statements.

Equity reconciliation between consolidated financial statements and the company financial statements

	2021	2020
Consolidated equity	1,982	1,528
Company - only equity	1,982	1,529
Difference	**—**	**(1)**

5. Provisions

	2021	2020
Deferred tax liability on withholding tax	41	5
Provision for the net liability balances of its loss-making subsidiaries	1	0
Restructuring provision	—	2
Balance as at December 31	**42**	**7**

The Company has determined that it has a constructive obligation with respect to the liabilities of its subsidiaries. As such, the Company has recorded a provision for the net liability balances of its loss-making subsidiaries.

The deferred tax liability relates to the withholding tax on undistributed earnings from subsidiaries. The movements in deferred tax liability were as follows:

	2021	2020
Balance as at January 1	5	6
Net movement tax liability	36	(1)
Balance as at December 31	**41**	**5**

The restructuring provision relates to staff redundancies at the corporate headquarters in Amsterdam and is expected to be settled in less than one year. The movements in the restructuring provision were as follows:

	2021	2020
Balance as at January 1	2	4
Arising during the year	2	—
Utilized	(4)	(2)
Balance as at December 31	**—**	**2**

6. NON-CURRENT LIABILITIES

	2021	2020
Bonds, net of discounts and unamortized fees	4,682	4,839
Bank loans, net of discounts and unamortized fees	404	1,893
Long- term loans due to group companies	405	563
Accrued interest loans due to group companies	13	2
Balance as at December 31	**5,504**	**7,297**

Bonds, net of deferred expenses and amortization adjustments

The movements in bonds were as follows:

	2021	2020
Balance as at January 1	4,839	2,787
New bonds	273	1,983
Transfer on merger	—	696
Reclassification to short-term	(417)	(607)
Amortization	(6)	(8)
Foreign exchange result	(7)	(12)
Balance as at December 31	**4,682**	**4,839**

Significant activities in 2021

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.

Significant activities in 2020

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.

In April 2020, VEON Holdings B.V. established a Global Medium Term Note program for the issuance of bonds (the "MTN Program"), with a program 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 MTN Program, maturing in June 2025, September 2025 and November 2027.

In May 2020, upon completion of the legal merger with GTHFBV, the Company assumed the obligations of GTHFBV. This included existing US$700 7.25% notes due April 2023.

In December 2020, VEON Holdings B.V. completed optional early redemption of all of its outstanding US$600 million 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 101.0% of the principal amount thereof, plus accrued and unpaid interest and additional amounts due thereon.

Notes outstanding as at December 31, 2021

Notes	Due date	Currency	Interest rate	Principal amount outstanding 2021	2020
Notes	March 2022	USD	7.5043%	417	417
Notes	February 2023	USD	5.95%	529	529
Notes	April 2023	USD	7.25%	700	700
Notes	September 2026	RUB	8.13%	269	—
Notes	June 2024	USD	4.95%	533	533
Notes	June 2025	RUB	6.30%	269	271
Notes	September 2025	RUB	6.50%	135	135
Notes	April 2025	USD	4.00%	1,000	1,000
Notes	November 2027	USD	3.375%	1,250	1,250
Total notes non-current				**5,102**	**4,835**

Bank loans

The Company had the following principal amounts outstanding for interest-bearing bank loans at December 31:

Lender	Type of debt	Guarantor	Currency	Interest rate	Maturity	Principal amount outstanding 2021	2020
Alfa Bank	Loan	None	RUB	4.95%	2025	—	406
VTB Bank	Loan	None	RUB	4.00%	2025	404	406
Sberbank	Loan	None	RUB	CBR Key Rate + 2.20%	2023	—	677
Sberbank	Loan	None	RUB	7.35%	2024	—	406
Total bank loans						**404**	**1,895**

Significant activities in 2021

In March 2021, VEON successfully entered into a new multi-currency revolving credit facility agreement (the "RCF") of US$1,250. The RCF replaced the revolving credit facility signed in February 2017, which is now cancelled. The RCF has an initial tenor of three years, with VEON having the right to request two one-year extensions, subject to lender consent. International banks from Asia, Europe and the US have committed to the RCF. The new RCF caters for USD LIBOR cessation with the secured overnight financing rate ("SOFR") administered by the Federal Reserve Bank of New York USA agreed as the replacement risk free rate with credit adjustment spreads agreed for interest periods with a one month, three month and six month tenor. SOFR will apply to interest periods commencing on and from October 31, 2021. VEON will have the option to make each drawdown in either U.S. dollars or euro.

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 has a five-year term. In April 2021, the proceeds from Alfa Bank new tranche of RUB 15 billion (US$198) were used to early repay RUB 15 billion (US$198) of loans from Sberbank, originally maturing in June 2023.

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.

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.

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.

Significant activities in 2020

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 has been set to March 2025.

In March 2020, VEON Holdings B.V., executed two drawdowns under its existing revolving credit facility for an aggregate amount of US$600. Although these drawdowns are short-term in nature, VEON Holdings B.V. has an enforceable right to roll them over until final maturity date of the facility in February 2022. All outstanding drawdowns under this facility have been fully repaid during June 2020 (US$100) and July 2020 (US$500). In March 2021, VEON entered into a new multi-currency revolving credit facility agreement.

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 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 p.p.

In July 2020, VEON drew down the remaining RUB12.5 billion available under the facility agreement with Sberbank. 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 re-borrowed.

Fair value

The fair value of the bonds and bank loans as at December 31, 2021 is US$5,530 (2020: US$7,067)

7 CURRENT LIABILITIES

	2021	2020
Short-term loan payable to group companies	268	428
Short term bonds payable	417	—
Accrued Interest	4	15
Short-term portion of bank loans	—	—
Interest payable bondholders	56	46
Short-term payable to group companies	1,148	136
Short-term derivatives	8	22
Bank overdraft	1	1
Accrued expenses and other payables	10	9
Balance as at December 31	**1,911**	**657**

During the year, the Company acquired direct ownership in International Wireless Communications Pakistan Limited and Telecom Ventures Limited from VEON Pakistan holdings and VEON Bangladesh Holdings (wholly owned indirect subsidiaries of the Company) for consideration payable as at December 31, 2021, of US$948 and US$132 respectively. Since the Company is the ultimate shareholder of these entities, the settlement of the short-term payable to group companies is at the full discretion of the Company.

The fair value of the current liabilities approximates the book value, due to their short-term character. All current liabilities fall due within one year.

Movements in short-term loans payable to group companies were as follows:

	2021	2020
Balance as at January 1	428	844
Additions	310	915
Repayments	(465)	(1,821)
Reclassification from long term	163	607
Offset of intercompany loans	(143)	—
Reclassifications	(22)	(26)
Foreign exchange result	(3)	(91)
Balance as at December 31	**268**	**428**

8. WORKFORCE

The staff employed by the Company have administrative functions in the headquarters of the Group which is located in the Netherlands. The average number of staff employed by the Company in 2021 was 18 (2020: 44). These employees are located in the Netherlands.

9. COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

Fiscal unity

The Company, together with its Dutch group companies VEON Amsterdam B.V., VEON Wholesale Services B.V., VEON Georgia Holdings B.V., VEON Micro Holdings B.V., VEON Armenia Holding B.V., VEON Global Services B.V., VEON Digital Amsterdam B.V., VEON Central Procurement B.V., and VimpelCom Amsterdam Finance B.V., constitutes a fiscal unity for Corporate Income Tax purposes. Current taxes are settled and accounted for within this fiscal unity as if each company were an independent taxable entity.

The Company forms part of a fiscal unity for value added tax purposes with VEON Ltd., VEON Amsterdam B.V., VEON Digital Amsterdam B.V., VEON Global Services B.V., VEON Central Procurement B.V. and Global Telecom Holding S.A.E..

The fiscal unities make these companies jointly and severally liable for tax liabilities of the fiscal unity.

Balance and interest set-off agreement

On September 26, 2019 the Company, together with other subsidiaries of VEON Ltd., entered into a multi-entity and multi-currency cash pooling agreement with Citibank. Each party to the agreement has irrevocably and unconditionally undertaken, as joint and several debtors, to Citibank to perform all payment obligations of each other party under the agreement. Before that date, the Company was party to the similar arrangement with ING bank.

Loan guarantees

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US$612 million equivalent) Term Facilities Agreement with Alfa Bank which includes a RUB 30 billion (US$408 million equivalent) fixed rate tranche and a RUB 15 billion (US$204 million equivalent) floating rate tranche, both with a maturity date of December 2026.

In December 2021, VEON Finance Ireland Designated Activity Company signed a RUB 45 billion (US$611 million equivalent) Term Facility Agreement with Sberbank with a floating rate. Maturity date of the facility is December 2026.

Both of the above mentioned facilities are guaranteed by VEON Holdings B.V. Subsequent to year end these loans were restructured and VEON Holdings B.V. was released of all the guarantees commitments, refer Note 22 (Subsequent Events) to the Consolidated Financial Statements.

10. FINANCIAL INSTRUMENTS

The Company's principal financial liabilities comprise of loans and borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Company's financial assets are primarily comprised of loans receivable from group companies and subsidiaries of the ultimate parent, as well as trade and other receivables, cash and short-term deposits that are derived directly from its operations.

For information regarding market risks on the Group's financial instruments, refer Note 18 (Financial Risk Management) to the Consolidated Financial Statements. In addition to these, the Company is exposed to credit risk with respect to loans to group companies, and foreign currency risk on foreign currency denominated loans to group companies.

11. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Salaries and wages	5	8
Social premiums	—	1
Pension expenses	—	1
Other general and administrative expenses	8	9
Total general and administrative expenses	**13**	**19**

12. FINANCE INCOME AND EXPENSES

	2021	2020
Finance income		
Interest income loans group companies	243	281
Interest income banks and others	3	13
Foreign exchange gain / (losses)	26	51
Total finance income	**272**	**345**
Finance expenses		
Interest expense loans group companies	(21)	(27)
Interest expense banks and others	(411)	(392)
Change in fair value derivatives gain / (losses)	(3)	(27)
Total finance expenses	**(435)**	**(446)**
Net financial (expense) / income	**(163)**	**(101)**

13. INCOME TAXES

	2021	2020
Withholding taxes	48	13
Total income tax	**48**	**13**

Income tax expense consisted of the following for the years ended December 31:

	2021	2020
Current withholding taxes	12	14
Deferred withholding taxes	36	(1)
Income tax expense	**48**	**13**

The statutory tax rate for 2021 was 15% for the first EUR 245,000 profit and 25% for all above. Disclosure on fiscal unity is included in Note 9 (Commitments not shown in the balance sheet). The difference between the effective tax rate and the statutory tax rate is the result of non-taxable income mainly relating to unrecognized losses and withholding taxes.

The table below outlines the reconciliation between the statutory tax rate in the Netherlands (25%) and the effective income tax rate for the Company:

	2021	2020
Profit / (loss) before tax from continued operations	(175)	(109)
Income tax expense / (benefit) computed on profit before taxes at statutory tax rate	(44)	(27)
Difference due to effects of:		
Unrecognized tax losses	44	27
Withholding taxes	48	13
Income tax (credit) / charge for the period	**48**	**13**
Effective tax rate	(27)%	(12)%

14. SHARE IN RESULTS OF SUBSIDIARIES AFTER TAX AND RESULT ON SALE OF SUBSIDIARY

	2021	2020
Share in results of subsidiaries after tax excluding NTC sale	931	(21)
Deferral of gain	(664)	—
Gain on sale of subsidiaries	765	—
Share in results of subsidiaries after tax and result on sale of subsidiary	**1,032**	**(21)**

On September 5, 2021, the Company signed an agreement for the sale of its direct subsidiary, NTC, with Service Telecom Group of Companies LLC, ST, for US$945. The transaction was subject to regulatory approvals and consummation of other customary closing conditions which were obtained and completed on December 1, 2021. The gain on sale of subsidiaries of US$765 is partially offset by the deferral of gain of US$664 in accordance with sale and leaseback accounting principles. For further details of this transaction please refer to Note 9 (Significant transactions) to the Consolidated Financial Statements.

15. SUBSEQUENT EVENTS

In January 2022, Global Telecom Netherlands BV and VEON Holdings BV signed a US$80 intercompany loan. VEON Holdings BV has drawn US$68 under this loan. The maturity is in March 2025.

In February 2022, PJSC VimpelCom repaid RUB 30 billion (US$400) under an intercompany loan with VEON Holdings. VEON Holdings used these funds to repay its RUB 30 billion (US$396) Term Facility Agreement with VTB Bank.

In April 2022, VEON Holdings BV and VEON Digital Amsterdam BV extended the maturity of the intercompany loan until April 2023.

For other subsequent events reference is made to Note 22 (Events after the reporting period) to the Consolidated financial statements and disclosed elsewhere in these Company financial statements, in addition to the items mentioned below.

16. ADDITIONAL NOTES TO THE COMPANY FINANCIAL STATEMENTS

The Company is part of the VEON Group and its operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company to be the key management personnel and finds it appropriate to disclose the compensation of the key management of the VEON Group. Disclosure is made in Note 21 (Related parties) to the Consolidated Financial Statements.

The statutory directors of the Company are employed and remunerated by VEON Ltd., VEON Digital Ltd., and VEON Holdings B.V. in respect of their services to the VEON Group as a whole. The total remuneration of current and former members of the statutory directors charged to the Company and its subsidiaries in 2021 amounted to US$0.2 million (2020: nil).

Principal Accountant Fees and Services

The Company has made use of the exemption of disclosing the audit fees, provided that the consolidated Annual Accounts of the parent company VEON Ltd., in which the accounts of the Company and its investments are included on a consolidated basis, are attached to the Company's accounts that are filed to the Trade register.

Signatories to the financial statements

Amsterdam, May 24, 2022

VEON Holdings B.V.

Board of Directors

Kaan Terzioglu

Director

Jochem Benjamin Postma

Director

Paulus (Paul) Klaassen

Director

OTHER INFORMATION

Provisions governing profit appropriation

Profit is appropriated in accordance with Article 19 of the Articles of Association, which states that the profits are placed at the disposal of the general meeting of shareholders.

Independent auditor's report

The independent auditor's report is set forth on the next pages.

Independent auditor's report

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Independent auditor's report

To: the general meeting and the board of directors of VEON Holdings B.V.

Report on the financial statements 2021

Our opinion

In our opinion:

- the consolidated financial statements of VEON Holdings B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2021 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of VEON Holdings B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2021 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2021 of VEON Holdings B.V., Amsterdam. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the following statements for 2021: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 31 December 2021;
- the company income statement for the year then ended;
- the notes, comprising the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

6XUJYERW23FV-1110842851-6890

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The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of VEON Holdings B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Material uncertainty related to going concern

We draw attention to the going concern paragraph in Note 23 of the financial statements which indicates that both the Group and the Company have been negatively impacted and will continue to be negatively impacted by the consequences of the Russian government's invasion of Ukraine (the ongoing conflict between Russia and Ukraine). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We refer to section 'Audit approach going concern' for further information on our audit procedures regarding the going concern assumption.

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud, going concern, and the findings resulting thereof in the context of our audit of the financial statements as a whole and our forming of an opinion thereon. The information we use in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach to fraud risk and the audit approach to going concern, was addressed in this context. We do not provide a separate opinion or conclusion on these matters.

Overview and context

VEON Holdings B.V. is a telecommunications company providing voice and data services through a range of traditional and broadband mobile and fixed-line technologies in various countries throughout the world, and it is an indirectly wholly-owned subsidiary of VEON Ltd. The Group is comprised of several components and therefore we considered our Group audit scope and approach as set out in the section 'The scope of our Group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Note 24 of the consolidated financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of goodwill and the valuation of 'uncertain income tax positions' and 'non-income tax provisions', we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report.

During the year, the Group concluded a transaction for the sale and leaseback of VEON's Russian mobile network tower assets to Service Telecom Group of Companies LLC. Given the magnitude and complexity of the transaction, the judgement required by management in applying accounting policies and the related higher inherent risk of material misstatement, we considered this to be a key audit matter.

The Group operates in countries which pose increased risks of non-compliance with anti-bribery and corruption laws and regulations. Due to this risk of non-compliance, we dedicated significant time and resources during our audit to this area and have therefore identified it as a key audit matter.

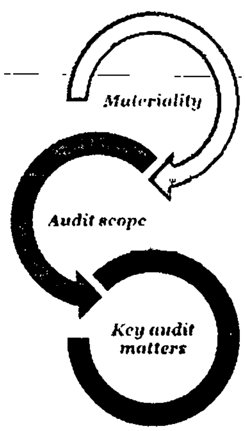
Furthermore, we spent significant time and resources to audit revenue recognition, which required us to ascertain the reliability of the systems and related controls in view of the existence of various legacy revenue systems throughout the Group. Consequently, we considered this to be a key audit matter.

The key audit matters referenced above are further explained in the section 'Key audit matters' of this report.

We discussed and considered the possible effects of climate change for the purpose of our audit.

We ensured that the audit teams at both Group and component level included the appropriate skills and competences which are needed for the audit of a telecommunications company operating in a global environment, including activities in emerging economies. We included experts and specialists in the areas of, amongst others, IT, tax, treasury, forensics, and valuations in our team.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: USD 80 million.

Audit scope

- We conducted audit work at the corporate headquarters in the Netherlands and at significant components of the Group in Russia, Pakistan, Algeria, Ukraine, Bangladesh and Uzbekistan.
- Virtual site visits were conducted with the component auditors of the six significant components.
- Audit coverage: 91% of consolidated Adjusted EBITDA, 90% of consolidated revenue and 94% of consolidated total assets.

Key audit matters

- Material uncertainty related to going concern (separate paragraph, 'Audit approach going concern')
- Valuation of goodwill
- Valuation of 'uncertain income tax positions' and 'non-income tax provisions'
- Sale and leaseback of Russian tower assets
- Compliance with anti-bribery and corruption laws and regulations
- Revenue recognition

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall Group materiality	USD 80 million (2020: USD 86 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used a percentage of Adjusted EBITDA. As disclosed in Note 2 of the consolidated financial statements, Adjusted EBITDA is defined by the Company as 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.
Rationale for benchmark applied	We used Adjusted EBITDA as the primary benchmark based on our analysis of the common information needs of the users of the financial statements. Adjusted EBITDA is predominantly used by the Company's stakeholders to assess the financial performance of the Group, given the volatility of the Company's profit before taxes.

	On this basis, we believe that Adjusted EBITDA is an important metric for the financial performance of the Company and, as such, an appropriate materiality benchmark.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall Group materiality. The range of materiality allocated across components was between USD 15 million and USD 60 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the Audit and Risk Committee of the Board of Directors that we would report to them any misstatement identified during our audit above USD 4 million (2020: USD 4.3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our Group audit

VEON Holdings B.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of VEON Holdings B.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall Group audit strategy and plan, we determined the type of work required to be performed at component level by the Group engagement team in the Netherlands and by each component auditor.

Of the VEON Holdings B.V. Group operating locations, as disclosed in Note 2 and Note 10 of the consolidated financial statements, the Group audit primarily focused on the significant components in Russia, Pakistan, Algeria, Ukraine, Bangladesh, and Uzbekistan. For these components, certain centralized processes and significant or higher risk areas, notably the valuation of goodwill and certain compliance procedures relating to anti-bribery and corruption laws and regulations, are processes included at the corporate headquarters in the Netherlands and are therefore in the audit scope of the Group engagement team.

We subjected the Russia, Pakistan, and Ukraine components to audits of their complete financial information, as those components are individually financially significant to the Group. We further subjected the Algeria, Bangladesh, and Uzbekistan components to audits of their complete financial information as they include significant or higher risk areas, notably in the areas of revenue recognition and compliance with anti-bribery and corruption laws and regulations. To obtain sufficient audit coverage based on our professional judgement, the corporate headquarters and certain non-significant components were also selected for specific audit procedures.

The Company engages various service organizations in its revenue and treasury processes, which are material to the financial statements. Audit work on the IT General Controls of these service organizations has been performed by their independent auditors who have prepared reports in accordance with ISAE 3402 'Assurance Reports on Controls at a Service Organization'.

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In order to take responsibility for the work performed by the independent auditors of the various service organizations, we assessed their objectivity and competence, reviewed their assurance reports that include the scope and results of the assurance procedures performed and performed our own testing of complementary user entity controls.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Adjusted EBITDA	91%
Revenue	90%
Total assets	94%

None of the remaining components represented more than 9% of total consolidated Adjusted EBITDA, 7% of total consolidated revenue or 4% of total consolidated assets. For the remaining components we performed, amongst other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The Group engagement team performed the audit work for the corporate headquarters in the Netherlands. For all components in the scope of the Group audit, we used component auditors who are familiar with the local laws and regulations to perform the audit work.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included, amongst others, our risk analysis, materiality and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual calls with each of the in-scope component audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters that could be of relevance for the consolidated financial statements.

The Group engagement team typically visits the component auditors of Russia, Pakistan, Algeria, Ukraine, Bangladesh and Uzbekistan. Due to circumstances surrounding COVID-19 in the current year, various travel restrictions were imposed worldwide. As such, the Group engagement team performed virtual site reviews for each of these locations, which included our review of selected working papers of the component auditors. We frequently met virtually with the component teams and local management throughout the year to ensure sufficient oversight. The component audit teams also participated virtually in the audit planning workshop hosted by the Group engagement team.

After the onset of the Russian government's invasion of Ukraine, we assessed the related impacts to the audit performed by our Ukraine component team. The majority of the Ukraine component audit was completed prior to the invasion and it was determined that local management had the ability to provide all evidence required to complete the audit. After the relocation of our Ukraine component team members to secure locations, the Ukraine component audit was completed in line with the original audit approach.

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The Group engagement team performed the audit work at the corporate headquarters on the Group consolidation, financial statement disclosures and a number of complex audit and accounting items. These included, amongst others, goodwill impairment assessment and the assessment and follow-up of the claims from whistle-blower allegations and other cases monitored at the corporate headquarters.

By performing the procedures outlined above at the components, combined with additional procedures exercised at Group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Audit approach going concern

In the going concern paragraph in Note 23 of the financial statements regarding the effects of the Russian government's invasion of Ukraine, management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and their actions to address these conditions.

In order to evaluate the appropriateness of management's use of the going concern basis of accounting, including management's expectation that their actions sufficiently address the identified going concern risks and the adequacy of the related disclosures, we performed the following procedures.

Based on our knowledge obtained regarding the entity, its environment and current financial situation, we assessed whether the information obtained regarding events or conditions that may result in going concern risks has been included in management's assessment. In addition, we have inquired of management as to their knowledge of going concern risks beyond the period of management's assessment.

Regarding management's actions to address the identified going concern risks, we:

- used internal and external information such as technical guidance, publicly available media sources and relevant government websites to consider whether there is adequate support for management's actions;
- read the terms of financing agreements and evaluated management's assessment as to the extent that conditions may impact the Company's current and future compliance with its financial and non-financial covenants as required by its financing agreements;
- reviewed legal positions taken by the Company and external legal advice received by management, where applicable, relating to the interpretation of the effects of relevant sanctions, to the novation of group-level loans with Sberbank and Alfa Bank to the Russia operating segment, and to impacts on financial and non-financial covenants, and evaluated the competence, capabilities and objectivity of the engaged law firm;
- evaluated whether the scenarios and assumptions applied in management's sensitivity analysis regarding the expected outcome of management's actions, including underlying significant assumptions, are reasonable;
- evaluated the consistency of management's actions with known and reasonably knowable information as of the issuance date of the financial statements; and
- evaluated the liquidity headroom as included in the cash flow forecast.

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To consider whether any additional facts or information have become available that may be relevant for the identified going concern risks, including management's expectation on the sufficiency of management's actions to mitigate the identified risks, we:
- read minutes of meetings of those charged with governance;
- inquired of management and board members;
- consulted publicly available information sources including global media outlets and relevant government websites;
- analyzed and discussed the entity's latest available interim financial statements and reconciled these with the underlying accounting records.

We evaluated whether the going concern risks including management's actions to address the identified risks have been sufficiently disclosed in notes to the financial statements. We found the disclosure in Note 23 of the financial statements, where management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern, to be adequate.

Audit approach fraud risks
We identified and assessed the risks of material misstatement in the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the internal control system. This includes management's risk assessment process, management's processes for responding to the risks of fraud and monitoring the internal control system, and how the board of directors exercises oversight, as well as the outcomes. We refer to section 'How we manage risks' of the directors' report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system including management's fraud risk assessment, the code of conduct, response to whistle blower allegations and other incidents, vendor due diligence, and employee access rights. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked relevant executives, directors (including internal audit, legal, compliance, human resources, treasury, finance, and cybersecurity directors) and the Audit and Risk Committee of the Board of Directors whether they are aware of any actual or suspected fraud and used this information for our fraud risk assessment.

As part of our process of identifying fraud risks, we, in close cooperation with our forensic specialists, evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following procedures:

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Identified fraud risk	Audit work and observations
The risk of management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. For the Group, we took into consideration the pressures that may exist for management to meet certain internal targets or expectations of external parties, to achieve executive bonus and compensation schemes, or to maintain a high degree of competition. That is why, in all our audits, we pay attention to the risk of management override of controls in: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • Estimates; • Significant transactions outside the normal course of business for the entity.	We evaluated the design and implementation of the internal control measures and assessed the effectiveness of the controls over the processes of generating and processing journal entries and making estimates. We also paid specific attention to the safeguards over access to IT systems and the possibility that these lead to violations of the segregation of duties. We performed journal entry testing by selecting journal entries based on risk criteria such as unexpected account combinations, the recording of journal entries by unexpected users, the existence of users with create and post functionality, unexpected entries to intercompany balances and entries meeting certain keyword search terms. We conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. We also focused on top-side entries recorded by management to ensure they were not inappropriate, unauthorized, or intentionally misstated to meet internal targets or expectations of external parties. We paid specific attention to significant transactions outside the normal course of business for the entity. We assessed the business rationale and accounting implications with respect to significant transactions, including the sale and leaseback of the Russian tower assets as described in the section 'Key audit matters' of this report. We also performed specific audit procedures to evaluate management estimates, including a look-back assessment of estimates to identify patterns indicating potential management bias. Refer also to procedures performed over estimates involved in the valuation of goodwill and the valuation of 'uncertain income tax positions' and 'non-income tax provisions' as described in the section Key audit matters' of this report. Finally, we performed specific audit procedures to ensure the appropriate elimination of intercompany accounts and transactions and to ensure proper identification and treatment of related party transactions. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.
The risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions or assertions give rise to the risk of fraud in revenue recognition. The Company's executive compensation agreements include a	We evaluated the design and implementation of the internal control measures that are intended to mitigate the risk of fraud in revenue recognition and assessed the effectiveness of the controls in the revenue and receivables processes, including the processes around the rating and discounting of Russian B2B tariffs. We also evaluated the design and assessed the effectiveness of internal control measures in the processes for generating and processing journal entries related to revenue. We concluded that we, in the context of our audit, could rely on the internal control procedures relevant to this risk. We selected and tested journal entries impacting revenue based on risk criteria tailored to the Company's revenue streams across

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Identified fraud risk	Audit work and observations
bonus structure for senior management based on KPI targets that are comprised of both strategic and financial metrics. This results-dependent bonus structure could potentially increase pressure on management to manipulate revenue. As such, we identified a risk of deliberate overstatement of revenue occurrence across operating components. We also identified a risk of inaccuracy in postpaid and fixed line business-to-business (B2B) revenues in Russia, as these revenue streams include a high volume of customized, non-public tariffs with business customers with an increased inherent risk of manipulation.	operating components (i.e., unexpected account combinations). We paid specific attention to the rationale behind any such entries. We also focused on top-side entries recorded by management to ensure they were not inappropriate, unauthorized, or intentionally misstated to overstate the occurrence of revenue. To assess the potential for overstatement of revenue, we specifically tested the end-to-end reconciliations between billing and rating systems and the general ledger, and reconciled voucher amounts and other top-up transactions to cash receipts. Finally, we tested material discounts and agreed invoices to underlying agreements and subsequent cash payments to assess the accuracy of postpaid and fixed line B2B revenues in Russia. We also confirmed accounts receivable with B2B and other corporate customers arising from mobile postpaid and fixed line services to substantiate the accuracy of revenue transactions. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the occurrence or accuracy of the Company's revenue reporting.
Compliance with anti-bribery and corruption laws and regulations	Refer to *Compliance with anti-bribery and corruption laws and regulations* in section "Key audit matters".

We incorporated an element of unpredictability in our audit. We reviewed lawyer letters and correspondence with regulators. During the audit we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. Whenever we identified any indications of fraud, we re-evaluated our fraud risk assessment and its impact on our audit procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Audit and Risk Committee of the Board of Directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

In comparison to the previous year, one key audit matter was added for the Company's Russian tower transaction. The remaining key audit matters are consistent with those reported in 2020 and are inherent to the nature of the Company's business and its operations.

We addressed the key audit matters in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.
In addition to the matter described in the 'Material Uncertainty Related to Going Concern section', we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matter	*Our audit work and observations*
Valuation of goodwill *Notes 11 and 13* As described in Notes 11 and 13 to the consolidated financial statements, the Company's consolidated goodwill balance amounts to USD 1,542 million at December 31, 2021. The Company conducts an annual goodwill impairment test as of September 30, or when circumstances indicate that the carrying value of goodwill may be impaired. Based on the annual goodwill impairment test in the current year, no impairment charge was recorded. Potential impairment is identified by comparing the recoverable value, in particular the fair value less cost of disposal, of a cash-generating unit ('CGU') to the carrying value. Fair value is estimated by management using a discounted cash flow model, based on cash flow projections from business plans prepared by management. In estimating the fair value of a cash-generating unit, 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. The Company's assumptions are affected by expected future market conditions and the continuing challenging economic and political environments in the territories where the Company's subsidiaries operate and which are inherently uncertain. The focus of our audit effort was the Russia CGU, given the magnitude of its goodwill balance and its history of impairment. The amount of goodwill associated with the Russia CGU as of 31 December 2021 was USD 1,084 million. We considered this area to be a key audit matter due to the magnitude of the goodwill balance as well as the fact that the determination of the fair value less cost of disposal is complex, subjective, and, given the estimation uncertainty, requires substantial judgement from management.	In the context of the annual goodwill impairment test, we have performed procedures, with the help of our valuation specialists, which varied in depth per CGU based on our risk assessment with respect to the volatility of the economic circumstances, the extent of the related goodwill balance as compared to our materiality used and the headroom available between the carrying value and the fair value less costs to dispose. We paid particular focus to the Russia CGU due to the magnitude of its goodwill balance and its history of impairment. Our audit procedures included, amongst others: • Assessing the appropriateness of management's identification of the Company's CGUs. • Evaluating the design and testing the operational effectiveness of the related internal controls, including the completeness, accuracy, and relevance of underlying data used in the models. • Performing a retrospective review of the prior year estimates by comparing the current year actual results to those projected in the prior year. • Testing the composition of future cash flow forecasts by evaluating (i) the current and past performance of the CGUs, (ii) the consistency with external market and industry data, and (iii) the corroboration of strategic initiatives with evidence obtained in other areas of the audit. Specific attention was given to the Russia CGU valuation of strategic initiatives and whether such initiatives could be corroborated from a market participant's perspective and the impact of the macroeconomic environments in Russia on the business plan. • Assessing any indications of management bias in determining the significant assumptions. • Recalculating the carrying values and confirming the exchange rates applied. • Assessing the adequacy of the Company's disclosures regarding assumptions, sensitivities and headroom as included in the accounting policies and in Note 11 to the financial statements. Our procedures did not result in material findings.
Valuation of 'uncertain income tax positions' and 'non-income tax provisions' *Notes 7 and 8* As described in Notes 7 and 8 to the consolidated financial statements, the Company recorded provisions of USD 158 million related to uncertain income tax	With the assistance of our tax specialists, our audit procedures included, amongst others: • Evaluating the design and testing the operational effectiveness of controls relating to 'uncertain

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Key audit matter	*Our audit work and observations*
positions and USD 88 million related to non-income tax at December 31, 2021. Given that the tax legislation in the markets in which the Company operates is unpredictable and gives rise to significant uncertainties, the Company's estimate of tax liabilities may differ from interpretations by the relevant tax authorities as to how regulations should be applied to actual transactions. Judgement 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. Judgement is also required by management in determining the degree of probability of an unfavourable outcome for non-income tax claims and the ability of management to make a reasonable estimate of the amount of loss. We believe the valuation of 'uncertain income tax positions' and 'non-income tax provisions' to be a key audit matter based on the significant judgements made by management when assessing the likelihood of an uncertain income tax treatment being accepted by a tax authority and estimating the effect of the uncertainty, as well as assessing the degree of probability of an unfavourable non-income tax outcome and the ability to make a reasonable estimate of the amount of cash outflow. This in turn required significant auditor attention and effort in performing procedures to evaluate management's estimation uncertainty.	income tax positions' and 'non-income tax provisions'. • Evaluating management's assessment of both the identification and possible outcomes of each 'uncertain income tax position' and 'non-income tax provision', including management's assessment of the technical merits of each claim. • Testing the valuation of the Group's uncertain income tax positions, including evaluating the reasonableness of management's assessment of whether tax positions are probable of being sustained and management's estimate of the effect of the uncertainty based on the application of relevant tax laws. • Testing the valuation of the Group's non-income tax provisions, including evaluating the reasonableness of management's assessment of the probability of an unfavourable outcome of the non-income tax positions and the reasonableness of the estimated amount of loss based on the application of relevant tax laws. • Validating 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, together with the status and results of any tax audits, and assessing the outcomes of court decisions. • Evaluating management's assessment of any interest and penalties associated with the tax claims • Obtaining tax and legal letters from the Group's external tax and legal advisors and reconciling these to the positions taken. • Assessing the adequacy of the Group's disclosures. Our procedures did not result in material findings.
Sale and leaseback of Russian tower assets *Note 9* As described in Note 9 to the consolidated financial statements, the Company completed the sale of its direct subsidiary, National Tower Company ('NTC'), to Service Telecom Group of Companies LLC for USD 945 million. 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	Our audit procedures included, amongst others: • Testing the design and operational effectiveness of controls relating to accounting for the sale of the NTC subsidiary and the leaseback of the tower assets. • Reading the purchase and lease agreements with Service Telecom Group of Companies LLC. • Evaluating management's assessment of transfer of control.

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Key audit matter	*Our audit work and observations*
will lease space on NTC's portfolio of towers for a period of eight years, with up to ten optional renewal periods of eight years each. In their assessment of the transaction, the Company deemed NTC to be a subset of its Russia CGU and, as such, allocated goodwill to NTC on a relative fair value basis. The Company applied sale and leaseback guidance under IFRS 16 and recognized a gain on sale of subsidiary of USD 101 million. As a result of the subsequent lease agreement, Russia recognized right-of-use assets of USD 101 million representing the proportional fair value of assets retained with respect to the book value of assets sold and lease liabilities of USD 718 million, as well as a proportionate amount of goodwill, with respect to the portion of cash-generating assets retained through the lease, of USD 168 million. We consider the sale and leaseback of Russian tower assets to be a key audit matter based on the significant judgements made by management in determining the appropriate accounting to reflect the sale of the NTC subsidiary and the leaseback of the tower assets, including the assessment of the subsequent lease agreement and the determination of the appropriate lease term. This in turn required significant auditor attention and effort in performing procedures to evaluate management's accounting for and disclosure of the sale and leaseback of the tower assets and the identification of each unit of account within the transaction.	• Evaluating management's assessment of goodwill allocation and relative fair value method applied. • Evaluating management's identification of each unit of account within the transaction. • Evaluating management's application of sale and leaseback guidance and the resulting accounting for and disclosure of the right-of-use assets and related lease liabilities, including the assessment of the applied lease term. Our procedures did not result in material findings.
Compliance with anti-bribery and corruption laws and regulations *Note 7* As described by the Company in Note 7 to the consolidated financial statements and the accompanying Directors' Report, the Group operates in markets which pose increased risks of non-compliance with anti-bribery and corruption laws and regulations. As such, there is a heightened risk of potential liability associated with such non-compliance. We dedicated a significant amount of time in our audit to this risk and therefore have also determined this to be a key audit matter.	With the assistance of our forensic specialists, our audit procedures included, amongst others: • Understanding the local and international laws and applicable industry regulations governing the Group. • Understanding and evaluating the Group's interactions and communication with government officials. • Assessing the adequacy of the Group policies and procedures addressing the risk of non-compliance with anti-bribery and corruption laws and regulations. • Testing the effectiveness of controls which respond to the risk of non-compliance with anti-bribery and corruption laws and regulations, which include

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Key audit matter	*Our audit work and observations*
	code of conduct compliance, response to whistleblower allegations, vendor due diligence, and employee access rights. • Assessing any non-compliance with anti-bribery and corruption laws and regulations within significant, unusual, or related party transactions. • Assessing charitable contributions and donations to government officials. • Evaluating actions undertaken upon identification of potential instances of bribery or corruption. Our procedures included the use of forensic expertise when testing a selection of investigations, including assessing and challenging management's investigatory response to potential instances of bribery or corruption to support conclusions reached and remedial actions taken. • Obtaining external legal confirmations. • Reading the minutes of the Board of Directors and the other executive committee meetings. • Attending discussions in the Audit and Risk Committee on the results of internal and external investigations and on the design and effectiveness of the Company's compliance programs and internal controls relating to the prevention and detection of bribery and corruption. Our procedures did not result in material findings.
Revenue recognition *Note 3* As described in Note 3 to the consolidated financial statements, the Company's consolidated revenue balance was USD 7,770 million at December 31, 2021 and is made up of billions of relatively small transactions in combination with multiple tariff plans, with the largest volume of plans in Russia. Throughout the Group, there is a large number and wide variety of legacy billing and other operating support systems in the revenue process. The magnitude of revenue and complexity in the recognition processes arising from a variety of legacy systems with IT control deficiencies requires substantial audit effort with respect to the design, implementation, and operating effectiveness of mitigating controls and substantive test procedures to be performed. Therefore, we considered this a key audit matter.	With the assistance of our IT specialists, our audit procedures included, amongst others: • Understanding and testing the IT environment in which billing, rating and other relevant support systems reside, including the change management and restricted access procedures in place. • Testing the design and operational effectiveness of the revenue and receivables cycle related controls. • Testing the end-to-end reconciliation from mediation to billing and rating systems to the general ledger. The testing also included tracing material journals, between the billing or intelligent network systems and the general ledger, to underlying documentation and confirming the rationale. • Reconciling the amounts of vouchers and other top-up transactions with respect to prepaid services to the transactional cash receipts data per the cash system.

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Key audit matter	Our audit work and observations
	• Performing tests on the accuracy of customer bill generation and testing of a sample of the credits and discounts applied to customer bills. • Performing test calls and reconciling these with the billed amounts; and • Testing cash receipts for a sample of customers back to the customer invoice. Our procedures did not result in material findings.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of VEON Holdings B.V. on 29 July 2014 by the board of directors through agreement via the signed engagement letter. Our appointment has been renewed annually, representing a total period of uninterrupted engagement appointment of eight years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

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Services rendered

Information on services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in Note 16 to the Company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of management and the board of directors for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. Management should disclose in the financial statements any events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The board of directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, the Netherlands, 24 May 2022
PricewaterhouseCoopers Accountants N.V.

W.J. van der Molen RA

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Appendix to our auditor's report on the financial statements 2021 of VEON Holdings B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, amongst other things, of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the Group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of Group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected Group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the Audit and Risk Committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Annual Report 2022

VEON Holdings B.V.

Claude Debussylaan 88,

1082 MD Amsterdam

The Financial Statements are
approved by the Shareholder
on June 29, 2023

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Directors' Report

INFORMATION ON THE COMPANY

Overview

VEON Holdings B.V. (the "Company" or "VEON Holdings"), was incorporated as a private company ('besloten vennootschap') with limited liability under the laws of the Netherlands by notarial deed executed on 29 June 2009. The Company changed its name from VimpelCom Holdings B.V. to VEON Holdings B.V., effective as of September 29, 2017.

The Company has its statutory seat and its principal place of business in Amsterdam. The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

The Directors' Report as presented is prepared by the management of the Company and in line with the business and strategic decisions of VEON Ltd. ("VEON" or the "Group" and also referred to as "We", "Our" and "Us"), the ultimate parent company. The strategic and business decisions made by management of VEON Ltd. are pertinent to VEON Holdings B.V. and its subsidiaries. In this directors' report we will therefore often refer to the governance structure being in place at the level of VEON Ltd. as the Company will be impacted directly and indirectly by this governance structure and the related processes and procedures.

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 a 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 —*Operating and Financial Review and Prospects.*

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.

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 —*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 —*Operating and Financial Review and Prospects—Key Developments for the year ended December 31, 2022* and —*Operating and Financial Review and Prospects—Key Developments after the year ended December 31, 2022.*

History

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 June 29, 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 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.

Key Developments

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 "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, Omnium Telecom Algerie SpA (Algeria) 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 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 millon (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. The outstanding amounts have been rolled-over until April, US$692 million, and May, US$363 million, of 2023. Subject to the terms set out in the RCF, these amount can be rolled until maturity.

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 10 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) 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.

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 15, 2023 the conflict is still ongoing. Refer to *Note 23 — Basis of Preparation of the Consolidated Financial Statements* of our Audited Consolidated Financial Statements for further details.

On March 31, 2022, Banglalink acquired new spectrum for a fee of US$205 million payable in 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 4G license renewal with the PTA for a fee of PKR 45 billion (US$486 million equivalent) for fifteen years, of which 50% has been settled, and the remaining amount will be paid in five equal annual installments.

On July 1, 2022, equity-settled awards in VEON Ltd. 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 VEON Ltd. were transferred to key senior managers and directors from shares held by a subsidiary of VEON Ltd. during the three months ended September 30, 2022. Refer to *Note 21--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 21 --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.

Management Changes

On October 17, 2022, VEON announced the appointment of Matthieu Galvani as Chief Corporate Affairs Officer, effective immediately and was also made a member of GEC.

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

A. Omiyinka Doris was appointed as Acting Group General Counsel and a member of the Group Executive Committee 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 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.

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 per cent 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 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.

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 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.

Purchase of VEON Group Debt

During the first quarter 2023, VimpelCom independently commenced and concluded the purchase of US$1,572 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.

Other Developments

On January 18, 2023, VEON announced that OFAC has replaced the General License 54 originally issued on 18 November 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 (issued before June 6, 2022) of VEON Ltd. or VEON Holdings that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071.

On February 21, 2023, VEON announced the completion of a further share transfer to Group Executive Committee ("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. Of those, 52,543 shares were transferred to Mr. Brakenhoff, with the remaining 51,504 withheld to cover local withholding tax.

On March 15, 2023, VEON announced the appointment of Joop Brakenhoff as Group Financial Officer, effective May 1, 2023. Mr. Brakenhoff replaces Serkan Okandan whose three-year contract as Group CFO expired at the end of April 2023.

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

VEON Management increases ownership

On December 31, 2022, equity-settled awards in VEON Ltd. granted to the Chief Internal Audit & Compliance Officer, Mr. Joop Brakenhoff, under the 2021 Deferred Share Plan vest. Subsequently, 52,543 shares in VEON Ltd. were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd. and 51,504 shares were withheld to cover local withholding tax.

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

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 permanent capacity, effective June 1, 2023.

Business Units and Reportable Segments

VEON Holdings 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 *—Operating and Financial Review and Prospects—Reportable Segments* and *Note 2—Segment Information* to our Audited Consolidated Financial Statements for further details.

This *section* - 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 *Risk Factors* and *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
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 %
LLC "VEON Georgia"	Georgia	Operating	— %
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. 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 Kazakh telecom. 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 02, 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)	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
National and international roaming services(2)	*Yes*	*Yes(7)*	*Yes*	*Yes*	*Yes*	*Yes*
Wireless Internet access	*Yes*	*Yes*	*Yes(4)*	*Yes*	*Yes*	*Yes*
Mobile financial services	*Yes*	*No (8)*	*No*	*Yes*	*Yes*	*Yes(5)*
Mobile bundles	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes(6)*

(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
• 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
• GPRS, EDGE, 3G and 4G/LTE
Roaming
• 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
• caller-ID; voicemail, call forwarding; missed call alert; credit balance; balance share; conference calling, call blocking and call waiting
Messaging
• SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail), and mobile instant messaging
Content/infotainment
• ecosystem of digital services: self-care application JazzWorld, mobile TV, platformTamasha, 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)]
• Mobile financial services through JazzCash including mobile payments and transfers, digital lending, banking card trusted payment; banks

(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)	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 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 conducted 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 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 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
• 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
• GPRS/EDGE, 3G and 4G/LTE
Roaming
• 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
• SMS; voice messaging and SMS services (including information services such as news, weather, entertainment chats and friend finder)
Content, infotainment, Entertainment
• 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 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 (1 July 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 referrd 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. KyivstarTV 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%), monobranded 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 a 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
• 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
• 3G and 4G/LTE service • technology neutral licenses
Roaming
• 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
• caller-ID; Sim in safe • Missed Call (notify me, notify about me) • SMS inform, toll-free helplines for B2B customers (Voice CPA)
Messaging
• SMS; display of Beeline account balance information
Content/infotainment
• BeeTV offered as a digital OTT service on mobile as well as IPTV/fixed service
Mobile financial services
• mobile payments (including Kazeuromobile 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 thousand monthly active users at the end of 2022. Simply is Kazakhstan's first mobile online-only neobank, and it served 246 thousand 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 monobranded stores, franchises and other distribution channels. As of December 31, 2022, we had 40 total 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 last three consecutive years 2020 to 2022. At the spectrum auction organized by Bangalesh 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
• voice telephony to postpaid and prepaid customers through voice packs and mixed bundles
Internet and data access
• GPRS, EDGE, 3G and 4G/LTE technology • data services provided via pay-per-use and via bundles
Roaming
• 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
• call forwarding; conference calling; call waiting; caller line identification presentation; voicemail; and missed call alert
Messaging
• SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail) and mobile instant messaging
Content/Infotainment
• 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)	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 16th August 2022 till 18th February 2033 to enhance 4G data speed, which could be used at a later date to deploy 5G technology.

LICENSE FEES

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.

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.

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.

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 7 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 Banglalink network, we conducted strategic campaigns with leading Smartphone brands. In addition, we drive 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
• 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
• GPRS/EDGE/3G/4G/LTE networks
Roaming
• 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
• 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
• SMS
Entertainment
• Beeline TV (+70 channels, +16K films and series); Beeline Music (+18 mln. tracks); Games (+1000 mobile games), Beeline Press (newspaper and magazine aggregator)
FinTech
• 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
Self-care
• Beeline app and Beeline web (+1 mln MAU YoY, UX/UI updated)
Others
• 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 (3 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 we offered 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 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—*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
• 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
• 3G and 4G/LTE services • technology neutral licenses
Roaming
• 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
• 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 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
• caller-ID; voicemail; call forwarding; conference calling; call blocking, call hold and call waiting
Messaging
• SMS, MMS, voice messaging and mobile instant messaging
Content/Infotainment/Entertainment
• 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
• balance transfer, trusted payment, mobile wallet

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 monobranded 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)] *(millions of customers)*	**Mobile Penetration**	**2021** *(millions of customers)*	**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
• 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
• dedicated lines of data transmission
• dedicated line access and fixed-line mobile convergence
Coverage
• 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
• long-haul fiber optic network covers more than 13,000 kilometers and, supplemented by wired and wireless networks
Customers
• 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
• 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 2Mbit/s to 10 Gbit/s and additional services (IP-addresses, BGP, Backup, SLA, corporate Wi-Fi, DDos protection)
• Fixed-line telephony: IP-lines, SIP-Trunk, analog telephony, ISDN PRI, 0-800, Virtual PBX
• Data transmission (IPVPN and VPLS)
• FMC
• FTTB services tariffs for fixed-line broadband internet access targeted at different customer segments
Coverage
• provided services in 130 cities in Ukraine (including 10 cities located in the occupied territory and excluding cities in Crimea and the ATO zone)
• 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
• 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
• 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

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 *—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 on-set 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 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 implement 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) or 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 advance 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 advance 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 the 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 also 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 *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, considering the evolving character of the European regulatory framework, the level of complexity of the available legislation and the lack of clarity around how to interpret and apply it, we expect that reporting will evolve and, over time, with more scoping to be done in coming periods. 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.

It is concluded that VEON Group with its core business activities is not identified as a relevant source of GHG emissions.

Our assessment of Taxonomy-eligibility is focused on economic activities defined as the provision of goods or services on a market, thus (potentially) generating revenues. In this context, we, as a telecommunications group, define voice, fixed broadband, data and digital services as the core of our business activities. We define activities such as the acquisition/ construction of new buildings (for our shops, front and back offices, warehouses, data centers) and towers or the transport for our administrative and engineering staff as underlying activities necessary to conduct our core business activities. They are not reported as Taxonomy-eligible activities and not included in our turnover KPI as they are not generating external turnover on a standalone basis.

Our turnover is Taxonomy-non-eligible because our economic activities are not covered by the Climate Delegated Act to date. Consequently, the capital and operating expenditure related with these activities are Taxonomy-non-eligible.

In addition, the capital and operating expenditure to be reported also include those that are related to the purchase of output from Taxonomy-aligned economic activities and certain individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. Due to our accounting policy regarding these individually Taxonomy-eligible Capex/Opex (cf. section "Capex KPI and Opex KPI" in the description of our accounting policies), we report our total KPIs as follows:

Table 1 - Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in total turnover, Capex and Opex

	Total (USD million)	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-non-eligible economic activities (in %)
Turnover	3,755	0%	100%
Capital expenditure (Capex)	1,922	14.0 %	86.0 %
Operating expenditure (Opex)	2,009	0.4 %	99.6 %

The table above represents figures for VEON Ltd., the ultimate shareholder of the Company. There are no material differences for VEON Holdings B.V.

Accounting Policies

The key performance indicators ("KPIs") include the turnover KPI, the Capex KPI and the Opex KPI. For the reporting period 2022, the KPIs have to be disclosed in relation to Taxonomy-eligible economic activities and Taxonomy-non-eligible economic activities.

The specification of the KPIs is determined in accordance with Annex I of the Art. 8 Delegated Act. We determine the Taxonomy-eligible KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

Turnover KPI

Definition The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding our consolidated net turnover, please refer to Note 3 of our Annual Report 2022.

With regard to the numerator, under the current environmental objectives of the EU Taxonomy, climate change mitigation and climate change adaptation, VEON had no eligible turnover-generating activities.

Capex KPI

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by our total Capex (denominator). With regard to the numerator, we refer to our explanations below.

Total Capex consists of additions to Property and Equipment and Intangible assets during the financial year. Total Capex can be reconciled to our consolidated financial statements as the reference to the sum of total Additions line of Note 12 and Note 13.

Opex KPI

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by our total Opex (denominator). With regard to the numerator, we refer to our explanations below.

The Taxonomy-eligible Opex consists of Opex related to purchase of renewable energy. Apart from that we have not identified any other Opex in our business stream that is Taxonomy-eligible.

Explanations on the numerator of the Capex KPI and the Opex KPI

As we have not identified Taxonomy-eligible economic activities, we do not record Capex/Opex related to assets or processes that are associated with Taxonomy-eligible economic activities in the numerator of the Capex KPI and the Opex. Only "category c" Capex and Opex can therefore qualify as Taxonomy-eligible, and considered for calculating of the proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in Capex and Opex (Table 1), i.e., Capex/Opex related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling certain target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions (Sect. 1.1.2.2. (c) of Annex I to the Art. 8 Delegated Act).

We have identified the following economic activities in the Climate Delegated Act resulting in Opex which can be considered as individually Taxonomy-eligible purchased output/measures:

Table 2 - Individually Taxonomy-eligible Opex and the respective economic activities		
Description of the individually Taxonomy-eligible purchased output/measure	**Respective economic activity (Annex I to Climate Delegated Act)**	**Amount, USD million**
Our activities associated with purchase of electricity generated from renewables*	4.1. Electricity generation using solar photovoltaic technology 4.2. Electricity generation using concentrated solar power (CSP) technology 4.3. Electricity generation from wind power 4.4. Electricity generation from ocean energy technologies 4.5. Electricity generation from hydropower 4.6. Electricity generation from geothermal energy 4.7. Electricity generation from renewable non-fossil gaseous and liquid fuels 4.8. Electricity generation from bioenergy	6.7*
All our vehicle fleet (leasing)	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	0.3
All renovation measures of our existing buildings including own shops, front and back offices, warehouses and towers	7.2. Renovation of existing buildings	0.3
Maintenance and repair of the energy efficient equipment for our base stations	7.3. Installation, maintenance and repair of energy efficiency equipment	0.1
Total		**7.4**

* VEON does not have the information to make a further split of Opex from the activities associated with the purchase of electricity generated from renewables per respective economic activity (Annex I to Climate Delegated Act).

We have identified the following economic activities in the Climate Delegated Act resulting in Capex which can be considered as individually Taxonomy-eligible purchased output/measures:

Table 3 - Individually Taxonomy-eligible Capex and the respective economic activities		
Description of the individually Taxonomy-eligible purchased output/ measure	**Respective economic activity (Annex I to Climate Delegated Act)**	**Amount, USD million**
Our acquisition of buildings (i.e. eligibility of all buildings taking into account the legal or economic ownership, including the right of use from a lease of a building) including shops, front and back offices, warehouses and towers	7.7. Acquisition and ownership of buildings	14.9
Our investment in the build-out and upgrade of energy efficient and high-speed network infrastructure and data centers, and in generation of renewable energy	8.1. Data processing, hosting and related activities	253.6
Total		**268.7**

For the allocation of Capex and Opex we have identified the relevant purchases and measures and identified the primarily related economic activity in the Climate Delegated Act. In this way, we ensure that no Capex or Opex is considered more than once.

For the reporting year 2022, ~14% of VEON's EU Taxonomy Capex activities qualifies as eligible relating to our investment in the build-out and upgrade of energy efficient and high-speed network infrastructure and data centers, and in generation of renewable energy and our acquisition of buildings, including shops, front and back offices, warehouses and towers. 14% of our EU Taxonomy Capex activities qualify as aligned, which consists of the build-out and upgraded energy efficient and high-speed network infrastructure and data centers, generation of renewable energy, buildings including shops, front and back offices, warehouses and towers. We concluded that VEON's EU Taxonomy Turnover is not eligible and Opex is not material under the economic activities currently in scope of the EU Taxonomy regarding climate change mitigation and adaptation. We did not include a Turnover and Opex table as in our view this would not provide additional insights.

We have concluded that the roll-out of fiber is currently not eligible, however we believe this is an important enabler for climate change mitigation, also providing significant energy savings compared to copper.

Our future EU Taxonomy disclosures are subject to any potential new guidance and the release of criteria for the four remaining environmental objectives.

The proportion of eligible, aligned and non-eligible activities are reported below in terms of EU Taxonomy Capex.

EU Taxonomy Capex alignment

				Substantial contribution criteria		Does not significant harm (DNSH)						
	Codes	Absolute Capex (in USD million)	Proportion of Capex	Climate change mitigation	Climate change adaptation	Climate change adaptation	Water and marine resources	Transition to a circular economy	Minimum safeguards	Taxonomy aligned proportion of Capex 2022	Category enabl. activity	Category trans. activity
A. Taxonomy eligible activities												
A1. Environmentally sustainable activities (Taxonomy aligned)												
Our investment in the build-out and upgrade of energy efficient and high-speed network infrastructure and data centers, and in generation of renewable energy	8.1.	253.6	13%	100%	0%	Y	Y	Y	Y	13%	N/A	Y
Our acquisition of buildings (i.e. eligibility of all buildings taking into account the legal or economic ownership, including the right of use from a lease of a building) including shops, front and back offices, warehouses and towers	7.7.	14.9	1%	100%	0%	Y	Y	Y	Y	1%	Y	N/A
A2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned)												
Total A1 + A2		**268.5**	**14%**									
B. Taxonomy non-eligible activities												
Capex of taxonomy non-eligible activity (B)		1,653.9	86%									
Total A + B		**1,922.4**	**100%**									

Property, Plant and Equipment

Buildings

Our office in Amsterdam is leased. Our global headquarters activities are hosted in Amsterdam which consists of a 1020 square metre 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, 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 metre 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.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Senior Management

The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Postma and Paul Klaassen.

The Company is part of the VEON Ltd. Group. VEON Ltd. is governed by our Board of Directors. As of June 15, 2023, 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)	☒
Michiel Soeting	62	Director	2022	☒
Hans-Holger Albrecht	59	Director	2020	☒
Morten Lundal	58	Director	2022	☒
Augie K Fabela II	57	Director	2022	☒
Vasily Sidorov	52	Director	2021	☒
Irene Shvakman	55	Director	2021	☒
Yaroslav Glazunov	43	Director	2020	
Karen Linehan	64	Director	2022	☒
Stan Miller	64	Director	2022	☒
Andrei Gusev	50	Director	2014	

As of June 15, 2023, the board of directors of VEON ("Board of Directors") consists of eleven members, nine of whom we deem to be independent. See *Item 10B—Memorandum and Articles of Association—Board of Directors*. 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.

All members of the Board of Directors are elected by our shareholders through a cumulative voting process. Nominations to the board of directors are managed by its nominating and corporate governance committee ("NCGC"), which is led by Gunnar Holt, whom we deem to be an independent member of the Board of Directors. The NCGC looks 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 June 29, 2022 annual general meeting of shareholders, VEON shareholders elected six previously serving directors and one new member to the VEON Board of Directors. *See - "Updates to the Board of Directors following June 29, 2023 Annual General Meeting*" for the Board composition following our 2023 annual general meeting.

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.

The GEC of VEON Ltd. is currently comprised of the Group Chief Executive Officer, the Group Chief Financial Officer, the Group General Counsel, the Group Chief People Officer, the Group Chief Internal Audit & Compliance 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 29, 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	47	Acting Group General Counsel	October 2022
Michael Schulz	56	Group Chief People Officer	July 2021
Joop Brakenhoff [(1)]	57	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)] Serkan Okandan and Joop Brankenhoof 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

Mr. Gunnar Holt (Chairman of Board of Directors) has served as the Chairman of the VEON Ltd. Board of Directors since June 2022 and a director of the Company since June 2015 and we deem Mr. Holt to be an independent director through his term of appointment. Mr. Holt is serving 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 Collage, 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) has been a director of VEON Ltd. since June 2020 and we deem Mr. Albrecht to be an independent director through his term of appointment. Mr. Albrecht is 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-Universitat 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 currently serves as a member of both the Compensation and Talent Committee as well as the Strategy and Innovation. 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. As of June 1, 2023.Mr. Glazunov serves as the Chairman of the Compensation and Talent Committee and is 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 is 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. Morten to be an independent director through his term of appointment. Mr. Lundal is 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) has served as a director of VEON Ltd. since June 2022 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 & 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 a 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 & 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 as well as 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 as 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) has been a director of VEON Ltd. since June 2021 and we deem Ms. Shvakman to be an independent director through her term of appointment.. Ms. Shvakman is 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) has been a director of VEON Ltd. since June 2021 and we deem Mr. Sidorov to be an independent director through his term of appointment.. Mr. Sidorov is 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. Mr. Soeting is the Chairman of the Audit and Risk Committee and 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 KMPG 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. As the Group CEO, Terzioglu 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-COO from November 2019 to March 2020 and a Board director from July 2019 to October 2019. Kaan 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 has 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 October 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 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, effective from May 1, 2023 Mr. Brakenoff 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.

Compensation

In order to ensure alignment with the long-term interests of the company's shareholders, the CTC periodically evaluates 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 NCGC both the CTC and the NCGC make 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 21—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 is 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 is decided on an individual basis and pay-out of the STI award is 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 are dependent upon final approval by the compensation and talent committee.

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 21—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

*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

*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

* 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**	**Non- compete (months)**	**Non-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.

Board Practices

VEON Ltd. is governed by our Board of Directors, currently consisting of eleven directors. Our bye-laws provide that our Board of Directors consists 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.

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 a number of committees, including 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 as of June 15, 2023 is set out below.

The Board of Directors' diversity matrix as of June 15, 2023 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	6	0	3

Part II: Demographic Background			
	Yes	**No**	**Did not Disclose**
Underrepresented Individual in Home Country Jurisdiction	2	6	3
LGBTQI+	0	7	4

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

As of June 15, 2023, the committees of our Board of Directors consist 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 thirteen times, the CTC met ten times, the Finance Committee met 20 times, the NCGC met sixteen times, and the Strategy and Innovation Committee met seven 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.

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. As of June 15, 2023, the members of the Audit and Risk Committee are Michiel Soeting (chairman), Vasily Sidorov, Gunnar Holt and Karen Linehan, each of whom is expected to serve on the Audit and Risk Committee until our next annual general meeting.

Compensation and Talent Committee

The CTC is 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 has overall responsibility for approving and evaluating company's director, executive and employee compensation and benefit plans. The CTC advises 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 evaluates 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 formulates recommendations to the Board of Directors regarding such director compensation and any adjustments in compensation and/or incentives that the CTC considers appropriate. Such recommendations are reviewed by the NCGC, and both committees jointly deliver to the Board of Directors such recommendations for consideration and approval. Finally, the CTC evaluates 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. As of June, the members of the CTC are Yaroslav Glazunov (chairman), Augie Fabela, and Stan Miller, each of whom is expected to serve on the CTC until our next annual general meeting.

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. As of June 15, 2023, the members of the Finance Committee are Andrei Gusev (chairman), Vasily Sidorov and Michiel Soeting, each of whom is expected to serve on the Finance Committee until our next annual general meeting.

Nominating and Corporate Governance Committee

The NCGC is 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 reviews 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. As of June 15, 2023, the members of the NCGC are, Gunnar Holt (chairman), Yaroslav Glazunov, Morten Lundal, Karen Linehan and Michiel Soeting, each of whom is expected to serve on the NCGC until our next annual general meeting.

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. As of June 15, 2023, the members of the Digital and Innovation Committee are, Hans Holger Albrecht (chairman), Augie K Fabela II, Stan Miller, Morten Lundal and Irene Shvakman, each of whom is expected to serve on the Strategy and Innovation Committee until our next annual general meeting.

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	27	31	63
Others	456	799	824
Total*	**16,355**	**16,266**	**14,316**

* Total number of employees does not include the 27,717, the 28,235 and the 26,453 employees in our Russian Operations as of 31 December 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 "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 —*General Risk Factors—Our business may be adversely impacted by work stoppages and other labor matters.*

Share Ownership

To our knowledge, as of June 15, 2023, none of our directors or senior managers beneficially owned more than 1.0% of any class of our capital stock. See *—Major Shareholders*.

To our knowledge, as of June 15, 2023, Kaan Terzioğlu, Joop Brakenhoff and Michael Schutz owned ADS and/or Common Shares representing 900,000, 145,100, 145,700 Common Shares. 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 15, 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 15, 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 1, 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 21—Related Parties* to our Audited Consolidated Financial Statements.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The Company is indirectly (via VEON Amsterdam B.V.) wholly-owned by VEON Ltd., which in turn has one major shareholder, LetterOne Holding S.A. ("LetterOne").

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
L1T 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 L1T VIP Holdings S.à r.l. ("L1T"), LetterOne Core Investments S à r.l. ("LCIS") and LetterOne Investment Holdings S A ("LetterOne") with the SEC, L1T is the direct beneficial owner of 840,625,001 common shares. LCIS is the sole shareholder of L1T, and LetterOne is the sole shareholder of LCIS and, in such capacity, each of L1T, LCIS and LetterOne may be deemed to be the beneficial owner of the 840,625,001 common shares held for the account of L1T Each of L1T, 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 forementioned 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 L1T 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 ADS. 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.

Related Party Transactions

In addition to the transactions described below, VEON Holdings B.V. 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 Holdings B.V. 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 21—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 L1T VIP Holdings S.à r.l., a société à responsibilité limitée incorporated under the laws of Luxembourg, ("L1T"), 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 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. Assuming the other conditions for using a Form F-3 are still satisfied, the Company would not expect to be able to utilize Form F-3 until April 30, 2024.

Board of Directors

Compensation paid to the Board of Directors is disclosed in — *Compensation.*

During 2022 and through the date of this Annual Report, none of our Board of Directors have been involved in any material related party transactions with us.

HOW WE MANAGE RISKS

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, our management aims to identify, assess, adequately manage, monitor and report risks that could jeopardize the achievement of our strategic objectives. The VEON ERM framework is implemented and consistently applied throughout the organization through a well-defined governance structure and a robust ERM process. The ERM framework also supports identifying opportunities that enable us to achieve our strategic objectives and enable sustainable growth.

Strengthening our risk culture: three lines of defense

The 'three lines of defense' approach provides a simple and effective way to enhance communications around governance, risk management and control by clarifying roles and responsibilities. VEON has adopted this model to provide reasonable assurance that risks to achieving strategic objectives are identified and mitigated.

First line of defense

VEON recognizes that the first line of defense consists of the business, who owns and is responsible and accountable for directly assessing, controlling and mitigating risks. Since 2016, targeted communication campaigns have been launched globally to foster risk and control awareness across the Group.

To embed a culture aligned to our risk appetite and individual responsibilities in relation to risk management we embarked on a program in 2019 which continued through 2022. This program involved an awareness campaign using sport, games and the idea of teamwork to highlight the importance of every individual's contribution to effective risk management and a strong control environment, which was launched to reinforce accountability and ownership for risk management and the internal control environment. During 2022, a Risk Culture survey assessment was performed for the second time since 2021, across our operating companies (OpCos) and our HQ with the help of an external consultancy firm. This exercise was aimed at supporting management in assessing the risk culture within the organization based on eight risk culture dimensions, and to identify potential actions to strengthen or improve VEON's risk culture in comparison with an external benchmark. Based on the results of the survey, all risk culture dimensions at VEON outperformed the external consultant's benchmark with exception of two which were in inline with the external consultant's benchmark, which demonstrates a continued very positive outcome. To further improve risk culture and capitalize on survey results, a set of recommendations was provided by the external consultant tailored for each OpCo and HQ based on the assessment of each of the eight dimensions. The recommendations were not mandatory in nature but were embraced as an opportunity to ensure a continuous improvement in risk culture and served as the basis for action plans development. Status of the action plans and progress of the OpCos is tracked periodically and reported to the OpCos' Business Risk Committees (BRC) and the Group Audit & Risk Committee (ARC).

Second line of defense

The second line of defense monitors and facilitates the implementation of effective risk management practices and internal controls by the first line. The second line comprises Group Internal Control, Group Enterprise Risk Management, Group Ethics and Compliance and Group Legal, amongst other Group functions. The second line supports the business functions in identifying what could go wrong and provides the methods, tools and guidance necessary to support the first line in managing their risks.

Group ERM provides general oversight on ERM activities in the OpCos, such as quarterly risk reporting as well as facilitating the Group functions with the performance of regular deep dives on specific risks, for example, Regulatory and Tax risks, and assessments of Anti-bribery and Corruption (ABC), Anti-money Laundering (AML), and International Sanctions and Export Controls risks. The ERM process is also embedded into the strategy setting and business planning process to ensure consistency and completeness of VEON's risk profile and that informed risk-based decisions are taken. Group ERM also provides guidance on ERM reporting at BRC and leads the annual process of reviewing and revising VEON's Risk Appetite with the VEON Group Executive Committee members, approving it with the Group CEO and presenting the outcome to the ARC. The Risk Appetite is then formally communicated to OpCos for local application in decision making and submission of business decision approvals to their respective OpCo VEON Board.

Third line of defense

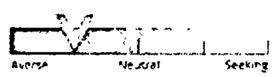
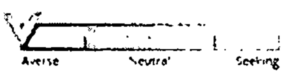
The Group Internal Audit function comprises the third line of defense and is responsible for providing independent assurance to senior management on the effectiveness of the first and second lines of defense. The function conducts financial, information technology, strategic and operational audits in accordance with its annual plan and special investigations or audits, as and when considered necessary. Throughout, Internal Audit conducts its activities in a manner based on a continuous evaluation of perceived business risks.

Defining our risk appetite

Defining our risk appetite in line with the COSO Framework, the VEON Enterprise Risk Management (ERM) Framework groups risk into four risk categories: Strategic, Operational, Financial and Compliance.

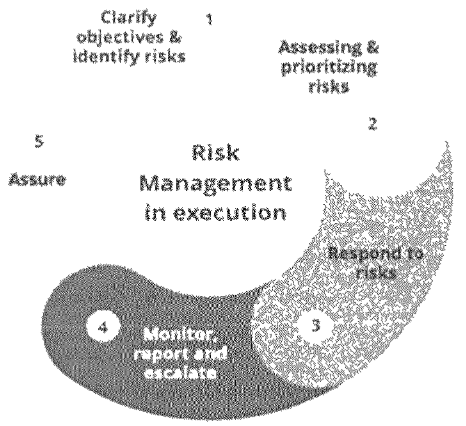
Our risk appetite is defined for each of the four risk categories by considering our strategic and business objectives, as well as potential threats to achieving these objectives. On an annual basis, the VEON appetite statements for each category of risk are revised and approved by the VEON Group Executive Committee and presented to the ARC. These statements are then integrated into the business through our group policies and procedures and our risk management cycle.

Risk Appetite Table

Risk Category	Category Description	Risk Appetite
Strategic risk	Risks arising from strategic changes in the business environment and from adverse strategic business decisions impacting prospective earnings and capital.	
Operational risk	Risks arising from inadequate or failed internal processes, people and systems or external events impacting current operational and financial performance and capital.	
Financial risk	Risks relating to financial loss arising from uncertainties/decisions impacting the financial structure, cash flows and financial instruments of the business, including capital structure, insurance and fiscal structure, which may impair VEON's ability to provide an adequate return.	
Compliance risk	Risks resulting from non-compliance with applicable local and/or international laws and regulations, internal policies and procedures, ethical behavior, compliance culture also including legal and regulatory risks that could result in criminal liability.	

Risk Management in Execution

Effective risk management requires a continuous and iterative process and involves the following five steps:



1. Clarify objectives and identify risks:

VEON's strategy is developed with a comprehensive understanding of the inherent risks involved in doing business. We consider the potential effects of the business context on our risk profile as well as possible ways of mitigating the risks we are exposed to.

2. Assess and prioritize risks:

Risks identified as relevant for VEON are assessed in order to understand the severity of each risk on the ability to execute VEON's strategy and business objectives. The severity of risk is assessed at multiple levels of the business as it may vary same across functions and operating companies.

3. Respond to risk:

The assessed severity of the risk is utilized by management to determine an appropriate risk response (Take, Treat, Transfer or Terminate) which may include implementing mitigations, taking into account the risk appetite.

4. Monitor, report and escalate:

VEON's Group Executive Committee review significant risks assessed and prioritized based on the Group's ERM framework. The top Group risks are also reported to VEON's Board of Directors, in particular to the ARC (at least on a quarterly basis), to evaluate material Group risks. Top Group risks include HQ-specific risks, as well as consolidated assessment of key risks from the OpCos. Local risk assessments are also reviewed by OpCo CEO and Senior Management and are reported to the BRCs and OpCo Boards.

The Board of Directors maintains a number of committees, including the ARC, OpCo Boards and BRCs, which provides independent oversight of the ERM framework and the timely follow-up on critical actions based on the progress updates.

To ensure strong governance and oversight of our risks, we established in each of our OpCos a BRC and an OpCo Board. Each OpCo's BRC, is chaired by either the Group Chief Financial Officer, his nominee or the Group Chief Internal Audit & Compliance Officer. The purpose of the OpCo BRCs is to consider the overall risk profile of the OpCo and the Group and ensure risk informed decision making. The OpCo BRC regularly reviews the OpCo's governance and decision-making framework and compliance with VEON Group and OpCo requirements, including those set out in the VEON Group Authority Matrix/Delegation and policies. The BRC also receives, reviews and makes recommendations on reports from OpCo management regarding any noncompliance with the VEON Group Authority Matrix/Delegation and policies. The BRC provides active VEON Group-level governance, oversight and policy guidance and aligns the activities of the Group's various assurance functions to coordinate and manage actions efficiently in support of the local OpCo VEON Board and the VEON Board in its oversight role for the VEON Group.

Each of the OpCos are managed by way of OpCo Boards which comprises of the respective OpCo CEO and management team with the oversight by their respective Board of Directors. Each OpCo's overall risk profile is presented to its OpCo Board regularly (at least once per quarter) and is accompanied by recommendations of its OpCo Business Risk Committee. This program is continuously monitored by OpCo management and the OpCo Boards, and reviewed by both OpCo and Group Internal Audit, with the Group Audit & Risk Committee providing ultimate oversight, with each OpCo Business Risk Committee providing active monitoring and engagement with the OpCos on all enterprise risks, control, compliance and assurance matters.

5. Assure:

On a quarterly basis, through our management certification process, OpCo CEOs and CFOs certify that significant risks have been considered and appropriate measures have been taken to manage the identified risks in accordance with the Group's ERM policies and procedures, including our risk appetite.

Control framework

VEON is publicly traded on a U.S. stock exchange and registered with the U.S. Securities and Exchange Commission. Thus, it must comply with the Sarbanes-Oxley Act (SOX). Section 404 of SOX requires that management perform an assessment of the Internal Control over Financial Reporting (ICFR) and disclosures to confirm both the design and operational effectiveness of the controls.

Our internal control system is 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. The VEON ICFR Framework incorporates risk assessment as part of our scoping process, an assessment of the design effectiveness of the required controls, testing of the operating effectiveness of the key control activities and monitoring of our financial reporting at entity-wide and functional levels. VEON has established uniform governance, policies and control standards that apply to controlled subsidiaries. Our ICFR testing results are reported into our OpCo Business Risk Committees, OpCo VEON Boards, members of our Group Executive Committee, and our Audit and Risk Committee at least on a quarterly basis as part of our assurance model. For a more detailed overview of the Governance changes in 2022 see Director's Report section in these Financial statements.

Our Disclosure and Review Committee supports our Group Chief Executive Officer and Group Chief Financial Officer in ensuring that public disclosures made by VEON are accurate and complete, fairly present VEON's financial condition and results of operations in all material respects, and are made on a timely basis, in compliance with applicable laws, stock exchange rules and other regulatory requirements.

Local management is responsible for business operations of our subsidiaries, including risk mitigation and compliance with laws, regulations and internal requirements. We have created uniform governance and control standards for all our levels of operations. The standards apply to all our subsidiaries with the same expectation: that they conduct business in accordance with ethical principles, internal policies and procedures, and applicable laws and regulations. The standards are intended to define and guide conduct with respect to relevant compliance and ethics principles and rules, and to create awareness about when and where to ask for advice or report a compliance or ethics concern, which includes the use of VEON's SpeakUp channels. The principles apply to all VEON employees in all operating businesses and headquarters. Employees receive annual Code of Conduct (Code) training, which includes certification to comply with the Code. Our group-wide Code applies to all VEON employees, officers and directors, including its Chief Executive Officer and Chief Financial Officer. Our Code is available on our website at http://www.veon.com, under "About Us/Values & Ethics" (information appearing on the website is not incorporated by reference into this Annual Report.

A Group Authority Matrix/Delegation has been established and is regularly reviewed and updated. It provides clarity on the role and focus of the VEON's corporate HQ, empowers OpCos to ensure they have the appropriate scope of authority and accountability to operate and manage local businesses, and ensures requisite oversight and control across the Group by CEOs and management teams and OpCo and VEON Boards, among others.

We have a Group-wide, quarterly management certification process in place, which requires the Chief Executive Officer and Chief Financial Officer at each of our OpCos and certain Group Functional directors at our HQ to certify compliance with the uniform governance and control standards established in VEON, including:

- Compliance with our Code of Conduct and related Group policies and procedures, including compliance with VEON's principles, procedures and policies on ethics and compliance, fraud prevention and detection, accounting and internal control standards, and disclosure requirements
- Compliance with local laws and regulations
- Compliance with the VEON Accounting Manual
- Internal disclosure obligations
- Deficiencies, if applicable, in design and operation of internal controls over financial reporting have been reported

Key risks table for VEON and examples of mitigation and 2022 developments

Below is a summary of the key risks we face in operating our business and a discussion of certain mitigation efforts associated with these risks. For a more detailed discussion of the risks and uncertainties relating to our business, see the Risk Factors Section of this Annual Report. The risks listed may not be exhaustive, and additional risks and uncertainties not presently known to VEON or that it currently deems immaterial, may also have, or develop a material adverse effect on its business, operations, financial condition or performance, or other interests.

Prioritization of Strategic, Operational and Financial risks is based on EBITDA business impact's thresholds and likelihood scales from 1 to 5. Once the identified risks are assessed and prioritized based on the above scales, the risk response strategy (take, treat, terminate, transfer) is decided and mitigating action plans are defined and/or updated, the outcome of the risk assessment information is captured in our Global GRC Tool. The risk response strategy is determined based on the business context, risk appetite, severity and prioritization. Further the risk response must also consider the anticipated costs and benefits commensurate with the severity and prioritization of the risk and address any obligations and expectations (e.g. industry standards, shareholder expectations, etc.).

Prioritization of some compliance risks such as Non-compliance to Anti-bribery and corruption laws, and Non-compliance to International Sanction and export laws and regulations is performed qualitatively, due to their nature, based on external factors sourced from independent non-governmental reports (where possible) and Internal factors sourced from VEON's business processes by the Local Ethics and Compliance and Legal teams

The sequence in which the risks and mitigating actions are presented below are not intended to be in any order of severity, chance or materiality. Legend (qualitatively assessed of net risk i.e. considering mitigating actions):

Risk increased: 🡅 Risk decreased: 🡇 Risk stable: =

Risk	Examples of how we mitigate	Some examples of 2022 developments
1. Market		
Our business is subject to a variety of market-related risks across our geographies. These include:		
↑ The ongoing conflict between Russia and Ukraine and the related responses of the United States, the European Union, the United Kingdom and certain other nations, as well as related responses by our service providers, partners, suppliers and other counterparties, have and will continue to impact our operations in Russia, Ukraine and elsewhere, including via reputational harm. ↑ Foreign exchange-related risks since a significant proportion of our costs and liabilities are in US dollars while a proportion of our revenue is in a variety of other currencies. ↑ Unfavorable economic conditions and the impact of geopolitical developments and unexpected global events outside of our control, such as, pandemics, wars, international economic sanctions and export controls, especially those recently imposed on Russia, among other factors. ↑ Emerging markets-related risks given that all of our nine operating markets are in the developing world and are subject to a varying degree of political, economic and legal variability around issues such as capital controls and rules on foreign investment, as well as social instability and military conflicts. ↑ Risk related to our ability to continue as a going concern as a result of the effects of the ongoing conflict between Russia and Ukraine. ↑ Competition since we operate in highly competitive markets which may impact our ability to attract, retain and engage customers and achieve our financial targets. = Keeping pace with technology since our future success will depend on our ability to effectively anticipate and adapt to the changes in the technological landscape and deploying networks and services that these enable.	• We closely monitor the developments related to international economic sanctions, including those recently imposed on Russia as well as counter-sanctions being rolled out by Russia, which allows us to adapt our services and capital structure accordingly in a timely manner and to ensure the Group acts in accordance with applicable sanctions requirements. • We hedge part of our exposure to fluctuations on the translation into US dollars of the revenues and expenditures of its foreign operations by holding borrowings in local currencies and by the use of foreign exchange swaps and forwards. • We review and analyze OPEX and CAPEX expenditures on an ongoing basis to optimize the cost structure while maintaining our commitments towards VEON's employees, government and financial institutions and our critical business partners. • We manage a diverse portfolio of emerging markets businesses, which helps ensure that in the event of a market underperforming for whatever reason its impact on the financial and operating performance of the Group as a whole is limited. • We have taken a number of measures to protect our liquidity and cash provision, such as accumulating a significant cash balance at HQ and maintaining a RCF from a group of diversified lenders headquartered in the United States, Europe and Asia. • We develop and offer customers new digital products and services in line with our digital operator strategy, which is focused on delivering high-quality and seamless services to our customers. • We are monitoring and responding to technology developments and competitor activity that could have an impact on us achieving our goals.	• Project 'Optimum' was rolled out in 2021 throughout the Group to drive sustainable cost efficiency with P&L impact, focusing on all structural costs and headquarters. The project is driving short-term tactical improvement and long-term structural savings. In 2022, a total of 167 savings initiatives in Pakistan, Bangladesh, Kazakhstan and Uzbekistan contributed to considerable organic savings. • 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 then LetterOne shareholders, Mr. Fridman, Mr. Aven, Alexey Kuzmichev and German Khan, and the European Union additionally designated Mr. Khan and Mr. Kuzmichev (collectively, and with Mr. Aven and Mr. Fridman, the "Designated Persons"). Mr. Fridman resigned from VEON's board of directors effective February 28, 2022. • 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. In addition, on June 8, 2022, we announced that the sale of "VEON Georgia LLC", our operating subsidiary in Georgia, to our former local partner for USD 45 million was completed. Conclusion of these deals allows to further streamline our operations, with an improved focus on our core markets. • 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. • 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. • On November 24, 2022, we announced the sale of our operations in Russia, which consist of PJSC VimpelCom ("VimpelCom") and its subsidiaries (collectively, our "Russian Operations") to certain senior members of the management team of VimpelCom. *Continued next page*

Risk	Examples of how we mitigate	Some examples of 2022 developments
2. Liquidity & Capital		
Our business requires considerable financial capital in order to invest in the growth opportunities we identify. This requires us to manage a number of risks relating to capital and liquidity. These include:		
↓ Liquidity risk since as a holding company, VEON Ltd. depends on the performance of its subsidiaries and their ability to pay dividends, and may therefore be affected by changes in exchange controls and dividends or currency restrictions in the countries in which its subsidiaries operate, as well as the ongoing conflict between Russia and Ukraine, impacting local economies and our operations in those countries. = Debt service risks given that substantial amounts of indebtedness and higher debt service *obligations could materially impact* our cash flow and affect our ability to raise additional capital, especially in case of breach of covenants, significant FX volatility or impaired ability to generate revenue due to the ongoing conflict between Russia and Ukraine. ↓ Access to *capital since* VEON's substantial amounts of indebtedness and debt service obligations may not be fully covered by our cash flow and VEON's worsened credit rating might hinder our ability to access capital markets on acceptable terms, both in terms of interest rate and financial covenants. ↑ Banking and Financial Counterparty risk given that the banking systems in many countries in which we operate remain underdeveloped and there are a limited number of creditworthy banks in these countries with which we can conduct business. In addition, restrictions on international transfers, foreign exchange or currency controls and other requirements might restrict our activity in certain markets in which we have operations, including as a result of the ongoing conflict between Russia and Ukraine.	• We have a centralized treasury function whose job is to manage liquidity and funding requirements as well as our exposure to financial and market risks. • Our policy is to create a balanced debt maturity profile and to use market opportunities to extend the maturity and reduce the cost of its borrowings as they arise. • We monitor our risk to a shortage of funds using a recurring liquidity planning tool. Our 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 primary objective of our capital management is to ensure that it maintains healthy capital ratios, so as to secure access to debt and capital markets at all times and maximize shareholder value. We manage our capital structure and make adjustments to it in light of changes in economic conditions. • We adopt a prudent approach to managing our balance sheet leverage increasing the level of our local currency borrowing and maintain borrowing headroom in our revolving credit facilities.	• As of 31 December 2022, we had an undrawn amount of USD 44 million under the existing PMCL Term facility. 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 around US$0.6 billion. • 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 held through Russian depositaries and thus impact our liquidity.

Risk	Examples of how we mitigate	Some examples of 2022 developments
3. Operational		
VEON *is a complex business operating across nine markets at various levels of development and each with a variety of opportunities and* challenges. These give rise to operational risks, which include:		
= Cyber-attacks and other cybersecurity threats, to which telecoms providers are vulnerable given the open nature of their networks and services, which could result in financial, reputational and legal harm to our business should these succeed in disrupting our services and result in the leakage of customer data or of our intellectual property. ↑ Network stability and business continuity risks given that our equipment and systems are subject to damage, disruption and failure for various reasons, including as a result of the ongoing conflict between Russia and Ukraine. ↑ Supply chain risks since we depend on third parties for certain services and products important to our business and there may be unexpected disruptions to supply chains due to a variety of factors, including regulatory (e.g. trade and export *restrictions such as a result of the ongoing* conflict between Russia and Ukraine), natural disasters, pandemics and similar unforeseen events. = Challenges in local implementation of our strategic initiatives, which could be affected by a variety of unforeseen issues, including (but not limited to) technological limitations, regulatory constraints and insufficient customer engagement. = Partnership risks given that we participate in strategic partnerships and joint ventures in a number of countries, agreements around which may affect our ability to execute on our strategy and, where the consent of our partners is required, to withdraw funds and dividends from these entities. Partnerships could also give rise to reputational and indirect regulatory risks with respect to the behaviors and actions of our partners, as well as risks surrounding losing a partner with important insights in the local market. *Continued next page*	• We monitor and log our network and systems, and keep raising our employees' security awareness through training, and operate a structured vulnerability scanning process within our security operations centers. • Each OpCo monitors the business continuity risks and ensures appropriate mitigation action plans, activities and systems are put in place to minimize risks of network instability and disruption. • We reduce our reliance on single vendors to the extent possible and opt for use of alternative suppliers where possible and ensure compliance with the applicable licensing and approval requirements in case of sanctions and export control restrictions. • We conduct risk-based due diligence on *our business partners and mitigate* apparent risks through contractual requirements, representations, indemnities, warranties, etc. • We regularly monitor the media presence and reputations or our partners and respond accordingly. • We remain committed to simplifying our business structure, which extends to our local partnerships.	• Our updated cybersecurity policy came into effect on February 2022. We have a monthly cybersecurity forum 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. • As part of our initiative to digitize our core telecommunications business, we intend to continue focusing on increasing our capital investment efficiency, including with respect to our IT, network, and distribution costs. We 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. • As part of the execution of our digital operator strategy, in 2022, a special focus was given to the development, improvement and maintenance of our IT and cybersecurity systems. In 2022, we completed upgrade of the digital business support systems ("DBSS") across our operating companies in Bangladesh, Pakistan, Ukraine, Georgia, and Kyrgyzstan. DBSS enhancements are currently ongoing in Russia, Uzbekistan, and Kazakhstan. • In February 2023, we completed the sale of our 55.37% share in joint-venture Buzton LLC to the joint-venture partner, JSC Uzbektelecom. *Continued on the next page*

Risk	Examples of how we mitigate	Some examples of 2022 developments
3. Operational		
Ours is a complex business operating across ten markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks, which include:		
↑ Infrastructure risks given that the physical infrastructure in some of our markets is in poor condition and may require significant investment by local governments or additional substantial and ongoing expenditures by us, in order to sustain our operations, in addition to risk of maintaining our infrastructure in Ukraine and responding to the ongoing conflict as it develops further. ↑ Spectrum and license rights given that the success of our operations depends on acquiring and maintaining spectrum and licenses in each of our markets, most of which are granted for specified terms with no assurance that they will be renewed once expired, or at what price. = Interconnection agreements with other operators upon which the economic viability of our operations depend. A significant rise in these costs, or a decrease in the interconnection rates we earn, could impact the financial performance of our business, as could adverse local regulation of Mobile Termination rates (MTRs), which govern the rates at which carriers compensate each other for carrying calls that originate on one another's networks.		• Ukrainian OpCo have thus far managed to repair most of our network assets that incurred damage in Ukranian 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. • We launched the TowerCo project of the sale of towers to external parties - we seek to execute our "infrastructure" strategy and sell our tower assets, as we have done in Russia in December 2021 • Banglalink has reached an agreement with Bangladesh Telecommunications Company Limited (BTCL) for a tower sharing initiative. It centers around an asset-light business model that enables us to focus on providing our customers high-quality connectivity and world-class digital services. By reducing our direct ownership of capex-intensive tower infrastructure, we can focus on these high-growth digital services, delivering greater value to our shareholders and our customers.

Risk	Examples of how we mitigate	Some examples of 2022 developments
4. Legal		

Our business is subject to a variety of laws and regulations, including:

↑ Regulatory & compliance risks given that we operate in a highly regulated industry and are subject to a large number of laws and regulations, which change from time to time, vary between jurisdictions and can attract considerable costs, including fines and penalties, with respect to regulatory compliance. ↑ Sanction and export controls risks since we are subject to, depending on the transaction or business dealing, laws and regulations prescribed by various jurisdictions, including the United States, the United Kingdom and the European Union and especially in connection with the ongoing conflict between Russia and Ukraine. Applicable requirements remain subject to change and may impact our ability to conduct business in certain countries and with certain parties with which we have services, supply or other business arrangements. The risk of export restrictions for Chinese vendors has also gained relevance at the end of 2022. ↑ Unpredictable tax claims, decisions, audits & systems, as well as changes in applicable tax treaties, laws, rules or interpretations, which could give rise to significant uncertainties and risks that could complicate our tax planning and business decisions. = Unethical or inappropriate behavior, including potentially bribery and corruption, which could result in fraud or a breach of regulation or legislation and could, in turn, expose VEON to significant penalties, criminal prosecution and damage to our brand and reputation. = Money Laundering rules which require Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) systems and controls due to our expansion of Digital and Mobile Financial services (DFS and MFS) offerings beyond our core telecommunications services. = Data privacy since we collect and process customer personal data, we are subject to an increasing amount of data privacy laws and regulations. In some cases these laws and regulations also bring restrictions on cross border transfers of personal data and surveillance related requirements *Continued next page*	• We maintain good bilateral relationships with the regulatory authorities in our operating markets in order to help us understand and adapt to their concerns with respect to local regulation. • We closely monitor the developments related to international economic sanctions and export controls to comply with applicable sanctions and export control requirements and restrictions. • We operate a policy of diverse sourcing with respect to equipment suppliers to ensure that we are not overly reliant on any single vendor should a supply disruption arise, including as a consequence of the imposition of sanctions and export controls laws. • Developments in tax legislation and requirements as well as tax claims and decisions are monitored by local tax teams with oversight from HQ to ensure compliance with tax reporting and timely mitigation of possible tax disputes and audits. • Our Ethics & Compliance and Legal teams maintain oversight and expertise from HQ and rely on dedicated local teams with knowledge of the legal and regulatory requirements of each of our operating markets and supplement with external counsel when required. • We maintain an Ethics & Compliance program which includes a comprehensive approach to detecting, investigating, remediating and reporting misconduct, as well as fostering a strong Tone at The Top (TaTT) to encourage discussions about behavior and values and to optimize the cooperation and communication between HQ and OpCos to ensure appropriate standards of behaviors are communicated throughout the Group and enforced locally. • We maintain appropriate know-your-customer (KYC) and anti-money laundering (AML) controls across our DFS and MFS products and services as required by local rules and international best practices. • We maintain a privacy program that includes data privacy controls such as privacy assessments, *Continued next page*	• As of June 16, 2023, the Company continues to conclude that neither VEON Ltd. nor any of its subsidiaries is targeted by sanctions imposed by the United States, European Union (and individual EU member states) and, the United Kingdom. • 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. • The Tone at The Top (TaTT) model was introduced in 2021 and continued in 2022, which focuses on fully embedding the new operational model and proper change management to realize value creation, protect and strengthen VEON's reputation, and better align the Board, GEC and OpCo management on company culture. *Continued next page*

Risk	Examples of how we mitigate	Some examples of 2022 developments
4. Legal		
Our business is subject to a variety of laws and regulations, including:		
to store data and contents of communication for minimum periods. 🡅 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 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; etc.	data breach response and individual rights processes, to ensure we comply with EU and local data privacy laws for the collection and processing of personal data for our services, human resource management and compliance processes • OpCo Business Risk Committees (BRCs) are utilized to ensure Group management is in close alignment with local OpCo managers and key risks they face, and that effective, informed and risk-based decision making by the local OpCo Boards and VEON's Board takes place.	• On March 8, 2023, following an a previous announcement and approval by the Board of Directors a change of ratio in the Company's ADR program became effective. The change of ratio comprised 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").

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 note. 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, L1T 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 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 note—*Risk Factors.*

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 or lenders. 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 or lenders 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 affect 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. 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. 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 and through June 15, 2023, two energy companies have been subject to this decree, but 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 or 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. 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 could continue to have an adverse impact on our ability to procure or sell equipment in Russia and could 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, including the ability of our Beeline Russian Operations to obtain and apply protective software updates and also adversely impact our results of operation. 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 multi-national 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 operation 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. While OFAC confirmed a license would not be required to provide audit services for 2022, in the event the sale does not complete, 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 or reputational harm. 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 Russian 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 and 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 *Note—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 8 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.

On February 24, 2022 Ukraine declared martial law and has 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 10-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 are 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 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 may be substantial doubt about our ability to continue as a going concern for at least twelve 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, a significant 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 continued 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 10-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 Designed 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. However, as a result of the association of Sanctioned Persons with our largest shareholder, we have suffered and may continue to suffer reputational harm. 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 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* litigation with tax authorities ., *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 Russia 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 Note —*Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations*, Note — *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 situation in the country, 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 15, 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 Sense 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 and 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 *—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 to only 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 —*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 *—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 USD 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 May 31, 2023, we had approximately US2.4 billion of cash, of which US$1.96 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 Holdings B.V., 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 *—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 *—Operating and Financial Review and Prospects—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 Holdings B.V., as well as the ability to make certain intercompany payments and transfers.

VEON Holdings B.V. 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 Holdings B.V. depends on cash dividends, distributions, 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 Holdings B.V. 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 Holdings B.V.'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 Holdings B.V.'s ability to withdraw funds and dividends from our subsidiaries and operating companies may depend on the consent of our strategic partners, where applicable, as well as the tax regimes and treaties between the Netherlands and the local jurisdictions in which we operate.

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 continues 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. Though until today all cyber security attacks were 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 causalities, 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 *— 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 system 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 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. 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 does 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 for qualified personnel in our markets of operation 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 *—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, —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 amongst 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 *—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 31 May, 2023, we have achieved registration of the VEON name in sixteen of the seventeen 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 sixteen of the seventeen jurisdictions sought (although in only certain classes were 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. Further 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 adverse 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 and reputational 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 risks and challenges we face 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 also*—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 repeat 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 an 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, 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 have 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 telecommunications activities as an operator of long-distance or international communications or owns fixed communication lines without the consent of the Ministry of Digital Development, Innovation and Aerospace Industry and national security authorities 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,

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 complying 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, representation, 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. 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 customer data, and are therefore subject to an increasing amount 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 we are subject to 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 2022/58 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 four percent 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 affects our business,

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 *—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 —*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

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 24—*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 —*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.

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 —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 section.

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. 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 — How We Manage Risks — 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 24—Significant Accounting Policies* of our Audited Consolidated Financial Statements attached hereto.

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 "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, Omnium Telecom Algerie SpA (Algeria) 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 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 millon (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. The outstanding amounts have been rolled-over until April, US$692 million, and May, US$363 million, of 2023. Subject to the terms set out in the RCF, these amount can be rolled until maturity.

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 10 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) 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.

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 15, 2023 the conflict is still ongoing. Refer to *Note 23 — Basis of Preparation of the Consolidated Financial Statements* of our Audited Consolidated Financial Statements for further details.

On March 31, 2022, Banglalink acquired new spectrum for a fee of US$205 million payable in 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 4G license renewal with the PTA for a fee of PKR 45 billion (US$486 million equivalent) for fifteen years, of which 50% has been settled, and the remaining amount will be paid in five equal annual installments.

On July 1, 2022, equity-settled awards in VEON Ltd. 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 VEON Ltd. were transferred to key senior managers and directors from shares held by a subsidiary of VEON Ltd. during the three months ended September 30, 2022. Refer to *Note 21--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 in VEON Ltd. were transferred to Kaan Terzioglu under the 2021 Deferred Shares Plan. Refer to *Note 21 --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.

Management Changes

On October 17, 2022, VEON announced the appointment of Matthieu Galvani as Chief Corporate Affairs Officer, effective immediately and was also made a member of GEC.

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

A. Omiyinka Doris was appointed as Acting Group General Counsel and a member of the Group Executive Committee 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 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.

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 per cent 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 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.

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 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.

Purchase of VEON Group Debt

During the first quarter 2023, VimpelCom independently commenced and concluded the purchase of US$1,572 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.

Other Developments

On January 18, 2023, VEON announced that OFAC has replaced the General License 54 originally issued on 18 November 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 (issued before June 6, 2022) of VEON Ltd. or VEON Holdings that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071.

On February 21, 2023, VEON announced the completion of a further share transfer to Group Executive Committee ("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. Of those, 52,543 shares were transferred to Mr. Brakenhoff, with the remaining 51,504 withheld to cover local withholding tax.

On March 15, 2023, VEON announced the appointment of Joop Brakenhoff as Group Financial Officer, effective May 1, 2023. Mr. Brakenhoff replaces Serkan Okandan whose three-year contract as Group CFO expired at the end of April 2023.

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

VEON Management increases ownership

On December 31, 2022, equity-settled awards in VEON Ltd. granted to the Chief Internal Audit & Compliance Officer, Mr. Joop Brakenhoff, under the 2021 Deferred Share Plan vest. Subsequently, 52,543 shares in VEON Ltd. were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd. and 51,504 shares were withheld to cover local withholding tax.

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

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 permanent capacity, effective June 1, 2023.

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 *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 *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 *—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 .*—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.

Execution of Business Strategies and Initiatives

In September 2019, we announced a strategy framework comprising of three vectors: infrastructure, digital operator and ventures. See *—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, thought 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 *Risk Factors—Operational Risks—As a holding company, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Holdings B.V., 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

In millions of U.S. dollars	Year ended December 31, 2022	2021*
Consolidated income statement data:		
Service revenues	3,600	3,690
Sale of equipment and accessories	28	35
Other revenues	127	125
Total operating revenues	**3,755**	**3,850**
Other operating income	2	1
Service costs	(448)	(451)
Cost of equipment and accessories	(28)	(36)
Selling, general and administrative expenses	(1,397)	(1,382)
Depreciation	(564)	(602)
Amortization	(218)	(190)
Impairment (loss) / reversal	115	(27)
Gain on disposal of non-current assets	3	11
(Loss) / gain on disposal of subsidiaries	94	—
Operating profit	**1,314**	**1,174**
Finance costs	(609)	(604)
Finance income	79	25
Other non-operating gain / (loss)	26	6
Net foreign exchange gain / (loss)	188	(4)
Profit before tax	**998**	**597**
Income taxes	(67)	(340)
Profit from continuing operations	**931**	**257**
Loss after tax from discontinued operations and disposals of discontinued operations	(739)	679
Profit for the period	**192**	**936**
Attributable to:		
The owners of the parent (continuing operations)	852	208
The owners of the parent (discontinued operations)	(814)	601
Non-controlling interest	154	127
	192	**936**

**Prior year comparative for the year ended December 31, 2021 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

In millions of U.S. dollars, includes intersegment revenue	Year ended December 31, 2022	2021
Pakistan**	1,285	1,408
Ukraine	971	1,055
Kazakhstan	636	569
Uzbekistan	233	194
Bangladesh	576	564
Others	66	81
HQ and eliminations	(12)	(21)
Total	**3,755**	**3,850**

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 —*Reports of our reportable segments* below.

Operating Profit

For the year ended December 31, 2022, our consolidated operating profit increased to US$1,314 million as compared to US$1,174 million for the year ended December 31, 2021 .

Non-Operating Profits And Losses

Finance Costs

For the year ended December 31, 2022, our consolidated finance costs were US$609 million as compared to US$604 million for the year ended December 31, 2021. This was an increase of 0.8% that was primarily driven by an increase in borrowings.

Finance Income

For the year ended December 31, 2022, our consolidated finance income was US$79 million as compared to US$25 million for the year ended December 31, 2021. This was an increase of 216% that was primarily due to higher short-term deposit balances held in our accounts and increases in interest rates.

Other Non-Operating Gain / (Loss)

For the year ended December 31, 2022, we recorded other non-operating gains of US$26 million as compared to a non-operating gain of US$6 million for the year ended December 31, 2021.This decrease was mainly driven by a by gain on money market fund classified as cash and cash equivalents .

Net Foreign Exchange Gain / (Loss)

For the year ended December 31, 2022, we recorded a net foreign exchange gain of US$188 million as compared to a net foreign exchange loss of US$4 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 *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.*

Income Tax Expense

For the year ended December 31, 2022, our consolidated income tax expense decreased by 80.3% to US$67 million as compared to US$340 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.

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$739 million as compared to a profit after tax from discontinued operations of US$679 million for the year ended December 31, 2021. The year on year change is mainly associated with the loss of US$722 recognized during the year 2022 on sale of our Algerian operations and loss after tax on Russian Operations of US$ 202, 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 key developments of the Russian discontinued operations during the year ended December 31, 2022, please see below:

For the year ended December 31, 2022, total operating revenue of discontinued operations in Russia increased by 8.5% (in US$ terms) and decreased by 1.4% (in local currency terms) as compared to the year ended December 31, 2021. Local currency growth was mainly impacted by lower sales of devices due to supply chain constraints, partly compensated by higher B2B revenue growth, supported by digital solutions and higher fixed-line revenues were supported by growth of the broadband business and the ongoing expansion of Beeline Russia's broadband customer base. For the year ended December 31, 2022, Russia Adjusted EBITDA increased by 21.1% (in US$ terms) and increased by 9.0% (in local currency terms) as compared to the year ended December 31, 2021 reflecting the continued growth in higher margin mobile services, supported by revised pricing and optimized bundles, as well as cost optimization.

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$852 million as compared to US$208 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.

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$154 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.

Adjusted EBITDA

In millions of U.S. dollars	Year ended December 31,	
	2022	2021
Pakistan**	654	643
Ukraine	575	704
Kazakhstan	321	307
Uzbekistan	124	89
Bangladesh	210	235
Others	26	41
HQ and eliminations	(26)	(37)
Total	**1,884**	**1,982**

For the year ended December 31, 2022, our total Adjusted EBITDA was US$1,884 million as compared to US$1,982 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 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 and 2021, please refer to table below.

	Year ended December 31,	
In millions of U.S. dollars	2022	2021
Profit / (loss) before tax from continuing operations	**998**	**597**
Depreciation	564	602
Amortization	218	190
Impairment loss / (reversal)	(115)	27
(Gain) / loss on disposal of non-current assets	(3)	(11)
(Gain) / loss on disposal of subsidiaries	(94)	—
Finance costs	609	604
Finance income	(79)	(25)
Other non-operating (gain) / loss	(26)	(6)
Net foreign exchange (gain) / loss	(188)	4
Total Adjusted EBITDA	**1,884**	**1,982**

Results of our Reportable Segments

Pakistan

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	2022	2021	2020	'21-22 % change	'20-21 % change
	Year ended December 31,				
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%**	**5.2pp**	**-3.9pp**

Results of Operations in PKR

In millions of PKR (except as indicated)	2022	2021	2020	'21-22 % change	'20-21 % change
	Year ended December 31,				
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%**	**5.6pp**	**-4.1pp**

Selected Performance Indicators

	2022	2021	2020	'21-22 % change	'20-21 % change
	Year ended December 31,				
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 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$

In millions of U.S. dollars (except as indicated)	2022	2021	2020	'21-22 % change	'20-21 % change
	Year ended December 31,				
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%**	**-7.5pp**	**-0.8pp**

Results of Operations in UAH

In millions of UAH (except as indicated)	2022	2021	2020	'21-22 % change	'20-21 % change
	Year ended December 31,				
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%**	**-7.9pp**	**-0.7pp**

Selected Performance Indicators

	2022	2021	2020	'21-22 % change	'20-21 % change
	Year ended December 31,				
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.

Results of Operations in US$

In millions of U.S dollars (except as indicated)	Year ended December 31, 2022	2021	2020	'21-22 % change	'20-21 % change
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%**	**-3.3pp**	**-1.3pp**

RESULTS OF OPERATIONS IN KZT

In millions of KZT (except as indicated)	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%**	**-3.6pp**	**-1.3pp**

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$

In millions of U.S dollars (except as indicated)	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%**	**7.3pp**	**11.6pp**

Results of Operations in UZS

In millions of UZS (except as indicated)	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%**	**7.3pp**	**11.7pp**

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 customers base and focus on high value customers.

Bangladesh

Results of Operations in US$

	Year ended December 31,				
In millions of U.S. dollars (except as indicated)	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%**	**-5.2pp**	**-0.8pp**

Results of Operations in BDT

	Year ended December 31,				
In millions of BDT (except as indicated)	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%**	**-5.3pp**	**-0.8pp**

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 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 in 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

(In millions of U.S. dollars)	2022	2021*
Net cash flows from operating activities from continuing operations	**1,075**	**1,005**
Net cash flows from operating activities from discontinued operations	**1,625**	**1,665**
Net cash flows from / (used in) investing activities from continuing operations	**(1,179)**	**(975)**
Net cash flows from / (used in) investing activities from discontinued operations	**(599)**	**(202)**
Net cash flows from / (used in) financing activities from continuing operations	**485**	**(218)**
Net cash flows from / (used in) financing activities from discontinued operations	**(340)**	**(552)**
Net increase / (decrease) in cash and cash equivalents	1,067	723
Net foreign exchange difference related to continuing operations	(92)	(11)
Net foreign exchange difference related to discontinued operations	(22)	(5)
Cash and cash equivalent classified as held for sale	(33)	(113)
Cash and cash equivalent at beginning of period	2,157	1,563
Cash and cash equivalents at end of period, net of overdraft	**3,077**	**2,157**

**Prior year comparatives for the year ended December 31, 2021 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$1,075 million from US$1,005 million for the year ended December 31, 2021. The increase was primarily attributable to an improvement in working capital as compared to 2021.

Investing Activities

For the year ended December 31, 2022, net cash outflow from investing activities was US$1,179 million compared to net cash outflow of US$975 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 relating to Algeria received during 2022 compared to the proceeds of US$861 from 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$616 million in 2022 compared to US$680 million in 2021.

Financing Activities

For the year ended December 31, 2022, net cash inflow from financing activities was US$485 million compared to net cash outflow of US$218 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.

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$7,569 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.

	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	235	396	306	390	1,327
Purchase obligations	285	—	—	—	285
Total financial liabilities, net of derivative assets	**3,316**	**3,067**	**2,319**	**741**	**9,443**

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. For a description of some of the risks associated with certain of our indebtedness, see *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 *—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 Holdings B.V., 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$836 million compared to US$803 million in 2021. 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.

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 *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 in February 2023 and April 2023. See *—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 twelve 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 *—Risk Factors—Market Risks—Our independent auditors have included an emphasis of matter paragraph on going concern in their opinion as a result of the effects of the ongoing conflict between Russia and Ukraine* and Note 23—*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:

	2022	**2021***
Capital expenditures (excluding licenses and right-of-use assets) **	836	803
Adjusted for:		
Additions of licenses	525	482
Difference in timing between accrual and payment for capital expenditures (excluding licenses and right-of-use assets)	(371)	(450)
Purchase of property, plant and equipment and intangible assets	**990**	**835**

**Prior year comparatives for the year ended December 31, 2021 are adjusted following the classification of Russia 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*—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 - *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 *—Related Party Transactions* and *Note 22—Related Parties* to our Audited Consolidated Financial Statements.

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 *—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 — *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 69% 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.

Consolidated Financial Statements

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CONSOLIDATED INCOME STATEMENT

for the years ended December 31

(In millions of U.S. dollars)	Note	2022	2021*
Service revenues		3,600	3,690
Sale of equipment and accessories		28	35
Other revenues		127	125
Total operating revenues	3	**3,755**	**3,850**
Other operating income		2	1
Service costs		(448)	(451)
Cost of equipment and accessories		(28)	(36)
Selling, general and administrative expenses	4	(1,397)	(1,382)
Depreciation	12	(564)	(602)
Amortization	13	(218)	(190)
Impairment (loss) / reversal	11	115	(27)
Gain on disposal of non-current assets		3	11
(Loss) / gain on disposal of subsidiaries	9	94	—
Operating profit		**1,314**	**1,174**
Finance costs		(609)	(604)
Finance income		79	25
Other non-operating gain / (loss)	15	26	6
Net foreign exchange gain / (loss)		188	(4)
Profit before tax		**998**	**597**
Income taxes	8	(67)	(340)
Profit from continuing operations		**931**	**257**
Loss after tax from discontinued operations and disposals of discontinued operations	10	(739)	679
Profit for the period		**192**	**936**
Attributable to:			
The owners of the parent (continuing operations)		852	208
The owners of the parent (discontinued operations)		(814)	601
Non-controlling interest		154	127
		192	**936**

**Prior year comparatives for the year ended December 31, 2021 are adjusted following the classification of Russia as a discontinued operation (see Note 10).*

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended December 31

	2022	2021
(In millions of U.S dollars)		
Profit for the period	**192**	**936**
Items that may be reclassified to profit or loss		
Foreign currency translation	(486)	(200)
Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation	(266)	—
Other	—	(3)
Items that will not to be reclassified to profit or loss		
Other	6	—
Other comprehensive income / (loss) for the period, net of tax	**(746)**	**(203)**
Total comprehensive income / (loss) for the period, net of tax	**(554)**	**733**
Attributable to:		
The owners of the parent	160	648
Non-controlling interests	(714)	85
	(554)	**733**
Total comprehensive income / (loss) for the period, net of tax from:		
Continuing operations	404	128
Discontinued operations	(958)	605
	(554)	**733**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31

(In millions of U.S. dollars)	Note	2022	2021
Assets			
Non-current assets			
Property and equipment	12	2,892	6,705
Intangible assets	13	1,953	3,220
Investments and derivatives	16	1,431	1,412
Deferred tax assets	8	273	227
Other assets	6	157	217
Total non-current assets		**6,706**	**11,781**
Current assets			
Inventories		18	111
Trade and other receivables	5	561	797
Investments and derivatives	16	592	456
Current income tax assets	8	70	70
Other assets	6	200	333
Cash and cash equivalents	17	3,077	2,170
Total current assets		**4,518**	**3,937**
Assets classified as held for sale	10	**5,796**	**1,882**
Total assets		**17,020**	**17,600**
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent	19	2,109	1,981
Non-controlling interests		198	913
Total equity		**2,307**	**2,894**
Non-current liabilities			
Debt and derivatives	16	5,382	9,397
Provisions	7	47	85
Deferred tax liabilities	8	36	115
Other liabilities	6	20	36
Total non-current liabilities		**5,485**	**9,633**
Current liabilities			
Trade and other payables		1,126	2,072
Debt and derivatives	16	3,171	1,535
Provisions	7	50	100
Current income tax payables	8	179	228
Other liabilities	6	453	746
Total current liabilities		**4,979**	**4,681**
Liabilities associated with assets held for sale	10	**4,249**	**392**
Total equity and liabilities		**17,020**	**17,600**

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

(In millions of U.S. dollars, except for share amounts)	Note	Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation	Total	Non-controlling interests	Total equity
			Attributable to equity owners of the parent							
As of January 1, 2022		**30,099,998**	**39**	**13,028**	**(2,626)**	**(1,729)**	**(6,731)**	**1,981**	**913**	**2,894**
Profit / (loss) for the period		—	—	—	—	38	—	38	154	192
Transfer to income statement on disposal of subsidiary		—	—	—	—	—	558	558	(824)	(266)
Other comprehensive income / (loss)		—	—	—	6	—	(442)	(436)	(44)	(480)
Total comprehensive income / (loss)		**—**	**—**	**—**	**6**	**38**	**116**	**160**	**(714)**	**(554)**
Dividends declared	20	—	—	—	—	—	—	—	(14)	(14)
(Distributions to) / capital contributions from parent		—	—	—	—	—	—	—	—	—
Acquisition of non-controlling interest		—	—	—	—	—	5	5	4	9
Other		—	—	—	(34)	(3)	—	(37)	9	(28)
As of December 31, 2022		**30,099,998**	**39**	**13,028**	**(2,654)**	**(1,694)**	**(6,610)**	**2,109**	**198**	**2,307**

for the year ended December 31, 2021

(In millions of U.S. dollars, except for share amounts)	Note	Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation	Total	Non-controlling interests	Total equity
			Attributable to equity owners of the parent							
As of January 1, 2021		**30,099,998**	**39**	**12,992**	**(2,392)**	**(2,537)**	**(6,573)**	**1,529**	**850**	**2,379**
Profit / (loss) for the period		—	—	—	—	809	—	809	127	936
Other comprehensive income / (loss)		—	—	—	(1)	(2)	(158)	(161)	(42)	(203)
Total comprehensive income / (loss)		**—**	**—**	**—**	**(1)**	**807**	**(158)**	**648**	**85**	**733**
Dividends declared	20	—	—	—	—	—	—	—	(89)	(89)
(Distributions to) / capital contributions from parent		—	—	36	—	—	—	36	—	36
Acquisition of non-controlling interest		—	—	—	(76)	—	—	(76)	69	(7)
Loan Novation	16	—	—	—	(150)	—	—	(150)	—	(150)
Other		—	—	—	(7)	1	—	(6)	(2)	(8)
As of December 31, 2021		**30,099,998**	**39**	**13,028**	**(2,626)**	**(1,729)**	**(6,731)**	**1,981**	**913**	**2,894**

* *Certain of the consolidated entities of VEON Holdings are restricted from remitting funds in the form of cash dividends or loans by a variety of regulations, contractual or local statutory requirements*

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*
Operating activities			
Profit before tax		998	597
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation, amortization and impairment loss / (reversal)		667	819
(Gain) / loss on disposal of non-current assets		(3)	(11)
(Gain) / loss on disposal of subsidiaries		(94)	—
Finance costs		609	604
Finance income		(79)	(25)
Other non-operating (gain) / loss		(26)	(6)
Net foreign exchange (gain) / loss		(188)	4
Changes in trade and other receivables and prepayments		(164)	(141)
Changes in inventories		(12)	(4)
Changes in trade and other payables		61	(67)
Changes in provisions, pensions and other		49	17
Interest paid	16	(499)	(532)
Interest received		40	24
Income tax paid		(284)	(274)
Net cash flows from operating activities from continuing operations		**1,075**	**1,005**
Net cash flows from operating activities from discontinued operations		**1,625**	**1,665**
Investing activities			
Purchase of property, plant and equipment		(616)	(680)
Purchase of intangible assets		(374)	(155)
Receipts from / (Payments) on deposits		(54)	(58)
Outflows on loans granted		(152)	(111)
Inflows on loans granted		1	46
Acquisition of a subsidiary, net of cash acquired		(16)	—
Proceeds from sales of share in subsidiaries, net of cash		40	—
Receipts from / (investment in) financial assets****		(22)	(43)
Other proceeds from investing activities, net		14	26
Net cash flows from / (used in) investing activities from continuing operations		**(1,179)**	**(975)**
Net cash flows from / (used in) investing activities from discontinued operations		**(599)**	**(202)**
Financing activities			
Proceeds from borrowings, net of fees paid **	16	2,087	2,055
Repayment of debt	16	(1,591)	(1,977)
Acquisition of non-controlling interest	16	—	(279)
Contributions from / (Distributions to) owners of the parent	20	—	—
Dividends paid to non-controlling interests		(11)	(17)
Net cash flows from / (used in) financing activities from continuing operations		**485**	**(218)**
Net cash flows from / (used in) financing activities from discontinued operations		**(340)**	**(552)**
Net increase / (decrease) in cash and cash equivalents		1,067	723
Net foreign exchange difference related to continued operations		(92)	(11)
Net foreign exchange difference related to discontinued operations		(22)	(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****		2,157	1,563
Cash and cash equivalents at end of period, net of overdraft * **	17	**3,077**	**2,157**

* *Prior year comparatives for the year ended December 31, 2021 are adjusted following the classification of Russia as a discontinued operation (see note 10)*

** *Fees paid for borrowings were US$11 (2021: US$32)*

*** *Overdrawn amount was US$0 (2021: US$13)*

**** Certain comparative amounts have been reclassified, refer to Note 23 for further details

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL INFORMATION ABOUT THE GROUP

1 GENERAL INFORMATION

VEON Holdings B.V. (**"VEON"**, the **"Company"**, and together with its consolidated subsidiaries, the **"Group"** or **"we"**) was established as a private company with limited liability under the laws of the Netherlands on June 29, 2009. The registered office and principal place of business of VEON is located at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands. The Company is an indirectly wholly-owned subsidiary of VEON Ltd.

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.

The consolidated financial statements were authorized by the Board of Directors for issuance on June 29, 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 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 23 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 June 29, 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 and 2021 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$94 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 of VEON Ltd. 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 June 29, 2023, the conflict is still ongoing. Refer to Note 23 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 July 1, 2022 equity-settled awards in VEON Ltd. 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 VEON Ltd. were transferred to key senior managers and directors from shares held by a subsidiary of VEON Ltd. during the three months ended September 30, 2022. Refer to Note 21 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 Ltd. 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 in VEON Ltd. were transferred to Kaan Terzioglu under the 2021 Deferred Shares Plan. Refer to Note 21 for further details.

On October 1, 2022, Matthieu Galvani was appointed Chief Corporate Affairs Officer of VEON Ltd.

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 22 and Note 23 for further details.

On October 18, 2022, equity-settled awards in VEON Ltd. were granted to key senior managers under the 2021 Long-Term Incentive Plan. Refer to Note 21.

On November 1, 2022, A. Omiyinka Doris was appointed Acting Group General Counsel of VEON Ltd.

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 22 and Note 23 for further details.

Changes to VEON Ltd. Board of Directors

On January 5, 2022, VEON Ltd. 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 Ltd. announced the resignation of Mikhail Fridman from the Board of Directors, effective from February 28, 2022.

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

On March 16, 2022, VEON Ltd. 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 Ltd. 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 of VEON Ltd., 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***	**2022**	**2021***	**2022**	**2021***
Pakistan**	1,285	1,408	654	643	258	318
Ukraine	971	1,055	575	704	177	203
Kazakhstan	636	569	321	307	122	134
Uzbekistan	233	194	124	89	64	34
Bangladesh	576	564	210	235	199	89
Others	66	81	26	41	16	25
HQ and eliminations	(12)	(21)	(26)	(37)	—	—
Total	**3,755**	**3,850**	**1,884**	**1,982**	**836**	**803**

**Prior year comparatives for the year ended December 31, 2021 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***
Profit / (loss) before tax from continuing operations	**998**	**597**
Depreciation	564	602
Amortization	218	190
Impairment loss / (reversal)	(115)	27
(Gain) / loss on disposal of non-current assets	(3)	(11)
(Gain) / loss on disposal of subsidiaries	(94)	—
Finance costs	609	604
Finance income	(79)	(25)
Other non-operating (gain) / loss	(26)	(6)
Net foreign exchange (gain) / loss	(188)	4
Total Adjusted EBITDA	**1,884**	**1,982**

**Prior year comparatives for the year ended December 31, 2021 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*	2022	2021*	2022	2021*	2022	2021*	2022	2021*
Pakistan***	1,169	1,285	—	—	14	18	102	105	1,285	1,408
Ukraine	906	980	59	68	1	—	5	7	971	1,055
Kazakhstan	497	459	116	91	13	17	10	2	636	569
Uzbekistan	232	193	1	1	—	—	—	—	233	194
Bangladesh	566	553	—	—	—	—	10	11	576	564
Others	66	81	—	—	—	—	—	—	66	81
HQ and eliminations	(8)	(15)	(4)	(6)	—	—	—	—	(12)	(21)
Total	**3,428**	**3,536**	**172**	**154**	**28**	**35**	**127**	**125**	**3,755**	**3,850**

**Prior year comparatives for the year ended December 31, 2021 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)	494	777
Receivables (unbilled)	37	49
Contract liabilities	(169)	(231)
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*
Network and IT costs	490	476
Personnel costs	339	300
Customer associated costs	347	413
Losses on receivables	27	13
Taxes, other than income taxes	29	50
Other	165	130
Total selling, general and administrative expenses	**1,397**	**1,382**

**Prior year comparatives for the year ended December 31, 2021 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.

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)*	531	826
Expected credit losses	(84)	(159)
Trade receivables (net)	**447**	**667**
Other receivable, net of expected credit losses allowance	114	130
Total trade and other receivables	**561**	**797**

* *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)	(5)
Other movements	(2)	(3)
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:

			Days past due			
	Unbilled Receivables	**Current**	**< 30 days**	**Between 31 and 120 days**	**> 120 days**	**Total**
December 31, 2022						
Expected loss rate, %	0.0%	0.6%	15.4%	27.6%	97.1%	
Trade receivables	37	356	39	29	70	**531**
Expected credit losses	—	(2)	(6)	(8)	(68)	**(84)**
Trade receivables, net	**37**	**354**	**33**	**21**	**2**	**447**
December 31, 2021						
Expected loss rate, %	0.0%	0.9%	3.7%	44.4%	95.7%	
Trade receivables	49	540	54	45	138	**826**
Expected credit losses	—	(5)	(2)	(20)	(132)	**(159)**
Trade receivables, net	**49**	**535**	**52**	**25**	**6**	**667**

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:

	2022	2021
Other non-current assets		
Customer acquisition costs (see Note 3)	126	149
Tax advances (non-income tax)	7	33
Other non-financial assets	24	35
Total other non-current assets	**157**	**217**
Other current assets		
Advances to suppliers	51	99
Input value added tax	45	153
Prepaid taxes	50	24
Other assets	54	57
Total other current assets	**200**	**333**

Other liabilities consisted of the following items as of December 31:

	2022	2021
Other non-current liabilities		
Long-term deferred revenue (see Note 3)	10	20
Other liabilities	10	16
Total other non-current liabilities	**20**	**36**
Other current liabilities		
Taxes payable (non-income tax)	134	311
Short-term deferred revenue (see Note 3)	121	154
Customer advances (see Note 3)	38	57
Other payments to authorities	60	52
Due to employees	60	134
Other liabilities	40	38
Total other current liabilities	**453**	**746**

7 PROVISIONS AND CONTINGENT LIABILITIES

PROVISIONS

The following table summarizes the movement in provisions for the years ended December 31:

	Non-income tax provisions	Decommissioning provision	Legal provision	Other provisions	Total
As of January 1, 2021	**86**	**141**	**14**	**10**	**251**
Arising during the year	19	31	4	2	**56**
Utilized	(11)	(1)	—	—	**(12)**
Unused amounts reversed	—	(19)	—	(15)	**(34)**
Reclassification as held for sale	—	(71)	(12)	—	**(83)**
Discount rate adjustment and imputed interest (change in estimate)	—	7	—	—	**7**
Translation adjustments and other	(6)	(3)	—	9	**—**
As of December 31, 2021	**88**	**85**	**6**	**6**	**185**
Non-current	—	85	—	—	**85**
Current	88	—	6	6	**100**
As of January 1, 2022	**88**	**85**	**6**	**6**	**185**
Arising during the year	4	1	—	1	**6**
Utilized	—	(2)	—	—	**(2)**
Unused amounts reversed	(20)	(6)	—	—	**(26)**
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	(8)	(9)	—	(3)	**(20)**
As of December 31, 2022	**49**	**43**	**2**	**3**	**97**
Non-current	4	43	—	—	**47**
Current	45	—	2	3	**50**

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.

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 three 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.

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 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.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	46	70
Uncertain tax provisions	133	158
Total income tax payable	**179**	**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$70 (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
Current income taxes		
Current year	268	269
Adjustments in respect of previous years	10	47
Total current income taxes	**278**	**316**
Deferred income taxes		
Movement of temporary differences and losses	(8)	40
Changes in tax rates	(4)	—
Changes in recognized deferred tax assets*	(162)	—
Adjustments in respect of previous years	(5)	(21)
Other	(32)	5
Total deferred tax expense / (benefit)	**(211)**	**24**
Income tax expense	**67**	**340**

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%) (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	Explanatory notes
Profit / (loss) before tax from continuing operations	998	597	
Income tax benefit / (expense) at statutory tax rate (25.8%)	**(257)**	**(149)**	
Difference due to the effects of:			
Different tax rates in different jurisdictions	47	(4)	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). Profitability in countries with lower tax rates (i.e. Kazakhstan, Ukraine) has a positive impact on the effective tax rate, partially offset with profitability in countries with higher rate (i.e. Pakistan, Bangladesh).
Non-deductible expenses	(35)	(28)	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 included 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	9	(8)	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.
Adjustments in respect of previous years	(9)	(25)	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	162	(46)	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. This primarily occurs in 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. In addition, VEON Holdings was able to utilize part of unrecognized deferred tax assets of US$35 due to unrealized foreign exchange gains on intra-group receivables.
Withholding taxes	39	(68)	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$39 comprising of reversal of WHT provided for as a deferred tax on outside basis during 2022 on the dividends planned to be paid out in 2023 mainly relating to Ukraine and Russia. In 2021, expenses relating to withholding taxes were primarily influenced by dividends from Pakistan, Ukraine and Uzbekistan.
Uncertain tax positions	(25)	(7)	The tax legislation in the markets in which VEON operates is unpredictable and gives rise to significant uncertainties (see 'Source of estimation uncertainty' below). During 2022, provisions were made for a dispute in Italy. The impact of movements in uncertain tax positions is presented net of any corresponding deferred tax assets recognized.
Change in income tax rate	4	—	Changes in tax rates impact the valuation of existing deferred tax assets and liabilities on temporary differences. In 2022, the statutory tax rate in Pakistan increased by 4% resulting in the total tax charge of 33%.
Other	(2)	(5)	In 2021, the amount of US$(5) relates to other various permanent differences.
Income tax benefit / (expense)	**(67)**	**(340)**	
Effective tax rate	**6.7 %**	**57.0 %**	

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	273	227
Deferred tax liabilities	(36)	(115)
Net deferred tax position	237	112

The following table shows the movements of net deferred tax positions in 2022:

		Movement in deferred taxes			
	Opening balance	**Net income statement movement**	**Held for sale**	**Other movements**	**Closing balance**
Property and equipment	(100)	(46)	35	27	(84)
Intangible assets	36	59	(13)	(23)	59
Trade receivables	32	(19)	7	2	22
Provisions	16	7	(7)	(1)	15
Accounts payable	90	32	(65)	(21)	36
Withholding tax on undistributed earnings	(98)	69	—	—	(29)
Tax losses and other balances carried forwards	2,093	31	(3)	(97)	2,024
Non-recognized deferred tax assets	(1,965)	68	—	78	(1,819)
Other	8	10	—	(5)	13
Net deferred tax positions	112	211	(46)	(40)	237

The following table shows the movements of net deferred tax positions in 2021:

		Movement in deferred taxes			
	Opening balance	**Net income statement movement**	**Held for sale**	**Other movements**	**Closing balance**
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)	(8)	16
Accounts payable	140	9	(25)	(34)	90
Withholding tax on undistributed earnings	(60)	(39)	—	1	(98)
Tax losses and other balances carried forwards	1,690	44	1	358	2,093
Non-recognized deferred tax assets	(1,494)	(99)	—	(372)	(1,965)
Other	—	(12)	15	5	8
Net deferred tax positions	59	(24)	90	(13)	112

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)	(6,296)	(7,149)
Non-recognized DTA	—	—	213	1,570	1,783
Other credits carried forwards expiry					
Recognized credits	(1)	(45)	—	—	(46)
Recognized DTA	1	45	—	—	46
Non-recognized credits	—	—	—	(141)	(141)
Non-recognized DTA	—	—	—	36	36

As of December 31, 2021	0-5 years	6-10 years	More than 10 years	Indefinite	Total
Tax losses expiry					
Recognized losses	(15)	—	—	(173)	(188)
Recognized DTA	3	—	—	50	53
Non-recognized losses	—	—	(707)	(6,536)	(7,243)
Non-recognized DTA	—	—	169	1,672	1,841
Other credits carried forwards expiry					
Recognized credits	(2)	(73)	—	—	(75)
Recognized DTA	2	73	—	—	75
Non-recognized credits	—	—	—	(519)	(519)
Non-recognized DTA	—	—	—	124	124

Losses mainly relate to our holding entities in Luxembourg (2022: US$6,776; 2021: US$6,431) and the Netherlands (2022: US$199; 2021: US$414).

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$7,403). 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 1st of January 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 June 29, 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 and 2021 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, 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$94 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$486 recorded against the foreign currency translation reserve in the Statement of Comprehensive Income.

SIGNIFICANT TRANSACTIONS IN 2021

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.

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.

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	5,793	—	4,249	—
Algeria	—	1,846	—	392
Ukraine towers	3	17	—	—
Other individual assets	—	19	—	—
Total assets and liabilities held for sale	5,796	1,882	4,249	392

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
Russia	(161)	528
Algeria		
Profit / (loss) after tax for the period	144	151
Loss on disposal	(722)	—
Total loss after tax from discontinued operations and disposals of discontinued operations	**(739)**	**679**

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 June 29, 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 22 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 and 2021 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	368
Other current assets*	270
Total assets held for sale	**5,793**
Non-current liabilities	
Debt and Derivatives - NCL	2,888
Other non current liabilities	64
Current liabilities	
Trade and other payables	708
Debt & Derivatives - CL	306
Other non-financial liabilities	283
Total liabilities held for sale	**4,249**

*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**	**278**	**1,084**
Additions	775	192	—
Disposals	(18)	(10)	4
Depreciation/amortization charge for the year	(947)	(130)	—
Reclassification as held for sale	(9)	—	—
Impairment	(5)	(2)	(445)
Transfers	—	17	—
Modifications of right-of-use assets	(166)	—	—
Translation adjustment	298	11	(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 1 and 5 years: US$91 and More than 5 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**
Operating revenue	4,263	3,925
Operating expenses**	(3,976)	(3,408)
Other expenses	(424)	(76)
Profit / (loss) before tax for the period	(137)	441
Income tax benefit / (expense)	(24)	87
Profit / (loss) after tax for the period	(161)	528
Other comprehensive income / (loss)*	(29)	(10)
Total comprehensive income / (loss)	(190)	518

**Other comprehensive income relates to the foreign currency translation of discontinued operations.*

*** In 2022, operating expenses includes an impairment of US$446 (2021.Nil) 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		
	Explicit forecast period	Terminal period	Combined average *	Explicit forecast period	Terminal period	Combined average *
Discount rate	— %	— %	20.5 %	— %	— %	9.3 %
Average annual revenue growth rate	6.2 %	1.6 %	5.5 %	5.0 %	1.6 %	4.4 %
Average operating margin	32.4 %	35.0 %	32.8 %	33.2 %	35.5 %	33.6 %
Average CAPEX / revenue **	20.3 %	18.0 %	19.9 %	25.4 %	21.0 %	24.7 %

* *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 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.

Exercised Put option to sell entirety stake in Omnium Telecom Algerie SpA

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, 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 and 2021 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	286
Total liabilities disposed / held for sale	367	392

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
Operating revenue	378	659
Operating expenses	(212)	(470)
Other expenses	(7)	(17)
Profit / (loss) before tax for the period	159	172
Income tax benefit / (expense)	(15)	(21)
Profit / (loss) after tax for the period	144	151
Other comprehensive income / (loss)*	(65)	(68)
Total comprehensive income / (loss)	**79**	**83**

*Other comprehensive income is relating to the foreign currency translation of discontinued operations.

The following table shows the results for the disposal of Algeria 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	**823**
Loss on sale before reclassification of foreign currency translation reserve	(25)
Reclassification of foreign currency translation reserve	(697)
Net loss on disposal of Algeria operations	**(722)**

*Net assets include US$175 relating to cash and cash equivalents at disposal

Ukraine Tower Carve out

In June 2021, Kyivstar (a wholly owned subsidiary of VEON group) formalized the plan to carve out its tower related passive infrastructure to a newly incorporated entity, Ukraine Tower Holdings B.V. (an entity indirectly held by VEON Ltd. outside of VEON holdings group). All board approvals to form this carve out were obtained and accordingly the net book value of towers was classified as held for sale.

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 it's 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 *	31	1	—	—	32
Other	3	(1)	—	—	2
	(27)	(77)	—	(11)	(115)

**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

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**
Pakistan	19.5 %	14.7 %
Bangladesh**	14.6 %	— %
Kazakhstan	13.8 %	9.4 %
Kyrgyzstan*	19.0 %	— %
Uzbekistan	15.8 %	11.8 %
Ukraine	21.7 %	— %

* *In 2021, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan, therefore discount rate was not determined*

** *In 2021, 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	2022	2021
Pakistan	12.0 %	4.8 %	4.0 %	5.5 %
Bangladesh	12.6 %	— %	3.5 %	— %
Kazakhstan	12.3 %	3.6 %	1.0 %	1.0 %
Kyrgyzstan	11.4 %	— %	3.0 %	— %
Uzbekistan	19.3 %	3.7 %	2.5 %	3.0 %
Ukraine	8.6 %	— %	1.0 %	— %

[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.

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	2022	2021
Pakistan	40.9 %	43.6 %	40.0 %	42.0 %
Bangladesh	32.6 %	— %	36.3 %	— %
Kazakhstan	49.2 %	48.9 %	45.0 %	47.0 %
Kyrgyzstan	36.7 %	— %	33.7 %	— %
Uzbekistan	43.6 %	40.9 %	41.0 %	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

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 period1 CAPEX as a percentage of revenue	
	2022	2021	2022	2021
Pakistan	15.8 %	22.0 %	16.0 %	20.0 %
Bangladesh	18.0 %	— %	17.0 %	— %
Kazakhstan	18.6 %	20.0 %	18.5 %	20.0 %
Kyrgyzstan	20.1 %	— %	23.0 %	— %
Uzbekistan	18.0 %	20.2 %	20.0 %	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.

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.

	Bangladesh		Kyrgyzstan	
Sensitivity analysis	**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
Decrease in headroom	—	*(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
Decrease in headroom	—	*(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
Decrease in headroom	—	*(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
Decrease in headroom	—	*(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	**4,048**	**157**	**352**	**567**	**1,729**	**6,853**
Additions	47	2	18	1,559	755	**2,381**
Disposals*	(197)	(1)	(5)	(7)	(100)	**(310)**
Depreciation charge for the year	(990)	(19)	(125)	—	(408)	**(1,542)**
Reclassification as held for sale	(385)	(6)	(9)	(42)	(80)	**(522)**
Impairment	(12)	—	(1)	2	(2)	**(13)**
Transfers	1,416	16	182	(1,620)	(2)	**(8)**
Translation adjustment	(100)	—	(5)	(8)	(21)	**(134)**
As of December 31, 2021	**3,827**	**149**	**407**	**451**	**1,871**	**6,705**
Additions	67	7	23	659	585	**1,341**
Disposals	(41)	(1)	(4)	(10)	(15)	**(71)**
Depreciation charge for the year	(378)	(6)	(29)	—	(151)	**(564)**
Divestment and reclassification as held for sale **	(1,987)	(80)	(314)	(235)	(1,393)	**(4,009)**
Impairment	(35)	(2)	—	(2)	(4)	**(43)**
Impairment reversal	56	1	3	6	4	**70**
Transfers	522	5	14	(542)	(5)	**(6)**
Modifications of right-of-use assets	—	—	—	—	26	**26**
Translation adjustment	(355)	(13)	(15)	(42)	(132)	**(557)**
As of December 31, 2022	**1,676**	**60**	**85**	**285**	**786**	**2,892**
Cost	4,700	138	377	320	1,146	**6,681**
Accumulated depreciation and impairment	(3,024)	(78)	(292)	(35)	(360)	**(3,789)**

**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	**1,440**	**284**	**5**	**1,729**
Additions	682	69	4	755
Disposals	(100)	—	—	(100)
Depreciation charge for the year	(321)	(84)	(3)	(408)
Reclassification as held for sale	(71)	(9)	—	(80)
Impairment	—	(2)	—	(2)
Transfers	(4)	2	—	(2)
Translation adjustment	(18)	(3)	—	(21)
As of December 31, 2021	**1,608**	**257**	**6**	**1,871**
Additions	573	12	—	585
Disposals	(12)	(3)	—	(15)
Depreciation charge for the year	(137)	(12)	(2)	(151)
Divestment and reclassification as held for sale	(1,175)	(216)	(2)	(1,393)
Impairment	(4)	—	—	(4)
Impairment reversal	—	4	—	4
Transfers	(4)	(1)	—	(5)
Modifications and reassessments	20	6	—	26
Translation adjustment	(126)	(6)	—	(132)
As of December 31, 2022	**743**	**41**	**2**	**786**
Cost	1,061	80	6	1,147
Accumulated depreciation and impairment	(318)	(39)	(4)	(361)

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 1 year: US$4, Between 1 and 5 years: US$61 and More than 5 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	Telecommunication licenses, frequencies & permissions	Software	Brands and trademarks	Customer relationships	Other intangible assets	Goodwill	Total
As of January 1, 2021	**921**	**292**	**117**	**116**	**14**	**2,682**	**4,142**
Additions	482	182	—	—	13	14	**691**
Disposals	(1)	(1)	—	—	1	(51)	**(52)**
Amortization charge for the year	(162)	(131)	8	(15)	(2)	—	**(302)**
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)	1	(3)	2	(62)	**(103)**
As of December 31, 2021	**1,202**	**342**	**14**	**98**	**22**	**1,542**	**3,220**
Additions	525	73	1	2	19	10	**630**
Disposals	(5)	(3)	—	—	—	—	**(8)**
Amortization charge for the year	(139)	(68)	(3)	(8)	—	—	**(218)**
Reclassification as held for sale	(84)	(150)	(2)	(21)	(21)	(1,084)	**(1,362)**
Impairment reversal	75	2	—	—	—	—	**77**
Transfer	—	3	—	—	(3)	—	**—**
Translation adjustment	(241)	(37)	(3)	(17)	(14)	(74)	**(386)**
As of December 31, 2022	**1,333**	**162**	**7**	**54**	**3**	**394**	**1,953**
Cost	*2,163*	*499*	*187*	*309*	*3*	*1,391*	***4,552***
Accumulated amortization and impairment	*(830)*	*(337)*	*(180)*	*(255)*	—	*(997)*	***(2,599)***

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	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	Equity interest held by the Group 2021
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 2022	Equity interest held by NCIs 2021	Book values of material NCIs 2022	Book values of material NCIs 2021	Profit / (loss) attributable to material NCIs 2022	Profit / (loss) attributable to material NCIs 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**
Operating revenue	571	529
Operating expenses	(403)	(370)
Other (expenses) / income	(12)	(9)
Profit / (loss) before tax	156	150
Income tax expense	(33)	(32)
Profit / (loss) for the year	123	118
Total comprehensive income / (loss)	123	118
Attributed to NCIs	31	29
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**
Net operating cash flows	243	231
Net investing cash flows	(127)	(106)
Net financing cash flows	(117)	(114)
Net foreign exchange difference	(3)	(1)
Net increase / (decrease) in cash equivalents	(4)	10

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 Algerie 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*
Ineffective portion of hedging activities	—	3
Change of fair value of other derivatives	10	(4)
Gain /(loss) from money market funds	29	7
Other gains / (losses)	(13)	—
Other non-operating gain / (loss), net	**26**	**6**

**Prior year comparatives for the year ended December 31, 2021 are adjusted following the classification of Russia as a discontinued operation (see Note 10).*

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	21	—
	21	**—**
At amortized cost		
Loans granted to subsidiaries of the ultimate parent	1,876	1,720
Security deposits and cash collateral	63	49
Other investments	63	99
	2,002	**1,868**
Total investments and derivatives	**2,023**	**1,868**
Non-current	1,431	1,412
Current	592	456

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).

Other investments at amortized cost include a US$54 loan granted by VIP Kazakhstan Holdings to minority shareholder Crowell Investments Limited.

Loans granted to subsidiaries of the ultimate parent include Loans to VEON Amsterdam B.V. amounting US$1,471 (including principal and interest) at December 31, 2022, are callable on demand. The amounts receivable accrue interest at a variable rate of LIBOR +0.4%. As of December 31, 2022, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date. In February 2021, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility by a further 3 years, with an automatic 12 month extension option with maximum up to August 2024.

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	7,569
Interest accrued	102	86
Discounts, unamortized fees, hedge basis adjustment	(8)	(14)
Bank loans and bonds	6,764	7,641
Loans received from subsidiaries of the ultimate parent	305	302
Lease liabilities	875	2,691
Other financial liabilities	609	290
	8,553	**10,924**
Total debt and derivatives	**8,553**	**10,932**
Non-current	5,382	9,397
Current	3,171	1,535

Bank loans and bonds

The Company had the following principal amounts outstanding for interest-bearing loans and bonds at December 31:

Borrower	Type of	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	3M KIBOR + 0.55%	2028	22	28
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					70	85
	Total bank loans and bonds					**6,670**	**7,569**

**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	**7,755**	**1,894**	**9,649**
Cash flows			
Proceeds from borrowings, net of fees paid	2,054	—	**2,054**
Repayment of debt	(1,857)	(340)	**(2,197)**
Interest paid	(462)	(147)	**(609)**
Proceeds from borrowings relating to Russia discontinued operations	9		
Repayment of debt relating to Russia discontinued operations	(272)		
Interest paid relating to Russia discontinued operations	(10)		
Non-cash movements			
Interest and fee accruals	513	144	**657**
Lease additions, disposals, impairment and modifications	—	1,270	**1,270**
Held for sale - Note 10	—	(122)	**(122)**
Foreign currency translation	(67)	(8)	**(75)**
Other non-cash movements	(22)	—	**(22)**
Balance as of December 31, 2021	**7,641**	**2,691**	**10,332**
Cash flows			
Proceeds from borrowings, net of fees paid	2,087	—	**2,087**
Repayment of debt	(1,455)	(136)	**(1,591)**
Interest paid	(417)	(66)	**(483)**
Non-cash movements			
Interest and fee accruals	399	60	**459**
Lease additions, disposals, impairment and modifications	—	628	**628**
Held for sale - Note 10	(10)	(2,134)	**(2,144)**
Foreign currency translation	(415)	(161)	**(576)**
Reclassification related to bank loans and bonds	(1,064)	—	**(1,064)**
Other non-cash movements	(2)	(7)	**(9)**
Balance as of December 31, 2022	**6,764**	**875**	**7,639**

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 prepaid 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.

Novation of VC-ESOP loan from Luxembourg Finance S.A. to VEON Amsterdam B.V.

In August 2021, VEON Luxembourg Finance S.A and VEON Amsterdam B.V. signed a transfer deed whereby VEON Luxembourg Finance S.A. (a subsidiary of the Company) transferred the rights and all obligation relating to loan receivable from VC-ESOP (a subsidiary of the ultimate parent company) for US$150 to VEON Amsterdam B.V. for a consideration of one US dollar and was considered as deemed dividend for these financials.

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.

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 fair value is equal to US$6,142 (2021: US$7,986); 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	**(6,573)**	**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	**(6,731)**	**—**
Foreign currency revaluation of the foreign operations	121	—
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	**(6,610)**	**—**

** 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	898	1,403
Cash equivalents with original maturity of less than three months	2,179	767
Cash and cash equivalents*	**3,077**	**2,170**
Less overdrafts	—	(13)
Cash and cash equivalents, net of overdrafts, as presented in the consolidated statement of cash flows	**3,077**	**2,157**

* 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$122 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 23 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 69% of the Company's borrowings are at a fixed rate of interest (2021: 72%).

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**	
Change in foreign exchange rate against US$	10% depreciation	10% appreciation	10% depreciation	10% appreciation
2022				
Russian Ruble	(5)	6	—	—
Bangladeshi Taka	(34)	37	—	—
Pakistani Rupee	(15)	17	—	—
Ukrainian Hryvnia	(1)	1	—	—
Other currencies (net)	—	(1)	—	—
2021				
Russian Ruble	18	(24)	9	(10)
Bangladeshi Taka	(30)	33	—	—
Pakistani Rupee	(3)	4	—	—
Georgian Lari	(37)	41	—	—
Ukrainian Hryvnia	(1)	1	—	—
Other currencies (net)	(5)	5	—	—

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 23 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, 39% of the Company's debt (2021: 11%) 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 meets 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 23

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
Loans from related parties	312	—	—	—	312
Lease liabilities	235	396	306	390	1,327
Derivative financial liabilities					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	—	—	—	—	—
Trade and other payables	1,126	—	—	—	1,126
Other financial liabilities	176	322	142	52	692
Total financial liabilities	**4,645**	**3,389**	**2,461**	**793**	**11,288**
Related derivatives financial assets					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	—	—	—	—	—
Related derivative financial assets	—	—	—	—	—
Total financial liabilities, net of derivative assets	**4,645**	**3,389**	**2,461**	**793**	**11,288**

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
As of December 31, 2021					
Bank loans and bonds	1,047	3,169	3,652	1,393	9,261
Loan from related parties	306	—	—	—	306
Lease liabilities	609	1,084	744	737	3,174
Derivative financial liabilities					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	8	—	—	—	8
Trade and other payables	2,072	—	—	—	2,072
Other financial liabilities	120	144	21	15	300
Put option liability	—	—	—	—	—
Total financial liabilities	4,162	4,397	4,417	2,145	15,121
Related derivatives financial assets					
Gross cash inflows	—	—	—	—	—
Gross cash outflows	—	—	—	—	—
Related derivative financial assets	—	—	—	—	—
Total financial liabilities, net of derivative assets	**4,162**	**4,397**	**4,417**	**2,145**	**15,121**

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 and 2021, 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 twelve 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 EUR 1 per share)	70,000,000	70,000,000
Issued and outstanding shares	30,099,998	30,099,998

As of December 31, 2022, the Company had 70,000,000 authorized common shares (2021: 70,000,000) with a nominal value of EUR 1 per share, of which 30,099,998 shares were issued, outstanding and are fully paid-up (2021: 30,099,998).

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 DIVIDENDS PAID AND PROPOSED

There were no dividends declared by the Company in respect of the year 2022.

DIVIDENDS DECLARED TO NON-CONTROLLING INTERESTS

During 2022 and 2021, 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**
Omnium Telecom Algeria S.p.A	—	44
VIP Kazakhstan Holding AG	—	27
TNS Plus LLP	—	8
Other	14	10
Total dividends declared to non-controlling interests	**14**	**89**

ADDITIONAL INFORMATION

21 RELATED PARTIES

The immediate parent and ultimate controlling shareholder of the Company are, respectively, VEON Amsterdam B.V. and VEON Ltd.

The following table provides the total amount of transactions that have been entered into with related parties and their affiliates for the years ended December 31:

	2022	2021
Finance income	48	12
Net gain on transfer of towers to Ukraine Tower Company	4	4
	52	16
Services from		
VEON Wholesale Services B.V.	—	2
VEON Ltd.	—	(15)
Finance cost	(34)	12
	(34)	(1)

The following table provides the total balance of accounts with related parties and their affiliates at the end of the relevant period:

	2022	2021
Accounts receivable due from		
VEON Ltd.	84	98
VEON Amsterdam B.V.	18	—
Others	9	21
Financial asset receivable from		
VEON Ltd.	60	—
VEON Amsterdam B.V.	1,401	1,361
VEON Digital Amsterdam B.V.	300	300
Ukraine Tower Company	13	—
VEON Ventures BV	—	12
VEON Digital limited	26	16
Interest accrued	76	43
	1,987	1,851
Accounts payable to related parties		
VEON Ltd.	41	40
VEON Ventures BV	4	—
Others	35	32
Financial liabilities to related parties		
VEON Digital Amsterdam B.V.	300	300
Ukraine Tower Company	125	77
Interest accrued	5	2
	510	451

COMPENSATION TO DIRECTORS AND SENIOR MANAGERS OF THE COMPANY

VEON Holdings B.V, and its consolidated subsidiaries are part of the VEON Group and their operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company, Group Chief Executive Officer, Group Chief Financial Officer and Group General Counsel to be the key management personnel, as defined by IAS 24, Related Party Disclosures and finds it appropriate to disclose the compensation of the key management of the VEON Group. The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Benjamin Postma and Paulus (Paul) Klaassen.

The following table sets forth the total compensation to our directors and senior managers, who are considered to be key management of the company:

	2022	2021
Short-term employee benefits	23	39
Long-term employee benefits	—	—
Share-based payment*	9	9
Termination benefits	—	7
Total compensation to the Board of Directors and senior management**	**32**	**55**

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 VEON Ltd.'s bye-laws, the Board of Directors of VEON Ltd. 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 VEON's directors, officers and employees and for supervising the administration of the VEON 's equity incentive plans and other compensation and incentive programs.

Compensation of VEON Ltd. 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 VEON Ltd. Board of Directors and Group Executive Committee, please refer to the Explanatory notes below.

In whole euros	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**
2022														
Short-term employee														
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	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														
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	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*

In whole US dollars	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**
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 VEON Ltd. 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 of VEON Ltd. 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 of VEON Ltd.

On November 1, 2022, Omiyinka Doris was appointed Acting Group General Counsel of VEON Ltd.

Compensation of VEON Ltd. 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.

	Retainer		Committees		Other compensation		Total	
In whole euros	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**

In whole US dollars	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 in VEON Ltd. 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 VEON Ltd. 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 Ltd. announced the results of the elections conducted at its Annual General Meeting of Shareholders. Shareholders elected three new members to VEON Ltd.'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 VEON Ltd.'s Board of Directors on July 15, 2021.

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

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

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

On March 16, 2022, VEON Ltd. announced the appointment of Michiel Soeting to the Board of Directors of VEON Ltd. 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 Ltd. 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 of VEON Ltd., 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.

Changes in Directors of VEON Holdings B.V.

On January 7, 2020, Kaan Terzioglu was appointed as a statutory director of the Company.

On June 30, 2021 and September 30, 2021, Jochem Benjamin Postma and Paul Klaassen were appointed statutory directors of the Company, respectively. Sergi Herrero and Murat Kirkgoz stepped down as statutory directors of the Company on June 30, 2021 and September 30, 2021, respectively..

The total remuneration expense for the Company's statutory directors for the year ended December 31, 2022 was US$0.8 million (2021: US$0.2 million).

Short Term Incentive Scheme

VEON Ltd.'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 wards 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 *in* VEON Ltd. *granted to key senior managers and directors* in 2021 under the 2021 Deferred Shares Plan ("**DSP**") vested. Subsequently, 2,659,740 shares in VEON Ltd. were transferred to key senior managers and directors from shares held by a subsidiary of VEON Ltd. during the year ended December 31, 2022.

In 2022, equity-settled awards in VEON Ltd. 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 VEON

Ltd. were transferred to Mr. Terzioglu from shares held by a subsidiary of VEON Ltd. 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 in VEON Ltd. 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 in VEON Ltd. 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 in VEON Ltd. 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 determin 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 in VEON Ltd. 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.

22 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 per cent 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 23.

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

During the first quarter 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 Management increases ownership

On December 31, 2022, equity-settled awards in VEON Ltd. granted to the Chief Internal Audit & Compliance Officer, Mr. Joop Brakenhoff, under the 2021 Deferred Share Plan vest. Subsequently, 52,543 shares in VEON Ltd. were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd. and 51,504 shares were withheld to cover local withholding tax.

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

Changes in Key Senior Managers

On March 15, 2023, VEON Ltd. *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 Ltd. announced that Omiyinka Doris has been appointed Group General Counsel of VEON Ltd. in *permanent capacity, effective June* 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.

23 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.

ONGOING CONFLICT BETWEEN RUSSIA AND UKRAINE

As of June 29, 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 June 29, 2023, most of our Ukraine subsidiary's employees remain in the country. As of June 29, 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. 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 10-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 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 twelve 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. Due to the current developments that impact the value of the Company, the recoverability of the loan receivable of US$1,471 due from VEON Amsterdam B.V. may also be materially impacted.
- 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 June 29, 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. 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 twelve 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$2,442 at May 31, 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 twelve 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 June 29, 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 Sense 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 and through June 15, 2023, shares in only two energy companies have been included in such list. However, it cannot be excluded that more companies will be added.

- 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 three 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. Refer to Note 7.

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 US$ 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 June 29, 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 June 29, 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 twelve 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 per cent 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 twelve 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.

24 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.

Amsterdam,

June 29, 2023

VEON Holdings B.V.

Company financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

Before appropriation of profit

as of December 31

(In millions of U.S. dollars)	**Note**	**2022**	**2021**
Assets			
Non-current assets			
Financial fixed assets	1	6,611	7,218
Total non-current assets		**6,611**	**7,218**
Current assets			
Receivables	2	1,523	830
Cash and cash equivalents	3	2,462	1,391
Total current assets		**3,985**	**2,221**
Total assets		**10,596**	**9,439**
Equity and liabilities			
Equity			
Issued capital		32	34
Capital surplus		10,294	10,294
Reserve results of subsidiaries		229	1,033
Foreign currency translation reserve		(6,611)	(6,729)
Retained earnings / (accumulated deficit)		(1,873)	(3,459)
Result for the year		38	809
Total equity	4	**2,109**	**1,982**
Provisions	5	**14**	**42**
Non-current liabilities	6	**4,426**	**5,504**
Current liabilities	7	**4,047**	**1,911**
Total equity and liabilities		**10,596**	**9,439**

COMPANY INCOME STATEMENT

for the year ended December 31

(In millions of U.S. dollars)	Note	2022	2021
General and administrative expenses	11	(13)	(13)
Recharged expenses to group companies		1	1
Operating profit / (loss)		**(12)**	**(12)**
Finance income	12	491	272
Finance expenses	12	(307)	(435)
Profit / (loss) before tax		**172**	**(175)**
Income tax	13	12	(48)
Share in results of subsidiaries after tax and result on sale of subsidiary	14	(146)	1,032
Net result		**38**	**809**

COMPANY AND GROUP ACTIVITIES

VEON Holdings B.V. ("**VEON**" or the "**Company**"), was incorporated on June 29, 2009. The Company has its statutory seat and its principal place of Business at Claude Debussylaan 88 in Amsterdam.

The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

For details of the Company's and its group of companies ("**VEON Group**") principal activities, reference is made to Note 1 (General information) to the Consolidated Financial Statements.

ACCOUNTING POLICIES

General

The Company 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 as endorsed by the European Union, except for the accounting policies disclosed below. For an appropriate interpretation, the Company financial statements should be read in conjunction with the consolidated financial statements.

The Company financial statements are presented in United States dollars ("U.S. dollar" or "US$"). In these financial statements, U.S. dollar amounts are presented in millions, except as otherwise indicated.

Comparison with previous year

The valuation principles and method of determining the results are the same as those used in the previous year.

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 derecognized 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 assets and liabilities 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.

Amounts due from investments in subsidiaries are stated initially at fair value and subsequently at amortized cost. Amortized cost is determined using the effective interest rate

Business combinations under common control

Business combinations under common control are accounted for using the carry-over accounting method. Accordingly, all assets and liabilities of the business acquired are recognized at the carrying value of those assets and liabilities as identified and measured in the consolidated financial statements of the Company. The resulting net assets from the business combination are recognized as an investment in subsidiary in the financial statements of the Company on the date of the business combination under common control. The difference between the net book value of the net asset acquired and the purchase consideration paid is recognized directly in Equity as a contribution in kind from or a dividend to the parent company, and it is recorded as a capital surplus. No goodwill or bargain purchase is recognized. The results of operations of acquired businesses are included in the company financial statements from the date of acquisition (i.e. no retrospective restatements in the company income statement).

Equity interests

For a full list of equity interests, reference is made to the list including entity details filed in accordance with Articles 379 and 414, Title 9 of Book 2 of the Dutch Civil Code at the Dutch Chamber of Commerce.

(in millions of U.S. dollars unless otherwise stated)

NOTES TO THE COMPANY FINANCIAL

1. FINANCIAL FIXED ASSETS

	2022	2021
Investment in subsidiaries	4,408	3,687
Long-term loans to group companies	782	2,129
Long-term loans to subsidiaries of the ultimate parent	1,401	1,361
Other financial assets	20	41
Balance as at December 31	**6,611**	**7,218**

Investment in subsidiaries

Movements in investments in consolidated subsidiaries were as follows:

	2022	2021
Balance as at January 1	**3,687**	**3,040**
Capital contribution / (distribution)	450	796
Acquisition of / investment in subsidiaries	445	936
Result of participating interests after tax	(146)	267
Share premium distributions	(26)	(236)
Disposal of subsidiaries	—	(141)
Acquisition of non-controlling interest	—	(79)
Deemed distributions due to loan novation/loan forgiveness	9	(293)
Dividend received from subsidiaries	(114)	(456)
Provision created for negative asset entities	13	—
Currency translation adjustments	116	(144)
Other equity movements related to subsidiaries	(26)	(3)
Other	—	—
Balance as at December 31	**4,408**	**3,687**

Significant activities in 2022

In March 2022, the Company purchased all of the shares held (50.1%) in VIP Kyrgyzstan Holding AG (**"VIP Kyrgyzstan"**) from its indirectly (via PJSC "Vimpel-Communications") wholly-owned subsidiary, VEON Eurasia S.à r.l. (**"Eurasia"**), for US$12 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of Kyrgyzstan of US$12.

In December 2022, the Company purchased all of the shares held (75%) in VIP Kazakhstan Holding AG (**"VIP Kazakhstan"**) from its indirectly (via PJSC "Vimpel-Communications") wholly-owned subsidiary, VEON Eurasia S.à r.l. (**"Eurasia"**), for US$868 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of Kazakhstan of US$445, presented within "Acquisition of / investment in subsidiaries", while the excess in consideration paid to Eurasia over the net asset value, resulted in an increase in the book value of Investment in PJSC "Vimpel-Communications" of US$423, presented as "Capital contribution/(distribution)".

Significant activities in 2021

Restructure of Bardym Enterprises Limited

In October 2020, the Company purchased all of the shares in Bardym Enterprises Limited (**"Bardym"**) from its wholly-owned subsidiary, Golden Telecom Inc. (**"GTI"**), against a loan note of US$360. The investment in subsidiary was initially recognized based on the net asset value of Bardym of US$618, presented within "Acquisition of / investment in subsidiaries", while the excess in net asset value over consideration paid to GTI resulted in a reduction in the book value of Investment in PJSC "Vimpel-Communications" of US$258, presented as "Capital contribution/(distribution)".

At the time of this transaction, Bardym held 2,138 shares in its former parent, GTI (the "GTI shareholding"). In November 2020, Bardym resolved to distribute the GTI shareholding to the Company, against a reduction of the share premium account. As of December 31, 2020, the distribution from Bardym had not been received by the Company, thus resulting in the recognition of a receivable from Bardym equal to US$414, being the net asset value of the GTI shareholding, against a reduction in investment in subsidiary (presented as Capital contribution/(distribution)').

(in millions of U.S. dollars unless otherwise stated)

In January 2021, the Company received the GTI shareholding. Subsequently, in February 2021, the Company contributed the entire GTI shareholding to its wholly-owned subsidiary, PJSC "Vimpel-Communications."

In May 2021, the Company received a share premium distribution from Bardym of US$236, against the assignment of loan receivable from PJSC "Vimpel-Communications", accordingly recognizing the distribution against the value of investment.

Other developments

In September 2021, there was a transfer of investment relating to Unitell LLC from PJSC "Vimpel-Communications" to the Company that was recognized separately by the company as investment in VEON UZB by reducing the PJSC "Vimpel-Communications" investment at the net asset value of US$163.

In December 2021, the Company also acquired investment in Telecom Ventures Limited and International Wireless SA from Luxembourg entities at a net asset value for US$80 and US$813 respectively.

During the year, the Company was also assigned intercompany loans receivable from LLC Veon Georgia with a carrying value of US$406 by VEON Luxembourg Finance S.A. against the fair value of US$1 dollar. Since this was a common control transaction and the loan value was determined to be US$1, the Company accordingly adjusted the value of loan to reflect the fair value of loan and deemed distribution by its Luxembourg subsidiary.

Long-term loans to group companies

	2022	2021
Balance as at January 1	**2,129**	**2,810**
New loans granted and advances	295	713
Receipts during the year	(455)	(1,100)
Reclassification to short term	(1,324)	(341)
Reclassification from short term	331	27
Foreign exchange gain / (loss)	206	20
Offset of loans	(400)	—
Balance as at December 31	**782**	**2,129**

As of December 31, 2022, the carrying amounts of all long-term loans to group companies are equal to or approximate their respective fair values.

Significant activities in 2022

In February 2022, the Company received US$396 as a repayment on the loan due from PJSC "Vimpel-Communications".

In February 2022, the Company granted intercompany loan of RUB 3 billion (US$35) to PJSC "Vimpel-Communications" under existing facility agreement. The loan has a maturity date of December 2024 with a fixed interest rate of 8.75%.

In March 2022, the Company granted a loan of RUB 30 billion (US$259) to VEON Finance Ireland DAC. The loan has a maturity date of February 2029 with a floating interest rate of CBR key rate + 2.05%.

In July 2022, the Company offset US$350 of its long-term loan receivable due from PJSC "Vimpel-Communications", with its long-term loans payable US$350 due to PJSC "Vimpel-Communications"

In October 2022, the Company offset US$50 of its long-term loan receivable due from VEON Algeria Holdings B.V., with its long-term loans payable US$50 due to VEON Algeria Holdings B.V.

In December 2022, the Company received US$59 as a repayment on the loan due from VEON Luxembourg Finance S.A.

Significant activities in 2021

In January 2021, the Company granted intercompany loans to various group entities totaling US$713. These primarily relates to loans to PJSC "Vimpel-Communications" of US$361 and a transferred investment loan to Bardym Enterprise Limited of US$235. The loan to PJSC "Vimpel-Communications" of US$361 is under existing credit facility a RUB-equivalent amount of US$377 signed in December 2020. The loan has a maturity date of December 2024 with a fixed interest rate of 8.75%. In July 2021, VEON Holdings B.V. (new lender) as transferee entered into a deed of transfer with Bardym Enterprises Limited as Transferor (existing Lender), whereby the transferor transferred investment of US$235 and related accrued interest in PJSC "Vimpel-

(in millions of U.S. dollars unless otherwise stated)

Communications (Lender) under intercompany loan agreement. The loan has a maturity date of May 2024 with a fixed interest rate of 3.0%.

In December 2021, the amount due from PJSC "Vimpel-Communications" relating to different intercompany loans totaling US$1,100 was received.

Long-term loans to subsidiaries of the ultimate parent

	2022	2021
Balance as at January 1	**1,361**	**1,663**
New loans granted and advances	40	60
Reclassification from short term	—	—
Reclassification to short term	—	(341)
Reclassification	—	(21)
Balance as at December 31	**1,401**	**1,361**

Loans to VEON Amsterdam B.V. amounting US$1,401 are callable on demand. The amounts receivable accrue interest at a variable rate of LIBOR +0.4%. As of December 31, 2022, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date.

In February 2021, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this short-term loan by a further 12 months, with an automatic extension option up to a maximum of a further 36 months, resulting in a maximum final maturity date of August 2024.

In 2021, the Company also granted a term loans of US$52 to its immediate parent VEON Amsterdam B.V under its existing credit facility. The loans had a maturity date of August 2022 with a variable interest rate of LIBOR +0.4%.

2. RECEIVABLES

	2022	2021
Loans to subsidiaries of the ultimate parent	386	316
Loans to group companies	859	347
Amounts due from group companies	94	99
Accrued interest	138	52
Other receivables and prepayments	47	16
Balance as at December 31	**1,523**	**830**

The fair value of the receivables approximates the book value, due to their short-term character.

Loans to subsidiaries of the ultimate parent

The following table shows the movements in loan to subsidiaries of the ultimate parent during the year:

	2022	2021
Balance as at January 1	**316**	**—**
New loans	70	21
Receipts during the year	—	(46)
Reclassifications from long term	—	341
Balance as at December 31	**386**	**316**

In June 2022 (US$50) and December 2022 (US$10), the Company granted a term loans of US$60 to its ultimate parent VEON Ltd. The loan has a maturity date of June 2023 with a fixed interest rate of 3.5%.

Loans to group companies

The following table shows the movements in loan to group companies during the year:

	2022	2021
Balance as at January 1	**347**	**357**
New loans	24	17
Offset of loans	(376)	—
Repayment of loans	(148)	(334)
Reclassification from long term	1,324	341
Reclassifications	(330)	(27)
Foreign exchange result	18	(7)
Balance as at December 31	**859**	**347**

In March 2022, the Company granted a loan of US$18 to VEON Finance Ireland DAC.The loan has a maturity date of March 2023 with a fixed interest rate of 0.1%.

In September 2022, the Company granted a loan of US$6 to VEON Bangladesh Holdings B.V. under its existing facility. The facility has a maturity date of February 2023 with a fixed interest rate of 3.5%.

In January 2022 (US$17), June 2022 (US$29) and November 2022 (US$2), the Company received US$48 as a repayment on the loan due from VEON Finance Ireland DAC. Original maturity of loan is January 2022 and April 2023 respectively. The interest rate applicable on loans was 0.1%.

In May 2022, the Company received US$100 as a repayment on the loan due from VEON Pakistan Holdings B.V. originally maturing in February 2023. The applicable interest rate on loan was 3.5%.

In May 2022, the Company offset US$114 of its loans receivable to its subsidiary VEON Bangladesh Holdings B.V., with its loans payable US$114 due to its subsidiary VEON Bangladesh Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In July 2022, the Company offset US$260 of its loan receivable due from VEON Pakistan Holdings B.V., with its short-term loans payable US$260 due to VEON Pakistan Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

3. CASH AND CASH EQUIVALENTS

All cash at bank and in hand is at the Company's free disposal.

As of December 31, 2022, some bank accounts forming part of a cash pooling program and being an integral part of the Company's cash management remained overdrawn by US$0 (2021: US$1). 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 financial liabilities within the statement of financial position.

. EQUITY

for the year ended December 31, 2022

(In millions of U.S dollars)	Issued capital	Capital Surplus	Reserve Results of Subsidiaries	Foreign currency translation	Retained Earnings / (accumulated deficit)	Result for the year	Total equity
As at January 1, 2022	**34**	**10,294**	**1,033**	**(6,729)**	**(3,459)**	**809**	**1,982**
Loss for the period	—	—	—	—	—	38	38
Other comprehensive income	—	—	—	116	—	—	116
Total comprehensive income	**—**	**—**	**—**	**116**	**—**	**38**	**154**
Result appropriation	—	—	—	—	809	(809)	—
Movement in legal reserve due to currency restrictions	—	—	(804)	—	804	—	—
Transactions with non-controlling interest partners	—	—	—	—	(19)	—	(19)
Revaluation of issued capital	(2)	—	—	2	—	—	—
Other	—	—	—	—	(8)	—	(8)
As at December 31, 2022	**32**	**10,294**	**229**	**(6,611)**	**(1,873)**	**38**	**2,109**

for the year ended December 31, 2021

	Issued capital	Capital Surplus	Reserve Results of Subsidiaries	Foreign currency translation	Retained Earnings / (accumulated deficit)	Result for the year	Total equity
As at January 1, 2021	**37**	**10,487**	**525**	**(6,574)**	**(2,803)**	**(143)**	**1,529**
Profit for the period	—	—	—	—	—	809	809
Other comprehensive loss	—	—	—	(158)	(3)	—	(161)
Total comprehensive loss	—	—	—	(158)	(3)	809	648
Result appropriation	—	—	—	—	(143)	143	—
Movement in legal reserve due to currency restrictions	—	—	508	—	(508)	—	—
(Distributions to) / capital contributions from parent	—	36	—	—	—	—	36
Transfer of loan to shareholder	—	(150)	—	—	—	—	(150)
Transactions with non-controlling interest partners	—	(79)	—	—	—	—	(79)
Revaluation of issued capital	(3)	—	—	3	—	—	—
Other	—	—	—	0	(2)	—	(2)
As at December 31, 2021	**34**	**10,294**	**1,033**	**(6,729)**	**(3,459)**	**809**	**1,982**

In August 2021, VEON Luxembourg Finance S.A and VEON Amsterdam B.V. signed a transfer deed whereby VEON Luxembourg Finance S.A. (a subsidiary of the Company) transferred the rights and all obligation relating to loan receivable from VC-ESOP (a subsidiary of the ultimate parent company) for US$150 to VEON Amsterdam B.V. for a consideration of one US dollar and is considered as deemed dividend for these financials.

(in millions of U.S. dollars unless otherwise stated)

Issued capital

Reference is made to Note 19 (Issued capital and reserves) to the Consolidated Financial Statements. The issued capital is nominated in EUR. In accordance with Article 373, paragraph 5, Title 9 of Book 2 of Dutch Civil Code the issued capital is translated into U.S. Dollars at the rate of exchange ruling at the balance sheet date EUR 1 = US$ 1.0705 (2021: EUR 1 = US$ 1.1373).

Capital surplus

Capital surplus represents primarily contributions into the Company from the shareholders.

Results of subsidiaries

The reserve Results of subsidiaries comprise the amount of profits that cannot be repatriated from subsidiaries due the restrictions on dividend distributions relating to withholding tax in respect of dividends mainly from Kazakhstan and Uzbekistan. Also Certain of our subsidiaries are subject to legal restrictions that prevent the distribution of profit or dividends particularly Ukraine has 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.

Appropriation of result

The Board of Directors proposes to add the loss for the year of US$38 to the retained earnings / accumulated deficit. This has not been reflected in these financial statements.

Equity reconciliation between consolidated financial statements and the company financial statements

	2022	2021
Consolidated equity	2,109	1,982
Company - only equity	2,109	1,982
Difference	—	—

5 PROVISIONS

	2022	2021
Deferred tax liability on withholding tax	—	41
Provision for the net liability balances of its loss-making subsidiaries	14	1
Balance as at December 31	**14**	**42**

If the (partly) settlement of a provision is expected to take place within one year, the provision will be (partly) classified as current.

The deferred tax liability relates to the withholding tax on undistributed earnings from subsidiaries. The movements in deferred tax liability were as follows:

	2022	2021
Balance as at January 1	41	5
Increase / (decrease) tax liability	(41)	36
Balance as at December 31	—	**41**

The Company has determined that it has a constructive obligation with respect to the liabilities of its subsidiaries. As such, the Company has recorded a provision for the net liability balances of its loss-making subsidiaries. The movements in the provision were as follows:

	2022	2021
Balance as at January 1	1	—
Arising during the year	13	1
Reversed	—	—
Balance as at December 31	**14**	**1**

6. NON-CURRENT LIABILITIES

	2022	2021
Bonds, net of discounts and unamortized fees	3,491	4,682
Bank loans, net of discounts and unamortized fees	—	404
Long- term loans due to group companies	934	405
Accrued interest loans due to group companies	1	13
Balance as at December 31	**4,426**	**5,504**

Bonds, net of deferred expenses and amortization adjustments

The movements in bonds were as follows:

	2022	2021
Balance as at January 1	4,682	4,839
New bonds	—	273
Transfer on merger	—	—
Reclassification to short-term	(1,229)	(417)
Amortization	—	(6)
Foreign exchange result	38	(7)
Balance as at December 31	**3,491**	**4,682**

Significant activities in 2022

As of December 31, 2022, two tranches of the bonds US$529 (March 2023) and US$700 (April 2023) became due within one year and were therefore reclassified from non-current to current liabilities.

Significant activities in 2021

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.

Notes outstanding as at December 31, 2022

				Principal amount outstanding	
Notes	**Due date**	**Currency**	**Interest rate**	**2022**	**2021**
Notes	March 2022	USD	7.5043%	—	417
Notes	February 2023	USD	5.95%	529	529
Notes	April 2023	USD	7.25%	700	700
Notes	September 2026	RUB	8.13%	284	269
Notes	June 2024	USD	4.95%	533	533
Notes	June 2025	RUB	6.30%	284	269
Notes	September 2025	RUB	6.50%	142	135
Notes	April 2025	USD	4.00%	1,000	1,000
Notes	November 2027	USD	3.375%	1,250	1,250
Total notes non-current				**4,722**	**5,102**

Significant activities in 2022

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

Bank loans

The Company had the following principal amounts outstanding for interest-bearing bank loans at December 31:

						Principal amount outstanding	
Lender	**Type of debt**	**Guarantor**	**Currency**	**Interest rate**	**Maturity**	**2022**	**2021**
VTB Bank	Loan	None	RUB	4.00%	2025	—	404
Total bank loans						**—**	**404**

Significant activities in 2022

In February 2022, VEON Holdings B.V. repaid RUB 30 billion (US$404) of outstanding loans to VTB Bank, comprising of a RUB 30 billion loan (US$407) originally maturing in 2025.

Significant activities in 2021

In March 2021, VEON successfully entered into a new multi-currency revolving credit facility agreement (the "RCF") of US$1,250. The RCF replaced the revolving credit facility signed in February 2017, which is now cancelled. The RCF has an initial tenor of three years, with VEON having the right to request two one-year extensions, subject to lender consent. International banks from Asia, Europe and the US have committed to the RCF. The new RCF caters for USD LIBOR cessation with the secured overnight financing rate ("SOFR") administered by the Federal Reserve Bank of New York USA agreed as the replacement risk free rate with credit adjustment spreads agreed for interest periods with a one month, three month and six month tenor. SOFR will apply to interest periods commencing on and from October 31, 2021. VEON will have the option to make each drawdown in either U.S. dollars or euro.

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 has a five-year term. In April 2021, the proceeds from Alfa Bank new tranche of RUB 15 billion (US$198) were used to early repay RUB 15 billion (US$198) of loans from Sberbank, originally maturing in June 2023.

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.

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.

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.

Long- term loans due to group companies

The movements in long-term loans due to group companies were as follows:

	2022	2021
January 1	405	562
Additions	819	6
Offset of loans	(410)	—
Reclassification to / from long term-term	167	(163)
Repayments	(47)	—
Balance as at December 31	**934**	**405**

Significant activities in 2022

In March 2022, the Company obtained a loan of US$68 from its indirect subsidiary, Global Telecom Netherlands B.V. The loan will reach its final maturity in August 2025, with an associated interest rate of 2.5%.

In August 2022, the Company obtained a loan of US$695 from its subsidiary under facility agreement, VEON Algeria Holdings B.V. The final maturity of facility is August 2025 and the applicable interest rate is 3.5%.

In November 2022 (US$47) and December 2022 (US$8.5), the Company obtained a loan of US$56 from its indirect subsidiary Silkway Holding B.V. under credit facility. The Facility has a maturity date of November 2025 with a fixed interest rate of 3.5%.

In July 2022, the Company offset US$360 of its long-term loans payable due to PJSC "Vimpel-Communications", with its long-term loan receivable (US$350) and its short term receivable (US$10) due from PJSC "Vimpel-Communications".

In October 2022, the Company offset US$50 of its long-term loans payable due to its subsidiary VEON Algeria Holdings B.V originally maturing in November 2025., with its long-term loan receivable US$50 due from VEON Algeria Holdings B.V. orignally maturing in October 2024.

In June 2022, the Company paid US$2 as a repayment on the loan due to Global Telecom Netherlands B.V.The Facility has a maturity date of February 2025 with a fixed interest rate of .5%.

In December 2022, the Company prepaid US$45 as a repayment on the loan due to VEON Algeria Holdings B.V. The final maturity of facility is August 2025 and the applicable interest rate is 3.5%.

In September 2022, the Company extended maturity of loan for further three year and reclassified the loan due to Global Telecom Holding SAE of US$167 from a short term loan to a long term loan, as repayment is not expected within one year. The amended maturity date of loan is Septebmer 2025 and applicable interest rate is 3.5%.

Fair value

The fair value of the bonds and bank loans as at December 31, 2022 is US$4,928 (2021: US$5,530) and the fair value of the loans due to group companies as at December 31, 2022 is US$711 (2021: US$399)

7. CURRENT LIABILITIES

	2022	2021
Short-term loan payable to group companies	147	268
Short-term bonds payable	1,229	417
Accrued interest	16	4
Short-term portion of bank loans	1,055	—
Interest payable bondholders	46	56
Short-term payable to group companies	1,525	1,148
Short-term derivatives	—	8
Bank overdraft	1	1
Current income tax liabilities	24	—
Accrued expenses and other payables	4	10
Balance as at December 31	**4,047**	**1,911**

During 2022, the Company drew down US$1,055 under the revolving credit facility (RCF). Included with 'Short-term bonds payable' is the 5.95% Notes and 7.25% Notes that are due on February 2023 and April 2023, respectively. Refer to Note 22 of the VEON Holdings B.V. consolidated financial statements for further developments on these Notes after the reporting period.

Short-term payable to group companies

Significant activities in 2022

In March 2022, the Company obtained a loan of US$12 from its indirect subsidiary, VEON Eurasia Sarl, related to the transfer of the shares of VIP Kyrgyzstan Holding AG.

In December 2022, the Company obtained a loan of US$868 from its indirect subsidiary, VEON Eurasia Sarl, related to the transfer of the shares of VIP Kazakhstan Holding AG.

In May 2022, the Company offset US$114 of its short-term payable due to VEON Bangladesh Holdings B.V., with its loans receivable US$114 from its subsidiary VEON Bangladesh Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In May 2022, the Company offset US$263 of its short-term payable due to VEON Pakistan Holdings B.V., with its long-term loans receivable of US$260 along with interest receivable from its subsidiary VEON Pakistan Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In March 2022, the Company repaid a loan of US$18 to its indirect subsidiary, VEON Bangladesh Holdings B.V.

In March 2022, the Company repaid a loan of US$12 to its indirect subsidiary, VEON Eurasia Sarl.

Significant activities in 2021

In 2021, the Company acquired direct ownership in International Wireless Communications Pakistan Limited and Telecom Ventures Limited from VEON Pakistan holdings and VEON Bangladesh Holdings (wholly owned indirect subsidiaries of the Company) for consideration payable as at December 31, 2021, of US$948 and US$132 respectively. Since the Company is the ultimate shareholder of these entities, the settlement of the short-term payable to group companies is at the full discretion of the Company.

The fair value of the current liabilities approximates the book value, due to their short-term character. All current liabilities fall due within one year.

Movements in short-term loans payable to group companies were as follows:

	2022	2021
Balance as at January 1	268	428
Additions	64	310
Repayments	(24)	(465)
Reclassification from long term	(167)	163
Offset of intercompany loans	—	(143)
Reclassifications	6	(22)
Foreign exchange result	—	(3)
Balance as at December 31	**147**	**268**

8. WORKFORCE

The staff employed by the Company have administrative functions in the headquarters of the Group which is located in the Netherlands. The average number of staff employed by the Company in 2022 was 13 (2021: 18). These employees are located in the Netherlands.

9 COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

Fiscal unity

The Company, together with its Dutch group companies VEON Amsterdam B.V., VEON Wholesale Services B.V., VEON Georgia Holdings B.V., VEON Micro Holdings B.V., VEON Armenia Holding B.V., VEON Global Services B.V., VEON Digital Amsterdam B.V., VEON Central Procurement B.V., VimpelCom Amsterdam Finance B.V., VEON Pakistan Holdings B.V., VEON Bangladesh Holdings B.V., VEON Algeria Holdings B.V., Global Telecom Holding S.A.E. and Global Telecom Netherlands B.V. constitutes a fiscal unity for Corporate Income Tax purposes. Current taxes are settled and accounted for within this fiscal unity as if each company were an independent taxable entity.

The Company forms part of a fiscal unity for value added tax purposes with VEON Ltd., VEON Amsterdam B.V., VEON Digital Amsterdam B.V., VEON Global Services B.V., VEON Central Procurement B.V. and Global Telecom Holding S.A.E..

The fiscal unities make these companies jointly and severally liable for tax liabilities of the fiscal unity.

Balance and interest set-off agreement

On September 26, 2019 the Company, together with other subsidiaries of VEON Ltd., entered into a multi-entity and multi-currency cash pooling agreement with Citibank. Each party to the agreement has irrevocably and unconditionally undertaken, as joint and several debtors, to Citibank to perform all payment obligations of each other party under the agreement. Before that date, the Company was party to the similar arrangement with ING bank.

10. FINANCIAL INSTRUMENTS

The Company's principal financial liabilities comprise of loans and borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Company's financial assets are primarily comprised of loans receivable from group companies and subsidiaries of the ultimate parent, as well as trade and other receivables, cash and short-term deposits that are derived directly from its operations.

For information regarding market risks on the Group's financial instruments, refer Note 18 (Financial Risk Management) to the Consolidated Financial Statements. In addition to these, the Company is exposed to credit risk with respect to loans to group companies, and foreign currency risk on foreign currency denominated loans to group companies.

11 GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Salaries and wages	4	5
Social premiums	1	—
Pension expenses	—	—
Other general and administrative expenses	8	8
Total general and administrative expenses	13	13

12. FINANCE INCOME AND EXPENSES

	2022	2021
Finance income		
Interest income loans group companies	151	243
Interest income banks and others	49	3
Foreign exchange gain / (losses)	291	26
Total finance income	**491**	**272**
Finance expenses		
Interest expense loans group companies	(18)	(21)
Interest expense banks and others	(299)	(411)
Change in fair value derivatives gain / (losses)	10	(3)
Total finance expenses	**(307)**	**(435)**
Net financial (expense) / income	**184**	**(163)**

13. INCOME TAXES

	2022	2021
Current Income tax	23	6
Withholding taxes	(35)	42
Total Income tax	**(12)**	**48**

Income tax expense consisted of the following for the years ended December 31:

	2022	2021
Current withholding taxes	5	6
Deferred withholding taxes	(40)	36
Income tax expense	**(35)**	**42**

The statutory tax rate for 2022 was 15% for the first EUR 395,000 profit and 25.8% for all above. Disclosure on fiscal unity is included in Note 9 (Commitments not shown in the balance sheet). The difference between the effective tax rate and the statutory tax rate is the result of non-taxable income arising on intra-group dividends and capital gains, as well as unrecognized losses and withholding taxes.

The table below outlines the reconciliation between the statutory tax rate in the Netherlands (25.8%) and the effective income tax rate for the Company:

	2022	2021
Profit / (loss) before tax	172	(175)
Income tax expense / (benefit) computed on profit before taxes at statutory tax rate	44	(44)
Difference due to effects of:		
Unrecognized tax losses	(44)	44
Uncertain tax positions	23	6
Withholding taxes	(35)	42
Income tax (credit) / charge for the period	(12)	48
Effective tax rate	**(7)%**	**(27)%**

14. SHARE IN RESULTS OF SUBSIDIARIES AFTER TAX AND RESULT ON SALE OF SUBSIDIARY

	2022	2021
Share in results of subsidiaries after tax excluding NTC sale	(147)	931
Deferral of gain	—	(664)
Gain on sale of subsidiaries	—	765
Share in results of subsidiaries after tax and result on sale of subsidiary	**(147)**	**1,032**

On September 5, 2021, the Company signed an agreement for the sale of its direct subsidiary, NTC, with Service Telecom Group of Companies LLC, ST, for US$945. The transaction was subject to regulatory approvals and consummation of other customary closing conditions which were obtained and completed on December 1, 2021. The gain on sale of subsidiaries of US$765 is partially offset by the deferral of gain of US$664 in accordance with sale and leaseback accounting principles. For further details of this transaction please refer to Note 9 (Significant transactions) to the Consolidated Financial Statements.

15. SUBSEQUENT EVENTS

On February 15, 2023, PJSC VimpelCom and VEON Holdings signed a deed of set-off, to settle the receivable of RUB 54 billion (US$768 as of December 31, 2022) due from VEON Holdings, with loan balances between the two entities in which PJSC VimpelCom was the borrower. With this set-off the internal transfer of VIP Kazakhstan Holding AG from December 2022 was completed.

On April 18, 2023, VEON Holdings and Banglalink Digital Communications Ltd. ("Banglalink") approached Bangladesh Investment Development Authority (BIDA) to approve an extension of the existing US$300 loan between VEON Digital Amsterdam B.V. and Banglalink and also to replace VEON Digital Amsterdam B.V. with VEON Holdings B.V. as lender of record. The BIDA approval was received on June 13, 2023 and the new facility agreement will reduce the amount of the non-current loan to US$250 and extend its maturity to April 15, 2025, with US$50 of the existing loan being repaid in 2023.

For other subsequent events reference is made to Note 22 (Events after the reporting period) to the Consolidated financial statements and disclosed elsewhere in these Company financial statements, in addition to the items mentioned below.

16. ADDITIONAL NOTES TO THE COMPANY FINANCIAL STATEMENTS

The Company is part of the VEON Group and its operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company to be the key management personnel and finds it appropriate to disclose the compensation of the key management of the VEON Group. Disclosure is made in Note 21 (Related parties) to the Consolidated Financial Statements.

The statutory directors of the Company are employed and remunerated by VEON Ltd., VEON Digital Ltd., and VEON Holdings B.V. in respect of their services to the VEON Group as a whole. The total remuneration of current and former members of the statutory directors charged to the Company and its subsidiaries in 2022 amounted to US$0.8 million (2021: US$0.2 million).

Principal Accountant Fees and Services

The Company has made use of the exemption of disclosing the audit fees, provided that the consolidated Annual Accounts of the parent company VEON Ltd., in which the accounts of the Company and its investments are included on a consolidated basis, are attached to the Company's accounts that are filed to the Trade register.

Signatories to the financial statements

Amsterdam, June 29, 2023

VEON Holdings B.V.

Board of Directors

Kaan Terzıoglu

Director

Jochem Benjamin Postma

Director

Paulus (Paul) Klaassen

Director

OTHER INFORMATION

Provisions governing profit appropriation

Profit is appropriated in accordance with Article 19 of the Articles of Association, which states that the profits are placed at the disposal of the general meeting of shareholders.

Independent auditor's report

The independent auditor's report is set forth on the next pages.

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Independent auditor's report

To: the general meeting and the board of directors of VEON Holdings B.V.

Report on the financial statements 2022

Our opinion

In our opinion:

- the consolidated financial statements of VEON Holdings B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as of December 31, 2022 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code; and
- the company financial statements of VEON Holdings B.V. ('the Company') give a true and fair view of the financial position of the Company as of December 31, 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2022 of VEON Holdings B.V., Amsterdam, the Netherlands. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as of December 31, 2022;
- the following statements for 2022: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as of December 31, 2022;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

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The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of VEON Holdings B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Material uncertainty related to going concern

We draw attention to the section 'Ongoing conflict between Russia and Ukraine' in Note 23 to the consolidated financial statements, which indicates that both the Group and the Company have 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'). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We refer to section 'Audit approach going concern' for further information on our audit procedures regarding the going concern assumption.

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach to fraud risk and the audit approach to going concern, was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Overview and context

VEON Holdings B.V. is a telecommunications company providing voice, data and other telecommunication services through a range of wireless, fixed and broadband internet services, as well as selling equipment, infrastructure and accessories, and is an indirectly wholly-owned subsidiary of VEON Ltd. The Group is comprised of several components and therefore we considered our Group audit scope and approach as set out in the section 'The scope of our Group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change. In Note 24 to the consolidated financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of goodwill and accuracy of goodwill impairment charges, the valuation of 'uncertain income tax positions' and 'non-income tax provisions' (Pakistan) and the valuation of deferred tax assets (Bangladesh), we considered these matters as key audit matters.

The Group operates in countries which pose increased risks of non-compliance with anti-bribery and corruption laws and regulations. Due to this risk of non-compliance, we dedicated significant time and resources during our audit to this area and have therefore identified it as a key audit matter.

Furthermore, we spent significant time and resources to audit revenue recognition, which required us to ascertain the reliability of the systems and related controls in view of the existence of various legacy revenue systems throughout the Group. Consequently, we considered this to be a key audit matter.

The key audit matters referenced above are further explained in the section 'Key audit matters' of this report.

Both the Group and the Company have been negatively impacted and will continue to be negatively impacted by the consequences of the Russian government's invasion of Ukraine. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern, refer to section 'Material uncertainty related to going concern'. Matters related to a material uncertainty regarding going concern are considered a key audit matter by nature. We refer to section 'Audit approach going concern' for further information on our audit procedures regarding the going concern assumption.

VEON Holdings B.V. assessed the possible effects of climate change and its plans to achieve net-zero GHG emissions by 2050 on its financial position, refer to sections 'Sustainability' and 'Regulatory, Compliance and Legal Risks' in the directors' report where VEON Holdings B.V. disclosed the risk related to climate change. We discussed VEON Holdings B.V.'s assessment and governance thereof with management and evaluated the potential impact on the financial position. The expected effects of climate change are mainly focused on the impact of extreme weather, such as the floods in Pakistan and the excessive rains in Bangladesh. We have considered the potential impact on the cashflow forecasts that we have reviewed as part of the goodwill impairment testing (refer to section 'Key audit matters'), and our evaluation of the appropriateness of management's use of the going concern basis of accounting (refer to section 'Audit approach going concern'). However, the expected effects of climate change are not considered a key audit matter as such.

Other areas of focus, that were not considered as key audit matters, were the accounting for the announced sale of Russian operations as held for sale and discontinued operations, and the potential impact of economic sanctions, trade restrictions, and counter-sanctions imposed in response to the consequences of the Russian government's invasion of Ukraine.

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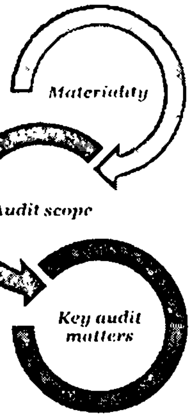
As in all our audits, we also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud, as well as the risk of fraud in revenue recognition (refer to section 'Audit approach fraud risks').

We ensured that the audit teams at both Group and component level included the appropriate skills and competences which are needed for the audit of a telecommunications company operating in a global environment, including activities in emerging economies. We therefore included experts and specialists in the areas of, amongst others, IT, tax, treasury, forensic expertise, valuation, and restructuring and finance in our team.

The outline of our audit approach was as follows:



Materiality
- Overall materiality: US$ 70 million.

Audit scope
- We conducted audit work at the corporate headquarters in the Netherlands and at significant components of the Group in Russia, Pakistan, Ukraine, Bangladesh and Uzbekistan.
- Physical and virtual site visits were conducted with the component auditors of the five significant components.
- Audit coverage (including Russia component): 83% of consolidated Adjusted EBITDA, 86% of consolidated revenue and 93% of consolidated total assets.

Key audit matters
- Going concern (refer to separate paragraphs 'Material uncertainty related to going concern' and 'Audit approach going concern').
- Carrying value of goodwill and accuracy of goodwill impairment charge.
- Valuation of 'uncertain income tax positions' and 'non-income tax provisions' (Pakistan).
- Compliance with anti-bribery and corruption laws and regulations.
- Revenue recognition.
- Valuation of deferred tax assets (Bangladesh).

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing, and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall Group materiality	US$ 70 million (2021: US$ 80 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used approximately 2.0% of Adjusted EBITDA (including the Russia component). As disclosed in Note 2 to the consolidated financial statements, Adjusted EBITDA is defined by the Company as earnings before interest, tax, depreciation, amortization, impairment, gain/loss on disposals of non-current assets, gain/loss on disposal of subsidiaries, other non-operating gains/losses, net foreign exchange gain/loss, and share of profit/loss of joint ventures and associates.
Rationale for benchmark applied	We used Adjusted EBITDA as the primary benchmark based on our analysis of the common information needs of the users of the financial statements. Adjusted EBITDA is predominantly used by the Company's stakeholders to assess the financial performance of the Group. Furthermore, the Company's profit before tax is volatile. On this basis, we believe that Adjusted EBITDA is the primary metric for the financial performance of the Company and, as such, an appropriate materiality benchmark.
Component materiality	To each component in our audit scope, we, based on our judgment, allocated materiality that is less than our overall Group materiality. The range of materiality allocated across components was between US$ 13 million and US$ 57 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the Audit and Risk Committee of the board of directors that we would report to them any misstatement identified during our audit above US$ 3.5 million (2021: US$ 4.0 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our Group audit

VEON Holdings B.V. is the parent company of a group of entities. The financial information of this Group is included in the consolidated financial statements of VEON Holdings B.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall Group audit strategy and plan, we determined the type of work required to be performed at component level by the Group engagement team and by each component auditor.

Of the Group operating locations, as disclosed in Note 2 and Note 10 to the consolidated financial statements, the Group audit primarily focused on the significant components in Russia, Pakistan, Ukraine, Bangladesh, and Uzbekistan. For these components, certain centralized processes and significant or higher risk areas, notably the valuation of goodwill and certain compliance procedures relating to anti-bribery and corruption laws and regulations, are processes included at the corporate headquarters in the Netherlands and are therefore in the audit scope of the Group engagement team.

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We subjected the Russia, Pakistan, and Ukraine components to audits of their complete financial information, as those components are individually financially significant to the Group. We further subjected Bangladesh and Uzbekistan components to audits of their complete financial information as they include significant or higher risk areas, notably in the areas of revenue recognition, income tax (Bangladesh component), and compliance with anti-bribery and corruption laws and regulations. To obtain sufficient audit coverage based on our professional judgement, the corporate headquarters and certain non-significant components were also selected for specific audit procedures.

The Company engages various service organizations in its revenue and treasury processes, which are material to the financial statements. Audit work on the IT General Controls of these service organizations has been performed by their independent auditors who have prepared reports in accordance with ISAE 3402 'Assurance Reports on Controls at a Service Organization'. In order to take responsibility for the work performed by the independent auditors of the various service organizations, we assessed their objectivity and competence, reviewed their assurance reports that include the scope and results of the assurance procedures performed and performed our own testing of complementary user entity controls.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Consolidated Adjusted EBITDA	83%
Consolidated revenue	86%
Consolidated total assets	93%

None of the remaining components represented more than 8% of total consolidated Adjusted EBITDA, 8% of total consolidated revenue or 5% of total consolidated assets. For those remaining components we performed, amongst other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The Group engagement team performed the audit work for the corporate headquarters in the Netherlands. For all components in the scope of the Group audit, we used component auditors who are familiar with the local laws and regulations to perform the audit work.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included, amongst others, our risk analysis, materiality, and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach.

These topics have been discussed, amongst others, in the audit planning workshop hosted by the Group engagement team, in which the component audit teams participated. We had individual calls with each of the in-scope component audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that could be of relevance for the consolidated financial statements.

The Group engagement team met with the component teams and local management of Russia, Pakistan, Ukraine, Bangladesh, and Uzbekistan. Due to circumstances surrounding the Russian government's invasion of Ukraine and political unrest in Pakistan in the current year, travel restrictions were imposed. As such, the Group engagement team performed site reviews for the Bangladesh, Uzbekistan, and Russia components, of which the latter being performed on a neutral location, and a virtual site review for the Ukraine component. For the site review of Pakistan, the Group engagement team met with the component team in the Netherlands, whilst meetings with local management have been held virtually. The site reviews included our review of selected working papers of the component auditors. We further met virtually with the component teams and local management throughout the year to ensure sufficient oversight.

After the onset of the Russian government's invasion of Ukraine, we continuously assessed the related impact on the audit performed by our Ukraine component team. It was determined that local management had the ability to provide all audit evidence required, and the local component team had the ability to complete the audit work in line with our instructions.

The Group engagement team performed the audit work at the corporate headquarters on the Group consolidation, financial statement disclosures and a number of complex audit and accounting items. These included, amongst others, goodwill, and other asset impairment assessments at the cash-generating unit ('CGU') level and the assessment and follow-up of the claims from whistle-blower allegations and other cases monitored at the corporate headquarters.

By performing the procedures outlined above at the components, combined with additional procedures performed at Group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information as a whole, to provide a basis for our opinion on the financial statements.

Audit approach going concern

In the section 'Ongoing conflict between Russia and Ukraine' in Note 23 to the consolidated financial statements regarding the effects of the Russian government's invasion of Ukraine ('Ongoing conflict between Russia and Ukraine'), management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and their actions to address these conditions.

In order to evaluate the appropriateness of management's use of the going concern basis of accounting, including management's expectation that their plans and actions sufficiently address the identified going concern risks and the adequacy of the related disclosures, we, with support of restructuring and finance specialists, amongst others, performed the following procedures.

Based on our knowledge obtained regarding the Group and the Company, its environment and current financial situation, we assessed whether the information obtained regarding events or conditions that may result in going concern risks has been included in management's assessment. In addition, we have inquired of management as to their knowledge of going concern risks beyond the period of management's assessment.

Regarding management's plans and actions to address the identified going concern risks, we:

- used internal and external information such as technical guidance, publicly available media sources and relevant government websites to consider whether there is adequate support for management's actions;
- read the terms of financing agreements and evaluated management's assessment as to the extent that conditions may impact the Group's and the Company's current and future compliance with its financial and non-financial covenants as required by its financing agreements;
- reviewed legal positions taken by management and external legal advice received by management, where applicable, amongst others, relating to the interpretation of the effects of relevant sanctions, and to impacts on financial and non-financial covenants, and evaluated the competence, capabilities and objectivity of the engaged law firms;
- reviewed the sale and purchase agreement entered into by VEON to sell its Russian operations and assess the required conditions for completion of the disposal;
- evaluated whether the scenarios applied in management's sensitivity analysis of cashflow forecasts regarding the expected outcome of management's actions, including underlying significant assumptions, are reasonable; and
- evaluated the consistency of management's actions with known and ascertainable information as of the issuance date of the financial statements.

To consider whether any additional facts or information have become available that may be relevant for the identified going concern risks, including management's expectation on the sufficiency of management's plans and actions to mitigate the identified risks, we:

- read minutes of meetings of those charged with governance;
- inquired of management and board members;
- consulted publicly available information sources including global media outlets and relevant government websites; and
- analysed and discussed the Company's latest available interim financial statements and reconciled these with the underlying accounting records.

We evaluated whether the going concern risks including management's actions to address the identified risks have been sufficiently disclosed in the notes to the financial statements. We found the disclosure in the section 'Ongoing conflict between Russia and Ukraine' of Note 23 to the consolidated financial statements, where management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, to be adequate.

Audit approach fraud risks

We identified and assessed the risks of material misstatements in the financial statements due to fraud. During our audit we obtained an understanding of the Group and its environment and the components of the internal control system.

This included management's risk assessment process, management's process for responding to the risks of fraud and monitoring the internal control system and how the Audit and Risk Committee of the board of directors exercised oversight, as well as the outcomes. We refer to section 'Regulatory, Compliance and Legal Risks' of the directors' report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, response to whistleblower allegations and other incidents, and vendor due diligence.
We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked relevant executives, directors (including internal audit, legal, compliance, treasury, finance, and cybersecurity directors) and the Audit and Risk Committee of the board of directors whether they are aware of any actual or suspected fraud and used this information for our fraud risk assessment.

As part of our process of identifying fraud risks, we evaluated, in close co-operation with our forensic specialists, fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	*Our audit work and observations*
The risk of management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. For the Group, we took into consideration the pressures that may exist for management to meet certain internal targets or expectations of external parties, to achieve executive bonus and compensation schemes. That is why, in all our audits, we pay attention to the risk of management override of controls in: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • estimates; and • significant transactions outside the normal course of business for the Company.	We evaluated the design and implementation of the internal control measures and assessed the effectiveness of the controls over the processes of generating and processing journal entries and making estimates. We also paid specific attention to the safeguards over access to IT systems and the possibility that these lead to violations of the segregation of duties. We performed journal entry testing by selecting journal entries based on risk criteria such as unexpected account combinations, the recording of journal entries by unexpected users, the existence of users with create and post functionality, unexpected entries to intercompany balances and entries meeting certain keyword search terms. We conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. We also focused on top-side entries recorded by management to ensure they were not inappropriate, unauthorized, or intentionally misstated to meet internal targets or expectations of external parties. We paid specific attention to significant transactions outside the normal course of business for the Company, including amongst others the announced sale of Russian operations, the sale of Algeria operations, and the sale of Georgia operations as disclosed in Note 9 to the consolidated financial statements. We assessed the business rationale and accounting implications with respect to significant transactions.

Identified fraud risks	*Our audit work and observations*
	We also performed specific audit procedures to evaluate management estimates, including a look-back assessment of estimates to identify patterns indicating potential management bias. Refer also to procedures performed on estimates involved in the valuation of goodwill, the valuation of 'uncertain income tax positions' and 'non-income tax provisions', and the valuation of deferred tax assets as described in the section 'Key audit matters' of this report. Finally, we performed specific audit procedures to ensure the appropriate elimination of intercompany accounts and transactions and to ensure proper identification and treatment of related party transactions. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.
The risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions or assertions give rise to the risk of fraud in revenue recognition. The Company's executive compensation agreements include a bonus structure for senior management based on KPI targets that are comprised of both strategic and financial metrics. This results-dependent bonus structure could potentially increase pressure on management to manipulate revenue. As such, we identified a risk of deliberate overstatement of revenue occurrence across operating components. We also identified a risk of inaccuracy in postpaid and fixed line business-to-business (B2B) revenues in Russia, as these revenue streams include a high volume of customized, non-public tariffs with business customers with an increased inherent risk of manipulation of revenue recognition.	We evaluated the design and implementation of the internal control measures that are intended to mitigate the risk of fraud in revenue recognition and assessed the effectiveness of the controls in the revenue and receivables processes, including the processes around the rating and discounting of Russian B2B tariffs. We also evaluated the design and assessed the effectiveness of internal control measures in the processes for generating and processing journal entries related to revenue. We concluded that we, in the context of our audit, could rely on the internal control procedures relevant to this risk. We selected and tested journal entries impacting revenue based on risk criteria tailored to the Company's revenue streams across operating components (i.e., unexpected account combinations). We paid specific attention to the rationale behind any such entries. We also focused on top-side entries recorded by management to ensure they were not inappropriate, unauthorized, or intentionally misstated to overstate the occurrence of revenue. To assess the potential for misstatement of revenue, we specifically tested the end-to-end reconciliations between billing and rating systems and the general ledger, and reconciled voucher amounts and other top-up transactions to cash receipts. Finally, we tested material discounts and agreed invoices to underlying agreements and subsequent cash payments to assess the accuracy of postpaid and fixed line B2B revenues in Russia.

Identified fraud risks	Our audit work and observations
	We also confirmed accounts receivable with B2B and other corporate customers arising from mobile postpaid and fixed line services to substantiate the accuracy of revenue transactions. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the occurrence or accuracy of the Group's revenue reporting.
Compliance with anti bribery and corruption laws and regulations	Refer to Compliance with anti-bribery and corruption laws and regulations in section 'Key audit matters'.

We incorporated an element of unpredictability in our audit. We also reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Audit and Risk Committee of the board of directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

In comparison to the previous year's report, one key audit matter was added for the valuation of deferred tax assets in Bangladesh, driven by management's recognition of previously unrecognized historic losses as a result of the positive outlook and business developments in Bangladesh operations. The key audit matter for the sale and leaseback of Russian tower assets has been removed since this was a one-off significant transaction. The remaining key audit matters are consistent with those reported in 2021.

In addition to the matter described in the section 'Material uncertainty related to going concern', we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matter	*Our audit work and observations*
Carrying value of goodwill and accuracy of goodwill impairment charge Notes 10, 11 and 13 As described in Notes 10, 11 and 13 to the consolidated financial statements, the Company's consolidated goodwill balance amounts to US$ 394 million as of December 31, 2022, together with US$ 617 million goodwill balance classified as held-for-sale, and consolidated goodwill impairment losses of US$ 0 million, together with a US$ 446 million goodwill impairment loss for the Russia component as part of discontinued operations. The Company conducts an annual goodwill impairment test as of September 30, or when circumstances indicate that the carrying value of goodwill may be impaired. As of March 31, 2022, the Company identified circumstances that the carrying value of the Russia CGU might be impaired and performed an additional goodwill impairment test resulting in the impairment charge mentioned above. Based on the annual goodwill impairment test in the current year, no additional impairment charge was recorded. Potential impairment is identified by comparing the recoverable value, in particular the fair value less cost of disposal, of a cash-generating unit ('CGU') to the 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 a cash-generating unit, 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. The Company's assumptions are affected by expected future market conditions and the continuing challenging economic and political environments in the territories where the Company's subsidiaries operate. 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 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).	In the context of the goodwill impairment tests performed during the year, we have performed procedures, with the help of our valuation specialists, which varied in depth per CGU based on our risk assessment with respect to the volatility of the economic circumstances, the extent of the related goodwill balance as compared to our materiality used and the headroom available between the carrying value and the FVLCD. We paid particular attention to the goodwill impairment test performed on the Russia CGU as of March 31, 2022, due to the magnitude of its goodwill balance and the resulting impairment charge recorded. Our audit procedures included, amongst others: • Assessing the appropriateness of management's identification of the Company's CGUs. • Evaluating the design and testing the operational effectiveness of the related internal controls, including the completeness, accuracy, and relevance of underlying data used in the models. • Performing a retrospective review of the prior year estimates by comparing the current year actual results to those projected in the prior year. • Testing the composition of future cash flow forecasts by evaluating (i) the current and past performance of the CGUs, (ii) the consistency with external market and industry data, and (iii) the corroboration of strategic initiatives with evidence obtained in other areas of the audit. Specific attention was given to the Russia CGU, valuation of strategic initiatives and whether such initiatives could be corroborated from a market participant's perspective, the impact of the political situation including sanction laws and regulations, and the macroeconomic environments in Russia on the business plan. • Assessing any indications of management bias in determining the significant assumptions. • Recalculating the carrying values and confirming the exchange rates applied. • Testing the accuracy of the impairment charge recorded • Assessing the adequacy of the Company's disclosures regarding assumptions, sensitivities, and headroom as included in the accounting policies and in Notes 10, 11, and 13 to the financial statements.

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Key audit matter	*Our audit work and observations*
We considered this area to be a key audit matter due to the magnitude of the goodwill balance and the magnitude of the impairment charge as well as the fact that the determination of the fair value less cost of disposal is complex, subjective, and, given the estimation uncertainty, requires substantial judgement from management. This evaluation in turn required significant auditor attention and effort.	Our procedures did not result in material findings.
Valuation of 'uncertain income tax positions' and 'non-income tax provisions' (Pakistan) Notes 7 and 8 As described in Notes 7 and 8 to the consolidated financial statements, the Company recorded provisions of US$ 133 million related to uncertain income tax positions and US$ 49 million related to non-income tax provisions as of December 31, 2022. Given that the tax legislation in the markets in which the Company operates is unpredictable and gives rise to significant uncertainties, the Company's estimate of tax liabilities may differ from interpretations by the relevant tax authorities as to how regulations should be applied to actual transactions. Judgement 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. Judgement is also required by management in determining the degree of probability of an unfavourable outcome for non-income tax claims and the ability of management to make a reasonable estimate of the amount of loss. We believe the valuation of 'uncertain income tax positions' and 'non-income tax provisions' to be a key audit matter based on the significant judgements made by management when assessing the likelihood of an uncertain income tax treatment being accepted by a tax authority and estimating the effect of the uncertainty, as well as assessing the degree of probability of an unfavourable non-income tax outcome and the ability to make a reasonable estimate of the amount of cash outflow. This in turn required significant auditor attention and effort in performing procedures to evaluate management's estimation uncertainty. The focus of our audit effort has been the valuation of the 'uncertain income tax position' and the 'non-income tax provision'	With the assistance of our tax specialists, our audit procedures included, amongst others: • Evaluating the design and testing the operational effectiveness of controls relating to 'uncertain income tax positions' and 'non-income tax provisions'. • Evaluating management's assessment of both the identification and possible outcomes of 'uncertain income tax positions' and 'non-income tax provisions', including management's assessment of the technical merits of each claim. • Testing the valuation of the Group's uncertain income tax positions, including evaluating the reasonableness of management's assessment of whether tax positions are probable of being sustained and management's estimate of the effect of the uncertainty based on the application of relevant tax laws. • Testing the valuation of the Group's non-income tax provisions, including evaluating the reasonableness of management's assessment of the probability of an unfavourable outcome of the non-income tax positions and the reasonableness of the estimated amount of loss based on the application of relevant tax laws. • Validating 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, together with the status and results of any tax audits, and assessing the outcomes of court decisions. • Evaluating management's assessment of any interest and penalties associated with the tax claims. • Obtaining tax and legal letters from the Group's external tax and legal advisors and reconciling these to the positions taken.

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Key audit matter	*Our audit work and observations*
for the Pakistan component given the volume and magnitude of the 'uncertain income tax position' and the 'non-income tax provision', rapid changes in tax laws and regulations, and the uncertain outcome of tax court proceedings.	• Assessing the adequacy of the Group's disclosures, including amongst others, the sources of estimation uncertainties. Our procedures did not result in material findings.
Compliance with anti-bribery and corruption laws and regulations Note 7 As described by the Company in Note 7 to the consolidated financial statements and the accompanying Directors' Report, the Group operates in markets which pose increased risks of non-compliance with anti-bribery and corruption laws and regulations. As such, there is a heightened risk of potential liability associated with such non-compliance. We dedicated a significant amount of time in our audit to this risk and therefore have also determined this to be a key audit matter.	With the assistance of our forensic specialists, our audit procedures included, amongst others: • Understanding the local and international laws and applicable industry regulations on anti-corruption governing the Group. • Understanding and evaluating the Group's interactions and communication with government officials. • Assessing the adequacy of the Group policies and procedures addressing the risk of non-compliance with anti-bribery and corruption laws and regulations. • Testing the effectiveness of controls which respond to the risk of non-compliance with anti-bribery and corruption laws and regulations, which includes code of conduct compliance, response to whistleblower allegations, and vendor due diligence. • Assessing any non-compliance with anti-bribery and corruption laws and regulations within significant, unusual, or related party transactions. • Assessing charitable contributions to, amongst others, government-related entities. • Evaluating actions undertaken upon identification of potential instances of bribery or corruption. Our procedures included the use of forensic expertise when testing a selection of investigations, including assessing and challenging management's investigatory response to potential instances of bribery or corruption to support conclusions reached and remedial actions taken. • Obtaining external legal confirmations. • Reading the minutes of the board of directors and the other executive committee meetings • Attending discussions in the Audit and Risk Committee on the results of internal and external investigations and on the design and effectiveness of the Company's compliance programs and internal controls relating to the prevention and detection of bribery and corruption. Our procedures did not result in material findings.

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Key audit matter	Our audit work and observations
Revenue recognition Note 3 As described in Notes 3 and 10 to the consolidated financial statements, the Company's consolidated total operating revenue was US$ 3,755 million, together with US$ 4,263 million of operating revenue from the Russia component classified as discontinued operations for the period ended December 31, 2022, and is made up of billions of relatively small transactions in combination with multiple tariff plans, with the largest volume of plans in Russia. Throughout the Group, there is a large number and wide variety of legacy billing and other operating support systems in the revenue process. The magnitude of revenue and complexity in the recognition processes arising from a variety of legacy systems with IT control deficiencies requires substantial audit effort with respect to the design, implementation, and operating effectiveness of mitigating controls and substantive test procedures to be performed. Therefore, we considered this a key audit matter.	With the assistance of our IT specialists, our audit procedures included, amongst others: • Understanding and testing the (legacy) IT environment in which billing, rating and other relevant support systems reside, including the change management and restricted access procedures in place. • Evaluating the design and implementation, and testing the design and operational effectiveness of the revenue and receivables cycle related controls, including mitigating controls. • Testing the end-to-end reconciliation from mediation to billing and rating systems to the general ledger. The testing also included tracing material journals, between the billing or intelligent network systems and the general ledger, to underlying documentation and confirming the rationale. • Reconciling the amounts of vouchers and other top-up transactions with respect to prepaid services to the transactional cash receipts data per the cash system. • Performing tests on the accuracy of customer bill generation and testing of a sample of the tariff plans, credits and discounts applied to customer bills. • Performing test calls and reconciling these with the billed amounts. • Testing cash receipts for a sample of customers back to the customer invoice. • Selecting and testing journal entries impacting revenue based on risk criteria tailored to the revenue streams across the components. • Confirming a selection of accounts receivable with B2B and other corporate customers arising from mobile postpaid and fixed line services. Our procedures did not result in material findings.
Valuation of deferred tax assets (Bangladesh) Note 8 As described in Note 8 to the consolidated financial statements, the Company recorded US$ 108 million related to deferred tax assets in Bangladesh as of December 31, 2022. The Company recognises a deferred tax asset for unused tax losses and other credits carried forward, to the extent it is probable utilizing the deferred tax asset.	With the assistance of our (local) tax and valuation specialists, our audit procedures included, amongst others: • Evaluating the design and implementation, and testing the operational effectiveness of controls relating to deferred tax assets and uncertain income tax positions. • Assessing the breakdown of the historic losses by year, uncertain income tax positions and the

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Key audit matter	*Our audit work and observations*
Judgment is therefore required to determine the amount that can be recognized and depends foremost on the probability assessment of the uncertain tax positions related to historic tax loss calculations, expected timing, level of taxable profits, tax planning strategies and the existence of taxable temporary differences We believe the first time recognition of deferred tax assets and valuation of related uncertain income tax positions in Bangladesh to be a key audit matter based on the significance of the deferred tax assets, the inherent level of uncertainty, the potential limitations in the recoverability of deferred tax assets and the significant judgments made by management involved when assessing the amount that can be recognized, as well as estimating future taxable profit and uncertainty concerning new transactions and the interpretation of tax rules. This in turn required significant auditor attention and effort in performing procedures to evaluate management's estimation uncertainty.	composition of the carry-forward deferred tax asset relating to tax losses. • Evaluating and testing the corporate tax positions taken by management. • Assessing the recoverability through agreeing the forecasted future taxable profits with approved business plans. • Assessing whether the underlying trends and assumptions in the forecasts used were consistent with those used in the impairment tests. • Challenging 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. • Assessing the past performance against business plans used by the company to determine the ability of management to forecast future taxable income. • Assessing whether there are local expiry periods together with any applicable restrictions in recovery. With the procedures performed above, we determined that the methodologies and assumptions used by the Company to assess recoverability of the deferred tax assets in Bangladesh as of December 31, 2022 were within a reasonable range of outcomes. Our procedures did not result in material findings.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

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By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. Management and the Audit and Risk Committee of the board of directors are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of VEON Holdings B.V. on July 29, 2014 by the board of directors through agreement via the signed engagement letter. Our appointment has been renewed annually and now represents a total period of uninterrupted engagement of nine years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

Information on services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in Note 16 to the company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of management and the board of directors for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and
- such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. Management should disclose in the financial statements any events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The Audit and Risk Committee of the board of directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, the Netherlands, June 29, 2023
PricewaterhouseCoopers Accountants N.V.

M. de Ridder RA

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Appendix to our auditor's report on the financial statements 2022 of VEON Holdings B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, amongst other things, of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the Group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of Group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected Group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the Audit and Risk Committee of the board of directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the Audit and Risk Committee of the board of directors in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report

We provide the Audit and Risk Committee of the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Committee of the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Deponering

Referentienummer	34345993-20241127-O001
KVK-nummer	34345993
Datum deponering	2024-11-21
Datum vaststelling	2024-11-20

Annual Report 2023

VEON Holdings B.V.

Claude Debussylaan 88,

1082 MD Amsterdam

The Financial Statements are approved by the Shareholder on November 20, 2024

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Directors' Report

INFORMATION ON THE COMPANY

Overview

VEON Holdings B.V. (the "Company" or "VEON Holdings"), was incorporated as a private company ('besloten vennootschap') with limited liability under the laws of the Netherlands by notarial deed executed on 29 June 2009. The Company changed its name from VimpelCom Holdings B.V. to VEON Holdings B.V., effective as of September 29, 2017.

The Company has its statutory seat and its principal place of business in Amsterdam. The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

The Directors' Report as presented is prepared by the management of the Company and in line with the business and strategic decisions of VEON Ltd. together with VEON Holdings B.V. ("VEON" or the "Group" and also referred to as "We", "Our" and "Us"), the ultimate parent company. The strategic and business decisions made by management of VEON Ltd. are pertinent to VEON Holdings B.V. and its subsidiaries. In this directors' report we will therefore often refer to the governance structure being in place at the level of VEON Ltd. as the Company will be impacted directly and indirectly by this governance structure and the related processes and procedures.

VEON is a leading global provider of connectivity and internet services. Present in some of the world's most dynamic markets, VEON currently provides nearly 160 million customers with voice, fixed broadband, data and digital services. 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" within our segment information disclosures. We provide key services, among others, under the "Kyivstar," "Banglalink," and "Jazz" brands. As of December 31, 2023, we had 17,131 employees For a breakdown of total revenue by category of activity and geographic segments for each of the last three financial years, see *—Operating and Financial Review and Prospects*.

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" (now "Digital Assets") – which seeks to identify, acquire and develop digital capabilities and assets into entities with potential for investment while also identifying external assets fit for acquisition and investment. 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. Across our markets, we are looking into opportunities to create stand-alone entities for our infrastructure assets and encourage industry-wide efficient usage of these companies. In certain markets, we have progressed with tower deals which include the sale of our assets in exchange for long-term service agreements, liberating time and resources for our operators to focus on customer-facing and digital initiatives. For further information on our capital expenditures, see *—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, including the ongoing impact that the ongoing war between Russia and Ukraine has and may continue to have on our capital expenditure, see*—Operating and Financial Review and Prospects—Key Developments for the year ended December 31, 2023* and *—Operating and Financial Review and Prospects—Key Developments after the year ended December 31, 2023.*

History

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), and Uzbekistan (2006). In 2010, we established our headquarters in Amsterdam. In 2011, we completed the acquisition of Global Telecom Holding (GTH, previously known as Orascom Telecom Holding S.A.E.) and through a series of transactions beginning in July 2019 through September 2019, VEON Holdings B.V. acquired substantially all of GTH's operating assets in Pakistan and Bangladesh. 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), which sale 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 the CEO at the time, Aleksander Torbakhov. Under the agreement, as amended and restated on September 13 2023, (the "Sale and Purchase Agreement") we received consideration equal to RUB 130 billion (approximately US$1,294 million equivalent). The Sale and Purchase Agreement allowed for the entire consideration of the sale to be satisfied by transferring the VEON Holdings bonds acquired by VimpelCom to a wholly owned subsidiary of VEON Holdings, to hold such notes until their cancellation or maturity. The sale was completed on October 9, 2023. An additional US$72 million equivalent of VEON Holdings bonds were transferred to VEON Holdings' wholly owned subsidiary upon the receipt of an OFAC license in June 2024, to offset the remaining deferred purchase price for our Russian Operations in July 2024.

Key Developments

Key Developments for the year ended December 31, 2023

Completion of Sale of Russian operations

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 million equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings B.V. redeemed US$406 million of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings B.V. bonds representing a nominal value of US$1,576 million which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 million on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 million as of December 31, 2023 was offset against VEON Holdings B.V. bonds acquired by VimpelCom representing a nominal value of US$72 million, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 million receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 22 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 million recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 million of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

Based on the applicable USD / RUB exchange rates at the applicable purchase dates (which took place between February 2023 and September 2023).

Agreement between Banglalink and Summit regarding the sale of its Bangladesh tower assets

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, has entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2,012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97 million). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97 million) net of cost of disposals containing legal, regulatory and investment bankers costs amounting to BDT 855 million (US$8 million). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34 million), right-of-use assets of BDT 550 million (US$5 million) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9 million) and lease liabilities of BDT 6 billion (US$52 million) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40 million) were recognized for total right-of-use assets of BDT 5 billion (US$45 million) and total lease liabilities of BDT 10 billion (US$92 million).

Cybersecurity Incident in Ukraine

On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement and government agencies and the Security Service of Ukraine, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, and that mobile voice and internet, fixed connectivity and SMS services as well as the MyKyivstar self-care application were active and available across Ukraine.

After stabilizing the network, although there was no legal obligation to do so, Kyivstar immediately launched offers to thank its customers for their loyalty, initiating a *"Free of Charge"* program offering one month of free services on certain types of contracts. Furthermore, on December 21, 2023, Kyivstar announced a donation of UAH 100 million (US$3 million) would be made towards Ukrainian charity initiatives.

Largely due to the limited period during which the critical services were down, there was no material financial impact on our consolidated results for the year ended December 31, 2023 due to these service disruptions, or due to costs associated with additional IT capabilities required for restoring services, replacing lost equipment or compensating external consultants and partners in 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue in 2024 was US$46 million. VEON expects no further impact on its financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

VEON and Kyivstar conducted a thorough investigation, together with outside cybersecurity firms, to determine the full nature, extent and impact of the incident and to implement additional security measures to protect against any recurrence. The Ukrainian government also conducted an investigation to support the recovery efforts. All investigations were concluded as of June 30, 2024, and has resulted in an in depth analysis into details of how the attack was executed and how this can be prevented in the future.

Kyivstar has initiated remediation and mitigation actions to reduce current risks and establish a robust framework to manage evolving cyber threats, protect business continuity and maintain customer trust by investing in immediate response actions, enhanced security infrastructure, proactive threat management, compliance with cybersecurity regulations and standards, employee awareness, and long-term adaptive measures. Further, VEON Group has executed a group-wide assessment of cybersecurity maturity in alignment with the U.S. National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST2).

VEON's Scheme of arrangement (the "Scheme")

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme 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 VEON Holdings B.V.' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. 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 would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had 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 were 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 was granted requiring VEON Holdings B.V. 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 million of the October 2023 Notes and holders of US$294 million of the December 2023 Notes exercising the Put Option. The aggregate put option premium paid was US$9 million. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$1 million. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1 million. For further details, refer to further discussion in Note 16-*Investments, Debt and Derivatives*.

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 2023 for US$692 million and November 2023 for US$363 million. Further these outstanding amounts were rolled-over until January 2024 for US$692 million and February 2024 for US$363 million. The RCF has subsequently been repaid and canceled in March 2024.

Ukraine prepayment

In 2023, Kyivstar fully prepaid all of its remaining external debt which includes 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

PMCL fully utilized the remaining PKR 10 billion (US$41 million) under its existing PKR 40 billion (US$164 million) facility through drawdowns in January and April 2023.

BDCL syndicated credit facility

BDCL utilized BDT 5 billion (US$45 million) out of new syndicate credit facility of BDT 8 billion (US$73 million) during November 2023. The tenor of the facility is five years.

KaR-Tel Limited Liability Partnership ("KaR-Tel") credit facility

KaR-Tel utilized KZT 9.8 billion (US$22 million) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

Repayment of VEON Holdings B.V. 5.95% Senior Notes

On October 13, 2023 VEON Holdings B.V. repaid its outstanding 5.95% Senior Notes amounting to US$39 million at their maturity date.

Early redemption of VEON Holdings B.V. 2023 and 2024 Notes

On September 13, 2023, VEON Holdings B.V. issued two redemption notices for the early repayment of its bonds maturing in December 2023 and June 2024, with a planned redemption date of September 27, 2023. On that date, VEON Holdings B.V. redeemed US$243 million senior notes held by external noteholders, and on October 4, 2023, redeemed US$406 million senior notes held by VimpelCom. Please refer to Note 16-Investments, Debt and Derivatives for further details.

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.

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.

Freezing of corporate rights in Kyivstar

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts were seizing all “corporate rights” of Mikhail Fridman, Petr Aven and Andriy Kosogov in 20 Ukrainian companies that these individuals beneficially own, while criminal proceedings, unrelated to Kyivstar or VEON, were in progress. This announcement was incorrectly characterized by some Ukrainian media as a “seizure” or “freezing” of “Kyivstar’s assets” as the assets of Kyivstar had not been seized or frozen and the court’s ruling did not impact the assets of Kyivstar directly. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly targeted Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of M. Fridman. Subsequent clarification by the SSU noted that “The seizure of corporate rights of Ukrainian companies does not affect the protection of the interests of foreign investors and owners of shares of corporate rights, does not hinder their economic activity and the possibility of receiving dividends.” We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our Kyivstar shares, including transfer of such shares, from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. had filed two appeals with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected our appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts to protect our assets in Ukraine. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on renting property and land, on participating in public procurement and on the transfer of technology and intellectual property rights to Kyivstar from VEON impacting B2G revenue would also apply.

Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary (“Kyivstar”) and concluded that, under the requirements of relevant reporting standards (IFRS 10, *Consolidated financial Statements*), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

VEON Ltd. implements new Clawback Policy

On November 27, 2023, VEON Ltd. announced governance enhancements to its executive remuneration structure, in line with its commitment to ethical corporate governance practices and financial integrity. The Board of Directors of VEON Ltd. introduced a robust Policy for the Recovery of Erroneously Awarded Compensation (the "Clawback Policy") to align with Section 10D and Rule 10D-1of the Securities Exchange Act of 1934 and the listing standards adopted by NASDAQ.

Effective October 2, 2023, the Clawback Policy enables VEON Ltd. to recover erroneously awarded incentive-based compensation from current and former Executive Officers (as defined in the Clawback Policy) in the event that it is required to prepare an accounting restatement. This step is crucial in maintaining transparency and accountability, particularly in instances requiring accounting restatements.

In tandem with the adoption of the Clawback Policy, the Board of Directors has also revised existing incentive-based compensation plans to further align executive remuneration with shareholder interests and corporate objectives. Refer to Note 21 *Related Parties* for further details.

VEON Ltd.'s Management increases ownership

On February 21, 2023, VEON Ltd. announced the completion of the transfer of 52,550 shares in VEON Ltd. to Joop Brakenhoff. A total of 104,047 common VEON Ltd. shares vested as part of VEON Ltd.'s 2021 Deferred Share Plan in 2022. Of those vested VEON Ltd. shares, 51,500 common shares (the equivalent of 2,060 ADSs) were withheld to cover local withholding taxes and the remaining 52,550 VEON Ltd. shares (the equivalent of 2,102 ADSs) were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd..

In March 2023, equity-settled and liability settled awards in VEON Ltd. were granted to five members of VEON Ltd.'s GEC under the Short-Term Incentive Plan (154,876 ADS) and the Long-Term Incentive Plan ("LTIP") (643,286 ADS).

On July 1, 2023, 1,395,358 common shares in VEON Ltd. granted to current and former members of VEON Ltd.'s GEC vested as part of the 2021 Deferred Share Plan. Subsequently, VEON Ltd. had initiated the transfer of 34,094 ADSs, representing 852,350 common shares in VEON Ltd., to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares in VEON Ltd., were granted with immediate vesting to members of VEON Ltd.'s GEC and 70,000 ADSs, representing 1,750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board. Subsequently, VEON Ltd. initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares in VEON Ltd., to the respective VEON Ltd. executives and Board members. Additionally, 30,000 ADSs, representing 750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board.

In July 2023, VEON Ltd. equity-settled awards were granted to one member of VEON Ltd.'s GEC under the LTIP (105,573 ADS).

On September 1, 2023, 146,490 ADSs, representing 3,662,250 common VEON Ltd. shares, granted to VEON Ltd.'s Group CEO, Mr. Kaan Terzioglu, vested as part of VEON Ltd.'s Deferred Share Plan.

In November 2023, VEON Ltd. initiated the transfer of 1,870 ADSs, representing 46,750 common shares in VEON Ltd. to Mr. Brakenhoff for VEON Ltd. equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2023 as well as 6,535 ADSs, representing 163,375 common shares in VEON Ltd., to a former Board member of VEON Ltd. in relation to a grant that vested in July 2023 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 VEON Ltd.'s Key Senior Managers

On March 15, 2023, VEON Ltd. announced the appointment of Joop Brakenhoff as VEON Ltd.'s Group CFO, effective from May 1, 2023. Mr. Brakenhoff replaced Serkan Okandan whose three years contract as Group CFO expired at the end of April 2023. Mr. Okandan continued to serve VEON Ltd. as a special advisor to the VEON Ltd. Group CEO and CFO.

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

On July 19, 2023, VEON Ltd. 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. VEON Ltd.'s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

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$74 million) which includes BDT 4,307 million (approximately US$39 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.

Subsequently, Banglalink had a meeting with BTRC officials and agreed to pay amounts pertaining to 2G matters (already accrued BDT 2,200 million in the financials) in BDT 500 million immediately in July 2023 and 12 equal monthly installments of BDT 146 million (approximately US$1.4 million), accordingly Banglalink has paid BDT 500 million (approximately US$5 million) in July 2023 and all installments until December 2023 as agreed.

Despite having objections to the audit findings, in compliance with the instruction given by the BTRC on November 5, 2023 to pay the principal amount of the BTRC's audit demand within 10 working days, Banglalink has deposited BDT 1,657 million (US$16 million) to the BTRC on November 19, 2023. The remaining elements of the BTRC's audit, including the late fee, are not yet resolved.

Change in Board of Directors of VEON Ltd.

On June 29, 2023, at VEON Ltd.'s Annual General Meeting, VEON Ltd. shareholders approved the VEON Ltd. Board recommended slate of seven directors, including six directors already serving on the Board at that time – 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.

In July 2023, the VEON Ltd. Board elected Morten Lundal as the Chair in its first meeting following the 2023 VEON Ltd. AGM. The VEON Ltd. Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

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 VimpelCom. As of October 9, 2023, as a result of the completion of the sale of VEON's Russian operations, VimpelCom is no longer part of the VEON Group and as such, these sanctions have no impact on the remaining group. Please refer to Note 23 for further details.

Novation of VEON Digital Amsterdam B.V. credit facility

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

Amendment of VEON Amsterdam B.V. credit facility

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

Increase and amendment of VEON Ltd. credit facility

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

Key Developments after the year ended December 31, 2023

VEON and Summit complete US$100 million deal for Bangladesh towers portfolio

On January 31, 2024, VEON announced that, further to the announcement dated November 15, 2023, and the legal transfer of towers in December 2023 following the receipt of all regulatory approvals, its wholly owned subsidiary, Banglalink has obtained the cash consideration for the sale of approximately BDT 11 billion (approximately US$96 million).

Repayment of the RCF

For the US$1,055 million RCF, US$250 million of commitments maturing in March 2024 and were repaid during February 2024, and in March the remaining amounts outstanding and commitments of US$805 million, originally due in March 2025, were repaid and the RCF canceled.

Issuance of PKR bond by PMCL

In April 2024, PMCL issued a short term PKR bond of PKR 15 billion (US$52 million) with a maturity of six months. The coupon rate is three-month Karachi Interbank Offered Rate (KIBOR) plus 25bps per annum.

BDCL syndicated credit facility

BDCL utilized the remaining BDT 3 billion (US$27 million) under its existing syndicated credit facility of BDT 8 billion (US$73 million) during January 2024 and February 2024.

VEON announces sale of stake in Beeline Kyrgyzstan

On March 26, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 50.1% indirect stake in Beeline Kyrgyzstan to CG Cell Technologies, which is wholly owned by CG Corp Global for cash consideration of US$32 million. Completion of the sale of VEON's stake in Beeline Kyrgyzstan, which is held by VIP Kyrgyzstan Holding AG (an indirect subsidiary of the Company), is subject to customary regulatory approvals and preemption right of the Government of Kyrgyzstan in relation to acquisition of the stake. VEON is currently liaising with Kyrgyzstan public authorities regarding the regulatory approvals and the Government's preemption right.

As a result of this anticipated transaction and assessment that control of the Kyrgyzstan operations will be transferred, as from the date of the SPA signing, the Company classified its Kyrgyzstan operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for Kyrgyzstan operations.

Appointment of PricewaterhouseCoopers Accountants N.V. ("PwC Netherlands") as 2023 independent auditor

On March 14, 2024, VEON announced that it appointed PricewaterhouseCoopers Accountants N.V. as the independent external auditor for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with International Standards on Auditing (the "ISA Audit"). The delay in appointment was due to difficulties the Company faced in identifying a suitable independent auditor due to the material changes in the Group's portfolio of assets which resulted in a delay in filing this Annual Report on Form 20-F with the SEC and filing its annual report with the AFM.

Announcement of issuance of new shares in VEON Ltd.

On March 1, 2024, VEON Ltd. announced the issuance of 92,459,532 ordinary shares in VEON Ltd., after approval from the VEON Ltd. Board, to fund VEON Ltd.'s existing and future equity incentive-based compensation plans. As a result of the issuance, VEON Ltd. now has 1,849,190,667 issued and outstanding ordinary shares. The issuance of the ordinary shares represents approximately 4.99% of VEON Ltd.'s authorized ordinary shares. The shares are expected to be allocated to VEON Ltd.'s existing and future equity incentive-based compensation plans, which are designed to align the interests of VEON Ltd.'s senior managers and employees with those of VEON Ltd.'s shareholders and to support the VEON Ltd.'s long-term growth and performance, as well as compensation arrangements for strategic consultants. The shares were initially issued to VEON Holdings and then subsequently allocated to satisfy awards under VEON Ltd.'s existing plans and will also be allocated to future equity incentive-based compensation plans, and such other compensation arrangements, as and when needed, as well as to meet certain employee, consultant and other compensation requirements. As a result, the initial share issuance will have an immediate dilutive impact on existing shareholders of VEON Ltd.. The ordinary shares will be issued at a price of US$0.001 per share, which is equal to the nominal value of VEON Ltd.'s ordinary shares.

VEON Ltd. increases management's and directors' ownership

On April 12, 2024, VEON Ltd. announced an increase in VEON Ltd.'s management's and directors' ownership in VEON Ltd. shares through awards under its existing equity-based compensation plans. VEON Ltd. is utilizing certain of the 92,459,532 common shares issued to VEON Holdings B.V. as disclosed in Note 1 *General Information*, announced on March 1, 2024, to satisfy the awards made. VEON Ltd.'s Group Executive Committee ("GEC") received a total of 2,853,375 VEON Ltd. common shares (equal to 114,135 VEON ADSs) within the scope of the VEON Ltd.'s Deferred Share plans, and a total of 1,839,895 VEON Ltd. common shares (equal to 73,596 ADSs) within the scope of the VEON Ltd.'s STIP. The members of the VEON Ltd. Board of Directors received a total of 1,648,225 VEON Ltd. common shares (equal to 65,929 ADSs) within the scope of their compensation.

Share-based awards to VEON Ltd.'s GEC and Board of Directors

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common VEON Ltd. shares (equal to 128,050 ADSs) under VEON Ltd.'s 2021 LTIP. In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common VEON Ltd. shares (equal to 57,249 ADSs) under the 2021 DSP for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common VEON Ltd. shares (equal to 95,731 ADSs) related to 3,662,250 common VEON Ltd. shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,975 common VEON Ltd. shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the VEON Ltd. GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd shares' relative target shareholder return performance against VEON Ltd.'s peer group which will be assessed at the end of the three-year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled VEON Ltd. common shares (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common VEON Ltd. shares (equal to 19,293 ADSs), while 472,743 common VEON Ltd. shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common VEON Ltd. shares (equal to 2,102 ADSs) related to 104,047 common VEON Ltd. shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,500 common VEON Ltd. shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common VEON Ltd. shares (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common VEON Ltd. shares (equal to 11,548 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common VEON Ltd. shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common VEON Ltd. shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON Ltd. granted a total of 3,369,125 equity-settled awards and 1,547,650 cash-settled awards in common VEON Ltd. shares (equal to 134,765 and 61,906 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors. By June 2024, 1,648,225 of the equity-settled VEON Ltd. common shares (equal to 65,929 ADSs) were vested and transferred to the Board members and 173,250 common VEON Ltd. shares (equal to 6,930 ADSs) were withheld for tax purposes.

VEON Holdings B.V. consent solicitations to noteholders

In April 2024, VEON Holdings B.V. launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of VEON Holdings B.V. for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding and were not exchanged.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings B.V. subsequently issued new notes with identical maturities to the April 2025, June 2025, and November 2027 notes (any such new notes, the “New Notes”) to the noteholders who participated in the consent process and tendered the original notes (the “Old Notes”), which were exchanged for the New Notes subsequently (economically) canceled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings B.V. subsequently redeemed these notes in June 2024.

VEON Holdings B.V. has continued and will need to continue to provide the remaining holders of Old Notes maturing in April 2025, June 2025 and November 2027 further opportunities to exchange their Old Notes into corresponding New Notes maturing in April 2025, June 2025 and November 2027, respectively.

As of June 30, 2024, US$1,550 million of New Notes due April 2025, June 2025 and November 2027 were outstanding and there were US$134 million of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in July and August 2024, US$20 million equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of August 28, 2024, the equivalent amount of New Notes outstanding is US$1,565 million and the remaining Old Notes that are subject to potential conversion to New Notes is US$113 million.

VEON Holdings B.V. is not required to make any further principal or coupon payments under the Old Notes.

Make-whole call

In June 2024, VEON Holdings B.V. executed an early redemption of its September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$53 million).

VEON Ltd. Receives Extension from Nasdaq for 20-F Filing

On May 22, 2024, VEON confirmed that on May 20, 2024 it received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) indicating that, as a result of the VEON Ltd.’s delay in filing its Annual Report on Form 20-F for the year ended December 31, 2023 (the “2023 20-F”), VEON Ltd is not in compliance with the timely filing requirements for continued listing under Nasdaq Listing Rule 5250(c)(1) (the "Listing Rules").

VEON Ltd. had previously shared the expected delay in its 2023 20-F filing with a press release dated March 14, 2024, and subsequently filed its notification of late filing on Form 12b-25 with the SEC on May 1, 2024. As described in these disclosures, the delay in VEON Ltd.’s 2023 20-F filing is due to the continued impact of challenges faced by VEON Ltd. in connection with the timely appointment of an independent auditor that meets the requirements for a Public Company Accounting Oversight Board (“PCAOB”) audit following VEON Ltd.’s exit from Russia.

VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rules and requested an exception of up to 180 calendar days, or until November 11, 2024, to regain compliance. On July 9, 2024, VEON Ltd. announced that NASDAQ granted VEON Ltd. an exception, enabling it to regain compliance with the Listing Rules by filing VEON Ltd.'s 2023 annual report on 20-F on or before November 11, 2024.

On October 17, 2024, VEON Ltd. filed its Annual Report on Form 20-F for the year ended December 31, 2023 (the "2023 Form 20-F") with the U.S. Securities and Exchange Commission following the completion of the audit of its 2023 financial statements by its independent auditor UHY LLP according to PCAOB standards. Following the filing, on October 21, 2024, VEON Ltd. received confirmation from the Nasdaq that VEON Ltd. is now compliant with the Nasdaq listing requirements.

Sale of TNS+ in Kazakhstan

On May 28, 2024, VEON announced that it signed share purchase agreement ("SPA") for the sale of its 49% in Kazakh wholesale telecommunications infrastructure services provider, TNS Plus LLP (TNS+), included within the Kazakhstan operating segment, to its joint venture partner, the DAR group of companies for total deferred consideration of US$137.5 million due within six weeks of the transaction completion date. The closing of the transaction was subject to customary regulatory approvals in Kazakhstan which were subsequently obtained. Accordingly, the sale was completed on September 30, 2024. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the SPA signing, the Company classified its TNS+ operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for TNS+ operations. During, November 2024, the Company has received US$37 out of deferred consideration and the remaining is expected to be settled during Q4-2024.

Appointment of UHY LLP as auditors

On May 29, 2024, VEON announced the appointment of UHY LLP (UHY) as the independent registered public accounting firm for the audit of the Group’s consolidated financial statements for the year ended December 31, 2023 in accordance with the standards established by the Public Company Accounting Oversight Board (United States) (the “PCAOB Audit”).

VEON Ltd. Announces Its New Board

On May 31, 2024, VEON Ltd. held its Annual General Meeting (AGM), during which the VEON Ltd.’s shareholders approved the recommended slate of seven directors as VEON Ltd.’s new Board. The new members consist of former U.S. Secretary of State Michael R. Pompeo, Sir Brandon Lewis and Duncan Perry, who will serve alongside the incumbent directors Augie K. Fabela II, Andrei Gusev, Michiel Soeting and VEON Ltd. Group CEO Kaan Terzioglu.

Following the AGM, the new Board held its inaugural meeting, and elected VEON’s Founder and Chairman Emeritus Augie K Fabela II as the Chairman.

PMCL syndicated credit facility

In May 2024, PMCL secured a syndicated credit facility of up to PKR 75 billion (US$270 million) including green shoe option of PKR 15 billion with a tenor of 10 years. PMCL utilized PKR 43 billion (US$154 million) from this facility through drawdowns in May and June 2024 with a further PKR 22 billion (US$78 million) drawn in July 2024.

PMCL bilateral credit facilities

In May 2024, PMCL utilized PKR 15 billion (US$54 million) from three bilateral credit facilities of PKR 5 billion (US$18 million) each from different banks. The tenor of each facility is 10 years.

Sale of Russian operations deferred consideration settlement

In July 2024, the remaining $72 million equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings, upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for the sale of VimpelCom completed in October 2023.

VEON Ltd. Announces Intention to Delist from Euronext Amsterdam and Share buyback program

On August 1, 2024, VEON Ltd. announced its intention to voluntarily delist from Euronext Amsterdam (the “Delisting”). VEON Ltd. expects the Delisting process to take place in the fourth quarter of 2024, following and subject to the filing of this Annual Report on Form 20-F. On October 21, 2024, VEON Ltd. announced that it has commenced the process of the Delisting, following the approval of Euronext Amsterdam. VEON Ltd.’s last day of trading on Euronext Amsterdam will be November 22, 2024 (the “Last Trading Date”) and the delisting will be effective from November 25, 2024.

VEON Ltd. also informed its shareholders that it intends to initiate a buyback program for up to US$100 million of its American ADS following the Delisting. The timing and specifics of the ADS buybacks will be determined by the VEON Ltd.'s management and Board of Directors in due course, and will be subject to liquidity considerations, market conditions, applicable legal requirements, and other factors. Subsequently on October 21, 2024, VEON Ltd. announced that it has commenced the process for the delisting of its common shares from trading on Euronext Amsterdam, following the approval of Euronext Amsterdam. The Company’s last day of trading on Euronext Amsterdam will be November 22, 2024 (the “Last Trading Date”) and the delisting will be effective from November 25, 2024.

Agreement with Impact Investments LLC for Strategic Support and Board Advisory Services

On June 7, 2024, VEON Ltd. entered into a letter agreement as amended on August 1, 2024 (the “2024 Agreement”) with Impact Investments which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON Ltd.). Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024, serves as Executive Chairman of Impact Investments. In exchange for the services provided, VEON Ltd. will pay

Impact Investments US$0.05 million in cash per month on or about the 7th day of each month during the term of the 2024 Agreement. Further, VEON Ltd. has granted to Impact Investments three common share warrants (hereby "Warrant A", "Warrant B", and "Warrant C"), with a value of $12 million, $2 million, and $2 million worth of common shares in the capital of VEON Ltd., respectively. Warrant A vest ratably semi-annually over a period of three years subject to achievement of vesting conditions. One half of Warrant B will vest on the date that is six months after the three years anniversary of the 2024 Agreement, subject to Impact Investments' initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant B will vest on the four years' anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. One half of Warrant C will vest on the date that is six months after the four years' anniversary of the 2024 Agreement, subject to Impact Investments' initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant C will vest on the five years' anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. The number of common VEON Ltd. shares to be transferred will be determined on the vesting date based on the 90-day average trading price. Finally, VEON Ltd., in its sole discretion, may pay Impact Investments an additional fee up to $3 million subject to completion of certain strategic objectives.

On June 7, 2024, VEON Ltd. and Impact Investments also entered into a termination letter in connection with a letter agreement between VEON Ltd. and Impact Investments dated November 16, 2023. Under the terms of the termination letter, VEON Ltd. paid Impact Investments $2 million in common VEON Ltd. shares or 2,066,954 shares (equal to 82,678 ADS), which common shares were determined on the basis of the 90-day average trading price of the VEON Ltd. common shares as of the date of the termination letter. These VEON Ltd common shares were transferred to Impact Investments in August 2024, for strategic support and board advisory services to JSC Kyivstar performed by Impact Investments under the letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023.

VEON Ltd. Announces Plan to Move its Headquarters to Dubai

On October 14, 2024, VEON Ltd. announced its plan to move the Group Headquarters from Amsterdam to the DIFC in the United Arab Emirates. VEON Ltd. also plans to update its corporate entity structure to reflect the relocation of the headquarters from move from the Netherlands to the DIFC, subject to tax and structuring analyses. On November 15, 2024,VEON Ltd. further announced that it has completed the registration of and received the commercial license for its branch office in Dubai International Finance Centre ("DIFC").

KaR-Tel Limited Liability Partnership credit facilities

On September 25, 2024 KaR-Tel Limited Liability Partnership ("KaR-Tel") signed a new bilateral credit facility with JSC Nurbank of KZT 18 billion (US$37) with a maturity of five years carrying fixed interest rate of 15.5%. On October 8, 2024, KaR-Tel utilized KZT 4.5 billion (US$10) from this facility. Subsequently, during October and November 2024, Kar-Tel further utilized KZT 6 billion (US$12).

2024 Annual Impairment Analysis

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations' disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of November 20, 2024, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis will be published in our interim unaudited consolidated condensed financial statement for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See *Note 11*—*Impairment of Assets* to our Audited Consolidated Financial Statements for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh.

Changes in Directors of VEON Holdings B.V.

On March 7, 2024, Bruce John Leishman and Maciej Bogdan Wojtaszek were appointed statutory directors of the Company, while on the same date Jochem Benjamin Postma and Paul Klaassen stepped down as statutory directors of the Company.

Issuance of PKR Sukuk bond by Pakistan Mobile Communication Limited ("PMCL")

In October 2024, Pakistan Mobile Communication Limited ("PMCL") issued short term PKR sukuk bond of PKR 15 billion (US$54) with a maturity of six months. Coupon rate is 3 months Karachi Interbank Offered Rate (KIBOR) minus 10 bps per annum.

Unitel LLC credit facility

On October 7, 2024 Unitel LLC signed a new credit facility agreement with JSC “National Bank for Foreign Economic Activity of the Republic of Uzbekistan” for UZS 191.3 billion (US$14) with a maturity of two years and an interest rate of 22% per annum. During November 2024, Unitel LLC utilized the full amount from this facility.

VEON appoints UHY LLP as auditors for VEON Group's 2024 PCAOB Audit

On November 13, 2024, VEON announced that the VEON Board of Directors has re-appointed UHY LLP (“UHY”) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2024 in accordance with the standards established by the Public Company Accounting Oversight Board, United States (the "PCAOB Audit").

Business overview

Business Units and Reportable Segments

VEON Holdings 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 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 *—Operating and Financial Review and Prospects —Reportable Segments* and *Note 2—Segment Information* to our Audited Consolidated Financial Statements for further details.

This *section* - unless indicated otherwise, provides a description of our business as of December 31, 2023. 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 war between Russia and Ukraine on our business, see *Risk Factors* and *Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations—The War Between Russia and Ukraine*.

Subsidiaries

The table below sets forth our significant subsidiaries as of December 31, 2023. The equity interest presented represents our direct and indirect ownership interest. 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
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 %

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 in 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 each of our 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 MTR was PKR 0.7/min in 2020 and 2021; PKR 0.5/min from January 1, 2022 up until June 30, 2022; PKR 0.4 from July 1, 2022 up until June 30, 2023; and PKR 0.3/min from July 1, 2023 to onwards.
Ukraine	We have interconnection agreements with various mobile and fixed-line operators. From December 31, 2022 to December 31, 2023, the effective MTR was UAH 0.08/min and the effective IMTR was US$0.0212/min. As of January 1, 2024, the effective MTR is UAH 0.0.075/min and effective IMTR is US$0.0212/min.
Kazakhstan	We have interconnection agreements with mobile and fixed operators. Our MTR for 2023 for local mobile operators was KZT 5.60/min and for fixed operators was KZT 16.66/min; and our IMTR is KZT 53.76/min.
Bangladesh	In April 2023, the domestic SMS interconnection termination rate has been changed from BDT 0.055/SMS to BDT 0.07/SMS along with the floor rate for Application to Person (A2P) SMS. 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 termination rate.
Uzbekistan	We have interconnection agreements with various mobile and fixed-line operators. The MTR rate in 2023 was UZS 0.05/minute and remained unchanged in comparison to 2022 and 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, 2023.

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

(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) National roaming has not been commercially introduced yet in Bangladesh. However, Banglalink initiated the trial run of national roaming with Teletalk Bangladesh Ltd., (a state-owned company) on July 31, 2023 with the field trial launched on November 1, 2023 and the pilot of active users (roaming) service launched on March 26, 2024.

(6) 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, PMCL and our brand, “Jazz,” which is the historic Mobilink brand together with the merged Warid brand. In 2023, customers continued to migrate to 4G/LTE services and PMCL provided 3G services in over 300 towns and cities and 4G/LTE services in 313 cities.

In Pakistan, we offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2023, approximately 97.30% 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 Simosa (formerly JazzWorld), OTT streaming platform Tamasha, Messenger App BiP and mobile financial services platform JazzCash, as well as services in music, gaming, and insurance.

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

Voice
• airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic (via 2G GSM, VolTE and VoWifi etc.) and roaming fees for airtime charges when customers travel abroad.
Internet and data access
• GPRS, EDGE, 3G and 4G/LTE.
Roaming
• active roaming agreements with 313 GSM networks in 154 countries. • GPRS roaming with 244 networks in 135 countries. • CAMEL roaming through 132 networks in 90 countries. • LTE roaming through 107 networks in 72 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
• caller-ID; voicemail; call forwarding; missed call alert; credit balance; balance share; conference calling; call blocking and call
Messaging
• SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail), and mobile instant
Content/infotainment
• Ecosystem of digital services: self-care application Simosa (formerly JazzWorld), OTT streaming, platform Tamasha, gaming platform Game Now, music and live audio streaming services, mobile learning, Jazz Cricket sports app, BiP Messenger for a digital communication experience, other lifestyle services.
Mobile financial services
• Mobile financial services through JazzCash including mobile payments and transfers, digital lending, banking card trusted payment; banks notification. Insurance services via BIMA (tele-medicine and hospital insurance).

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 May 17, 2023.

(2) The renewal of the Warid license (now merged with Jazz since 2016) 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 and CVAS licenses to provide telecommunications and non-voice communication services 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 license at initial license fee US$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. US$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 the terms & conditions of the license. PMCL also acquired a new license for 4G/LTE services in 2017 at an initial license fee of US$295 million for a term of 15-years (valid until 2032).

All mobile licenses acquired by PMCL are technology neutral therefore, PMCL is entitled to use the frequency spectrum assigned under a specific license for provision of 2G, 3G and 4G services.

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) was US$ 19.68 million, US$26.85 million, and US$24.6 million for the years ended December 31, 2023, 2022, and 2021, respectively. PMCL's total spectrum administrative fee payments were US$1.68 million, US$1.84 million, and US$1.7 million for the years ended December 31, 2023, 2022, and 2021, 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 Microfinance Bank Limited ("Mobilink Bank"), our wholly owned subsidiary, address this gap. They do this by providing microfinance banking business and 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 a license granted by the State Bank of Pakistan and are 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".

As of December 31, 2023, JazzCash's active base was 16.2 million users having focused growth in its App base (which observed a year-on-year increase of 29.4%) after a decline earlier in 2023. Digital instant micro-loans and the value of the loans disbursed grew 26.4% and 104.6%, respectively, on a year-on-year basis. Overall customer deposits grew 43.2% in the same period.

Jazz's video streaming app Tamasha provides access to the best HD content such as Live Sporting Tournament streaming Live TV Channels, Local/International Movies, Dramas and TV shows. Providing mobile infotainment services to users of other operators as well as Jazz, Tamasha's monthly active user base reached 10.6 million customers as of December 31, 2023. Jazz also offers a wider portfolio of digital services in music streaming, instant messaging, sports, insurance, learning, and lifestyle etc.

Distribution

As of December 31, 2023, our sales channels in Pakistan included 10 business centers, a direct sales force of 545 employees looking after indirect sales channels, 456 exclusive franchise currently active and over 17,638 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, 2023, Jazz brand SIMs are sold through more than 41,042 retailers, supported by biometric verification devices.

Competition

The following table shows our and our competitors' respective customer numbers in Pakistan as of December 31, 2023:

Operator	**Customers in Pakistan (in millions)**
PMCL ("Jazz")	70.6
Telenor Pakistan	44.7
Zong	47.2
Ufone	25.2
SCO	1.7

Source: The Pakistan Telecommunications Authority.

According to the PTA, there were approximately 189.4 million mobile connections in Pakistan (including SCO numbers) as of December 31, 2023, compared to approximately 192.8 million mobile connections in Pakistan (including SCO numbers) as of December 31, 2022, representing a mobile penetration rate of approximately 78.9% compared to approximately 86.3% as of December 31, 2022.

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 2023 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 its service as the leading B2B and B2C e-Health provider of the country.

In 2023, Kyivstar prioritized new internet coverage in rural areas, internet coverage of international roads, site modernization as well as restoration of communications in the liberated territories. Kyivstar maintained network coverage availability at a level of approximately 95% of the population in safe regions of Ukraine in 2023. See *Item 16 - Cybersecurity* for further information. In April 2023, the EU-Ukraine association committee adopted certain changes to the EU-Ukraine Association Agreement regarding the implementation of the EU's Roam-Like-at-Home Regulation. Implementation of the Association Agreement is expected to involve changes to Ukrainian legislation to introduce relevant EU rules and eliminate roaming charges for Ukrainians throughout the EU on an indefinite basis.

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

Voice
• 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. • VoLTE(1)
Internet and data access
• GPRS/EDGE, 3G and 4G/LTE
Roaming
• Active roaming agreements for 494 networks in 189 countries • GPRS roaming on 439 networks in 167 countries • 3G roaming on 332 networks in 131 countries • 4G/LTE roaming on 183 networks in 89 countries
Messaging
• SMS; voice messaging and SMS services (including information services such as news, weather, entertainment chats and friend finder)
Content, infotainment, Entertainment
• 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)

(1) Kyivstar was the first mobile operator in Ukraine to launch VoLTE technology for calls via 4G over network in December 2020. At first, VoLTE was available for contract subscribers who actively use most of Kyivstar's services. Later, in October 2022, the technology was introduced to prepaid subscribers. At the end of November 2023, it activated VoLTE technology to more than 4 million subscribers 3.5 million of which were active monthly users.

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	Indefinite(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 reframing 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 2023, 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 439.5 million (US$11.6 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, 2023, approximately 80% of our customers were on Prepaid plans.

Digital Services

Helsi Ukraine, the leading Ukrainian digital healthcare provider, continues to improve access to e-health, focusing on core business development with 20% year-on-year growth of active medical personnel in Helsi medical information system in 2023. Helsi also experienced improved B2C customers engagement through digital channels and new services launch such as urgent online consultation services and extended functionality for booking of appointments with doctors. As of December 31, 2023 Helsi App MaU reached 1.3 million active App users and showed 103% year-on-year growth, surpassing the pre-war levels of usage.

The media streaming service Kyivstar TV delivered 18.5% year-on-year growth. In 2023, we focused on the Ukrainianization of foreign content and the active addition of Ukrainian films and series. Kyivstar TV offers free access to 200+ channels with various content, including a children's channel, e-learning platforms and news channels.

MyKyivstar, Kyivstar's self-care platform, also continues to be a significant interface for digital interactions with Kyivstar customers. MyKyivstar served 4.3 million monthly active users at the end of 2023.

Distribution

Kyivstar's strategy is to maintain a leadership position by using the following distribution channels as of December 31, 2023: distributors (31% of all connections), supermarkets (24%), monobranded stores (23%), national and local chains (9%), active sales (9%) and online sales (4%).

Competition

The following table shows our and our primary mobile competitors' respective customer numbers as of December 31, 2023:

Operator	**Customers (in millions)**
Kyivstar	23.9
Vodafone	15.9
"lifecell" LLC	9.9

Source: National Commission of the State Regulation of Electronic Communications, Radio Frequency Spectrum and the Provision of postal services.

Mobile Business in Kazakhstan

In Kazakhstan, we operate as Beeline Kazakhstan, the country's largest independent mobile operator. As of December 31, 2023, approximately 90.7% of our customers in Kazakhstan were on prepaid plans.

Beeline Kazakhstan offers a wide range of B2C digital services and solutions, as well as a being a leading 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
• 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
• 3G and 4G/LTE service • Technology neutral licenses
Roaming
• 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
• Caller-ID; Sim in safe • Missed Call (notify me, notify about me) • SMS inform, toll-free helplines for B2B customers (Voice CPA)
Messaging
• SMS; display of Beeline account balance information
Content/infotainment
• 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 • Hitter, music streaming app designed to deliver an exceptional listening experience to millions of Beeline subscribers • IZI, second brand, youth-focused entertainment operator that brings together variety of entertainment and a modern telco experience in one app • BeeCloud among others
Mobile financial services
• Mobile payments (including Kazeuromobile 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, 2023)	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 2023 KaR-Tel was required to pay: (i) an annual fee for the use of radio frequency spectrum amounting to KZT 1,614,678,152 (US$3,501,170) (for mobile and KZT 275,628,833 (US$599,193) for a wireless local loop (WLL)); and (ii) a mobile services provision payment KZT 3,273,501 254 (US$7,116,307).

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 December 31, 2023, the penetration of bundles into our active base is 92.6%.

As of December 31, 2023, approximately 90.7% 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 2023, MyBeeline increased its monthly mobile active users by 19% year-on-year to 4.6 million. The BeeTV entertainment platform is available on mobile devices as well as web and IPTV services and reached approximately 894,000 monthly active users at the end of 2023. Simply is Kazakhstan's first mobile online only neobank, and it served approximately 1.3 million monthly active users at the end of 2023. Beeline Kazakhstan's digital-first sub-brand IZI is another strategic digital product and grew its customer base by 14% year-on-year and reached approximately 433,000 monthly active users as of the end of 2023.

Distribution

We distribute our products in Kazakhstan through owned monobranded stores, franchises and other distribution channels. As of December 31, 2023, we had a total of 48 stores in Kazakhstan, as well as 8,273 other points of sale and 648 electronics stores.

Competition

The following table shows our and our primary mobile competitors' respective customers in Kazakhstan as of December 31, 2023:

Operator	**Customers (in millions)**
Beeline Kazakhstan	11.1
Kcell + Tele2/Altel	14.4

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.

According to the Ministry of National Economy of the Republic of Kazakhstan, Statistics Committee and other data sources noted above, as of December 31, 2023, there were approximately 25.4 million mobile connections in Kazakhstan, representing a mobile penetration rate of approximately 127.04% compared to approximately 25.2 million customers and a mobile penetration rate of approximately 129.2% in 2022.

Mobile Business in Bangladesh

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

Launched in February 2005, Banglalink was the catalyst in making mobile telephone an affordable option for consumers in Bangladesh. Banglalink offers 4G connectivity since 2018 and has focused on 4G-based growth, through network expansion. In 2022, the operator started pursuing a nation-wide growth strategy in its 4G network, expanding its footprint. As of December 31, 2023, Banglalink had 15,208 4G sites covering 86.6% of the Bangladesh population and is recognized by Ookla Speedtest as the nation's fastest 4G network provider for the last four consecutive years from 2020 to 2023. 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 to 80 MHz, resulting in the highest spectrum per subscriber among mobile network operators. Banglalink phased out its 3G services in May 2024 as part of its strategy to enhance 4G performance by reallocating the network resources.

The telecommunications market in Bangladesh is largely comprised of prepaid customers. As of December 31, 2023, approximately 94% of our customers were on prepaid plans.

Banglalink also owns Toffee, an infotainment available as a web- and OTT-based service to users of all operators in Bangladesh. In the last quarter of 2023, Toffee aired ICC Men's Cricket World Cup matches, and closed the year with 8.4 million monthly active users with a 2.4 fold revenue growth year-on-year.

In 2023, Banglalink started transforming its self-care application MyBL into a super-app providing services in mobile learning, mobile health, commerce, content, and music, among others. MyBL recorded a 36.6% year-on-year increase in monthly active users, reaching 7.7 million as of December 31, 2023.

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

Voice
• Voice telephone to postpaid and prepaid customers through voice packs and mixed bundles • VoLTE services – VoLTE was launched on September 25, 2023
Internet and data access
• GPRS, EDGE, 3G and 4G/LTE technology • Data services provided via pay-per-use and via bundles
Roaming
• Active roaming agreements with 373 GSM networks in 159 countries • GPRS roaming with 320 networks in 136 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
• Call forwarding, conference calling, call waiting, caller line identification presentation, voicemail, and missed call alert
Messaging
• SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail) and mobile instant messaging
Content/infotainment
• Infotainment platform Toffee, as both 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 healthcare, mobile learning, games, Islamic section, community, commerce (air tickets, bus tickets, utility bills) 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. • BiP Messenger for digital communication services (launched in the August 22, 2023)

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) On 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 MHz band for US$205 million for a duration of 15 years, payable in ten installments over next 11 years.

LICENSE FEES

Under the terms of its 2G, 3G and 4G/LTE mobile licenses, Banglalink is required to pay the BTRC (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.

Banglalink’s total license fees (annual license fees plus revenue sharing) in Bangladesh was equivalent to US$36.8 million, US$39.20 million, and US$38.6 million for the years ended December 31, 2023, 2022, and 2021, respectively. In addition to license fees, Banglalink pays annual spectrum charges to 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. BTRC has revised the formula for calculating annual spectrum charges on April 5, 2022 with the intention to apply a unified formula to calculate the charges for all of the different spectrum.

BDCL’s annual spectrum charges was equivalent to US$ 18.7 million, US$ 11.9 million, and US$13.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Distribution

As of December 31, 2023, Banglalink’s sales and distribution channels in Bangladesh included 48 monobrand stores, a direct sales force of 65 corporate account managers and 180 zonal sales managers (for mass market retail sales), 54,888 retail SIM outlets, 325,097 top-up selling outlets and the online sales channels. We provide a top-up service through our mobile financial services partners, ATMs, recharge kiosks, international top-up services, SMS top-up and Banglalink online recharge system. Banglalink provides 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 conduct strategic campaigns with leading smartphone brands from time to time. In addition, Banglalink drives the fastest 4G experience from top smartphone retail stores.

Competition

The mobile telecommunications market in Bangladesh is highly competitive. The following table shows Banglalink and the competitors’ respective customer base in Bangladesh as of December 31, 2023.

Operator	**Customers in Bangladesh (in millions)**
Grameenphone	82.20
Robi Axiata	58.67
Banglalink	43.48
Teletalk	6.46

Source: Bangladesh Telecommunication Regulatory Commission (“BTRC”). Note, for market data BTRC uses its own definition for subscribers, For external reporting purposes Banglalink uses a more stringent criteria, counting only charged users for the reporting of its Active 3-months subscriber base.

According to the BTRC, the top three mobile operators, Grameenphone, Robi Axiata and Banglalink, collectively held approximately 96.61% of the mobile market which consisted of approximately 190.81 million customers as of December 31, 2023, compared to approximately 180.20 million customers as of December 31, 2022.

Mobile Business in Uzbekistan

In Uzbekistan, we operate through our operating company, LLC "Unitel," and our brands, "Beeline" and "OQ."

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
• Airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic (via 2G GSM, VoLTE) and roaming fees for airtime charges when customers travel abroad • GSM service is provided in 2G, 3G and 4G networks; call duration for one session is limited to 60 minutes
Internet and data access
• GPRS/EDGE/3G/4G/LTE networks
Roaming
• Active roaming agreements with 486 GSM networks in 186 countries • GPRS roaming with 436 networks in 165 countries • CAMEL roaming through 306 networks in 137 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
• Call forwarding; conference calling; call blocking; SMS-inform and call waiting • Two-step verification process for VAS subscriptions (the "double yes" program) was successfully implemented.
Messaging
• SMS
Entertainment
• Beeline TV (100+ channels, +18K films and series); Beeline Music (25+mln. tracks); Games (3000+ mobile games), Beeline Press (newspaper and magazine aggregator); BiP messenger for digital communication. • Second brand OQ.
FinTech
• Beepul fintech application offers a financial services including bill payments (telco payments and top-ups, utility, other government and commercial services), and P2P transfers.
Self-care
• Beeline app (3,95 mln MAU, 50% penetration in 1M active base, +1 mln users year-on-year). Launch of new services – seasonal fairs, Beefortuna PLUS, insurance marketplace, offline mode and etc. • Beeline web. New engine with better capacity and performance, updated UX/UI.
Other
• Launch of targeted SMS with dispatch of more than 1 million SMS in 2023

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[2]
Inter-city communication services license	Nationwide	2026
TV broadcasting	Nationwide	August 18, 2028

(1) Requires annual license fee payments (due not later than 30 days before the start of the next license year).

(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 2023, 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$5,809,923 and licenses fees in the total amount of US$4,006,775 paid to the state budget.

Mobile bundles

In 2023, Unitel LLC tripled the new customer entry fee and introduced new price plans that give customers the discretion to activate different parameters of data services through a self-care application.

We offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2023, approximately 89% 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 (Beeline TV), music (Beeline Music), gaming, communication and mobile financial services. In 2022, the company started offering big data solutions to its B2B customers.

We launched OQ on October 31, 2023, an application that combines communication and media content services, giving customers the opportunity to connect to the network remotely thanks to an integrated personal identification system. BiP, a free instant communication app, has been launched on November 24, 2023. In 2023, we continued investing in the development of IT education for Uzbekistan youth. Fifty grants totaling US$100,000 were awarded to talented young IT-specialists for cybersecurity training at Astrum IT Academy. We also invested US$155,000 into the Beeline Academy with first graduates consisting of young IT specialists and Beeline IT personnel who completed courses on basic and advanced level cybersecurity.

Distribution

As of December 31, 2023, our sales channels in Uzbekistan include 45 owned offices, 756 exclusive stores and 2,167 multi-brand stores.

Competition

The following table shows our and our primary mobile competitors' respective customers in Uzbekistan as of December 31, 2023 based on available GSMA Intelligence market data and counting methodologies:

Operator	Customers (in millions)
LLC “Unitel”	8.4
Ucell	11.2
UzMobile (Uzbektelecom)	9.8
UMS	3.6
Perfectum	0.1

Source: GSMA Intelligence. Regulatory disclosures are not available in Uzbekistan, and sources may cite different numbers, due to approaches for calculation and definitions.

According to GSMA, as of December 31, 2023, there were approximately 33.4 million mobile connections in Uzbekistan, representing a mobile penetration rate of approximately 94.2% compared to approximately 32.3 million connections and a mobile penetration rate of approximately 93.4% as of December 31, 2022.

Mobile Business in Others

The "Others" category represents our operations in Kyrgyzstan. Our Kyrgyzstan business operates under the brand name "Beeline Kyrgyzstan" and provides mobile services as well as mobile financial services through its Balance KG application. For information on reportable segments, see—*Operating and Financial Review and Prospects—Reportable Segments.*

As of December 31, 2023, Beeline Kyrgyzstan served 88% of its mobile customer base with prepaid offers and 12% with postpaid.

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

Voice
• 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
• 3G and 4G/LTE services • Technology neutral licenses
Roaming
• Voice: 450 networks in 133 countries
• GPRS: 321 networks in 108 countries
• 4G/LTE: 239 networks in 92 countries
• CAMEL: 286 networks in 104 countries
• 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
• Caller-ID; voicemail; call forwarding; conference calling; call blocking, call hold and call waiting
Messaging
• SMS, voice messaging and mobile instant messaging
Content/Infotainment/Entertainment
• 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 • Ukmush TV platform
DFS
• 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, 2023)	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 (1)
National license for electric communication service activity	Unlimited term
Radio spectrum for the operation of radio relay station for the entire territory of Kyrgyzstan	December 2024 (2)
National license for services on data traffic	Unlimited term
Radio spectrum of 2360 – 2400 MHz (technology TDD) for Bishkek city	October 2031

(1) The license for radio spectrum of 900 MHz, 1800 MHz and 2100 MHz was renewed in September 2024 for a period of 5 years and will expire on October 30, 2029

(2) In accordance with local law, we plan to submit an application for the renewal of the license for radio spectrum for the operation of radio relay station before November 13, 2024. Should the renewal be granted, the renewed license will expire in December 2029. License renewals are typically granted by the regulator except in cases of inefficient use of the provided spectrum, significant violations by the operator or other equivalent circumstances.

Distribution

We distribute our products in Kyrgyzstan through owned monobranded stores, franchises and other distribution channels. As of December 31, 2023, we had 79 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, 2023 and December 31, 2022.

2022(1) *(millions of customers)*	**Mobile Penetration**	**2023**(1) *(millions of customers)*	**Mobile Penetration**
7.4	104.7%	7.6	105.5%

(1) Source: Open source reports of Service and Supervision in the Field of Communication under the Ministry of Digital Development of the 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. 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
• 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 telephone
• 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)
• Software-Defined Wide Area Network ("SD-WAN")
• 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
• 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
• Long-haul fiber optic network covers more than 13,000 kilometers and is supplemented by wired and wireless networks
Customers
• 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 demand for connectivity throughout the country we have partnered externally to enable a new indirect sales channel team specifically targeting those areas where our direct sales teams are not available. 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 (fixed line and/or wireless local loop with limited mobility)	Regional	2024(1)
Telecom Tower Provider ("TTP")	Nationwide	2032

(1) Our wireless local loop license will expire in November 2024. We have applied with the PTA for the renewal of our regional WLL license under the category of a national fixed line license (without spectrum), which, if approved, will allow us to continue our operations nationwide.

Fixed-line Business in Ukraine

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

Services
• 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) • Fixed-line telephone: IP-lines, SIP-Trunk, analog telephone, ISDN PRI, 0-800, Virtual PBX • Data transmission (IPVPN and VPLS) • FMC • FTTB services tariffs for fixed-line broadband internet access targeted at different customer segments
Coverage
• Provided services in 130 cities in Ukraine • Engaged in a project to install FTTB for fixed-line broadband services in approximately 44,393 residential buildings providing over 61,389 access points.

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, 2022 and 2023 are not available. Based on data from the National Commission for the State Regulation of Communications ("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, 2023, our penetration of fixed-mobile convergence ("FMC") in fixed broadband was 81%, 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
• 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

In Uzbekistan, we provide B2B and O2O (Operator to Operator) offerings. The table below presents a description of the fixed-line telecommunications services we offer in Uzbekistan.

Services
• 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 fixed wireless access)
• Telephone
• Long distance and international long-distance telephone
• Dedicated lines of data transmission
• Dedicated line access and fixed-line mobile convergence
Coverage
• Provided services nationwide

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
	• Others

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 —*Regulation of Telecommunications.*

The voice, data, value-added, connectivity, and other services that we provide may 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 the circumstances of the ongoing war in Ukraine, military conflicts, and civil unrest in other countries in which we have a footprint, governments have in the past and could in future 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 —*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 2023, our business continued to be impacted, to some extent, by each of these trends. We continued to experience impacts on business as a result of the onset of the war in Ukraine (including the infrastructure damage and the population displacement it generated as well as the depreciation of local currencies). We were also impacted by the cyber-attack on Kyivstar in December 2023, the subsequent network shutdown and the customer retention programs which followed. We were further impacted by extreme climate events, such as the cyclone in Bangladesh and floods in Pakistan as well as the pre-election climate and consumer sentiment in those markets. 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 2023.

Corporate Governance

As a Bermuda incorporated exempt company with ADSs listed on the NASDAQ Capital Market, VEON 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. However, annually, we do consider and make an assessment of our directors' independence, as if the Dutch Corporate Governance Code applied to us, and we also consider the principles of the Dutch Corporate Governance Code from time to time in other matters. There is also no other external corporate governance code that the company follows.

The Company has implemented a Code of Conduct 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. The Company also has a Business Code of Conduct which established basic requirements and responsibilities for our business partners. Please refer to *Code of Ethics* for further information on the Company.

The Company's zero tolerance for bribery is underpinned by VEON's Anti-bribery and Corruption policy which outlines the Company's risks related to bribery and corruption, highlights VEON Group personnel's responsibilities under the relevant anti-corruption laws and Company policies, and provides the tools and support necessary to identify and combat those Bribery and Corruption risks. Other related policies include the Anti-Money Laundering and Counter-Terrorist Financing Policy (AML/CTF Policy), Sanctions and Export Controls Policy, Conflict of Interest Policy, Third Party Risk Management Policy, Group Contracting Framework and Speak Up: Raising Concerns and Non-Retaliation Policy.

Regarding third party due diligence and standards for the selection, screening, engagement, retention, and monitoring of all third parties. Key requirements include:

a. all third parties must be screened for sanctions and restricted party risk in accordance with the requirements of the Sanctions Policy and the AML/CTF Policy;

b. selection, engagement, and retention of business partners, are subject to a risk-based evaluation, including risk assessment and due diligence -the risk assessment must also include a check against our "red flag vendors list"; and

c. implementation of a risk-based approach for conducting ongoing monitoring of business partners throughout the course of the relationship to ensure, amongst other criteria, the business partners are in compliance with the Business Partner Code of Conduct.

The Guidelines for OpCo CSR Strategies and Social Contributions codify that the Company does not make donations of any type, either in cash or in kind, to political parties, organizations, factions or movements of public or private nature, whose activity is clearly linked with political or religious activities. In adherence with the principles of transparency the Company also publishes its corporate citizenship strategy, performance and programs in its annual sustainability report.

Information Technology and Cybersecurity

We have restructured VEON's cybersecurity policy landscape to properly reflect our ambitions to become an information security certified company through reworking all of our cybersecurity standards to provide tactical cybersecurity guidance in accordance with ISO 27001 and certain process handbooks (especially risk management and incident management handbooks) at the operational level. In order to enhance collaboration across the VEON Group, we commenced a new roadmap initiative to enhance alignment and transparency between HQ and our operating company cybersecurity teams. We have conducted several collaboration sessions with various operating company teams to identify potential improvement areas and to align on a future roadmap plan with special focus placed on potential cybersecurity threats. In December 2023, we engaged an independent external service provider to assess the maturity and compliance level of our HQ information security management system against industry standard ISO 27001 and achieved ISO 27001 certification in September 2024.

As part of our overall strategy and ambition, in 2023, a special focus was given to the development, improvement and maintenance of our information technology and cybersecurity systems as well as to the development and execution of our cybersecurity policy. In 2023, we completed a project to enhance the anti-phishing mechanisms and safeguards for our email systems to provide an additional layer of security against phishing attacks that target our personnel through malicious emails. In 2023, we also replaced our content management system ("CMS") service provider in order to improve the performance and security of the VEON corporate website and the content published there. The vendor selection process for the CMS migration was carried out diligently to avoid service and access disruptions on the VEON website. In order to effectively manage the third-party provider associated risks, a vendor management handbook was introduced to establish a well-defined third-party management process. The goal of this vendor management handbook is to provide a detailed and systematic approach for effectively handling cyber security aspects of supplier relationships and service delivery within the VEON group environment. The vendor management process established at VEON is mainly composed of three phases including vendor onboarding, regular performance monitoring and exit or change actions depending on the measured performances of third-party providers.

We also initiated and in some cases completed upgrades to our digital business support systems (DBSS) across all of our operating companies in Bangladesh, Pakistan, Ukraine, Kazakhstan and Kyrgyzstan and DBSS has been deployed in our Uzbekistan Operating Company with completion expected in early 2025. 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 our 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, extended the deployment of Kron's PAM solution in the government and banking sector to utilize the cybersecurity-as-a-service model for revenue generation. Jazz also 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 in 2022. Our operations in Kyrgyzstan and Kazakhstan offer cybersecurity as a service proposition on a commercial basis to major clients in the banking sector.

Risk Management and Strategy

Our cybersecurity risk management strategy consists of:

a. investment in IT security and cybersecurity infrastructure;

b. detailed cybersecurity policies, procedures and robust educational trainings for our personnel;

c. an overall strategy to develop, improve and monitor our cybersecurity systems, processes, policies and governance frameworks that have been embedded into our overall risk management framework;

d. integrated third-party cybersecurity technologies and tools; and

e. governance through Board and management oversight.

In 2023, we have restructured VEON's cybersecurity policy landscape to properly reflect our ambitions to become an information security certified company through reworking all of our cybersecurity standards to provide tactical cybersecurity guidance in accordance with ISO 27001 and certain process handbooks (specially risk management and incident management handbooks) at the operational level. In order to enhance collaboration across the VEON Group, we commenced a new roadmap initiative to enhance alignment and transparency between HQ and our operating company cybersecurity teams. We have conducted several collaboration sessions with various operating company teams to identify potential improvement areas and to align on a future roadmap plan with special focus placed on potential cybersecurity threats. In December 2023, we engaged an independent external service provider to assess the maturity and compliance level of our HQ information security management system against industry standard ISO27001 and achieved ISO 27001 certification in September 2024. Our operating companies in Bangladesh, Ukraine and Pakistan completed ISO 27001 (Information Security Management System) certification during 2022. Our Bangladesh and Ukraine operating companies re-certified under ISO 27001 in 2023 and Jazz extended the scope of its ISO 27001 certification to cover telco core network, in addition to upgrading certain legacy cybersecurity solutions to enhance security incident detection and response coverage and implementing a multiple tier 1 systems at its disaster recovery site to ensure service availability where the primary site is affected by a cyber-attack or other disaster. Our operating companies in Kyrgyzstan and Kazakhstan similarly obtained ISO 27001 certification in early 2023. Further, in 2023, our microfinancing subsidiary in Mobilink Bank launched initiatives aiming to achieve ISO 27001 in 2024 with solid commitment and support provided from the management team and our Uzbekistan operating company has similarly launched initiatives to become ISO 27001 complaint. Our Bangladesh operating company also has also implemented multiple tier 1 systems at its disaster recovery site to ensure service availability where the primary site is affected by a cyber-attack or other disaster.

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.

Finally, as part of the sale of our Russian Operations, starting in 2023, all our IT and cybersecurity applications which were operated from Russia have been relocated either to Kazakhstan (including, geo-redundant storage) or Amsterdam.

Governance

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. Chief information security officers of operating companies have distinguished professional certifications within cyber security relevant domains such as certified information systems security professional, certified information security manager, global information assurance certification, accompanied by experience gained especially in the telecom industry over the course of several years. Within their organizations they are usually positioned with a direct reporting function to chief information or technology officers so as to retain required empowerment to serve in a best way to defend cyber security interests of the operating companies. The Audit and Risk Committee is responsible for regularly assessing cybersecurity risk and provides oversight of our IT and cybersecurity policies, procedures and strategies and receives regular reports from management, including the chief cybersecurity officers, relating to our cybersecurity practices, to assist with fulfilling this mandate.

Our updated cybersecurity policy came into effect on February 2023. 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.

Cybersecurity Incidents

In December 2023, our Ukrainian subsidiary, Kyivstar was the target of a widespread hacker attack that caused technical failure and disruption to its services. As a result of the attack, provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others were temporarily unavailable for Kyivstar customers in Ukraine and abroad. In collaboration with the Ukrainian law enforcement, the Security Service of Ukraine and government agencies, Kyivstar was able to restore its services in multiple stages starting with voice and data connectivity and immediately launched offers to thank its customers for their loyalty once the network was stabilized from the attack.

There was no material financial impact on VEON’s consolidated results for the year ended December 31, 2023 due to the service disruptions and related direct costs of the attack. However, there was a material impact on VEON’s consolidated revenue and EBITDA results for the six months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. In total, the cyber-attack and dedicated customer retention program has resulted in a loss of UAH 0.8 billion (US$23 million) on revenue and a loss of UAH 0.9 billion (US$24 million) in EBITDA during the year ended December 31, 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue for the six-months ended June 30, 2024 was US$46 million. We expect no further impact on our financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

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 *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 CFO oversees the corporate sustainability (ESG) program and confers with our management in connection with executing its duties. VEON's approach with respect to corporate sustainability is defined and reviewed periodically by the "ESG Steering Committee" chaired by the Group CFO with all relevant Group-level directors as members of the ESG Steering Committee.

Our approach to sustainability goes beyond corporate social responsibility and is centered around our mission to provide customers with connectivity, access to information and other vital digital services. We believe that connectivity and communication are essential humanitarian needs, whether it be connecting with loved ones, seeking help or searching for information and news from reliable sources, which entails a strong emphasis on the "social" pillar of the ESG framework. Through our strategy based on three pillars – "Digital Operator 1440", "Digital Assets", and "Infrastructure" – we transform lives, create opportunities for greater digital inclusion, empower people and drive economic growth. We engage with VEON stakeholders aiming to the sustainable value creation and long-term success of our business. Our digital entrepreneurship and digital skills and literacy programs help us to contribute to long-term socioeconomic value for the communities we serve. Through promoting digital equity and 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 with the "social" elements of our approach to ESG, we simultaneously ensure due attention is paid to the "governance" pillar. Indeed, we strive to act as good corporate citizens, promoting and reinforcing ethical business behavior with responsible corporate governance all with the aim of delivering on 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 2023 is guided by the principles of stakeholder engagement and materiality of the Global Reporting Initiative (GRI), utilizes ESG KPIs for the Mobile Industry recommended by GSMA as well as WEF's Stakeholder Capitalism metrics and is aligned with the UN's 17 Sustainable Development goals.

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 consider their opinions in our decision-making;
- Materiality: We conducted our most recent materiality assessment in 2022, which defined our priority topics to focus on as a Company, following engagement with internal and external stakeholders. Over the past year, the Board and management reviewed this materiality analysis, and believe these issues are still the most relevant to VEON and its stakeholders. VEON has therefore remained focused on progressing with the economic, social, environmental and governance issues that are most material to our business and stakeholders. VEON's material topics shape our approach to earning and preserving value for our stakeholders, while our license to operate focuses on efforts aimed at improving and sustaining our operations. Altogether, these are VEON's material matters, emphasizing the most critical areas that provide long-term sustainable benefits to all 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.

Our approach to sustainability disclosures meets Global Reporting Initiative standards at the "core" level, follows the guidance in the AA1000 Accountability Principles Standard and is influenced by International Integrated Reporting Council guidance. For the AA1000 Principles, our assured 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.

In February 2024, MSCI upgraded VEON's ESG rating from "A" to "AA" for its Environmental, Social, and Governance performance[1]. 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 our 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. Furthermore, all our operating companies participated, for the first time in 2023, in the GSMA's "Energy Benchmark Initiative."

Our support for our industry's ambitions corresponds with a variety of existing initiatives to reduce the energy intensity of our business. VEON continues to work to further reduce the Group's emissions wherever possible, committing and acting by moving more toward focusing on how to further reduce energy consumption. 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 hybrid working as a permanent change to our HR policy at our Amsterdam and Dubai offices will enable us to make an additional contribution to reducing the carbon footprint of our headquarters function.

[1] The use by VEON of any MSCI ESG RESEARCH LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of VEON by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Diversity, Equity and Inclusion

Within ESG, a particular focus for the Company, as a major employer, is diversity, equity and inclusion (DE&I). In December 2022, the Company appointed Ana de Kok Reyes as Group Diversity and Inclusion officer to strengthen our commitment to DE&I, ensuring our vision is aligned across our footprint and deploying best practices across our workforce. In 2023, the Company also adopted a 360-degree approach to DE&I which considers a multitude of perspectives which captures people, product, partner and community.

We have also undertaken a number of DE&I initiatives at the operating company level. For example, in 2023, Jazz, our operating company in Pakistan, launched an industry-first program for female leadership development in collaboration with the country's top business school in hopes of addressing the gender leadership gap. This five-year program provides scholarship for leadership development training programs and aims to train 1,000 women leaders to serve the nation by 2028. At Jazz, we have also adopted "She's Back," which is a women returnship platform for bringing women back to work after a career break. In our Kazakhstan operating company, we have implemented initiatives that provide or promote the establishment of waiting rooms for children in major offices, remote and hybrid work schedules, access to educational platforms during maternity/paternity leave and maternity leave pay above the mandatory minimum level to help parents and women stay productive and build fulfilling careers without sacrificing their family lives.

EU Taxonomy Regulation

This section below is specifically prepared from view of VEON Ltd., the ultimate shareholder of the Company and are not applicable to VEON Holdings B.V.

In 2019, the European Commission (EC) presented the Green Deal of the European Union (EU), to reach a climate-neutral EU economy by 2050 – an economy with net-zero greenhouse gas (GHG) emissions, with a GHG-reduction of 55% implemented in 2030.

In this context, the EU Taxonomy Regulation became effective mid-2020 (Regulation (EU) 2020/852), which up to now has been supplemented and amended by Commission Delegated Regulations (EU) 2021/2139, 2021/2178, 2023/2485 and 2023/2486). The EU Taxonomy is mandatory when assessing and considering economic activities 'environmentally sustainable' in line with the Article 3 of the Regulation (EU) 2020/852.

The EU published a catalog of sustainable activities in the manner of the EU Taxonomy ('EU Catalog') relating to six sustainability objectives as stated in Article 9 of the Regulation (EU) 2020/852: climate change mitigation; climate change adaptation; sustainable use of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems.

By Delegated Regulations (EU) 2021/2139 Article 1, it is determined which economic activities can be considered. By implementing the first stage of the EU's taxonomy in 2021 (reporting on eligibility for potentially sustainable activities), we concluded that the impact of the framework in relation to the first two environmental objectives is limited under VEON's business model. As of 2022, it was required to report if eligible activities on the first two environmental objectives can be considered ‘environmentally sustainable’, i.e. Taxonomy-aligned.

This alignment depends on technical screening criteria that must be fulfilled as mentioned in Annexure referred to in the Article 1 of Delegated Regulations (EU) 2021/2139. These technical screening criteria determine the conditions under which an economic activity qualifies as contributing substantially to environmental objectives - and determine whether that economic activity causes no significant harm to any of the other environmental objectives and comply with minimum safeguards. As of June 2023, the remaining four of the six objectives have been added. Regarding new activities prescribed: this has little impact on VEON.

We performed an analysis based on the activities and criteria as described in the relevant Delegated Act (Annexure I referred to in Article 1 of the EU 2021/2139) for each theme to determine substantial contribution (SC) and substantiate the do no significant harm criterion (DNSH). The third criterion is compliance with minimum social safeguards: here we performed an analysis on three levels: product level, organizational level and responsible supply chain level.

On product level, reference was made to eligible product passports or supplier-self-declaration when available. In the non-EU market activities of VEON, these eligible product passports or supplier declarations are not always available (yet). On organizational level VEON’s risk management and incident reports were analyzed. Compliance with minimum safeguards is enforced by suppliers accepting the VEON Supplier Code of Conduct and in case of shortcomings by corrective actions.

Judgments and assumptions made by management regarding the EU Taxonomy

Based on our assessment of the current EU Taxonomy Regulation, we conclude that various aspects are open to multiple interpretations. In preparation of the required EU Taxonomy disclosures, management made judgments and assumptions. We concluded that we have eligible activities in one out of six environmental objectives stated in Article 9 of the Regulation (EU) 2020/852: climate change mitigation. The amount and proportion of eligible, aligned, and non-eligible activities are reported in the tables on the next pages.

We conclude that the below economic activities described in the EU Taxonomy apply to VEON as eligible. Based on our assessment we found that our eligible 2022 economic activities cannot be considered ‘environmentally sustainable’, i.e. Taxonomy-aligned. For 2023 we have found a small portion of our activities related to maintenance and repair of energy efficient equipment to be ‘environmentally sustainable’.

Climate change mitigation eligible activities

4.2 - Energy generation using concentrated solar power technology
6.5 - Transport by motorbikes, passenger cars and light commercial vehicles
7.3 - Installation, maintenance, and repair of energy efficiency equipment
7.6 – Installation, maintenance, and repair of renewable energy technologies
7.7 - Acquisition and ownership of buildings
8.1 - Data processing, hosting, and related activities

Climate change mitigation alignment analysis

On November 24, 2022, VEON announced the sale of its Russian operations, and the Russian business was, in line with the IFRS 5, (Non-current Assets Held for Sale and Discontinued Operations,) requirements, treated as a discontinued operation, and accounted for as an “Asset held for sale (refer to Note 10 —Held for Sale and Discontinued Operations in our Consolidated Financial Statements for further details). The Turnover, Operational expenditure (Opex) and Capital expenditure (Capex) in this disclosure exclude our Russian operations. In 2023, our Russian operations did not include eligible taxonomy turnover, nor taxonomy aligned Opex or Capex.

Climate change mitigation means the process of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid down in the Paris Agreement. Below we describe the nature of our Taxonomy eligible and aligned economic activities.

The eligible capital and operating expenditure includes those that are related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to GHG-reductions. To determine whether eligible activities are Taxonomy aligned, the activities were assessed to the 3 alignment criteria:

1. Substantial contribution (SC) to climate change mitigation
2. Does not do significant harm (DNSH) to climate change adaptation, nor to transition to a circular economy and/or pollution prevention and control
3. Compliance with minimum safeguards

We found our Taxonomy aligned 2023 Opex and Capex economic activities in relation to climate change mitigation to be negligible (0%). The proportion of 2023 eligible, aligned, and non-eligible climate change mitigation activities are reported below in terms of EU Taxonomy Opex and Capex:

Table 1 - Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities 2023

	Total (USD million)*	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-non-eligible economic activities (in %)
Turnover	3,698	— %	100 %
Operating expenditure (Opex)	(2,770)	0.03 %	99.97 %
Capital expenditure (Capex)	998	10.33 %	89.67 %

**Note: FY 2023 Turnover, Opex, and Capex amounts exclude Russian operations, which were reclassified as 'held for sale' and 'discontinued operations' in 2022, Refer Note 10- Held for sale and discontinued operations in the Consolidated Financial Statements.*

EU Taxonomy Turnover KPI

We concluded that VEON's eligible EU Taxonomy Turnover is nil, as VEON's core economic activities are not described in the Delegated Acts on the six environmental objectives.

In addition, as electronic communications networks (telecommunication) as such are not included as an activity under the current coverage of the Taxonomy delegated act, management is not able to qualify certain network roll-out activities as environmentally sustainable under the EU Taxonomy Regulation. Industry alignment on treatment of this topic is ongoing.

As our core economic activities are not covered by the listed activities in Annex I of the EU Taxonomy Regulation (EU) 2021/2139) and are consequently Taxonomy-non-eligible, we have not performed Taxonomy-Alignment assessment for turnover.

Our assessment of Taxonomy-eligibility is focused on economic activities defined as the provision of goods or services on a market, thus (potentially) generating revenues. In this context, we, as a telecommunications group, define voice, fixed broadband, data- and digital services as the core of our business activities.

We define activities such as the acquisition/construction of new buildings (for our shops, front and back offices, warehouses, data centers) and towers or the transport for our administrative and engineering staff as support activities for our core business activities. They are not reported as Taxonomy-eligible activities and not included in our turnover KPI as they are not generating external turnover on a standalone basis.

Accounting Policies

The key performance indicators ("KPIs") include the turnover KPI, the Opex KPI and the Capex KPI. The specification of the KPIs is determined in accordance with Annex I of the Art. 8 Delegated Act. We describe our accounting policy in this regard as follows:

Turnover KPI

The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding our consolidated net turnover, please refer to Note 24 of our Annual Report 2023. With regard to the numerator, under the current environmental objectives of the EU Taxonomy, climate change mitigation, VEON had no eligible 2023 turnover-generating activities.

Opex KPI

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by our total Opex (denominator). With regard to the numerator, we refer to our explanations below. Total Opex consists of direct non-capitalized costs that relate to purchase of renewable energy, short-term lease, and maintenance and repair of equipment.

Capex KPI

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by our total Capex (denominator). With regard to the numerator, we refer to our explanations below.

Total Capex consists of additions to Property and Equipment and Intangible assets during the financial year. Total Capex can be reconciled to our consolidated financial statements as the reference to the sum of total Additions line of Note 12 and Note 13.

Explanations on the numerator of the Opex KPI and the Capex KPI

Opex and Capex with regard to support activities are included in table 2 and 3 below - and were considered for calculating of the proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in Opex and Capex (Table 1).

For the allocation of Opex and Capex management have identified the relevant purchases and measures and identified the primarily related economic activity in the Climate Delegated Act. In this way, no Opex or Capex was considered more than once. Of 2023 Opex, a negligible percentage of 0.002% (2022: 0%) is considered aligned under the current EU Taxonomy Regulations (Annex I referred to in Article 1 of Delegated Regulations (EU) 2021/2139), 0% of 2023 Capex is considered aligned (2022: 0%). This low percentage of alignment is partly related to unavailability of product certifications regarding purchased goods and services in VEON's non-EU core markets. A higher percentage of aligned activities from elements of Opex and Capex could have existed, but management was not able to validate such alignment due to lack of substantial information available.

We have identified the following economic activities in the Climate Delegated Act (Article 1) resulting in Opex which are considered eligible:

Table 2 - Individually Taxonomy-eligible Opex and the respective 2023 economic activities

Description of the individually Taxonomy-eligible purchased output/measure	**Respective economic activity (s)**	**Amount, USD million**
Purchase of electricity generated from renewables	4.2. Electricity generation using concentrated solar power (CSP) technology	-0.16
Vehicle fleet (leasing)	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	-0.6
Maintenance and repair of the energy efficient equipment related to base stations	7.3. Installation, maintenance, and repair of energy efficiency equipment	-0.05
Total		(0.8)*

* 2023 Opex related to climate change limitation is limited to 0.03% of 2023 Opex and considered immaterial. The results of the management's analyses are therefore not included in this disclosure.

We have identified the following economic activities in the Climate Delegated Act (Article 1) resulting in Capex which are considered eligible:

Table 3 - Individually Taxonomy-eligible Capex and the respective 2023 economic activities

Description of the individually Taxonomy-eligible purchased output/measure	**Respective economic activity (Annex I to Climate Delegated Act)**	**Amount, USD million**
Maintenance and repair of energy efficient equipment for our base stations	7.3. Installation, maintenance, and repair of energy efficiency equipment	14.5*
Installation, maintenance, and repair of renewable energy technologies for our base stations	7.6. Installation, maintenance, and repair of renewable energy technologies	5.4*
Buildings, considering legal or economic ownership, including the right of use from a building lease. Includes shops, offices, warehouses, and towers	7.7. Acquisition and ownership of buildings	3.1*
Build-out and upgrade of energy efficient and high-speed network infrastructure and data centers	8.1. Data processing, hosting, and related activities	80.1*
Total		103.1

*lower lifecycle GHG-emissions through lower energy consumption.

Conclusion

We concluded that VEON's EU Taxonomy Turnover is not eligible under the current EU Taxonomy Regulations. Also, we concluded that the roll-out of fiber is currently not eligible, however we believe this is an important enabler for climate change mitigation, by providing significant energy savings compared to copper.

Furthermore, we found our Taxonomy eligible and aligned 2023 Opex-economic activities in relation to climate change mitigation to be negligible (2022: 0%) and that 2023 aligned Capex was 0% in both 2022 and 2023.

The proportion of 2023 eligible, aligned, and non-eligible climate change mitigation activities are reported below in terms of EU Taxonomy Opex and Capex.

Of 2023 Opex, 0.00% is considered aligned under the current EU Taxonomy Regulations, 0.00% of Capex is considered aligned. This low percentage of alignment is partly related to unavailability of product certifications regarding purchased goods and services in VEON’s non-EU core markets. A higher percentage of aligned activities from elements of Opex and Capex could have existed, but management was not able to validate such alignment due to lack of substantial information available.

EU Taxonomy Turnover table

				Substantial contribution criteria						**Does not significant harm (DNSH)**									
	Codes	Absolute Turnover (in USD million)	Proportion of Turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned proportion of Turnover 2023	Category enabl. activity	Category trans. activity
A. Taxonomy eligible activities																			
A1. Environmentally sustainable activities (Taxonomy aligned)																			
No activities identified		0	0.00%														0		
A2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned)																			
No activities identified		0	0.00%														0		
Total A1 + A2		0	0.00%														0		
B. Taxonomy non-eligible activities																			
Turnover of taxonomy non-eligible		**3698.2**	**100%**																
Total A + B		3698.2	100 %																

EU Taxonomy Capex table

	Substantial contribution criteria	**Does not significantly harm (DNSH)**

	Codes	Absolute Capex (in USD million)	Proportion of Capex	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned proportion of Capex 2023	Category enabl. activity	Category trans. activity
A. Taxonomy eligible activities																			
A1. Environmentally sustainable activities (Taxonomy aligned)																			
No aligned activity identified		0.0	0.00%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%	N	N
A2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned)																			
Maintenance and repair of the energy efficient equipment for our base stations	CCM 7.3	14.5	1.45%	Y	N	N	N	N	N	N	N	N	N	N	N	N	0%	Y	N
Installation, maintenance, and repair of renewable energy technologies for our base stations	CCM 7.6	5.4	0.54%	Y	N	N	N	N	N	N	N	N	N	N	N	N	0%	Y	N
Our acquisition of buildings (i.e. eligibility of all buildings considering the legal or economic ownership, including the right of use from a lease of a building) including shops, front and back offices, warehouses and towers	CCM 7.7	3.1	0.31%	Y	N	N	N	N	N	N	N	N	N	N	N	N	0%	Y	N
Our investment in the build-out and upgrade of energy efficient and high-speed network infrastructure and data centres, and in generation of renewable energy	CCM 8.1	80.1	8.03%	Y	N	N	N	N	N	N	N	N	N	N	N	N	0%	Y	N
Total A1 + A2		**103.1**	**10.33%**																
B. Taxonomy non-eligible activities																			
Capex of taxonomy non-eligible activity (B)		895.0	89.67%																
Total A + B		**998.1**	**100%**																

EU Taxonomy Opex table

				Substantial contribution criteria						**Does not significant harm (DNSH)**									
	Codes	Absolute Opex (in USD million)	Proportion of Opex	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned proportion of Opex 2023	Category enabl. activity	Category trans. activity
A. Taxonomy eligible activities																			
A1. Environmentally sustainable activities (Taxonomy aligned)																			

Maintenance and repair of energy efficiency equipment	CCM 7.3	(0.05)	0.00%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0%	Y	N
A2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned)																			
Our activities associated with purchase of electricity generated from renewables	CCM 4.2	(0.16)	0.01%	Y	N	N	N	N	N	N	N	N	N	N	N	N	0%	Y	N
All VEON's vehicle fleet (leasing)	CCM 6.5	(0.60)	0.02%	Y	N	N	N	N	N	N	N	N	N	N	N	N	0%	Y	N
Maintenance and repair of energy efficiency equipment	CCM 7.3	(0.00)	0.00%	Y	N	N	N	N	N	N	N	N	N	N	N	N	0%	Y	N
Total A1 + A2		**-0.81**	**0.03%**																
B. Taxonomy non-eligible activities																			
Opex of taxonomy non-eligible activity (B)		(2,769.40)	99.97%																
Total A + B		(2,770.21)	100%																

Property, Plants and Equipment

Buildings

Our office in Amsterdam is leased. Our global headquarters activities are currently hosted in Amsterdam which consists of a 1020 square meter office with 33 workplaces, and we have subleased parts of our Amsterdam office since February 2020. On December 31, 2022, we entered into a lease for office space in the DIFC consisting of 500 square meters with 26 workspaces. Our DIFC office became operational in mid-June 2023 at which time we closed our small satellite office in Dubai Internet City which preciously opened in March 2022. On October 14, 2024, we announced our intention to relocate our Group headquarter activities from Amsterdam to the DIFC . 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. Our operating companies and subsidiaries each own and lease property used for a variety of functions, including administrative offices, technical centers, data centers, call centers, warehouses, operating facilities, sales offices, 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.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Senior Management

The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Postma and Paul Klaassen. On March 4, 2024 Jochem Postma and Paul Klaassen stepped down from their role as statutory directors and were replaced by Bruce Leishman and Maciej Wojtaszek. The Company is part of the VEON Ltd. Group. VEON Ltd. is governed by VEON Ltd.'s Board of Directors.

Following May 31, 2024, the date of VEON Ltd.'s 2024 annual general meeting of shareholders (the "2024 AGM"), VEON Ltd.'s directors, their respective ages, positions, dates of appointment and assessment of independence as of September 30, 2024 are as follows:

Name	Age	Position	First Appointed	Independent
Augie K Fabela II	58	Chairman of Board of Directors	2024 (as Chairman); 2022 (as member)	x
Andrei Gusev	52	Director	2014	
Sir Brandon Lewis	53	Director	2024	x
Duncan Perry	57	Director	2024	x
Michael R. Pompeo	60	Director	2024	
Michiel Soeting	62	Director	2022	x
Kaan Terzioglu	56	Director (and Group CEO)	2023	

Prior to the date of VEON Ltd.'s 2024 AGM, VEON Ltd.'s directors, their respective ages, positions, dates of appointment and assessment of independence were as follows:

Name	Age	Position	First Appointed	Independent
Morten Lundal	59	Chairman of Board of Directors	2023 (as Chairman); 2022 (as member)	x
Michiel Soeting	62	Director	2022	x
Augie K Fabela II	58	Director	2022	x
Yaroslav Glazunov	44	Director	2020	
Karen Linehan	65	Director	2022	x
Andrei Gusev	52	Director	2014	
Kaan Terzioglu	56	Director (and Group CEO)	2023	

As of VEON Ltd.'s annual general meeting of shareholders held on June 29, 2023 (the "**2023 AGM**") and up to the date of VEON Ltd.'s 2024 AGM, the board of directors of VEON Ltd. ("Board of Directors") consisted of seven members, four of whom we deemed to be independent. See *—Memorandum and Articles of Association—Board of Directors*. 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, as if those rules applied to us.

All members of the Board of Directors are elected by VEON Ltd.'s shareholders at VEON Ltd.'s annual general meeting through a cumulative voting process at such general meeting. Nominations to the board of directors were managed by its Remuneration and Governance Committee ("RGC"), which prior to the date of VEON Ltd.'s 2024 AGM was led by Morten Lundal, whom we deemed to be an independent member of the Board of Directors. The RGC 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 suitable industry experience and have additionally been selected to provide the requisite experience necessary for the committees of our Board of Directors.

At VEON Ltd.'s 2024 AGM, VEON Ltd. shareholders re-elected four previously serving directors and elected three new members to the VEON Ltd. Board of Directors. Following VEON Ltd.'s 2024 AGM, the Board amended the composition of certain of our committees. See — *Updates to the Board of Directors following the Annual General Meeting of Shareholders on May 31, 2024*—for details of the Board composition and following VEON Ltd.'s 2024 AGM.

On July 30, 2018, VEON Ltd. amended and restated their bye-laws to, among other things, eliminate their two-tier board structure. As a result, they have a board of directors and a management leadership team known as the VEON Ltd. GEC. On June 29, 2023, VEON Ltd. amended and restated their bye-laws to reduce the size of their Board of Directors to a minimum of five and maximum of nine board members and to allow the VEON Ltd. Board of Directors to delegate its powers to committees with responsibility for audit, board nomination and compensation, and such other committee as the VEON Ltd. Board of Directors deems necessary or appropriate. On May 31, 2024, VEON Ltd. further amended and restated their bye-laws to correct a legacy formatting error and to standardize the wording enabling the VEON Ltd. Board of Directors to convene electronic meetings of shareholders.

VEON Ltd.'s 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 of the group of subsidiary companies for which VEON Ltd. is the ultimate parent entity ("VEON Group"). Additionally, under Bermuda law, the Board of Directors has the right to require that any matter be brought to the attention of the Board of Directors for approval and any member of the Board of Directors may bring forward an item for the agenda of a meeting of the Board of Directors. Together, these decision-making channels help to ensure that the Board of Directors provides appropriate oversight over matters relevant to the VEON Group.

Updates to the VEON Ltd. Board of Directors following the VEON Ltd. Annual General Meeting of Shareholders on May 31, 2024.

At the 2024 VEON Ltd. AGM, VEON Ltd. shareholders re-elected four previously serving directors: Augie Fabela, Andrei Gusev, Michiel Soeting and Kaan Terzioglu. VEON Ltd.'s shareholders also elected Sir Brandon Lewis, Duncan Perry and Michael R. Pompeo as new members of the VEON Ltd. Board of Directors. Morten Lundal, Karen Linehan and Yaroslav Glazunov did not stand for re-election at the 2024 VEON Ltd. AGM. All members of VEON Ltd.'s Board of Directors serve in office until the next annual general meeting of shareholders of the VEON Ltd. to be held in 2025, unless any members are removed from office or their offices are vacated in accordance with VEON Ltd. bye-laws. Alternate VEON Ltd. 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 VEON Ltd. Board of Directors elected at the 2024 VEON Ltd. AGM, four are deemed to be independent. In analyzing the independence of the members of the VEON Ltd. 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 VEON Ltd. GEC is comprised of the Group Chief Executive Officer, the Group Chief Financial Officer, and the Group General Counsel. The VEON Ltd. GEC is focused on the management of the business affairs of VEON Ltd. Group as a whole, including execution of our competitive strategy, driving financial performance and overseeing and coordinating Group-wide initiatives. On an annual basis, the VEON Ltd. GEC, the VEON Ltd. Audit and Risk Committee (the "ARC") and the VEON Ltd. Board of Directors define our risk profile for the categories of risk we encounter in operating our business, which are then integrated into the business of the VEON Ltd. Group through global policies and procedures.

As of September 30, 2024, the members of the VEON Ltd. GEC, their respective ages, positions and dates of appointment were as follows:

Name	Age	Position	First Appointed
Kaan Terzioğlu	56	Group Chief Executive Officer	March 2020 (as co-CEO)
A. Omiyinka Doris[(1)]	48	Group General Counsel	June 2023
Joop Brakenhoff [(2)]	59	Group Chief Financial Officer	May 2023

[(1)]A. Omiyinka Doris served on the VEON Ltd. GEC as Acting Group General Counsel from November 1, 2022 until May 31, 2023. Effective from June 1, 2023, she became the VEON Ltd. Group General Counsel.

[(2)]Serkan Okandan and Joop Brakenhoff served on the VEON Ltd. GEC as Group Chief Financial Officer and Chief Internal Audit and Compliance Officer respectively for the reporting period ending December 31, 2023, until April 30, 2023. Effective from May 1, 2023, Joop Brakenhoff replaced Serkan Okandan as Group Chief Financial Officer.

See *Note 21—Related Parties* to our Audited Consolidated Financial Statements for the compensation details of the VEON Ltd. GEC.

Board of Directors following the 2024 AGM

Mr. Augie K Fabela II (Chairman) has been a director of VEON Ltd. since June 2022 and we deem Mr. Fabela to have been an independent director. Mr. Fabela serves as the chairman of the Remuneration and Governance Committee and is also a member of the Audit and Risk Committee. He also previously 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. 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. Andrei Gusev (Director) has been a director of VEON Ltd. since April 2014. Mr. Gusev serves as member of the Remuneration and Governance Committee and previously served as the chairman of the Finance Committee. Mr. Gusev is currently a senior partner at LetterOne Technology LLP (UK). He has deep experience executing transactions in various geographies over the last 20 years. Mr. Gusev also has extensive experience as an executive having served as Chief Executive Officer at the publicly listed food retailer X5 Retail Group N.V. from 2011 to 2012 and as management board member responsible for business development and M&A from 2006 to 2010. From 2001 to 2005, Mr. Gusev held a position at the Alfa Group overseeing investment planning. Prior to that, Mr. Gusev worked at Bain & Company and Deloitte Consulting. Mr. Gusev holds an MBA from the Wharton School at the University of Pennsylvania and graduated with honors from the Faculty of Applied Mathematics and Computer Science at Moscow State University.

Sir Brandon Lewis, CBE (Director) has been a director of VEON Ltd. since May 2024 and we deem Sir Brandon to be an independent director. Sir Brandon previously served as a Member of Parliament for Great Yarmouth. He is currently strategic advisor to each of LetterOne Holdings S.A., Civitas Investment Management Ltd., FM ConwayLimited and Thakeham Homes Limited since 2023. Sir Brandon also serves as a non-executive director of Woodlands Schools Ltd.since 2023, having also been a director there from 2001 to 2012, and is a patron of Adam Smith Institute (a free market think tank in the UK) and non-Executive chairman of Millbank Creative Ltd. Prior to that, Sir Brandon served 10 years in the UK Government with 5.5 of those years in Cabinet in a range of roles: he was Lord Chancellor and Secretary of State for Justice, Ministry of Justice UK in 2022; Secretary of State, Northern Ireland Office from 2020 to 2022; Minister of State (National Security) and UK Home Office from 2019 to 2020. From 2018 to 2019, Sir Brandon also served as Cabinet Minister without Portfolio as well as Chairman of Conservative Party. Between 2016 and 2018, Sir Brandon served the UK Home Office in consecutive roles as Minister of State for Policing and the Fire Service, and then as Minister of State (Immigration and International). Prior to that, he was Minister of State from 2014 to 2016 and Parliamentary Under Secretary of State for Communities and Local Government from 2012 to 2014 with the Department for Communities and Local Government. Sir Brandon holds a BSc (Econ) and an LLB, Law from the University of Buckingham, and an LLM, Law (Commercial) from King’s College London. He is also a qualified a Barrister, Law from Inns of Court School of Law.

Duncan Perry (Director) has been a director of VEON Ltd. since May 2024 and we deem Mr. Perry to be an independent director. Mr. Perry serves as an observer on the Audit and Risk Committee. Mr. Perry is a lawyer with 30 years of legal experience and has been a senior legal advisor at LetterOne since July 2023. He is also chairman of the not for profit, SEO Connect Ltd, and board member of the charity, SEO London Ltd. Prior to this, Mr. Perry was a general counsel and entrepreneur for 10 years, involved in a number of diverse projects, including being a founding team member and director of the UK regulated FinTech bank Kroo Bank. Mr. Perry was Global General Counsel at Barclays Wealth Asset Management for 7 years, where he was a member of the Barclays Wealth executive committee and responsible for legal and compliance risk across 24 jurisdictions. At Barclays he was a member of several committees, including the chair of the Risk and Reputation Committee. Mr. Perry also previously had roles including European COO and General Counsel of the hedge fund Amaranth LLC and European Head of Compliance (FIRC) at UBS Investment Bank, where he was also Global legal head of Syndicated Finance and Debt Trading. Prior to this, Mr. Perry was a banking lawyer at both Sherman & Sterling LLP and Allen & Overy LLP, in London and New York. Mr. Perry attended Exeter University where he obtained a first class law degree. He is currently an adjunct lecturer at Exeter University Business School on the MSc FinTech program. Mr. Perry is also currently a board member of a charity which helps students from underrepresented communities obtain employment at elite institutions.

Michael R. Pompeo (Director) has been a director of VEON Ltd. since May 2024. Secretary Pompeo served as the 70th U.S. Secretary of State of the United States from April 2018 to January 2021, Director of the Central Intelligence Agency from January 2017 to April 2018, and was elected to four terms in the U.S. Congress representing the Fourth District of Kansas. Secretary Pompeo practiced law, business and tax litigation at Williams & Connolly for three years. He then raised capital to acquire assets in the aviation manufacturing supply chain and was the CEO of the company he founded with several colleagues, Thayer Aerospace, for several years. Secretary Pompeo then became President of Sentry International, an oilfield services and equipment company with operations in the U.S. and Canada. Since leaving government, Secretary Pompeo has remained active on the global stage advancing American interests. Currently, he serves as Executive Chairman of Impact Investments, a U.S.-based merchant bank that also provides strategic and financial advisory services that seeks to develop long-term partnerships with the World's leading companies across a range of industries and geographies. He is also a member of the Kyivstar board of directors. Secretary Pompeo graduated first in his class from the United States Military Academy at West Point in 1986. He served as a cavalry officer in the U.S. Army, leading troops patrolling the Iron Curtain. Secretary Pompeo left the military in 1991 and then graduated from Harvard Law School, having served as an editor of the Harvard Law Review.

Mr. Michiel Soeting (Director) has been a director of VEON Ltd. since March 2022 and we deem Mr. Soeting to have been an independent director. Mr. Soeting is the chairman of the Audit and Risk Committee and also serves as a member of the Remuneration and Governance Committee. He previously served as 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 Energy & Natural Resources 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. Since 2019, Mr. Soeting has taken on various oversight roles, in particular, as a director and chair of the Audit Committee at Serica Energy plc in the UK, as a member of the Advisory Board of Parker College of Business of Georgia Southern University in the U.S. and as a member of the Board of Governors of Reed's Foundation in the UK. Mr. Soeting graduated from Vrije University of Amsterdam, the Netherlands where he completed his Doctoral studies in Economics and a post-Doctoral degree in Accountancy. He holds an MBA from Georgia Southern University in the U.S. In addition, Mr. Soeting is a qualified Chartered Accountant in both The Netherlands and the United Kingdom.

Mr. Kaan Terzioğlu (Director) has been serving VEON Group as the Group Chief Executive Officer since June 2021 and was appointed as a director of VEON Ltd. in June 2023. As the Group CEO, Terzioglu 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-COO from November 2019 to March 2020 and a member of the Board of Directors from July 2019 to October 2019. Mr. Terzioglu is currently a Board Member of the GSMA and of the GSMA Foundation, and served on the board of Digicel from July 2019 to March 2024. 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).

Board of Directors Prior to the 2024 AGM

Mr. Morten Lundal was a director of VEON Ltd. from June 2022 to May 31, 2024 and was Chairman of the Board from July 2023 to May 2024. We deem Mr. Morten to have been an independent director through his term of appointment. 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 from 2020 until 2023. 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. Yaroslav Glazunov was a director of VEON Ltd. from November 2020 to May 31, 2024. Prior to the 2024 AGM, Mr. Glazunov served as a member of the Remuneration and Governance Committee and previously served as a member 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 advisor 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.

Ms. Karen Linehan was a director of VEON Ltd. from January 2022 to May 31, 2024 and we deem Ms. Linehan to have been an independent director through her term of appointment. 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. Her role with GARDP ended in 2023. Ms. Linehan graduated from Georgetown University with Bachelor of Arts and Juris Doctorate degrees. Prior to practicing law at as 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.

Mr. Augie K. Fabela II, Mr. Andrei Gusev, Mr. Michiel Soeting and Mr. Kaan Terzioglu *each served as members of the Board of Directors prior to the 2024 AGM. Please see Board of Directors following the 2024 AGM* for each of their resume details.

Group Executive Committee

Ms. Asabi Omiyinka Doris was appointed as Group General Counsel and a member of the Group Executive Committee effective June 2023 and prior to that she served as Acting Group General Counsel effective November 2022 until May 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 office 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. 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 served 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. Kaan Terzioglu, as the Group Chief Executive Officer is also a member of the Group Executive Committee. Please see *Board of Directors following the 2024 AGM* for his resume details.

Compensation

This section describes our compensation arrangements and process for VEON Ltd.'s board of directors and GEC for the year ended December 31, 2023. In order to ensure alignment with the long-term interests of the VEON Ltd.'s shareholders, the VEON Ltd. RGC, evaluated the compensation of the VEON Ltd.'s Board of Directors and the GEC during the period taking into account the competitive landscape, the compensation of directors at other comparable companies and recommendations regarding best practices. Following review by the RGC, it made recommendations to the VEON Ltd. Board of Directors on the compensation of the VEON Ltd. 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$22 million for services provided during 2023. For more information regarding our director and senior management compensation, including individual remuneration amounts for each our directors and senior managers, see *Note 21 —Related Parties* to our Audited Consolidated Financial Statements. The remuneration received by the VEON's non-executive directors was in compliance with the Board fee structure established by the VEON

To stimulate and reward leadership efforts that result in sustainable success, value growth cash and equity-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. These Incentive Plans are key in aligning the interests of the members of our leadership team with the long-term success of VEON as well as shareholders' interests while also acting as a tool to enhance retention among our leadership team. VEON's non-executive directors did not receive variable remuneration and did not participate in the Company's incentive plans in 2023. To ensure that the interests of the VEON's non-executive directors are aligned with those of the shareholders and that their remuneration supports the long-term company performance, in 2023 VEON introduced the new Board fee structure, whereby a certain portion of the Board of Directors' compensation is paid in the VEON shares which can be settled in either equity or cash depending on the circumstances.

VEON 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. In addition, the Company has adopted a policy with respect to the Clawback Policy, effective from October 2, 2023. The Clawback Policy applies to "incentive-based compensation" (i.e. compensation that is granted/earned/vested based wholly or in part upon the attainment of financial reporting measures, including stock price and total shareholder return) and provides a mechanism whereby the VEON, in response to the restatement of its financial statements, claw-back any compensation received by an executive officer which exceeds the amount of incentive-based compensation that executive would have otherwise received had such compensation been determined based on the restated financial figures.

Short-Term Incentive Plan

The Short-Term Incentive Plan ("STIP") 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 STIP Scheme the target award for a 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 restricted for two years. The shares are restricted for 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 operational performance (50%), financial health (30%) and strategic projects (20%) of the Company. In 2023, operational performance KPIs consist of total operating revenue (20%), EBITDA (20%), and cost intensity (10%). 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 RGC. Based on results achieved for the year 2023, the RGC has confirmed that all of the set targets for this year were generally achieved.

The cash pay-out of the STIP 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 are 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 STIP award as well as any share awards granted were dependent upon final approval by the RGC.

Long-Term Incentive Plan

The LTIP is granted in a rolling three-year performance cycle and subject to a three year vesting period from the date of the grant as well as a performance condition related to target shareholder return in line with shareholder interests. The target shareholder return performance condition is relative to a customized peer group of companies. The threshold level (50% of the on-target award) is achieved at the median of the peer group and maximum payout (200% of the on-target award) at performance in the top quartile of the peer group. In respect of the Company's 2021-2023 LTIP awards, vested on December 31, 2023, the RGC has assessed that the target shareholder return performance condition has not been satisfied, accordingly no payout will be initiated to the proposed award recipients. For the Company's 2021–2023 LTIP award, which was vested on December 31, 2023, the RGC confirmed that the targets for the target shareholder return have not been met, and, therefore, no payout will be executed in respect thereof.

Vesting of certain of our share awards are based on the attainment of certain KPIs, such as absolute share price, etc. Options may be exercised by the participant at any time during a defined exercise period, subject to the Company's insider trading policy.

Deferred Share Plan ("DSP")

The Deferred Share Plan (DSP) is an equity-settled scheme established in 2021, which enables the Board to award options to the selected staff (participants) on a discretionary basis at no cost to the participants. The awards are conditional on the ongoing employment for a specified period, typically a two-year vesting period.

Other

Executive shareholding requirements are set at six times annual base salary for the Group CEO and two times annual base salary for the Group CFO and Group General Counsel. There is no post-employment holding period for the Group CFO and Group General Counsel, 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 21—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 and we did not make any distributions to the Company's Board of Directors in 2023 as a result of any termination of employment. Further, there are currently no loans, advances or guarantees outstanding on behalf of any director of the Company.

We do not have any pension, retirement or similar benefit plans available to our directors or senior managers and we did not make any distributions to the Company directors in 2023 on termination of employment or any payments for pension obligations, early retirement arrangements or sabbaticals. There are no loans, advances or guarantees outstanding on behalf of any director of the Company.

Vested Deferred Share Awards December 31, 2023

Individuals	Award	No of ADRs awarded	Vesting Date
Kaan Terzioglu	One-off Award	30,996	July 01, 2022
Joop Brakenhoff	One-off Award	3,703	July 01, 2022
Kaan Terzioglu	CEO Share Award	62,782	October 01, 2022
Joop Brakenhoff	One-off Award	4,162	December 31, 2022
Kaan Terzioglu	One-off Award	30,996	July 01, 2023
Joop Brakenhoff	One-off Award	3,703	July 01, 2023
Kaan Terzioglu	CEO Share Award	146,490	September 01, 2023
Joop Brakenhoff	One-off Award	4,162	December 31, 2023
Omiyinka Doris	One-off Award	10,444	June 07, 2023
Former member			
Serkan Okandan	One-off Award	8,887	July 01, 2022
Serkan Okandan	One-off Award	8,887	July 01, 2023

Outstanding deferred share awards

Individuals	Award	No of ADRs/ awarded	Vesting date
Kaan Terzioglu	STI 2022 Deferred Grant	65,761	March 15, 2025
Joop Brakenhoff	STI 2022 Deferred Grant	18,855	March 15, 2025
Kaan Terzioglu*	STI 2023 Deferred Grant	57,249	February 16, 2024
Joop Brakenhoff*	STI 2023 Deferred Grant	20,821	February 16, 2024
Omiyinka Doris*	STI 2023 Deferred Grant	11,548	February 16, 2024
Former member			
Serkan Okandan	STI 2022 Deferred Grant	45,251	March 15, 2025

* *These awards are subject to restriction in trading for 2 years following the vesting date.*

LTI award in performance shares

Award in ADRs	2023	2022	2021
Date awarded	March 15, 2023	October 18, 2022	February 24, 2022
Vesting date	December 31, 2025	December 31, 2024	December 31, 2023
ADR price at grant	US$15.00	US$8.95	US$22.09
Individuals			
Kaan Terzioglu	306,852	123,087	103,320
Joop Brakenhoff	123,169	35,291	29,623
Omiyinka Doris	105,573*	—	—
Former member			
Serkan Okandan	23,461	84,697	71,095

* *The LTI 2023 for Omiyinka Doris was awarded on July 19, 2023, with an ADR price at grant of US$19.16*

*VEON Ltd. GEC service contracts 2023**

Individuals**	Position	Start date	Term	End date	Non- compete (months)	Non-solicitation (months)
Kaan Terzioglu	Group Chief Executive Officer	November 1, 2019	Permanent	Indefinite	12	6
Joop Brakenhoff	Group Chief Financial Officer	January 15, 2019	Permanent	Indefinite	12	12
Omiyinka Doris	Group General Counsel	July 1, 2015	Permanent	Indefinite	12	12

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

**Effective October 1, 2023, the VEON Ltd. GEC consisted of Kaan Terzioglu, Omiyinka Doris, and Joop Brakenhoff with all other VEON Ltd. GEC members stepping down from their executive roles effective October 1, 2023.

Board Practices

VEON Ltd. is governed by our Board of Directors, consisting of seven directors. Our bye-laws provide that our Board of Directors shall consist of at least five and no more than nine 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.

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 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 2026 (at least two diverse Board members including at least one Board member who self-identifies as female). Furthermore, a Board of Directors diversity matrix is required to be included in the Annual Report containing certain demographic and other information regarding members of the Board of Directors. To see our Board of Directors' diversity matrix prior to our 2023 annual general meeting held on June 29, 2023, please see *Item 6.C—Board Practices* from our 2022 Form 20-F filed with the SEC on July 24, 2023 (our "2022 20-F"). The Board of Directors' diversity matrix as of December 31, 2023 and September 30, 2024 is set out below, which reflects changes in our Board member composition as a result of our 2024 AGM.

Country of Principal Executive Offices	**The Netherlands**							
Foreign Private Issuer	**Yes**							
Disclosure Prohibited under Home Country Law	**No**							
	As of December 31, 2023				**As of September 30, 2024**			
Total Number of Board members	7				7			
Gender Identity	**Female**	**Male**	**Non-Binary**	**Did Not Disclose**	**Female**	**Male**	**Non-Binary**	**Did Not Disclose**
Directors	**1**	**2**	**0**	**4**	**0**	**7**	**0**	**0**
Demographic Background								
Underrepresented Individual in Home Country Jurisdiction	**1**				**1**			
LGBTQI+	**2**				**0**			
Did Note Disclose Demographic Background	**4**				**0**			

Committees of the Board of Directors

From August 1, 2023, the committees of our Board of Directors consisted of: the Audit and Risk Committee (ARC) and the Remuneration and Governance Committee (RGC). Our Board of Directors and committees meet at least quarterly. In 2023, our Board of Directors met 17 times, the ARC met seven times, and RGC met three times following its formation on August 1, 2023. Each director who served on our Board of Directors during 2023 attended at least 93% of the meetings of the Board of Directors and committees on which he or she served that were held during his or her tenor on our Board.

Our committee compositions and the terms of reference for these committees from August 1, 2023 and up to the 2024 AGM, as well as from the 2024 AGM onward are set out below.

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 VEON's financial statements and its financial reporting to any governmental or regulatory body and the public; VEON's audit process; the qualifications, engagement, compensation, independence and performance of the company's independent auditor, their conduct of the annual audit of VEON's financial statements and their engagement to provide any other services; the Company's process for monitoring compliance with legal and regulatory requirements as well as VEON's corporate compliance codes and related guidelines, including the Code of Conduct; VEON's systems of enterprise risk management and internal controls (including oversight over VEON IT and cybersecurity policies); VEON's capital structure, VEON's group-level tax strategy; VEON's compliance program; and the government relations risk of the Group.

From August 1, 2023 up to the 2024 AGM the members of the ARC were Michiel Soeting (chairman), Morten Lundal, and Karen Linehan. Following the 2024 AGM, the members of the ARC are Michiel Soeting (chairman), Brandon Lewis and Augie Fabela. Mr. Perry is as a non-voting observer on the ARC.

Remuneration and Governance Committee

The Charter of our Remuneration and Governance Committee is responsible for assisting and advising the Board of Directors discharging its responsibilities with respect to nominating directors for election to the VEON Ltd. board; fulfillment of the Board's corporate governance responsibilities; and overseeing the performance, selection, re-appointment, early termination (whether by mutual consent of otherwise) and compensation of the Company's CEO, the Company's CXOs, the chief executive officers of all operating subsidiaries of the Company and such other positions as the Committee may determine from time to time. The RGC also periodically assesses director compensation and participation in benefit/incentive plans and provides its recommendations in respect of the same to the Board of Directors. Additionally, the RGC has overall responsibility for approving and evaluating the Board of Directors, executive and employee compensation and benefit/incentive plans, policies and programs and supervising the administration of the VEON Group's equity incentive plans and other compensation and benefit/incentive programs; and advising the Board on the Company's overall culture and values, talent management and succession planning programs, including by periodically assessing the substance and considering overall employee feedback and other measurements of effectiveness.

From August 1, 2023 up to the 2024 AGM, the members of the RGC were Augie Fabela (chairman), Yaroslav Glazunov and Morten Lundal. Following the 2024 AGM, the members of the RGC are Augie Fabela (chairman), Michiel Soeting and Andrei Gusev.

Previous Committees of the Board of Directors Structure (Up until the 2023 AGM)

Up until the 2023 AGM, the committees of our Board of Directors consisted of the: Nominating and Corporate Governance Committee, Compensation and Talent Committee, Audit and Risk Committee, Finance Committee and the Strategy and Innovation Committee.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee was to assist in the nomination of directors for the Company and to advise the Board regarding the fulfillment of its corporate governance responsibilities, including recommendations concerning Board committees' structure, membership, and operations, corporate governance practices and guidelines, periodical evaluation of the Board and its committees.

The committee consisted of five members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

Compensation and Talent Committee

The Board's Compensation and Talent Committee formerly advised the Board with respect to the Board's responsibilities in overseeing the selection, termination, performance and compensation of the Group CEO, his direct reports, the CEOs of the Company's significant subsidiaries, and certain other positions which the Company determined as critical for its continuous operations. In addition, the committee oversaw, assessed and made recommendations to the Board in respect of the Company's compensation practices, benefits plans and incentive programs for Board's directors as well as the Company's executives and employees. The committee also advised the Board in relation to the Company's overall culture and values as well as talent management and succession planning programs. In particular, the committee periodically assessed the substance and effectiveness of these programs and considered employee feedback and level of engagement.

The committee consisted of three members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

Audit and Risk Committee

The primary role of the Audit and Risk Committee was to oversee the integrity of the Company's financial statements and its financial reporting, internal audit process, systems of Enterprise Risk Management ("ERM") and internal controls as well as the Company's ethics, and compliance programs. In particular, the Audit and Risk Committee monitored compliance with legal, regulatory and internal code of conduct requirements in addition to supervising activities related to Company's relationships with the U.S. and Dutch authorities. The Audit and Risk Committee was also responsible for making recommendation to the Board on the appointment of the external independent auditor which included evaluating the qualifications, engagement, compensation, independence and performance of the Company's external independent auditor and approving the annual audit plan and budget.

The committee consisted of four members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM

Finance Committee

The Finance Committee formerly advised the Board with respect to the Board's oversight of the Group's capital structure, budgets, and the execution of material transactions. The committee provided the Board with advice and recommendations on matters related to mergers, acquisitions, divestitures and reorganization transactions, the incurrence of indebtedness and finance policies, dividend policy, share capital matters, budget process and approval of budget, spectrum, and licensing matters, as well as on listing decisions and investor relations matters, and any material settlements.

The committee consisted of three members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

Strategy and Innovation Committee

The Strategy and Innovation Committee assisted and advised the Board on matters related to the Group's strategy and business plan for core connectivity, infrastructure, and digital operations, and also monitored the Company's performance in these business lines.

The committee consisted of five members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

Employees

The following chart sets forth the number of our employees as of December 31, 2023, 2022 and 2021, respectively:

	As of December 31		
	2023	**2022**	**2021**
Pakistan	5,252	5,114	5,091
Bangladesh	1,251	1,216	1,128
Ukraine	4,054	3,723	3,794
Uzbekistan	1,827	1,624	1,555
Kazakhstan	4,295	4,195	3,868
HQ	21	27	31
Others	431	456	799
Total*	**17,131**	**16,355**	**16,266**

* Total number of employees does not include the 27,717, and the 28,235 employees in our Russian Operations as of December 31, 2022 and 2021, respectively, since our Russian Operations were sold as at December 31, 2023, classified as a discontinued operation as at December 31, 2022, and were removed from 2021 for comparability. The sale of our Russian Operations was completed on October 9, 2023.

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, 2023 according to geographic location and our estimates of main categories of activities:

	As of December 31, 2023				
Category of activity(1)	**Pakistan**	**Ukraine**	**Kazakhstan**	**Uzbekistan**	**Bangladesh**
Executive and senior management	26	18	11	12	8
Engineering, construction and information technology	792	1,659	1,488	541	383
Sales, marketing and other commercial operations	2,933	927	1,535	475	612
Finance, administration and legal	595	463	273	137	155
Customer service	621	808	712	398	39
Procurement and logistics	81	77	79	38	23
Other support functions	204	102	197	226	31
Total	**5,252**	**4,054**	**4,295**	**1,827**	**1,251**

(1) A breakdown of employees by category of activity is not available for our HQ segment and our "Others" category.

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 Ukraine. We consider relations with our employees to be generally good. For a discussion of risks related to labor matters, see *—General Risk Factors —Our business may be adversely impacted by work stoppages and other labor matters.*

Share Ownership

To our knowledge, as of September 30, 2024, none of our directors or senior managers beneficially owned more than 1.0% of any class of our capital stock. See *—Major Shareholders*.

On March 30, 2023, ADS and/or common shares representing 7,671,300, 3,079,225 and 586,525 common shares in VEON Ltd. were granted to Kaan Terzioğlu, Joop Brakenhoff and Serkan Okandan and on July 19, 2023, ADS and/or common shares representing 2,639,325 common shares in VEON Ltd. were granted to Omiyinka Doris under the LTIP. The vesting of the award is subject to achieving the targets set for VEON Ltd.'s LTI program.

On March 30, 2023, ADS and/or common shares representing 1,644,025, 471,375 and 1,131,275 common shares in VEON Ltd. were granted to Kaan Terzioğlu, Joop Brakenhoff and Serkan Okandan under the DSP which represents 50% of the Short-Term Incentive ("STI") scheme. The shares will vest in a period of two years.

On July 19, 2023, ADS and/or common shares representing 261,100 common shares in VEON Ltd. were granted to Omiyinka Doris under the DSP. The vesting of the award is unconditional.

On July 19, 2023, ADS and/or common shares representing 250,000 common shares in VEON Ltd. were granted to each Morten Lundal, Augie Fabela and Michiel Soeting under the DSP. The vesting of the award is unconditional.

To our knowledge, as of June 30, 2024, Kaan Terzioğlu, Joop Brakenhoff and Omiyinka Doris owned ADS and/or common shares representing 7,475,301; 726,740; and 465,950 common shares in VEON Ltd., respectively.

To our knowledge, as of June 30, 2024, Yaroslav Glazunov, Augie Fabela, Michiel Soeting and Morten Lundal own ADSs and/or representing 68,500; 2,623,050; 1,023,825 and 1,124,400 common shares in VEON Ltd. respectively.

To our knowledge, as of June 30, 2024, apart from what has been disclosed above, no other members of the VEON Ltd. Board of Director owned any ADSs or Common Shares in VEON Ltd.. To our knowledge, as of June 30, 2024, none of the Board of Directors or GEC members of VEON Ltd. held any options to acquire VEON Ltd. common shares.

For more information regarding share ownership, including a description of applicable stock-based plans and options, see *Note 21—Related Parties* to our Audited Consolidated Financial Statements.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The Company is indirectly (via VEON Amsterdam B.V.) wholly-owned by VEON Ltd., which in turn has one major shareholder, LetterOne Holding S.A. ("LetterOne").

The following table sets forth information with respect to the beneficial ownership of VEON Ltd. as of September 30, 2024, by each person who is known by us to beneficially own 5.0% or more of our issued and outstanding shares. As of September 30, 2024, we had 1,849,190,667 issued and outstanding common shares. None of our major shareholders has different voting rights.

Name	Number of VEON Ltd. Common Shares	Percent of VEON Ltd. Issued and Outstanding Shares
L1T VIP Holdings S.à r.l.(1)	840,625,000	45.46%
Stichting Administratiekantoor Mobile Telecommunications Investor (2)	145,947,550	7.89%
Lingotto Investment Management LLP(3)	134,689,550	7.28%
Shah Capital Management, Inc.(4)	123,750,675	6.69%
Helikon Investments Limited(5)	93,584,855	5.06%

(1) *As reported on Schedule 13D, Amendment No. 20, filed on September 13, 2019, by L1T VIP Holdings S.à r.l. ("LetterOne"), LetterOne Core Investments S.à r.l. ("LCIS") and LetterOne Investment Holdings S.A. ("L1") with the SEC, LetterOne is the direct beneficial owner of 840,625,001 common shares. LCIS is the sole shareholder of LetterOne, and L1 is the sole shareholder of LCIS and, in such capacity, each of LetterOne, LCIS and L1 may be deemed to be the beneficial owner of the 840,625,001 common shares held for the account of LetterOne. Each of LetterOne, 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 Form 13F, filed on August 12, 2024, by Lingotto, Lingotto holds 5,387,582 ADS, representing 134,689,550 common shares. As reported on Schedule 13G, filed with the SEC on February 14, 2024, by Giovanni Agnelli B.V. ("Giovanni"), Exor N.V. ("Exor"), Lingotto Investment Management (UK) Limited ("Lingotto UK") and Lingotto Investment Management LLP ("Lingotto"), Lingotto, is the direct beneficial owner of 132,644,375 common shares. Lingotto, which acquired the aforementioned common shares, is 99.7% owned by Lingotto UK. Lingotto UK is a wholly owned subsidiary of Exor, which in turn is controlled by Giovanni, in such capacity, each of Giovanni, Exor, Lingotto UK and Lingotto may be deemed to be the beneficial owner of the 132,644,375 common shares held for the account of Lingotto.*

(4) *As reported on Form 13F, filed on August 12, 2024, by Shah Capital Management, Inc. ("SCM"), SCM holds 4,950,027 ADS, representing 123,750,675 common shares. As reported on Schedule 13D, filed on October 30, 2023, by SCM, Shah Capital Opportunity Fund LP ("SCOF") and Himanshu H. Shah ("Shah"), Shah may be deemed beneficial owner of 4,646,584 ADS, representing 116,164,600 common shares (of which 41,812 ADS, representing 1,045,300 common shares are held with sole voting power by Shah), of which SCM may be deemed beneficial owner of 4,604,772 ADS, representing 115,119,300 common shares and SCOF may be deemed beneficial owner of 4,317,497 ADS, representing 107,937,425 common shares. The amounts reported in the table above for SCM include the sole voting power shares held by Shah as at October 30, 2023.*

(5) *As reported on Schedule 13G, filed on October 4, 2024, by Helikon Investments Limited ("Helikon") and Mr. Federico Riggio, Helikon and Mr. Federico Riggo are deemed to be the joint beneficial owners of 93,584,855 common shares (including 2,788,955 ADS representing 69,723,875 common shares), which are directly held by Helikon Long Short Equity Fund Master ICAV ("Helikon Fund").*

Based on a review of our register of members maintained in Bermuda, as of September 30, 2024, a total of 1,038,276,403 common shares representing approximately 56.15% 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 ADR program and a total of 482,681,592 common shares representing approximately 26.10% 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 56,127,210 common shares representing approximately 3.04% 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 10.27% of VEON Ltd.'s issued and outstanding shares were held of record by LetterOne. As of September 30 2024, 43 record holders of VEON Ltd.'s ADRs, holding an aggregate of 229,747,225 common shares (representing approximately 12.42% of VEON Ltd.'s issued and outstanding shares), were listed as having addresses in the United States.

Changes in Percentage Ownership by Major Shareholders

Lingotto, in accordance with the ownership as set out in the notes to the major shareholders table above, have increased their shareholdings in VEON in the last three years. As reported on Schedule 13G, filed with the SEC on March 14, 2022, these entities held 89,174,902 shares of VEON Ltd. common shares. As per the most recent Schedule 13F, dated August 12, 2024, these holdings have risen to 134,689,550 common shares. This represents an increase of approximately 2.49% of the total outstanding common shares of VEON as at September 30, 2024.

SCM, in accordance with the ownership as set out in the notes to the major shareholders table above, became a major shareholder of VEON in the last three years having not reported holdings above 5% in VEON prior to 2023. As reported on Form 13F, filed on August 12, 2024, SCM holds 4,950,027 ADS, representing 123,750,675 shares of VEON Ltd. common shares, which shareholding represents approximately 6.7% of the total outstanding common shares of VEON as at September 30, 2024.

Helikon, in accordance with the ownership as set out in the notes to the major shareholders table above, became a major shareholder of VEON in the last three years having not reported holdings above 5% in VEON prior to 2024. As reported on Schedule 13G, filed on October 4, 2024, they hold 93,584,855 common shares (including 2,788,955 ADS representing 69,723,875 common shares) in VEON Ltd. common shares, which shareholding represents approximately 5.06% of the total outstanding common shares of VEON Ltd. as at September 30, 2024.

Related Party Transactions

In addition to the transactions described below, VEON Holdings B.V. 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 Holdings B.V. 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 21—Related Parties* and *Note 22—Events After the Reporting Period—Agreement with Impact Investments LLC for Strategic Support and Board Advisory Service* 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 LetterOne, a *société à responsibilité limitée* incorporated under the laws of Luxembourg, 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.

We have also agreed to endeavor to include any applicable VEON common shares awarded to Impact Investments that are not freely tradable on any registration statement filed by VEON Ltd. or any of its subsidiaries under the Securities Act during the term of the 2024 Agreement (defined below) and for 12 months following its termination. See *—Impact Investments* below for further information about the 2024 Agreement.

Board of Directors

Compensation paid to the Board of Directors is disclosed in *—Compensation*.

During 2023 and through the date of this Annual Report, none of our Board of Directors have been involved in any material related party transactions with us, except as disclosed below in relation to Impact Investments.

Impact Investments

Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024 serves as Executive Chairman and a partner of Impact Investments LLC ("Impact Investments"). As a result, we have treated our transactions with Impact Investments as related party transactions. On June 7, 2024, we entered into the 2024 Agreement with Impact Investments, which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON). On June 7, 2024, we also entered into a termination letter with Impact Investments in connection with a letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023, and subsequently awarded shares pursuant to the termination letter. See *Note 22—Events After the Reporting Period—Agreement with Impact Investments LLC for Strategic Support and Board Advisory Service* to our Audited Consolidated Financial Statements for more information about our transactions with Impact Investments

HOW WE MANAGE RISKS

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, our management aims to identify, assess, adequately manage, monitor and report risks that could jeopardize the achievement of our strategic objectives. The VEON ERM framework is implemented and consistently applied throughout the organization through a well-defined governance structure and a robust ERM process. The ERM framework also supports identifying opportunities that enable us to achieve our strategic objectives and enable sustainable growth.

Strengthening our risk culture: three lines of defense

The 'three lines of defense' approach provides a simple and effective way to enhance communications around governance, risk management and control by clarifying roles and responsibilities. VEON has adopted this model to provide reasonable assurance that risks to achieving strategic objectives are identified and mitigated.

First line of defense

VEON recognizes that the first line of defense consists of the business, who owns and is responsible and accountable for directly assessing, controlling and mitigating risks. Since 2016, targeted communication campaigns have been launched globally to foster risk and control awareness across the Group.

To embed a culture aligned to our risk appetite and individual responsibilities in relation to risk management we embarked on a program in 2019 which continued through 2023. This program involved an awareness campaign using sport, games and the idea of teamwork to highlight the importance of every individual's contribution to effective risk management and a strong control environment, which was launched to reinforce accountability and ownership for risk management and the internal control environment. During 2022, a Risk Culture survey assessment was performed for the second time since 2021, across our operating companies (OpCos) and our HQ with the help of an external consultancy firm. This exercise was aimed at supporting management in assessing the risk culture within the organization based on eight risk culture dimensions, and to identify potential actions to strengthen or improve VEON's risk culture in comparison with an external benchmark. Based on the results of the survey, all risk culture dimensions at VEON outperformed the external consultant's benchmark with exception of two that were in line with the external consultant's benchmark, which demonstrates a continued very positive outcome. To further improve risk culture and capitalise on survey results, a set of recommendations was provided by the external consultant tailored for each OpCo and HQ based on the assessment of each of the eight risk culture dimensions. The recommendations were not mandatory in nature but were embraced as an opportunity to ensure a continuous improvement in risk culture and served as the basis for action plans development. Status of the action plans and progress of the OpCos was tracked periodically and reported to each OpCos' Business Risk Committees (BRC) until completion. The Risk Culture survey is expected to be conducted again in 2025 with the primary objective of systematically assessing and evaluating the progress and development of our risk culture within each operating company.

Second line of defense

The second line of defense monitors and facilitates the implementation of effective risk management practices and internal controls by the first line. The second line comprises Group Internal Control, Group Enterprise Risk Management, Group Ethics and Compliance and Group Legal, amongst other Group functions. The second line supports the business functions in identifying what could go wrong and provides the methods, tools and guidance necessary to support the first line in managing their risks.

Group ERM provides general oversight on ERM activities in the OpCos, such as quarterly risk reporting as well as facilitating the Group functions with the performance of regular deep dives on specific risks, for example, Regulatory and Tax risks, and assessments of Anti-bribery and Corruption (ABC), Anti-money Laundering (AML), and International Sanctions and Export Controls risks. The ERM process is also embedded into the strategy setting and business planning process to ensure consistency and completeness of VEON's risk profile and that informed risk-based decisions are taken. Group ERM also provides guidance on ERM reporting to the OpCo BRCs and leads the annual process of reviewing and revising VEON's Risk Appetite with the VEON Group Executive Committee members, approving it with the Group CEO and presenting the outcome to the ARC. The Risk Appetite is then formally communicated to OpCos for local application in decision making and submission of business decision approvals to their respective OpCo Board.

Third line of defense

The Group Internal Audit function comprises the third line of defense and is responsible for providing independent assurance to senior management on the effectiveness of the first and second lines of defense. The function conducts financial, information technology, strategic and operational audits in accordance with its annual plan and special investigations or audits, as and when considered necessary. Throughout, Internal Audit conducts its activities in a manner based on a continuous evaluation of perceived business risks.

Defining our risk appetite

Defining our risk appetite in line with the COSO Framework, the VEON Enterprise Risk Management (ERM) Framework groups risk into four risk categories: Strategic, Operational, Financial and Compliance.

Our risk appetite is defined for each of the four risk categories by considering our strategic and business objectives, as well as potential threats to achieving these objectives. On an annual basis, the VEON appetite statements for each category of risk are revised and approved by the VEON Group Executive Committee and presented to the ARC. These statements are then integrated into the business through our group policies and procedures and our risk management cycle.

Risk Appetite Table

COSO category	Risk appetite statements	Risk mindset to take risks
Strategic	Risks arising from strategic changes in the business environment and from adverse strategic business decisions impacting prospective earnings and capital.	Averse Avoiding Neutral Seeking
Operational	Risks arising from inadequate or failed internal processes, people and systems or external events impacting current operational and financial performance and capital.	Averse Avoiding Neutral Seeking
Financial	Risks relating to financial loss arising from uncertainties, decisions impacting the financial structure, cash flows and financial instruments of the business, including capital structure, insurance and fiscal structure, which may impair VEON's ability to provide an adequate return.	Averse Avoiding Neutral Seeking
Compliance	Risks resulting from non-compliance with applicable local and/or international laws and regulations, internal policies and procedures, ethical behaviour, compliance culture also including legal and regulatory risks that could result in criminal liability.	Averse Avoiding Neutral Seeking

Levels of risk appetite: Averse – No appetite; Avoiding – Low appetite; Neutral – Moderate appetite; Seeking – High appetite.

Risk Management in Execution

Effective risk management requires a continuous and iterative process and involves the following five steps:

1. Clarify objectives and identify risks:

VEON's strategy is developed with a comprehensive understanding of the inherent risks involved in doing business. We consider the potential effects of the business context on our risk profile as well as possible ways of mitigating the risks we are exposed to.

2. Assess and prioritize risks:

Risks identified as relevant for VEON are assessed in order to understand the severity of each risk on the ability to execute VEON's strategy and business objectives. The severity of risk is assessed at multiple levels of the business as it may vary same across functions and operating companies.

3. Respond to risk:

The assessed severity of the risk is utilized by management to determine an appropriate risk response (Take, Treat, Transfer or Terminate) which may include implementing mitigations, taking into account the risk appetite.

4. Monitor, report and escalate:

VEON's Group Executive Committee review significant risks assessed and prioritised based on the Group's ERM framework. The top Group risks are also reported to VEON's Board of Directors, in particular to the ARC (at least on a quarterly basis), to evaluate material Group risks. Top Group risks include HQ-specific risks, as well as consolidated assessment of key risks from the OpCos. Local risk assessments are also reviewed by OpCo CEO and senior management and are reported to the BRCs and OpCo Boards.

The Board of Directors, including the ARC as a board committee, OpCo Boards and BRCs each provide independent oversight of the ERM framework and ensure timely follow-up on critical actions based on progress updates provided.

To ensure strong governance and oversight of our risks, we established in each of our OpCos a BRC and an OpCo Board. Each OpCo's BRC, is chaired by either the Group Chief Financial Officer, his nominee or the Head of Internal Audit. The purpose of the OpCo BRCs is to consider the overall risk profile of the OpCo and the Group and ensure risk informed decision making. The OpCo BRC regularly reviews the OpCo's governance and decision-making framework and compliance with VEON Group and OpCo requirements, including those set out in the VEON Group Authority Matrix/Delegation as well as VEON Group policies. Each BRC also receives, reviews and makes recommendations on reports from OpCo management regarding any noncompliance with the VEON Group Authority Matrix/Delegation and VEON Group policies. Each BRC provides active VEON Group-level governance, oversight and policy guidance and aligns the activities of the Group's various assurance functions to coordinate and manage actions efficiently in support of the local OpCo Board and the VEON Ltd. Board of Directors in its oversight role for the VEON Group.

Each of the OpCos are managed by their respective OpCo Board which comprises of the respective OpCo CEO, OpCo CFO (or another senior HQ finance representative designated by the Group CFO), members of Group senior management team and other individuals approved by the VEON Board. Each OpCo's overall risk profile is presented to its OpCo Board regularly (at least once per quarter) and is accompanied by recommendations from its OpCo BRC. This program is continuously monitored by OpCo management as well as the OpCo Boards, and reviewed by both OpCo and Group Internal Audit, with the ARC providing ultimate oversight, with each OpCo BRC providing active monitoring and engagement with the OpCos on all enterprise risks, control, compliance and assurance matters.

5. Assure:

On a quarterly basis, through our management certification process, OpCo CEOs and CFOs certify that significant risks have been considered and appropriate measures have been taken to manage the identified risks in accordance with the Group's ERM policies and procedures, including our risk appetite.

Control framework

VEON is publicly traded on a U.S. stock exchange and registered with the U.S. Securities and Exchange Commission. Thus, it must comply with the Sarbanes-Oxley Act (SOX). Section 404 of SOX requires that management perform an assessment of the Internal Control over Financial Reporting (ICFR) and disclosures to confirm both the design and operational effectiveness of the controls.

Our internal control system is 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. The VEON ICFR Framework incorporates risk assessment as part of our scoping process, an assessment of the design effectiveness of the required controls, testing of the operating effectiveness of the key control activities and monitoring of our financial reporting at entity-wide and functional levels. VEON has established uniform governance, policies and control standards that apply to controlled subsidiaries. Our ICFR testing results are reported into our OpCo BRCs, OpCo Boards, members of our Group Executive Committee, and the ARC at least on a quarterly basis as part of our assurance model. For a more detailed overview of the governance changes in 2023 see Director's Report section in these Financial statements.

Our Disclosure and Review Committee supports our Group Chief Executive Officer and Group Chief Financial Officer in ensuring that public disclosures made by VEON are accurate and complete, fairly present VEON's financial condition and results of operations in all material respects, and are made on a timely basis, in compliance with applicable laws, stock exchange rules and other regulatory requirements.

Local management is responsible for business operations of our subsidiaries, including risk mitigation as well as compliance with laws, regulations and internal policies and requirements. We have created uniform governance and control standards for all our levels of operations. The standards apply to all our subsidiaries with the same expectation: that they conduct business in accordance with ethical principles, internal policies and procedures, and applicable laws and regulations. The standards are intended to define and guide conduct with respect to relevant compliance and ethics principles and rules, and to create awareness about when and where to ask for advice or report a compliance or ethics concern, which includes the use of VEON's SpeakUp channels. The principles apply to all VEON employees in all operating businesses and headquarters.

Employees receive annual training on the VEON Code of Conduct (Code), which includes certification to comply with the Code. Our group-wide Code applies to all VEON employees, officers and directors, including its Chief Executive Officer and Chief Financial Officer. Our Code is available on our website at http://www.veon.com, under "About Us/Values & Ethics" (information appearing on the website is not incorporated by reference into this Annual Report.

A Group Authority Matrix/Delegation has been established and is regularly reviewed and updated. It provides clarity on the role and focus of VEON's corporate HQ, empowers OpCos to ensure they have the appropriate scope of authority and accountability to operate and manage local businesses, and ensures requisite oversight and control across the Group by VEON's Group Executive Committee, OpCo CEOs and their respective management teams as well as OpCo Boards and the VEON Board of Directors.

We have a Group-wide, quarterly management certification process in place, which requires the Chief Executive Officer and Chief Financial Officer at each of our OpCos, and certain Group functional directors at our HQ, certify compliance with the uniform governance and control standards established in VEON, including:

- compliance with the Code and related Group policies and procedures, including compliance with VEON's principles, procedures and policies on ethics and compliance, fraud prevention and detection, accounting and internal control standards, and disclosure requirements;
- compliance with local laws and regulations;
- compliance with the VEON Accounting Manual;
- Business Partner Code of Conduct;
- internal disclosure obligations; and
- deficiencies, if applicable, in design and operation of internal controls over financial reporting have been reported

Key risks table for VEON and examples of mitigation and 2023 developments

Below is a summary of the key risks we face in operating our business and a discussion of certain mitigation efforts associated with these risks. For a more detailed discussion of the risks and uncertainties relating to our business, see the Risk Factors Section of this Annual Report. The risks listed may not be exhaustive, and additional risks and uncertainties not presently known to VEON or that it currently deems immaterial, may also have, or develop a material adverse effect on its business, operations, financial condition or performance, or other interests.

Prioritization of Strategic, Operational and Financial risks is based on EBITDA business impact's thresholds and likelihood scales from 1 to 5. Once the identified risks are assessed and prioritized based on the above scales, the risk response strategy (take, treat, terminate, transfer) is decided and mitigating action plans are defined and/or updated, the outcome of the risk assessment information is captured in our Global GRC Tool. The risk response strategy is determined based on the business context, risk appetite, severity and prioritization. Further the risk response must also consider the anticipated costs and benefits commensurate with the severity and prioritization of the risk and address any obligations and expectations (e.g. industry standards, shareholder expectations, etc.).

Prioritization of some compliance risks such as Non-compliance to Anti-bribery and corruption laws, and Non-compliance to International Sanction and export laws and regulations is performed qualitatively, due to their nature, based on external factors sourced from independent non-governmental reports (where possible) and Internal factors sourced from VEON's business processes by the Local Ethics and Compliance and Legal teams.

The sequence in which the risks and mitigating actions are presented below are not intended to be in any order of severity, chance or materiality. Legend (qualitatively assessed of net risk i.e. considering mitigating actions):

Risk increased: 🡅 Risk decreased: 🡇 Risk stable: **=**

Risk	Examples of how we mitigate	Some examples of 2023 developments
1. Market		
Our business is subject to a variety of market-related risks across our geographies. These include:		
↑ The ongoing war between Russia and Ukraine and the related responses of the United States, the European Union, the United Kingdom and certain other nations, as well as related responses by our service providers, partners, suppliers and other counterparties, have and will continue to impact our operations in Ukraine and elsewhere, including via reputational harm. **=** Foreign exchange-related risks since a significant proportion of our costs, expenditure and liabilities are denominated in U.S. dollars while a proportion of our operating revenue is in a variety of other currencies. ↑ Unfavorable economic conditions and the impact of geopolitical developments and unexpected global events outside of our control, such as, pandemics, wars, natural disasters, international economic sanctions and export controls, among other factors. ↑ Emerging markets-related risks given that all of our six of our operating markets are in the developing world and are vulnerable to a varying degree of political, economic and legal and regulatory variability around issues such as capital controls and rules on foreign investment, as well as social instability and military conflicts. *Continued next page*	• We closely monitor the developments related to international economic sanctions, which allows us to adapt our services and capital structure accordingly in a timely manner and to ensure the Group acts in accordance with applicable sanctions requirements. • We hedge part of our exposure to fluctuations on the translation into U.S. dollars of the revenues and expenditures of its foreign operations by holding borrowings in local currencies. • We review and analyze OPEX and CAPEX expenditures on an ongoing basis to optimize the cost structure while maintaining our commitments towards VEON's employees, government and financial institutions and our critical business partners. • We manage a diverse portfolio of emerging markets businesses which helps ensure that, in the event of a market underperforming for whatever reason, the impact of such underperformance on the financial and operating performance of the Group as a whole is limited. *Continued next page*	• In February 2022 the European Union imposed sanctions on Mikhail Fridman and Petr Aven, and on March 15, 2022, the United Kingdom imposed sanctions on then LetterOne shareholders, Mr. Fridman, Mr. Aven, Alexey Kuzmichev and German Khan. The European Union additionally designated Mr. Khan and Mr. Kuzmichev; and on August 11, 2023, the U.S. designated Mr. Fridman, Mr. Aven, Mr. Khan and Mr. Kuzmichev (collectively, the "Designated Persons"). Mr. Fridman resigned from VEON's board of directors effective February 28, 2022. Since 19 October 2022, Mr. Fridman and Mr. Aven as well as Andriy Kosogov (also a shareholder of LetterOne), were targeted by Ukrainian sanctions. Sanctions were imposed on a 10-year period, apply exclusively to the sanctioned individuals, and are not applicable to the Ukrainian legal entities of the VEON Group. None of the Ukrainian legal entities of the VEON Group have been designated under the Ukrainian sanctions. • On October 4, 2023, Ukrainian courts froze all "corporate rights" of Mikhail Fridman, Peter Aven and Andrei Kosogov in 20 Ukrainian companies, in order to preserve evidence while criminal proceedings, unrelated to Kyivstar or VEON, are in progress. We received notification from our local custodian that 47.85% of Kyivstar shares have been frozen, which would prevent any transaction involving this portion of shares. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. have filed two motions with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON, and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected the Company's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts alongside these court actions, however, there can be no assurance that these efforts will be successful. *Continued next page*

Risk	Examples of how we mitigate	Some examples of 2023 developments
1. Market		
🡩 Risk related to our ability to continue as a going concern as a result of the effects of the ongoing war between Russia and Ukraine and the uncertainty of further sanctions. 🡩 Competition since we operate in highly competitive markets which may impact our ability to attract, retain and engage customers and achieve our business and financial targets. **=** Keeping pace with technology since our future success will depend on our ability to effectively anticipate and adapt to the changes in the technological landscape and deploying networks and services that these enable.	• We have taken a number of measures to protect our liquidity and cash provision, such as accumulating a significant cash balance at HQ. • We develop and offer customers new digital products and services in line with our digital operator strategy, which is focused on delivering high-quality and seamless services to our customers. • We are monitoring and responding to technology developments and competitor activity that could have an impact on us achieving our goals	• On October 9, 2023 VEON completed its exit from Russia with the closing of the sale of its Russian operations. Currently, VEON is not subject to any sanctions (including by the U.S., EU or UK) but is subject to the impact of sanctions on its beneficial owners and, overall, there is significant uncertainty regarding the impact of any future sanctions that may or may not be imposed by different jurisdictions. • In Q2 2023, VEON announced a US$600 million investment, facilitated through its subsidiary Kyivstar, aimed at supporting Ukraine's recovery over the following three years. This investment will primarily target Kyivstar's infrastructure initiatives to ensure nationwide essential connectivity and 4G services, advance the accessibility of high-quality digital services for all Ukrainians, and fund community support projects. • To mitigate the risk of asset loss resulting from the war between Ukraine and Russia, Kyivstar has secured insurance coverage, although receipt of insurance claims cannot be guaranteed. • VEON has consistently conducted sensitivity analyses to adapt treasury and operational payment schedules in response to fluctuations in currencies such as PKR, BDT, and UAH, thereby mitigating the adverse effects of currency volatility. • Following up on their “Invest in Ukraine, NOW!” campaign, VEON and Kyivstar have also co-hosted “B2U: Business to Ukraine”, a business and investment forum in Kyiv. During the Forum, more than 100 representatives of Ukraine’s leading businesses held discussions on improving the investment climate in the country, which is expected in turn to support the flow of international business to Ukraine, contributing to the country’s economic resilience. Kyivstar, the country’s largest telecommunications company and one of the highest taxpayers, invested roughly US$174 Mln in capex in 2023, and expects to widen the scope of its future investment commitment from $600 Mln in 3 years to US$1 Bln in 5 years, if market conditions permit.

Risk	Examples of how we mitigate	Some examples of 2023 developments
2. Liquidity and Capital		
Our business requires considerable financial capital in order to invest in the growth opportunities we identify. This requires us to manage a number of risks relating to capital and liquidity. These include:		
↓ Liquidity risk since as a holding company, VEON Ltd. depends on the performance of its subsidiaries and their ability to pay dividends, and may therefore be affected by changes in exchange controls and dividends or currency restrictions in the countries in which its subsidiaries operate, as well as the ongoing war between Russia and Ukraine, impacting local economies and our operations in those countries. ↓ Debt service risks given that substantial amounts of indebtedness and higher debt service obligations could materially impact our cash flow and affect our ability to raise additional capital, especially in case of breach of covenants, significant FX volatility or impaired ability to generate revenue due to the ongoing war between Russia and Ukraine. ↓ Access to capital since VEON's substantial amounts of indebtedness and debt service obligations may not be fully covered by our cash flows, while VEON has re-obtained credit ratings from Fitch and S&P, we may experience difficulty accessing capital markets or may only be able to raise additional capital at significantly increased costs. = Banking and Financial Counterparty risk given that the banking systems in many countries in which we operate remain underdeveloped and there are a limited number of creditworthy banks in these countries with which we can conduct business. In addition, restrictions on international transfers, foreign exchange or currency controls and other requirements might restrict our activity in certain markets in which we have operations, including as a result of the ongoing war between Russia and Ukraine. ↑ The risk for VEON with the recent increase in central bank interest rates primarily revolves around the impact on financial stability and market conditions. As central banks raise rates to combat inflation, this could lead to tighter financial conditions, increased borrowing costs, and heightened economic uncertainty, all of which can affect corporate profitability and operational costs.	• We have a centralized treasury function whose job is to manage liquidity and funding requirements as well as our exposure to financial and market risks. • Our policy is to create a balanced debt maturity profile and to use market opportunities if and when available to extend the maturity and reduce the cost of our borrowings. • We monitor our risk to a shortage of funds using a recurring liquidity planning tool. Our 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 primary objective of our capital management is to ensure that it maintains healthy capital ratios, so as to secure access to debt and capital markets at all times and maximize shareholder value. We manage our capital structure and make adjustments to it in light of changes in economic conditions. • We adopt a prudent approach to managing our balance sheet leverage increasing the level of our local currency borrowing and maintain borrowing headroom in our revolving credit facilities. • VEON manages its interest rate risk exposure through a portfolio of fixed and variable rate borrowings. • The ability to upstream cash to HQ level to meet obligations was impaired in 2023 by currency controls in Ukraine and other geopolitical and FX pressures affecting emerging markets. VEON remains committed to monetizing assets to enhance liquidity at the HQ level and is taking steps to regain access to capital markets.	• On March 28, 2024 VEON repaid the outstanding balance of US$805 Mln (principal, excluding accrued interest) under its revolving credit facility ("RCF") and cancelled the RCF. The repayment of the outstanding amount and the cancellation of the RCF will reduce VEON's interest expenses, in line with our effective cash and balance sheet management practices. • VEON Ltd. and its subsidiary, VEON Holdings B.V. redeemed in full its senior notes due in December 2023 and June 2024, outstanding as of the redemption date of September 27, 2023. • As part of the Company's execution of its strategy to transform into an asset-light digital operator, in December 2023 its wholly owned subsidiary Banglalink completed the sale of part of its tower portfolio in Bangladesh to Summit Towers Limited for a consideration of approximately BDT 11 Bln (c. US$100 Mln). While the proceeds from the deal provided Banglalink with funds to fulfil financial commitments and freeing up resources for its digital expansion, VEON was able to upstream cash to its HQ to enhance liquidity. • VEON's ambition is a leverage ratio of maximum 1.5x. This target should allow VEON sustained access to capital markets as well as allow it to absorb possible sharp increases in (local) borrowing rates. • VEON's legal team is monitoring future sanctions and assessing the impact of sanctions on certain beneficial owners to mitigate reputational and operational impacts.

Risk	Examples of how we mitigate	Some examples of 2023 developments
3. Operational		
VEON is a complex business operating across six markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks, which include:		
↑ Cyber-attacks and other cybersecurity threats, to which telecommunications providers are vulnerable given the open nature of their networks and services, could cause financial, reputational and legal harm to our business should these succeed in disrupting our services and result in the leakage of customer data or of our intellectual property. ↑ Network stability and business continuity risks given that our equipment and systems are subject to damage, disruption and failure for various reasons, including as a result of the ongoing war between Russia and Ukraine. ↑ Supply chain risks since we depend on third parties for certain services and products important to our business and there may be unexpected disruptions to supply chains due to a variety of factors, including regulatory (e.g. trade and export restrictions including those imposed as a result of the ongoing war between Russia and Ukraine), natural disasters, pandemics and similar unforeseen events. = Challenges in local implementation of our strategic initiatives, which could be affected by a variety of unforeseen issues, including (but not limited to) technological limitations, regulatory constraints and insufficient customer engagement. = Partnership risks given that we participate in strategic partnerships and joint ventures in a number of countries on the basis of agreements which may affect our ability to execute on our strategic initiatives and, require the consent of our partners to withdraw funds and dividends from these entities. Partnerships could also give rise to reputational and indirect regulatory risks with respect to the behaviors and actions of our partners, as well as risks surrounding losing a partner with important insights in the local market. *Continued next page*	• We monitor and log our network and systems, and keep raising our employees' security awareness through training, and operate a structured vulnerability scanning process within our security operations centers. • Each OpCo monitors the business continuity risks and ensures appropriate mitigation action plans, activities and systems are put in place to minimize risks of network instability and disruption. • We reduce our reliance on single vendors to the extent possible and opt for use of alternative suppliers where possible and ensure compliance with the applicable licensing and approval requirements in case of sanctions and export control restrictions. • We conduct risk-based due diligence on our business partners and mitigate apparent risks through contractual requirements, representations, indemnities, warranties, etc. • We regularly monitor the media presence and reputations or our partners and respond accordingly. • We remain committed to simplifying our business structure, which extends to our local partnerships.	• VEON has a monthly cybersecurity forum to allow for structured and consistent governance throughout the Company, 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. In addition to our operating companies in Bangladesh (Banglalink) and Pakistan (Jazz) completing ISO 27001 (Information Security Management System) certification during 2022, our HQ entity in Amsterdam and micro financing subsidiary in Pakistan (Mobilink Microfinance Bank) has launched initiatives in 2023 and with provided solid commitment from management aiming to achieve ISO 27001 certifications in 2024. • In 2023, we completed a project to enhance the anti-phishing mechanisms and safeguards for our email systems to provide an additional layer of security against phishing attacks that target our personnel through malicious emails. In 2023, we also replaced our content management system ("CMS") service provider in order to improve the performance and security of the VEON corporate website and the content published there. The vendor selection process for the CMS migration was carried out diligently to avoid service and access disruptions on the VEON website. • As part of our initiative to digitize our core telecommunications business, we intend to continue focusing on increasing our capital investment efficiency, including with respect to our IT, network, and distribution costs. We 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. *Continued on the next page*

Risk	Examples of how we mitigate	Some examples of 2023 developments
3. Operational		
VEON's business model is significantly capital-intensive, primarily due to its reliance on the development and maintenance of extensive telecommunications infrastructure. Ours is a complex business operating across six markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks, which include:		
↑ Infrastructure risks given that the physical infrastructure in some of our markets is in poor condition and may require significant investment by local governments or additional substantial and ongoing expenditures by us, in order to sustain our operations, in addition to risk of maintaining our infrastructure in Ukraine and responding to the ongoing war as it develops further. ↑ The ongoing war between Russia and Ukraine and its direct and indirect consequences have impacted and, if the war continues or escalates, may continue to significantly impact VEON's results and aspects of its operations in Ukraine. We may in the future incur substantial impairment charges as a result of the write down of the value of goodwill or from the impact of the ongoing war between Russia and Ukraine. During 2023, we reported 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 war between Russia and Ukraine. Our operations in Ukraine represented approximately 25% of our revenue for the year ended December 31, 2023. = Given VEON's structure as a holding company and the ongoing challenges in extracting cash from regions like Ukraine amid wartime conditions, it is crucial to highlight the associated risks to financial stability. The difficulty in repatriating funds due to geopolitical instability, regulatory changes, and disruptions in the financial system directly affects VEON's liquidity and financial operations across its subsidiaries. These challenges can limit the group's overall financial flexibility, impacting its ability to make timely investments and meet debt obligations. ↑ Risk related to spectrum and license rights, and the potential for increases in the costs of such rights, given that the success of our operations depends on acquiring and maintaining spectrum and licenses in each of our markets, most of which are granted for specified terms with no assurance that they will be renewed once expired, or at what price. = Interconnection agreements with other operators upon which the economic viability of our operations depend. A significant rise in these costs, or a decrease in the interconnection rates we earn, could impact the financial performance of our business, as could adverse local regulation of Mobile Termination rates (MTRs), which govern the rates at which carriers compensate each other for carrying calls that originate on one another's networks.		• Due to the ongoing war between Russia and Ukraine, there is an inherent risk of further damage to our network assets situated within Ukrainian territories not under Russian occupation. While efforts have been made by the Ukrainian OpCo to repair most of the incurred damage, the volatile nature of the war escalation presents uncertainty regarding the resilience of our network in Ukraine to potential additional major damage. • On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, has entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2,012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit Towers Limited ("Summit"), for BDT 11 billion (US$97). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. • As part of the execution of our digital operator strategy, in 2023, a special focus was given to the development, improvement and maintenance of our IT and cybersecurity systems all OpCos. • VEON Group's Assurance Agreement with Huawei, renegotiated and extended to 2029, provides a mechanism to mitigate operational impacts during sanctions escalation events affecting Huawei, including the exercise of step-in rights by VEON.

Risk	Examples of how we mitigate	Some examples of 2023 developments
4. Legal		
Our business is subject to a variety of laws and regulations, including:		
🡅 Regulatory, legal and compliance risks given that the telecommunications industry is highly regulated and we are subject to a large number of laws and regulations (including anti-corruption laws and laws restricting foreign investment which change from time to time, vary between jurisdictions and can attract considerable costs, including fines and penalties, with respect to regulatory compliance. 🡅 Sanction and export controls risks since we are subject to, depending on the transaction or business dealing, laws and regulations prescribed by various jurisdictions, including the United States, the United Kingdom and the European Union and especially in connection with the ongoing war between Russia and Ukraine. Applicable requirements remain subject to change and may impact our ability to conduct business in certain countries and with certain parties with which we have services, supply or other business arrangements. The risk of export restrictions for Chinese vendors has also gained relevance at the end of 2023. 🡅 Unpredictable tax claims, decisions, audits and systems, as well as changes in applicable tax treaties, laws, rules or interpretations give rise to significant uncertainties and risks that could complicate our tax planning and business decisions. 🡅 Unethical or inappropriate behavior, including potentially bribery and corruption, which could result in fraud or a breach of regulation or legislation and could, in turn, expose VEON to significant penalties, criminal prosecution and damage to our brand and reputation. **=**As VEON expands into Digital and Mobile Financial Services (DFS and MFS) beyond its traditional telecommunications offerings, the company faces increased regulatory risks associated with Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF). These regulations necessitate the implementation of stringent systems and controls to detect, prevent, and report potential financial abuses. The expansion into DFS and MFS introduces complexities due to the high volume and cross-border nature of digital transactions, requiring VEON to comply with diverse international and local compliance standards. Non-compliance could result in severe penalties, including financial fines, sanctions, and reputational damage, underscoring the need for VEON to continuously invest in robust compliance frameworks and staff training to manage these risks effectively. *Continued next page'*	• We maintain good bilateral relationships with the regulatory authorities in our operating markets in order to help us understand and adapt to their concerns with respect to local regulation. • We closely monitor the developments related to international economic sanctions and export controls to comply with applicable sanctions and export control requirements and restrictions. • We operate a policy of diverse sourcing with respect to equipment suppliers to ensure that we are not overly reliant on any single vendor should a supply disruption arise, including as a consequence of the imposition of sanctions and export controls laws. • Developments in tax legislation and requirements as well as tax claims and decisions are monitored by local tax teams with oversight from HQ to ensure compliance with tax reporting and timely mitigation of possible tax disputes and audits. • Our Ethics & Compliance and Legal teams maintain oversight and expertise from HQ and rely on dedicated local teams with knowledge of the legal and regulatory requirements of each of our operating markets and supplement with advice from external counsel when required. • We maintain an Ethics & Compliance program which includes a comprehensive approach to detecting, investigating, remediating and reporting misconduct, as well as fostering a strong Tone at The Top (TaTT) to encourage discussions about behavior and values and to optimize the cooperation and communication between HQ and OpCos to ensure appropriate standards of behaviors are communicated throughout the Group and enforced locally. • We maintain appropriate know-your-customer (KYC) and anti-money laundering (AML) controls across our DFS and MFS products and services as required by local rules and international best practices. • We maintain a privacy program that includes data privacy controls such as privacy assessments, *Continued next page*	• As of March 31, 2024, the Company continues to conclude that neither VEON Ltd. nor any of its subsidiaries is targeted by sanctions imposed by the United States, European Union (and individual EU member states) and the United Kingdom. • 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. • The Italian tax authorities (ITA) conducted a review of Wind Telecom SpA, which has since merged into VEON Holdings B.V., focusing on fiscal years 2015 through 2017. By the second quarter of 2023, the negotiations concluded with a signed settlement agreement for US$18 million. *Continued next page*

Risk	Examples of how we mitigate	Some examples of 2023 developments
4. Legal		
Our business is subject to a variety of laws and regulations, including:		
to store data and contents of communication for minimum periods. 🡩 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 caused by the ongoing war between Russia and Ukraine; involuntary deconsolidation of our operations in Ukraine; breach or default of the covenants in our financing agreements; etc. 🡩 Data privacy risks since we collect and process customer personal data, we are subject to an increasing amount of data privacy laws and regulations. In some cases these laws and regulations also bring restrictions on cross border transfers of personal data and surveillance related requirements	data breach response and individual rights processes, to ensure we comply with EU and local data privacy laws for the collection and processing of personal data for our services, human resource management and compliance processes. • OpCo Business Risk Committees (BRCs) are utilized to ensure Group management is in close alignment with local OpCo managers and key risks they face, and that effective, informed and risk-based decision making by the local OpCo Boards and VEON's Board takes place.	• On March 8, 2023, following an a previous announcement and approval by the Board of Directors a change of ratio in the Company's ADR program became effective. The change of ratio comprised 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"). • A Ukraine Defense Group has been created to provide daily updates to the GEC on the progress of mitigation measures and ensure a coordinated approach to addressing legal and sanctions risks in Ukraine. • VEON Ltd. and VEON Holdings B.V. have filed two motions with the relevant Kyiv district court, challenging the freezing of corporate rights in Kyivstar. This legal action aims to protect VEON's rights and challenge any actions that violate the rights of VEON and its international debt and equity investors. • VEON has engaged external counsel to assess the impact of sanctions on certain beneficial owners and provide legal guidance on mitigating the reputational and operational impacts. This helps VEON stay informed about the potential risks and take appropriate actions to mitigate them.

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. You should carefully consider all of the information set forth in this Annual Report 2023 including, but not limited to, the risks set forth in this note. 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 ongoing war 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 war, sanctions (including any reputational harm from certain of the beneficial owners of our largest shareholder, L1T VIP Holdings S.à r.l. ("LetterOne"), being subject to sanctions) that could lead to the risk of Kyivstar's nationalization; and its impact on our liquidity, financial condition and our ability to operate as a going concern;
- risks relating to the recognition of impairment charges in respect of our CGUs, some of which could be substantial, including the potential impairment charge for our Bangladesh CGU following recent political unrest, which may cause us to write-down the value of our non-current assets, including property and equipment and intangible assets (e.g., goodwill);
- risks relating to foreign currency exchange loss and other fluctuation and translation-related risks;
- 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 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 and 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, upstreaming cash, 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 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;
- other risks and uncertainties as set forth in this note—*Risk Factors.*

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

Market Risks

The ongoing war 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.

Direct Impact of the War

The ongoing war between Russia and Ukraine and its direct and indirect consequences have impacted and, if the war continues or escalates, may continue to significantly impact VEON's results and aspects of its operations in Ukraine. Due to the nature of the war, we cannot assess with certainty whether events are likely to occur, and events may occur suddenly and without warning. Specifically, the ongoing war has had a marked impact on the economy of Ukraine and has caused partial damage to our sites in Ukraine. See "*—From time to time, we recognize impairment charges in respect of our CGUs, some of which can be substantial, including the potential impairment charge for our Bangladesh CGU following recent political unrest"* and Note—*Operating and Financial Review and Prospects.* Our operations in Ukraine represented approximately 25% and 22% of our revenue for the year ended December 31, 2023 and the six months ended June 30, 2024, respectively.

The ongoing war 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.

Customer demand for our services in Ukraine may increase or decrease depending on the fluctuations in the Ukrainian population as a result of Ukrainians relocating in or out of the country due to the ongoing war. For example, as of June 14, 2024, it is estimated by the United Nations High Commissioner of Refugees that approximately 6.5 million people have fled Ukraine and the country has sustained significant damage to infrastructure and assets. If the ongoing war 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 may also experience fluctuations in the demand for our services if our customers experience difficulties in accessing or using our products and services outside of Ukraine, either as a result of roaming arrangements with our network providers or as a result of switching to a different provider on a temporary or permanent basis. We have experienced a decline in revenue generated from international mobile termination rates ("MTRs") charged to Ukrainian customers due to EU policies implemented that regulate roaming charges for Ukrainians. We expect these policies and decrease in rates charged to Ukrainian customers to continue, with Ukraine and the European Union extending, in April 2023, the arrangements for Ukraine's access to free roaming areas (first introduced in April 2022) for 2024. Furthermore, the European Commission has continued its efforts to integrate Ukraine into the EU roaming area, which could eliminate roaming charges for Ukrainian customers indefinitely throughout the European Union if adopted.

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 war. For the year ended December 31, 2023, our 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 822.0 million (US$22.5 million). In the prior year these costs were approximately UAH770.55 million (US$19 million). As of June 30, 2024 for the year to date, these costs were approximately UAH 55.2 million (US$1.42 million). We expect these costs will continue, and could increase, while the war 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, destroyed or occupied. As of December 31, 2023 and June 30, 2024, we have experienced partial destruction of our infrastructure in Ukraine (about 11.3 and 11.1%, respectively, of our telecommunication network has been damaged or destroyed, of which about 41.6% and 40.1%, respectively, has been restored). As of June 30, 2024 approximately 5.7% of our telecommunication network is 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 war 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 war 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. We have installed additional generators and batteries, 2,191 power conversion systems and 121,188 power conversion systems, respectively, to ensure 72-hour energy backup capacity in order to meet certain regulatory requirements. 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 or a pandemic in a concentrated geographic area. In December 2023, the Company's wholly owned subsidiary, Kyivstar, was the target of a widespread cyber-attack that caused technical failure resulting in Kyivstar subscribers being unable to use its communication services. As part of our crisis management procedures and business continuity plans, we worked closely with Ukrainian law enforcement agencies to determine the cause of the attacks; the assessments conducted indicate that Kyivstar likely experienced these attacks as a part of the ongoing war in Ukraine. See *"We have experienced and are continually 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"* for more information.

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.

Indirect Impact of the War

As a leading telecommunications provider in Ukraine, we have been adversely impacted by the ongoing war. We expect to continue to face challenges with our performance in Ukraine, which may be exacerbated as the war continues. Furthermore, if there is an extended continuation or further increase in the ongoing war 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 indirectly impact our business and results of operations, nor is it possible to execute comprehensive contingency planning in Ukraine due to the ongoing war and inherent danger in the country. The discussion below attempts to surmise how prolongation or escalation of the war, expansion of current sanctions, the imposition of new and broader sanctions, and disruptions in our operations, transactions with key suppliers and counterparties could have an indirect impact on our results and operations. We cannot assure you that risks related to the war are limited to those described in this Annual Report 2023.

On February 24, 2022, Ukraine declared martial law and introduced measures in response to the ongoing war 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 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 as these individuals are not part of the Company's corporate governance mechanisms nor are they able to exercise any rights regarding VEON. However, we cannot rule out the potential impact of these sanctions 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, the government of Russia has introduced countermeasure sanctions which have subjected 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 United States, European Union or United Kingdom sanctions as a consequence of LetterOne being a 45.5% shareholder in VEON (as of September 30, 2024) (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 the price of our securities. Even with the sale of our Russian operating company PJSC VimpelCom and its subsidiaries (collectively, our "Russian

Operations”), the sanctions against certain of our beneficial owners have continued to pose challenges to our business and operations. For example, we have faced challenges and expect we will continue to face challenges in conducting business with persons or entities subject to the jurisdiction of the relevant sanctions regimes, including international financial institutions, rating agencies, independent auditor and international equipment suppliers, which can impact our ability to raise funds from international capital markets, acquire equipment from international suppliers or access assets held abroad. In addition, we may face increased challenges with appointing international financial institutions as a result of the issuance of Executive Order 14114 in December 2023, which amended Executive Order 14024, to authorize the U.S. Secretary of the Treasury to impose sanctions on non-US financial institutions in the event it determines such institutions have conducted or facilitated any significant transaction or transactions, or provided any service, involving companies operating in Russia’s technology sector among others sectors. While we do not believe the nature of any remaining ties that we have with VimpelCom, including our Beeline license, would fall within the scope of such sanctions, international financial institutions could take the position that VimpelCom operates in Russia’s technology sector and therefore decline to process any transactions that we have involving VimpelCom. Financial institutions may also reexamine their relationships with VEON given our prior nexus to VimpelCom. Moreover, if we become the target of US, 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”.*

In addition, certain of our key infrastructure and assets located within Ukraine may be seized or may be subject to appropriation if Russian forces obtain control of the regions within Ukraine where those assets are situated and, therefore, may have an adverse effect on our ability to continue to operate in Ukraine. In May 2023, pursuant to existing Ukrainian nationalization laws (the “Nationalization Laws”), the President of Ukraine signed an initial package of restrictive measures relating to 41 entities, including against Zaporizhstal, one of Ukraine’s largest metallurgical companies, due to Russian ownership in the company’s structure. Furthermore, as part of the measures adopted by Ukraine in response to the ongoing war with Russia, amendments to the Nationalization Laws have been approved by the Ukrainian Parliament and, as of June 30, 2024, are awaiting signing by the President of Ukraine (the “Nationalization Laws Amendments”). Among other things, the Nationalization Laws Amendments extend the definition of “residents” whose property in Ukraine (whether owned directly or indirectly) can be seized under the Nationalization Laws to include property owned by the Russian state, Russian citizens, other nationals with a close relationships 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. It is currently unclear when the President of Ukraine will sign the Nationalization Laws Amendments into law, if at all.

Further, in April 2023, the Ukrainian Parliament approved measures to allow for the nationalization of Sense Bank (previously known as Alfa Bank), one of Ukraine’s largest commercial banks, on the basis that Sense Bank is a systemically important bank in Ukraine and it had shareholders that were sanctioned by Ukraine, including Mikhail Fridman and Petr Aven, who are shareholders in LetterOne.

In November 2022, the Ukrainian government invoked martial law, which allows the Ukrainian government to take control of stakes in strategic companies in Ukraine in order to meet the needs of the defense sector. In February 2024, the Ukrainian government announced the extension of the martial law period to May 14, 2024. In May 2024, the Ukrainian government announced an extension of the period from May 14, 2024 to August 11, 2024. The Ukraine Security Council Secretary indicated that, at the end of the application of martial law, assets which the Ukrainian government has taken control of pursuant to the martial law can be returned to their owners or such owners may be appropriately compensated.

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts froze all “corporate rights” of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings initiated in Ukraine against Mikhail Fridman and which are unrelated to VEON or any of our subsidiaries are in progress. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding. On October 30, 2023, we announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and Ukraine Tower Company and requesting the lifting of the freezing of our corporate rights. In December 2023, the court rejected the appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freezing of corporate rights in Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in our other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. Such action remains pending.

Furthermore, in April 2024, draft amendments to the Law of Ukraine “On Sanctions” of August 14, 2014 were introduced in the Ukrainian Parliament (the “Sanctions Law Amendments”), which could be applicable to our subsidiaries in Ukraine. Under the proposed Sanctions Law Amendments, the Ukrainian government may petition the relevant Ukrainian court to confiscate 100% of the corporate rights in any Ukrainian company if a person sanctioned by Ukraine, directly or indirectly holds a stake in such company, regardless of the percentage of the stake or the manner in which it is held. Following such confiscation, shares in such companies that are attributable to non-sanctioned persons would be held in escrow and would eventually be redistributed to such non-sanctioned persons upon application for redistribution. The voting and dividend rights of non-sanctioned persons would be suspended from the moment the shares are placed into escrow until redistribution. If non-sanctioned persons fail to apply for formalization of their ownership within five years from the confiscation, their shares would be transferred to the state of Ukraine without compensation. In August 2024, the Sanctions Law Amendments were withdrawn but the possibility cannot be excluded that similar proposals may be introduced in the Ukrainian Parliament at a later date.

Finally, according to press reports, on September 25, 2024, the Ministry of Justice of Ukraine filed a suit with the Ukraine High Anti-Corruption Court seeking confiscation of the shares in various companies related to Mikkail Fridman, Petr Aven and Adriy Kosogov and the company Rissa Investments Limited, in which certain of these individuals hold an interest. None of the shares reported to be targeted by such action are related to VEON or any of our subsidiaries.

It is possible that the Ukrainian authorities may continue to propose or implement further measures, including sanctions targeting companies that have Russian shareholders, and any such measures or similar measures, if applied in relation to our Ukrainian subsidiaries, could lead to the involuntary deconsolidation of our Ukrainian subsidiaries, 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.

The consolidated financial statements included in this Annual Report 2023 have been prepared on a going concern basis as a result of the ongoing war between Russia and Ukraine

The consolidated financial statements included in this Annual Report 2023 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 war between Russia and Ukraine and the uncertainty of further sanctions in response to the ongoing war 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 VEON's financial performance as a whole, as a result management has concluded 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 2023 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 war between Russia and Ukraine and potential for further sanctions and counter-sanctions, and future imposition of external administration over our 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 23—Basis of Preparation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements for further details.

From time to time, we recognize impairment charges in respect of our CGUs, some of which can be substantial, including the potential impairment charge for our Bangladesh CGU following recent political unrest

We have incurred, and may in the future incur, substantial impairment charges as a result of significant differences between the actual performance of our operating companies and the forecasted projection for revenue, adjusted EBITDA and/or capital expenditure which could require us to write-down the value of our non-current assets, including property and equipment and intangible assets (e.g., goodwill). The possible consequences of a financial, economic or geopolitical crises, including the ongoing war between Russia and Ukraine and political uncertainty in Bangladesh, and the impact such crises may have on customer behavior, the reactions of our competitors in terms of offers and pricing or their responses to new entrants in the market, regulatory adjustments in relation to changes in consumer prices and our ability to adjust costs and investments in response to 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. 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. As of December 31, 2023 and June 30, 2024 our consolidated balance sheet had US$349 million and US$345 million, respectively, in goodwill.

We regularly test our property and equipment and intangible assets for impairment by calculating the fair value less cost of disposal ("FVLCD") for our cash generating units ("CGU") to determine whether any adjustments to the carrying value of CGUs are required. Our assessment of the FVLCD of our CGUs involves estimations about the future performance of the CGU, accordingly, our estimate can be quite sensitive to significant assumptions of projected discount rates, EBITDA growth, projected capital expenditures, long term revenue growth rate and related terminal values. The Company assesses, at the end of each reporting period, whether there exists any indicators ("triggers") that indicate an asset may be impaired (e.g, asset becoming idle, damaged or no longer in use). If there are such indicators, the Company estimates the recoverable amount of the asset. Goodwill is tested for impairment annually (at September 30) or when circumstances indicate the carrying value may be impaired. During 2023, we reported US$1 million (US$36 million in 2022) 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 war between Russia and Ukraine. We determined there were no other impairments for the year ended December 31, 2023.

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations' disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of this Annual Report on Form 20-F, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis are expected to be published in our interim unaudited consolidated condensed financial statements for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See *Note 11—Impairment of Assets* and *Note 13—Intangible Assets* to our Audited Consolidated Financial Statements for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh. See "*Changes in tax treaties, laws, rules or interpretations, including our determination of the recognition and recoverability of deferred tax assets, could harm our business, and the unpredictable tax systems and our performance in the markets in which we operate give rise to significant uncertainties and risks that could complicate our tax and business decisions*" for more information.

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, Note 11—Impairment of Assets* and *Note 13—Intangible 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* and *—The ongoing war 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.*

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

On February 28, 2022, the European Union imposed sanctions on Mikhail Fridman and Petr Aven; 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; and on August 11, 2023, the United States designated Mr. Fridman, Mr. Aven, Mr. Khan, and Mr. Kuzmichev (collectively, 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 45.5% 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 Mikhail Fridman and Petr Aven, as well as Andriy Kosogov, who is also a shareholder in LetterOne (holding approximately 47.24% of LetterOne's shares based on a LetterOne memorandum dated May 24, 2022 and updated February 28, 2023) (Andriy Kosogov, along with the Designated Persons, the "Sanctioned Persons"). On October 6, 2023, the Security Services of Ukraine ("SSU") announced that the Ukrainian courts are seizing all "corporate rights" of Mr. Fridman in 20 Ukrainian companies that he beneficially owns, while criminal proceedings, unrelated to Kyivstar or VEON, are in progress. This announcement was incorrectly characterized by some Ukrainian media as a "seizure" or "freezing" of "Kyivstar's assets". On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly references Kyivstar, that the Ministry of Justice of Ukraine is separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our shares from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. have filed two motions with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON, and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected the Company's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts alongside these court actions, however, there can be no assurance that these efforts will be successful. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON, prohibitions on renting state property and land and prohibitions on participation in public procurement impacting B2G revenue. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on the transfer of technology and intellectual property rights to Kyivstar from VEON would also apply. For further information on the freezing of VEON's corporate rights in Kyivstar and the legal actions the Company is taking to challenge the freeze, see *Note 1— General Information about the Group—Freezing of corporate rights in Kyivstar*.

We have not been named as, and have concluded that we are otherwise not, the target of the United States', United Kingdom's, the European Union's or Ukraine's sanctions, including as a consequence of LetterOne being a 45.5% shareholder in VEON.

However, as a result of the association of Sanctioned Persons with our largest shareholder, even after the sale of our Russian Operations, we have suffered and may continue to suffer reputational harm. Moreover, notwithstanding this sale, many multinational companies and firms, including certain of our service providers, partners and suppliers, have chosen of their own accord to cease transacting with us along with all Russia-based or Russian-affiliated companies or those that they perceive to be affiliated with Russia (i.e. self-imposed sanctions), as a result of the ongoing war between Russia and Ukraine. To the extent that the ongoing war between Russia and Ukraine continues or further escalates, the list of companies and firms refusing to transact with companies they determine or perceive to be Russian or Russian-affiliated, including as a result of ultimate beneficial owners, may continue to grow.

Such actions have the equivalent effect, insofar as the ability to transact with such companies is concerned, as if the companies that are perceived to be Russia-based or Russian-affiliated companies were the target of government-imposed sanctions. In the event the association 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 war 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 completion of the sale of our Russian Operations, we have retained some of our Russian ruble denominated debt, even though we no longer generate 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 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.

We primarily generate revenue in currencies which have historically experienced greater volatility than the U.S. dollar. As a result, we may be exposed to greater foreign currency exchange losses, fluctuations and translation risks than in prior years when we primarily generated revenue in both Russian ruble and U.S. dollar. The value of the Ukrainian hryvnia experienced significant volatility following the outbreak of the war 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%, which it later removed in October 2023, replacing it with a more flexible exchange rate. The National Bank of Ukraine will continue to significantly limit exchange-rate fluctuations, preventing both a significant weakening and a significant strengthening of the Ukrainian hryvnia and we cannot be certain that the Ukrainian hryvnia will be pegged to the U.S. dollar at a later date. Because of the effects of the ongoing war between Russia and Ukraine, Ukraine’s economy is expected to continue to contract, which could further impact the Ukrainian hryvnia to U.S. dollar rate. Any change to the Ukrainian hryvnia/U.S. dollar exchange rate could cause the Group’s results of operations and financial condition to fluctuate due to currency translation effects. 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 war 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 any rate that could be 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 from high state budget expenditures, the global rise in prices for goods, increased political instability, climate and war-related impacts, and energy grid shortages which all resulted in high inflation rates in 2023 and continued in 2024. While in 2023 inflation levels began to decrease in some of our markets of operation, it is still relatively high compared to previous years, and any increase in inflation or sustained period of high inflation in any of our markets of operation could have a significant impact on our loan portfolio as a result of the impact that inflation can have on the exchange rate of the local currencies of our operations. 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 Note —*Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations*, Note —*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.

Adverse global developments such as wars, terrorist attacks, natural disasters, pandemics and the ongoing war between Russia and Ukraine and Israel and Hamas and the escalation of the conflict between Israel and Iran has impacted and could continue to impact the global economy for the foreseeable future, and the conflicts with Israel are threatening to spread, and may in the future spread, into other Middle Eastern countries. These adverse global developments and any spread or intensification of the forementioned conflicts could negatively impact our business, financial condition, results of operations, cash flows or prospects directly or indirectly. For example, the ongoing war between Russia and Ukraine, 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, 2023 and in the first half of 2024, and will likely continue to affect our operations and financial condition for the remainder of 2024 and the foreseeable future. In addition, the increasing price of fossil fuels and uncertainty regarding 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 war 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 uncertainty in Pakistan which has persisted since the no-confidence vote in April 2022 and the recent anti-government protests in Bangladesh during which our subsidiary experienced network outages and blockages that disrupted our operations. We are also impacted by other geopolitical and diplomatic developments in countries in which we do not operate as such developments may 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 operations, financial condition and business prospects.

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. In particular, global economic markets have seen extensive volatility over the past few years owing to the outbreak of the COVID-19 pandemic, the war between Russia and Ukraine, and the war between Israel and Hamas, the escalation of the conflict between Israel and Iran, the closing of certain financial institutions by regulators from March 2023, and political instability. These events have created, and may continue to create, significant disruption of the global economy, supply chains and distribution channels, and financial and labor markets. If such conditions continue, recur or worsen, this may have a material adverse effect on customer demand, the Company's business, financial condition and results of operations and its ability to access capital on favorable terms, or at all, and we could be negatively impacted as a result of such conditions and consequences. Furthermore, such economic conditions have produced downward pressure on share prices and on the availability of credit for financial institutions and corporations while also driving up interest rates, further complicating borrowing and lending activities. If current levels of market disruption and volatility continue or increase, the Company might continue to experience reductions in business activity, increases in funding costs, decreases in asset values, additional write-downs and impairment charges and lower profitability. In addition, rising energy costs, as a result of, among other things, the ongoing war between Russia and Ukraine, has resulted in many countries across the world 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 war between Russia and Ukraine has adversely impacted, and may continue to adversely impact, our customer numbers in Ukraine, and the war 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 U.S. Foreign Corrupt Practices Act ("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 wars, which could materially harm our business, financial condition, results of operations, cash flows or prospects. The outbreak of the war 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 experiencing significant social unrest or military conflicts. Our ability to provide service in Ukraine following the onset of the war 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 four-day blanket data closure in 2023 during the arrest of former Prime Minister Imran Khan). More recently, in July and August 2024, our subsidiary in Bangladesh experienced network outages and blockages during weeks of anti-government protests that toppled long-serving Prime Minister Shiekh Hasina, and the subsequent establishment of an interim government in Bangladesh. To a lesser degree, we continue to be impacted in Bangladesh and Pakistan by severe flooding in the region in 2023 and 2024. Local authorities may also order our subsidiaries to temporarily shut down part or all of our networks due to actions relating to military conflicts or nationwide strikes. See *Market Risks —The ongoing war 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* for a detailed discussion on the impact that the ongoing war 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 war, could make inappropriate use of our networks, attempt to compel us to operate our network in war 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 war 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, have and may continue to be required to expend resources to seek redress for such measures, 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 war.

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, 2023, approximately 97% and 80% of our customers in Pakistan and Ukraine respectively and as of June 30, 2024 approximately 98% and 78% 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.

For a description of the key trends and developments with respect to our business, including further discussion of the potential for a further loss of customers as a result of impact of the war between Russia and Ukraine and its impact on our operations and financial performance, see *—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 our 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 digital 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—*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, lower fees for digital services, 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, cloud services, Digital Financial Services ("DFS") offering (which encompasses a variety of financial services), content streaming, digital health 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 traditional voice and, messaging and commoditization of data coupled with the development of services by application developers (commonly referred to as “over-the-top” 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; and
- 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, digital services and increasing our customers’ spend across our services (i.e. our multiplay strategy) is the cornerstone of our growth strategy. This pursuit of growth by cross selling to our customers across our mobile connectivity and digital services has led to higher capital expenditures in some of our markets in 2023, including as a result of investments into our network infrastructure as well as spectrum acquisition and renewals. Our capex intensity was 18% as 4G network roll outs continued in 2023 and in the first half of 2024 and, while we aspire to keep our capex intensity between 18-19% in 2024, 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 —*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. For example, in Pakistan, we have expanded our network to support advanced 4G technologies, voice over LTE and voice over Wi-Fi 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 war 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, 2023 and June 30, 2024, the outstanding principal amount of our external debt for bonds, bank loans and other borrowings amounted to approximately US$3.7 billion and US$3.0 billion, respectively, excluding bonds held by our subsidiary. In addition to these borrowings, we also have lease liabilities amounting to US$1.0 billion as of December 31, 2023 and June 30, 2024. For more information regarding our outstanding indebtedness and debt agreements, see *—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 may prevent us or our subsidiaries from incurring additional debt. As our earnings are in local currency, while the majority of our debt is denominated in U.S. dollars, devaluations of the currencies of our key markets would make it more difficult to repay our debt. In addition, capital controls and other restrictions, including limitations on payment of interest, 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. 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 the covenants or provisions of the agreements under which we borrow funds 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. 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 and a description of how that has changed since December 31, 2023, see *Note 16—Investments, Debt and Derivatives* and *Note 23—Events After the Reporting Period* 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 war between Russia and Ukraine, our ability to upstream cash from Ukraine has been materially impaired, due to increased volatility of the Ukrainian hryvnia and tightened currency controls within Ukraine, currently restricting cash upstreaming from this country. In addition, the war 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, 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 of Russian ruble denominated notes will continue to be in United States Dollars, subject to compliance with sanctions. For more information, please refer *Item 5—Operating and Financial Review and Prospects— Key Developments after the year ended December 31, 2023.*

As of December 31, 2023, and June 30, 2024, we had approximately US$1.9 billion (including US$165 million at Mobilink Microfinance Bank Ltd. ("MMBL")) and US$0.9 billion (including US$140 million MMBL) of cash, respectively, of which US$1.3 billion and US$0.4 billion was held at the HQ-level at these respective dates. Despite our current liquidity levels, there can be no assurance that our existing cash balances 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 war between Russia and Ukraine, see *—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 strength of our credit rating by rating agencies. In March 2024, Fitch and S&P each published their assigned credit ratings to VEON, after withdrawing it in 2022 due to our then-significant Russian operations. If VEON's credit ratings were lowered or withdrawn again in the future, it could negatively impact our ability to utilize the capital markets to secure credit or funding.

In addition, economic sanctions that have been imposed in connection with the war 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 indirect share ownership by Russian entities or individuals. For example, the sanctions introduced have led 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 war 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 war 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 have issued bonds and have bank financing at our operating subsidiaries that are based on floating rates, such as the Pakistan based KIBOR. 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 negative impact on our financial conditions and results of operations. As of December 31, 2023 and June 30, 2024, we had the following principal amounts outstanding for floating rate interest-bearing loans and bonds: US$1,696 million and US$920 million, respectively. For more information on our indebtedness, see *—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness.*

A change in control of VEON Ltd. or VEON Holdings B.V. could require us to prepay certain indebtedness.

Certain of our financing agreements 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

We have experienced and are continually 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 have in the past experienced and are continually exposed to cybersecurity threats that have negatively impacted our business activities and could continue to impact our business activities through service degradation, alteration or disruption, including a risk of unauthorized access to our systems or those of third parties. These cybersecurity threats could be carried out against us or against third parties from which we receive services, networks or 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 its 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. While we invest in improving our IT and security systems at each of our operating subsidiaries, some of our subsidiaries rely on older versions of operating systems and applications that may lead to vulnerabilities in our IT network. Although we devote significant resources to obtaining and maintaining 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 i 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, compromised staff user accounts (including due to credential theft and password reuse or sharing), 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 war 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 war 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. For example, on December 12, 2023, we announced that the network of our Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. Following the cyber-attack, we conducted a high-level risk assessment of our IT infrastructure and identified the following risks associated with our operations: data leakage, compromised user accounts (including due to credential theft and password reuse), ransomware attacks on our various servers and files and malware attacks. While we have worked to remediate these vulnerabilities, we may find other vulnerabilities and we expect to remain subject to continued cyber-attacks in the future.

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 Holdings B.V., as well as the ability to make certain intercompany payments and transfers.

VEON Holdings B.V. 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 Holdings B.V. depends on cash dividends, distributions, management fees, loans or other transfers received from its subsidiaries to make dividend payments to its shareholder, 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 Holdings B.V. 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 Holdings B.V.'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 war 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 Holdings B.V.'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 war between Russia and Ukraine*, respectively.

Our equipment and systems are subject to disruption and failure for various reasons, including as a result of the ongoing war in 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 are 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 conflicts, incidents on or near our premises, equipment or points of sale could result in causalities, 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 occupation, as a result of the ongoing war between Russia and Ukraine there can be no assurance that our Ukrainian network will not sustain major damage or that such damage can be repaired in a timely manner as the war 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. See "*Market Risks--The ongoing war 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" and "Operational Risks-We have experienced and are continually 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.*

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.

Our reputation could be adversely impacted by negative developments in respect of the Beeline brand, which remains a trademark of our former subsidiary, VimpelCom (as defined below). 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.

Following the completion of the sale of our Russian Operations, each of our operating subsidiaries in Kazakhstan, Kyrgyzstan and Uzbekistan entered into amended and restated trademark license agreements with VimpelCom, pursuant to which each operating company maintains its existing non-exclusive license in relation to the "Beeline" name and associated trademarks (each a "License Agreement", and collectively the "License Agreements"). Each License Agreement is for an initial five-year term and the termination rights previously held by VimpelCom therein have been narrowed as compared to the original license agreement; no additional fees were added as part of these amendments. The License Agreements are subject to certain restrictions that may affect the operating subsidiaries' business. For example, when using the trademarks, the operating subsidiaries shall comply with the requirements of the Russian legislation and avoid using the Beeline trademarks in a way that may be to the detriment of the "Beeline" brand. The License Agreements cover only the trademarks the operating subsidiaries were using as of the date of the License Agreements (and similar trademarks). The subsidiaries may register 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 will fall within the scope of the License Agreements. VimpelCom may terminate a License Agreement if the relevant licensee does not comply with certain 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 retains 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, though VimpelCom cannot grant or use the Beeline license to compete directly with us in Kazakhstan, Kyrgyzstan and Uzbekistan. 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 in our markets 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.

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 "asset-light" business model and dispose of our tower assets, as we have partially done in Bangladesh through a sale completed in January 2024, 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 war 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, including as a result of the ongoing war between Russia and Ukraine and due to the challenges that sanctions on certain of our beneficial owners pose to our operations. Several existing and prospective business partners and service providers have declined to conduct business with us as a result and others may do so in the future. For further discussion, see *—Market Risks —The ongoing war 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.* For a further discussion of how the ongoing war 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, such as VEON, is not formally subject to sanctions, customers and business partners have decided and may decide to reevaluate or cancel projects for reputational or other reasons. Depending on the extent and breadth of sanctions, export controls and other measures that have been and may be imposed on us or other parties affiliated with us, such as our direct or indirect shareholders, in connection with the war in Ukraine and the response of our business partners in response to such controls, our business, financial condition and results of operations has in the past and could in the future materially and adversely affect us.

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 — *Property, Plants and Equipment.* We also depend on third parties, including software providers and service providers, for our day-to-day business operations.

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.

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.

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 1440 and digital assets. As part of this strategy, we are focusing on growing customer engagement and retention 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, both for our internal usage and as IT products at the service of our enterprise customers. For example, in August 2022, our subsidiary Kyivstar acquired a controlling stake in Helsi Ukraine, one of the country's largest medical information systems and leading digital healthcare providers, which Kyivstar continued to develop further in 2023 as part of the "Digital Ukraine" strategy. In addition, we have been working under a distributed governance model since 2022 that empowers operating companies with the authority and accountability to manage their operations (subject to certain limits) and more efficiently capitalize on local insight, and have also been encouraging our operating companies to create technology subsidiaries that serve a broader scope of customers with innovative products. One such example of this is QazCode in Kazakhstan, which was spun off from Beeline Kazakhstan in 2023. The launch of QazCode, the 4th largest IT company in Kazakhstan, is also part of the digital operator strategy aimed at combining connectivity with a complete digital product and services portfolio that meets local needs, including in mobile financial services, entertainment, health, and education and others.

We cannot assure you that we will be able to implement our 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 war between Russia and Ukraine, or otherwise encounter unforeseen issues, such as technological limitations, regulatory constraints, lack of customer engagement, or increased customer acquisition costs due to increased market saturation, 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 war between Russia and Ukraine disrupted our strategic plans and diverted management's attention from such initiatives while they focused and continue to focus on the impact the war between Russia and Ukraine 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. In addition, management's attention has been diverted from operations in other countries, as they continue to focus on our operations in Ukraine. The continuation or escalation of the war in Ukraine and its indirect consequences may increase our need for prudent cash management and reduce our appetite for investments in other countries. At the Group-level, we might be unable to implement certain strategic initiatives if such initiatives require cash 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 some restrictions for cash upstreaming from our operations in Pakistan due to the remittance and dividend restrictions that remain imposed by the State Bank of Pakistan for corporations operating in the country. The diversion of management's attention or funds and the lack of dividend 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 Kazakstan (i.e. KaR-Tel LLP) and Kyrgyzstan ("Sky Mobile" LLC), a digital health service platform in Ukraine (Helsi Ukraine) and a long-term services agreement (with Summit Towers Limited) in connection with our "asset-light" approach in Bangladesh. We also hold minority investments in e-commerce platforms in Bangladesh (ShopUp) and Pakistan (Dastgyr).

We also hold minority investments in e-commerce platforms in Bangladesh (ShopUp) and Pakistan (Dastgyr). 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 businesses 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 war 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 war between Russia and Ukraine, including any adverse publicity relating to us as a result of some 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 connection with our plan to move the VEON Group headquarters from Amsterdam to the Dubai International Financial Centre (DIFC), although we have offered Amsterdam-based headquarter employees relocation plans to move to Dubai, some have chosen not to. We therefore risk losing valuable institutional knowledge and will incur employee severance costs in connection with our planned HQ move to Dubai. Furthermore, while we devote significant attention to recruiting, training and instilling personnel with our corporate values and culture, there can be no assurance that our existing personnel, including those who have relocated, as well as the new personnel we hire to replace Amsterdam-based employees who have chosen not to, will successfully be able to adapt to and support our strategic objectives.

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 war in Ukraine, component backlogs or other issues, including but not limited to 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 war 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 war as it develops further, and investment in Ukraine may be complicated by sanctions, regulations, payment restrictions and geopolitical circumstances. Since the onset of the war, a material portion of our uncommitted capital expenditure plans throughout the Group have been delayed. See *—Market Risks—The ongoing war 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* and *—Market Risks—We have suffered reputational harm as a result of the ongoing war between Russia and Ukraine and the sanctions imposed.* Any further escalation or prolonged continuation of the war 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 war continues.

Although we regularly consider and take measures to improve our capital efficiency, including selling capital intensive segments of our business (such as our Bangladesh towers partial portfolio sale which completed in January 2024) 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 or asset sales 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 *—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 digital 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' 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 which was completed on October 9, 2023. For more information in relation to the sale of our Russian Operations, see *—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 similar 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. 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 provide mobile and fixed wireless telecommunications services on our networks, to maintain and expand our customer base and provide a high-quality customer experience. 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, and in 2022 we were unable to obtain frequency spectrum licenses for 5G in Kazakhstan through the auction process and future auctions or further options to obtain 5G spectrum may not be successful. In addition, we are also vulnerable to government actions, which may be unpredictable, that may impair our frequency allocations and infringe upon our spectrum, including existing spectrum. 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. 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 or maintain 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, US$48.4 million, US$50.0 million were made in September 2019, May 2020, May 2021 and May 2022, January 2023, and May 2024, 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 *—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 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 — *Our reputation could be adversely impacted by negative developments in respect of the Beeline brand following the sale of our Russia Operations, which remains a trademark of our former subsidiary, VimpelCom (as defined below). 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 digital 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 June 30, 2024, we have achieved registration of the VEON name in 16 of the 17 jurisdictions sought (although only certain classes were sought in the European Union and the United Kingdom), with Bangladesh pending for all classes, except for class 41 for which we received provisional refusal, and we filed a response against the refusal on February 1, 2024. With respect to the “V” Company logo, we have achieved registration in 17 of the 18 jurisdictions sought (although only certain classes of registrations were 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 “digital assets” 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 incurring high costs, 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 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$74 million) which includes BDT 4,307 million (approximately US$39 million) for interest. Currently, the Company is in the process of paying the principal amount in installments and in discussion with BTRC regarding removal of the interest. 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 war between Russia and Ukraine, these risks are compounded for our Ukrainian operations, 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 war between Russia and Ukraine and its impact on our business, see *—Market Risks—The ongoing war 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*. 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) or a dominant market position (Kazakhstan). 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 offerings may 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.

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. Where applicable to our activities, 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 war 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.

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 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.

Although our common shares traded on MOEX are currently subject to delisting pursuant Russian regulations, 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 war 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 war, 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 and currently, 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, including our determination of the recognition and recoverability of deferred tax assets, could harm our business, and the unpredictable tax systems and our performance 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.

For example, the OECD Pillar Two ("**Pillar Two**") legislation has been substantively enacted in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning January 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. It is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities of the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

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.

These considerations are compounded by the fact that the interpretation and enforcement of tax laws in the emerging markets in which we operate tends to be unpredictable and give rise to significant uncertainties, which could complicate our 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. Considerable judgment is therefore required by our 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 to make a reasonable estimate of the amount of loss. Due to these uncertainties and challenges, 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. See *Note 7—Provisions and Contingent Liabilities* and *Note 8—Income Taxes* to our Audited Consolidated Financial Statements for further detail.

Furthermore, the Company recognizes deferred tax assets based on whether management estimates that it is probable that there will be sufficient taxable profits in the relevant legal entity or tax group to allow the recognized assets to be recovered, which requires significant judgment.

The Company recognized deferred tax assets for losses carried forward for $286 million, of which $134 million relate to deferred tax assets in Bangladesh as of December 31, 2023. The recognition of these deferred tax assets is contingent upon our ability to generate sufficient future taxable income to utilize these temporary differences and carryforwards before they expire. Several factors could adversely affect our ability to realize the benefits of deferred tax assets:

- adverse economic conditions could negatively impact our profitability and, consequently, our ability to generate taxable income, which could hinder our ability to utilize deferred tax assets within the allowable time frame;
- future changes in tax laws or regulations, including changes in tax rates, could impact the value of our deferred tax assets, reducing reduce or eliminating the benefits associated with our deferred tax assets;
- our ability to realize deferred tax assets depends on our operational performance; if we fail to achieve our projected earnings or if our business operations do not perform as expected, we may not generate sufficient taxable income to utilize our deferred tax assets;
- decisions related to mergers, acquisitions, divestitures, or other strategic initiatives could affect our ability to utilize deferred tax assets; for example, changes in our business structure or the sale of certain assets could impact the timing and amount of taxable income;

- we periodically assess the need for valuation allowances against our deferred tax assets. If we determine that it is more likely than not that some or all of these assets will not be realized, we may need to establish or increase valuation allowances, which would result in a charge to our earnings.

Given these uncertainties, there is a risk that we may not be able to fully realize the benefits of our deferred tax assets within the allowable timeframe, which could impact our profitability.

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 and interest, if applicable, 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. For example, 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 did apply to TNS+ (a Kazakh wholesale telecommunications infrastructure services provider) in which the Company held a 49% stake until the closing of the sale of TNS+ to DAR group of companies on September 30, 2024. 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, digital health, AdTech 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 war 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, fined, have their license suspended and other liabilities arising from the 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 data protection laws that prohibit the collection and/or processing 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, with the latest amendment that allows government authorities to inspect the practices of personal data operators being adopted in December 2023. In Pakistan, there is no specific statute in place to regulate the processing and transmitting of personal data and instead, relevant laws are scattered throughout various statutes, rules and regulations, with a bill regarding personal data protection in the consultation stages of Parliament. Should such bill be promulgated into official legislation, additional obligations could be placed on our data management operations in Pakistan. For a discussion of certain regulatory developments and trends and their impact on our business, see *—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 have in the past and may in the future be exposed to fraud or other misconduct committed by our employees, joint venture partners, non-controlled subsidiaries, representatives, agents, suppliers, customers or other third parties undertaking actions on our behalf that could subject us to litigation, financial losses and fines, penalties or criminal charges imposed by governmental authorities, and affect our reputation.

Such misconduct has in the past included, or may in the future include 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 offerings may 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 or other third parties;
- 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, joint ventures partners, non-controlled subsidiaries, 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 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 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 offerings may increase our exposure to fraud, money laundering, reputational and regulatory risk.

Our DFS offerings are 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 may 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”, we may seek to expand our DFS offerings, thereby increasing 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 stress on capital adequacy ratio rate of 16.2% as of December 31, 2023 and 15.58% as of June 30, 2024, as against the regulatory requirement of 15%, 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 protection 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, in certain jurisdictions, 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 (“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. While the processing of personal data by a limited number of our entities, including our Amsterdam office and central operating entities within the European Union are subject to the EU GDPR, our operations in other markets, such as Ukraine, may also become subject to the GDPR 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.

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 2022/58 e-Privacy Directive. As of August 2024, 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 data or other privacy-related matters could result in negative publicity and have an adverse effect on our reputation. Violation of these data protection 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 outcomes 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 proceedings, 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 —*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 —*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

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 24—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 or redundancies in our offices. We could 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 *—Employees*.

Work stoppages could also occur due to natural disasters, civil unrest (including potential dissatisfaction with regards to our response to the ongoing war between Russia and Ukraine) or security breaches/threats, such as due to the ongoing war 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 war 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.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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. 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 — How We Manage Risks — Risk Factors.

Overview

VEON is a leading global provider of connectivity and internet services, currently headquartered in Amsterdam. Present in some of the world's most dynamic markets, VEON currently provides more than 160 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, digital 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, 2023, 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 was, in line with IFRS 5 *(Non-current Assets Held for Sale and Discontinued Operations)* requirements, treated as a discontinued operation and accounted for as an "Asset held for sale." The sale of our Russian operations was completed on October 9, 2023. 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 "HQ" represents transactions related to management activities within the group in Amsterdam and Dubai and costs relating to centrally managed operations, and reconciles the results of our reportable segments and our total revenue and Adjusted EBITDA.

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 as adopted by the European Union (E.U.) and the applicable articles of Part 9 of Book 2 of the Dutch Civil Code, 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 24—Significant Accounting Policies* of our Audited Consolidated Financial Statements attached hereto.

Key Developments

Key Developments for the year ended December 31, 2023

Completion of Sale of Russian operations

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 million equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings B.V. redeemed US$406 million of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings B.V. bonds representing a nominal value of US$1,576 million which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 million on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 million as of December 31, 2023 was offset against VEON Holdings B.V. bonds acquired by VimpelCom representing a nominal value of US$72 million, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 million receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 22 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 million recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 million of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

Based on the applicable USD / RUB exchange rates at the applicable purchase dates (which took place between February 2023 and September 2023).

Agreement between Banglalink and Summit regarding the sale of its Bangladesh tower assets

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, has entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2,012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97 million). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97 million) net of cost of disposals containing legal, regulatory and investment bankers costs amounting to BDT 855 million (US$8 million). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34 million), right-of-use assets of BDT 550 million (US$5 million) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9 million) and lease liabilities of BDT 6 billion (US$52 million) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40 million) were recognized for total right-of-use assets of BDT 5 billion (US$45 million) and total lease liabilities of BDT 10 billion (US$92 million).

Cybersecurity Incident in Ukraine

On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement and government agencies and the Security Service of Ukraine, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, and that mobile voice and internet, fixed connectivity and SMS services as well as the MyKyivstar self-care application were active and available across Ukraine.

After stabilizing the network, although there was no legal obligation to do so, Kyivstar immediately launched offers to thank its customers for their loyalty, initiating a *"Free of Charge"* program offering one month of free services on certain types of contracts. Furthermore, on December 21, 2023, Kyivstar announced a donation of UAH 100 million (US$3 million) would be made towards Ukrainian charity initiatives.

Largely due to the limited period during which the critical services were down, there was no material financial impact on our consolidated results for the year ended December 31, 2023 due to these service disruptions, or due to costs associated with additional IT capabilities required for restoring services, replacing lost equipment or compensating external consultants and partners in 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue in 2024 was US$46 million. VEON expects no further impact on its financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

VEON and Kyivstar conducted a thorough investigation, together with outside cybersecurity firms, to determine the full nature, extent and impact of the incident and to implement additional security measures to protect against any recurrence. The Ukrainian government also conducted an investigation to support the recovery efforts. All investigations were concluded as of June 30, 2024, and has resulted in an in depth analysis into details of how the attack was executed and how this can be prevented in the future.

Kyivstar has initiated remediation and mitigation actions to reduce current risks and establish a robust framework to manage evolving cyber threats, protect business continuity and maintain customer trust by investing in immediate response actions, enhanced security infrastructure, proactive threat management, compliance with cybersecurity regulations and standards, employee awareness, and long-term adaptive measures. Further, VEON Group has executed a group-wide assessment of cybersecurity maturity in alignment with the U.S. National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST2).

VEON’s Scheme of arrangement (the “Scheme”)

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme 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 VEON Holdings B.V.’ 2023 Notes (the “Order”). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. 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 would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had 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 were 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 was granted requiring VEON Holdings B.V. 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 million of the October 2023 Notes and holders of US$294 million of the December 2023 Notes exercising the Put Option. The aggregate put option premium paid was US$9 million. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$1 million. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1 million. For further details, refer to further discussion in Note 16-*Investments, Debt and Derivatives*.

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 2023 for US$692 million and November 2023 for US$363 million. Further these outstanding amounts were rolled-over until January 2024 for US$692 million and February 2024 for US$363 million. The RCF has subsequently been repaid and canceled in March 2024.

Ukraine prepayment

In 2023, Kyivstar fully prepaid all of its remaining external debt which includes 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

PMCL fully utilized the remaining PKR 10 billion (US$41 million) under its existing PKR 40 billion (US$164 million) facility through drawdowns in January and April 2023.

BDCL syndicated credit facility

BDCL utilized BDT 5 billion (US$45 million) out of new syndicate credit facility of BDT 8 billion (US$73 million) during November 2023. The tenor of the facility is five years.

KaR-Tel Limited Liability Partnership ("KaR-Tel") credit facility

KaR-Tel utilized KZT 9.8 billion (US$22 million) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

Repayment of VEON Holdings B.V. 5.95% Senior Notes

On October 13, 2023 VEON Holdings B.V. repaid its outstanding 5.95% Senior Notes amounting to US$39 million at their maturity date.

Early redemption of VEON Holdings B.V. 2023 and 2024 Notes

On September 13, 2023, VEON Holdings B.V. issued two redemption notices for the early repayment of its bonds maturing in December 2023 and June 2024, with a planned redemption date of September 27, 2023. On that date, VEON Holdings B.V. redeemed US$243 million senior notes held by external noteholders, and on October 4, 2023, redeemed US$406 million senior notes held by VimpelCom. Please refer to Note 16-Investments, Debt and Derivatives for further details.

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.

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.

Freezing of corporate rights in Kyivstar

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts were seizing all “corporate rights” of Mikhail Fridman, Petr Aven and Andriy Kosogov in 20 Ukrainian companies that these individuals beneficially own, while criminal proceedings, unrelated to Kyivstar or VEON, were in progress. This announcement was incorrectly characterized by some Ukrainian media as a “seizure” or “freezing” of “Kyivstar’s assets” as the assets of Kyivstar had not been seized or frozen and the court’s ruling did not impact the assets of Kyivstar directly. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly targeted Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of M. Fridman. Subsequent clarification by the SSU noted that “The seizure of corporate rights of Ukrainian companies does not affect the protection of the interests of foreign investors and owners of shares of corporate rights, does not hinder their economic activity and the possibility of receiving dividends.” We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our Kyivstar shares, including transfer of such shares, from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. had filed two appeals with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected our appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts to protect our assets in Ukraine. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on renting property and land, on participating in public procurement and on the transfer of technology and intellectual property rights to Kyivstar from VEON impacting B2G revenue would also apply.

Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary (“Kyivstar”) and concluded that, under the requirements of relevant reporting standards (IFRS 10, *Consolidated financial Statements*), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

VEON Ltd. implements new Clawback Policy

On November 27, 2023, VEON Ltd. announced governance enhancements to its executive remuneration structure, in line with its commitment to ethical corporate governance practices and financial integrity. The Board of Directors of VEON Ltd. introduced a robust Policy for the Recovery of Erroneously Awarded Compensation (the “Clawback Policy”) to align with Section 10D and Rule 10D-1of the Securities Exchange Act of 1934 and the listing standards adopted by NASDAQ.

Effective October 2, 2023, the Clawback Policy enables VEON Ltd. to recover erroneously awarded incentive-based compensation from current and former Executive Officers (as defined in the Clawback Policy) in the event that it is required to prepare an accounting restatement. This step is crucial in maintaining transparency and accountability, particularly in instances requiring accounting restatements.

In tandem with the adoption of the Clawback Policy, the Board of Directors has also revised existing incentive-based compensation plans to further align executive remuneration with shareholder interests and corporate objectives. Refer to Note 21 *Related Parties* for further details.

VEON Ltd.'s Management increases ownership

On February 21, 2023, VEON Ltd. announced the completion of the transfer of 52,550 shares in VEON Ltd. to Joop Brakenhoff. A total of 104,047 common VEON Ltd. shares vested as part of VEON Ltd.’s 2021 Deferred Share Plan in 2022. Of those vested VEON Ltd. shares, 51,500 common shares (the equivalent of 2,060 ADSs) were withheld to cover local withholding taxes and the remaining 52,550 VEON Ltd. shares (the equivalent of 2,102 ADSs) were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd..

In March 2023, equity-settled and liability settled awards in VEON Ltd. were granted to five members of VEON Ltd.’s GEC under the Short-Term Incentive Plan (154,876 ADS) and the Long-Term Incentive Plan (“LTIP”) (643,286 ADS).

On July 1, 2023, 1,395,358 common shares in VEON Ltd. granted to current and former members of VEON Ltd.’s GEC vested as part of the 2021 Deferred Share Plan. Subsequently, VEON Ltd. had initiated the transfer of 34,094 ADSs, representing 852,350 common shares in VEON Ltd., to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares in VEON Ltd., were granted with immediate vesting to members of VEON Ltd.’s GEC and 70,000 ADSs, representing 1,750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.’s Board. Subsequently, VEON Ltd. initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares in VEON Ltd., to the respective VEON Ltd. executives and Board members. Additionally, 30,000 ADSs, representing 750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board.

In July 2023, VEON Ltd. equity-settled awards were granted to one member of VEON Ltd.’s GEC under the LTIP (105,573 ADS).

On September 1, 2023, 146,490 ADSs, representing 3,662,250 common VEON Ltd. shares, granted to VEON Ltd.'s Group CEO, Mr. Kaan Terzioglu, vested as part of VEON Ltd.’s Deferred Share Plan.

In November 2023, VEON Ltd. initiated the transfer of 1,870 ADSs, representing 46,750 common shares in VEON Ltd. to Mr. Brakenhoff for VEON Ltd. equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2023 as well as 6,535 ADSs, representing 163,375 common shares in VEON Ltd., to a former Board member of VEON Ltd. in relation to a grant that vested in July 2023 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 VEON Ltd.'s Key Senior Managers

On March 15, 2023, VEON Ltd. announced the appointment of Joop Brakenhoff as VEON Ltd.'s Group CFO, effective from May 1, 2023. Mr. Brakenhoff replaced Serkan Okandan whose three years contract as Group CFO expired at the end of April 2023. Mr. Okandan continued to serve VEON Ltd. as a special advisor to the VEON Ltd. Group CEO and CFO.

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

On July 19, 2023, VEON Ltd. 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. VEON Ltd.’s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

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$74 million) which includes BDT 4,307 million (approximately US$39 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.

Subsequently, Banglalink had a meeting with BTRC officials and agreed to pay amounts pertaining to 2G matters (already accrued BDT 2,200 million in the financials) in BDT 500 million immediately in July 2023 and 12 equal monthly installments of BDT 146 million (approximately US$1.4 million), accordingly Banglalink has paid BDT 500 million (approximately US$5 million) in July 2023 and all installments until December 2023 as agreed.

Despite having objections to the audit findings, in compliance with the instruction given by the BTRC on November 5, 2023 to pay the principal amount of the BTRC's audit demand within 10 working days, Banglalink has deposited BDT 1,657 million (US$16 million) to the BTRC on November 19, 2023. The remaining elements of the BTRC's audit, including the late fee, are not yet resolved.

Change in Board of Directors of VEON Ltd.

On June 29, 2023, at VEON Ltd.'s Annual General Meeting, VEON Ltd. shareholders approved the VEON Ltd. Board recommended slate of seven directors, including six directors already serving on the Board at that time – 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.

In July 2023, the VEON Ltd. Board elected Morten Lundal as the Chair in its first meeting following the 2023 VEON Ltd. AGM. The VEON Ltd. Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

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 VimpelCom. As of October 9, 2023, as a result of the completion of the sale of VEON's Russian operations, VimpelCom is no longer part of the VEON Group and as such, these sanctions have no impact on the remaining group. Please refer to Note 23 for further details.

Novation of VEON Digital Amsterdam B.V. credit facility

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

Amendment of VEON Amsterdam B.V. credit facility

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

Increase and amendment of VEON Ltd. credit facility

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

Key Developments after the year ended December 31, 2023

VEON and Summit complete US$100 million deal for Bangladesh towers portfolio

On January 31, 2024, VEON announced that, further to the announcement dated November 15, 2023, and the legal transfer of towers in December 2023 following the receipt of all regulatory approvals, its wholly owned subsidiary, Banglalink has obtained the cash consideration for the sale of approximately BDT 11 billion (approximately US$96 million).

Repayment of the RCF

For the US$1,055 million RCF, US$250 million of commitments maturing in March 2024 and were repaid during February 2024, and in March the remaining amounts outstanding and commitments of US$805 million, originally due in March 2025, were repaid and the RCF canceled.

Issuance of PKR bond by PMCL

In April 2024, PMCL issued a short term PKR bond of PKR 15 billion (US$52 million) with a maturity of six months. The coupon rate is three-month Karachi Interbank Offered Rate (KIBOR) plus 25bps per annum.

BDCL syndicated credit facility

BDCL utilized the remaining BDT 3 billion (US$27 million) under its existing syndicated credit facility of BDT 8 billion (US$73 million) during January 2024 and February 2024.

VEON announces sale of stake in Beeline Kyrgyzstan

On March 26, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 50.1% indirect stake in Beeline Kyrgyzstan to CG Cell Technologies, which is wholly owned by CG Corp Global for cash consideration of US$32 million. Completion of the sale of VEON's stake in Beeline Kyrgyzstan, which is held by VIP Kyrgyzstan Holding AG (an indirect subsidiary of the Company), is subject to customary regulatory approvals and preemption right of the Government of Kyrgyzstan in relation to acquisition of the stake. VEON is currently liaising with Kyrgyzstan public authorities regarding the regulatory approvals and the Government's preemption right.

As a result of this anticipated transaction and assessment that control of the Kyrgyzstan operations will be transferred, as from the date of the SPA signing, the Company classified its Kyrgyzstan operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for Kyrgyzstan operations.

Appointment of PricewaterhouseCoopers Accountants N.V. ("PwC Netherlands") as 2023 independent auditor

On March 14, 2024, VEON announced that it appointed PricewaterhouseCoopers Accountants N.V. as the independent external auditor for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with International Standards on Auditing (the "ISA Audit"). The delay in appointment was due to difficulties the Company faced in identifying a suitable independent auditor due to the material changes in the Group's portfolio of assets which resulted in a delay in filing this Annual Report on Form 20-F with the SEC and filing its annual report with the AFM.

Announcement of issuance of new shares in VEON Ltd.

On March 1, 2024, VEON Ltd. announced the issuance of 92,459,532 ordinary shares in VEON Ltd., after approval from the VEON Ltd. Board, to fund VEON Ltd.'s existing and future equity incentive-based compensation plans. As a result of the issuance, VEON Ltd. now has 1,849,190,667 issued and outstanding ordinary shares. The issuance of the ordinary shares represents approximately 4.99% of VEON Ltd.'s authorized ordinary shares. The shares are expected to be allocated to VEON Ltd.'s existing and future equity incentive-based compensation plans, which are designed to align the interests of VEON Ltd.'s senior managers and employees with those of VEON Ltd.'s shareholders and to support the VEON Ltd.'s long-term growth and performance, as well as compensation arrangements for strategic consultants. The shares were initially issued to VEON Holdings and then subsequently allocated to satisfy awards under VEON Ltd.'s existing plans and will also be allocated to future equity incentive-based compensation plans, and such other compensation arrangements, as and when needed, as well as to meet certain employee, consultant and other compensation requirements. As a result, the initial share issuance will have an immediate dilutive impact on existing shareholders of VEON Ltd.. The ordinary shares will be issued at a price of US$0.001 per share, which is equal to the nominal value of VEON Ltd.'s ordinary shares.

VEON Ltd. increases management's and directors' ownership

On April 12, 2024, VEON Ltd. announced an increase in VEON Ltd.'s management's and directors' ownership in VEON Ltd. shares through awards under its existing equity-based compensation plans. VEON Ltd. is utilizing certain of the 92,459,532 common shares issued to VEON Holdings B.V. as disclosed in Note 1 *General Information*, announced on March 1, 2024, to satisfy the awards made. VEON Ltd.'s Group Executive Committee ("GEC") received a total of 2,853,375 VEON Ltd. common shares (equal to 114,135 VEON ADSs) within the scope of the VEON Ltd.'s Deferred Share plans, and a total of 1,839,895 VEON Ltd. common shares (equal to 73,596 ADSs) within the scope of the VEON Ltd.'s STIP. The members of the VEON Ltd. Board of Directors received a total of 1,648,225 VEON Ltd. common shares (equal to 65,929 ADSs) within the scope of their compensation.

Share-based awards to VEON Ltd.'s GEC and Board of Directors

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common VEON Ltd. shares (equal to 128,050 ADSs) under VEON Ltd.'s 2021 LTIP. In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common VEON Ltd. shares (equal to 57,249 ADSs) under the 2021 DSP for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common VEON Ltd. shares (equal to 95,731 ADSs) related to 3,662,250 common VEON Ltd. shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,975 common VEON Ltd. shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the VEON Ltd. GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd shares' relative target shareholder return performance against VEON Ltd.'s peer group which will be assessed at the end of the three-year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled VEON Ltd. common shares (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common VEON Ltd. shares (equal to 19,293 ADSs), while 472,743 common VEON Ltd. shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common VEON Ltd. shares (equal to 2,102 ADSs) related to 104,047 common VEON Ltd. shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,500 common VEON Ltd. shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common VEON Ltd. shares (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common VEON Ltd. shares (equal to 11,548 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common VEON Ltd. shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common VEON Ltd. shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON Ltd. granted a total of 3,369,125 equity-settled awards and 1,547,650 cash-settled awards in common VEON Ltd. shares (equal to 134,765 and 61,906 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors. By June 2024, 1,648,225 of the equity-settled VEON Ltd. common shares (equal to 65,929 ADSs) were vested and transferred to the Board members and 173,250 common VEON Ltd. shares (equal to 6,930 ADSs) were withheld for tax purposes.

VEON Holdings B.V. consent solicitations to noteholders

In April 2024, VEON Holdings B.V. launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of VEON Holdings B.V. for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding and were not exchanged.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings B.V. subsequently issued new notes with identical maturities to the April 2025, June 2025, and November 2027 notes (any such new notes, the “New Notes”) to the noteholders who participated in the consent process and tendered the original notes (the “Old Notes”), which were exchanged for the New Notes subsequently (economically) canceled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings B.V. subsequently redeemed these notes in June 2024.

VEON Holdings B.V. has continued and will need to continue to provide the remaining holders of Old Notes maturing in April 2025, June 2025 and November 2027 further opportunities to exchange their Old Notes into corresponding New Notes maturing in April 2025, June 2025 and November 2027, respectively.

As of June 30, 2024, US$1,550 million of New Notes due April 2025, June 2025 and November 2027 were outstanding and there were US$134 million of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in July and August 2024, US$20 million equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of August 28, 2024, the equivalent amount of New Notes outstanding is US$1,565 million and the remaining Old Notes that are subject to potential conversion to New Notes is US$113 million.

VEON Holdings B.V. is not required to make any further principal or coupon payments under the Old Notes.

Make-whole call

In June 2024, VEON Holdings B.V. executed an early redemption of its September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$53 million).

VEON Ltd. Receives Extension from Nasdaq for 20-F Filing

On May 22, 2024, VEON confirmed that on May 20, 2024 it received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) indicating that, as a result of the VEON Ltd.’s delay in filing its Annual Report on Form 20-F for the year ended December 31, 2023 (the “2023 20-F”), VEON Ltd is not in compliance with the timely filing requirements for continued listing under Nasdaq Listing Rule 5250(c)(1) (the "Listing Rules").

VEON Ltd. had previously shared the expected delay in its 2023 20-F filing with a press release dated March 14, 2024, and subsequently filed its notification of late filing on Form 12b-25 with the SEC on May 1, 2024. As described in these disclosures, the delay in VEON Ltd.’s 2023 20-F filing is due to the continued impact of challenges faced by VEON Ltd. in connection with the timely appointment of an independent auditor that meets the requirements for a Public Company Accounting Oversight Board (“PCAOB”) audit following VEON Ltd.’s exit from Russia.

VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rules and requested an exception of up to 180 calendar days, or until November 11, 2024, to regain compliance. On July 9, 2024, VEON Ltd. announced that NASDAQ granted VEON Ltd. an exception, enabling it to regain compliance with the Listing Rules by filing VEON Ltd.'s 2023 annual report on 20-F on or before November 11, 2024.

On October 17, 2024, VEON Ltd. filed its Annual Report on Form 20-F for the year ended December 31, 2023 (the "2023 Form 20-F") with the U.S. Securities and Exchange Commission following the completion of the audit of its 2023 financial statements by its independent auditor UHY LLP according to PCAOB standards. Following the filing, on October 21, 2024, VEON Ltd. received confirmation from the Nasdaq that VEON Ltd. is now compliant with the Nasdaq listing requirements.

Sale of TNS+ in Kazakhstan

On May 28, 2024, VEON announced that it signed share purchase agreement ("SPA") for the sale of its 49% in Kazakh wholesale telecommunications infrastructure services provider, TNS Plus LLP (TNS+), included within the Kazakhstan operating segment, to its joint venture partner, the DAR group of companies for total deferred consideration of US$137.5 million due within six weeks of the transaction completion date. The closing of the transaction was subject to customary regulatory approvals in Kazakhstan which were subsequently obtained. Accordingly, the sale was completed on September 30, 2024. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the SPA signing, the Company classified its TNS+ operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for TNS+ operations. During, November 2024, the Company has received US$37 out of deferred consideration and the remaining is expected to be settled during Q4-2024.

Appointment of UHY LLP as auditors

On May 29, 2024, VEON announced the appointment of UHY LLP (UHY) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with the standards established by the Public Company Accounting Oversight Board (United States) (the "PCAOB Audit").

VEON Ltd. Announces Its New Board

On May 31, 2024, VEON Ltd. held its Annual General Meeting (AGM), during which the VEON Ltd.'s shareholders approved the recommended slate of seven directors as VEON Ltd.'s new Board. The new members consist of former U.S. Secretary of State Michael R. Pompeo, Sir Brandon Lewis and Duncan Perry, who will serve alongside the incumbent directors Augie K. Fabela II, Andrei Gusev, Michiel Soeting and VEON Ltd. Group CEO Kaan Terzioglu.

Following the AGM, the new Board held its inaugural meeting, and elected VEON's Founder and Chairman Emeritus Augie K Fabela II as the Chairman.

PMCL syndicated credit facility

In May 2024, PMCL secured a syndicated credit facility of up to PKR 75 billion (US$270 million) including green shoe option of PKR 15 billion with a tenor of 10 years. PMCL utilized PKR 43 billion (US$154 million) from this facility through drawdowns in May and June 2024 with a further PKR 22 billion (US$78 million) drawn in July 2024.

PMCL bilateral credit facilities

In May 2024, PMCL utilized PKR 15 billion (US$54 million) from three bilateral credit facilities of PKR 5 billion (US$18 million) each from different banks. The tenor of each facility is 10 years.

Sale of Russian operations deferred consideration settlement

In July 2024, the remaining $72 million equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings, upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for the sale of VimpelCom completed in October 2023.

VEON Ltd. Announces Intention to Delist from Euronext Amsterdam and Share buyback program

On August 1, 2024, VEON Ltd. announced its intention to voluntarily delist from Euronext Amsterdam (the "Delisting"). VEON Ltd. expects the Delisting process to take place in the fourth quarter of 2024, following and subject to the filing of this Annual Report on Form 20-F. On October 21, 2024, VEON Ltd. announced that it has commenced the process of the Delisting, following the approval of Euronext Amsterdam. VEON Ltd.'s last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

VEON Ltd. also informed its shareholders that it intends to initiate a buyback program for up to US$100 million of its American ADS following the Delisting. The timing and specifics of the ADS buybacks will be determined by the VEON Ltd.'s management and Board of Directors in due course, and will be subject to liquidity considerations, market conditions, applicable legal requirements, and other factors. Subsequently on October 21, 2024, VEON Ltd. announced that it has commenced the process for the delisting of its common shares from trading on Euronext Amsterdam, following the approval of Euronext Amsterdam. The Company's last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

Agreement with Impact Investments LLC for Strategic Support and Board Advisory Services

On June 7, 2024, VEON Ltd. entered into a letter agreement as amended on August 1, 2024 (the "2024 Agreement") with Impact Investments which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON Ltd.). Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024, serves as Executive Chairman of Impact Investments. In exchange for the services provided, VEON Ltd. will pay

Impact Investments US$0.05 million in cash per month on or about the 7th day of each month during the term of the 2024 Agreement. Further, VEON Ltd. has granted to Impact Investments three common share warrants (hereby “Warrant A”, “Warrant B”, and “Warrant C”), with a value of $12 million, $2 million, and $2 million worth of common shares in the capital of VEON Ltd., respectively. Warrant A vest ratably semi-annually over a period of three years subject to achievement of vesting conditions. One half of Warrant B will vest on the date that is six months after the three years anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant B will vest on the four years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. One half of Warrant C will vest on the date that is six months after the four years’ anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant C will vest on the five years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. The number of common VEON Ltd. shares to be transferred will be determined on the vesting date based on the 90-day average trading price. Finally, VEON Ltd., in its sole discretion, may pay Impact Investments an additional fee up to $3 million subject to completion of certain strategic objectives.

On June 7, 2024, VEON Ltd. and Impact Investments also entered into a termination letter in connection with a letter agreement between VEON Ltd. and Impact Investments dated November 16, 2023. Under the terms of the termination letter, VEON Ltd. paid Impact Investments $2 million in common VEON Ltd. shares or 2,066,954 shares (equal to 82,678 ADS), which common shares were determined on the basis of the 90-day average trading price of the VEON Ltd. common shares as of the date of the termination letter. These VEON Ltd common shares were transferred to Impact Investments in August 2024, for strategic support and board advisory services to JSC Kyivstar performed by Impact Investments under the letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023.

VEON Ltd. Announces Plan to Move its Headquarters to Dubai

On October 14, 2024, VEON Ltd. announced its plan to move the Group Headquarters from Amsterdam to the DIFC in the United Arab Emirates. VEON Ltd. also plans to update its corporate entity structure to reflect the relocation of the headquarters from move from the Netherlands to the DIFC, subject to tax and structuring. On November 15, 2024,VEON Ltd. further announced that it has completed the registration of and received the commercial license for its branch office in Dubai International Finance Centre (“DIFC”).

KaR-Tel Limited Liability Partnership credit facilities

On September 25, 2024 KaR-Tel Limited Liability Partnership ("KaR-Tel") signed a new bilateral credit facility with JSC Nurbank of KZT 18 billion (US$37) with a maturity of five years carrying fixed interest rate of 15.5%. On October 8, 2024, KaR-Tel utilized KZT 4.5 billion (US$10) from this facility. Subsequently, during October and November 2024, Kar-Tel further utilized KZT 6 billion (US$12).

2024 Annual Impairment Analysis

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations’ disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of November 20, 2024, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis will be published in our interim unaudited consolidated condensed financial statement for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See *Note 11—Impairment of Assets* to our Audited Consolidated Financial Statements for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh.

Changes in Directors of VEON Holdings B.V.

On March 7, 2024, Bruce John Leishman and Maciej Bogdan Wojtaszek were appointed statutory directors of the Company, while on the same date Jochem Benjamin Postma and Paul Klaassen stepped down as statutory directors of the Company.

Issuance of PKR Sukuk bond by Pakistan Mobile Communication Limited ("PMCL")

In October 2024, Pakistan Mobile Communication Limited ("PMCL") issued short term PKR sukuk bond of PKR 15 billion (US$54) with a maturity of six months. Coupon rate is 3 months Karachi Interbank Offered Rate (KIBOR) minus 10 bps per annum.

Unitel LLC credit facility

On October 7, 2024 Unitel LLC signed a new credit facility agreement with JSC “National Bank for Foreign Economic Activity of the Republic of Uzbekistan” for UZS 191.3 billion (US$14) with a maturity of two years and an interest rate of 22% per annum. During November 2024, Unitel LLC utilized the full amount from this facility.

VEON appoints UHY LLP as auditors for VEON Group's 2024 PCAOB Audit

On November 13, 2024, VEON announced that the VEON Board of Directors has re-appointed UHY LLP (“UHY”) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2024 in accordance with the standards established by the Public Company Accounting Oversight Board, United States (the "PCAOB Audit").

Factors Affecting Comparability and Results of Operations

The War Between Russia and Ukraine

The war between Russia and Ukraine has had a significant impact on our business. As the war commenced in February 2022 and is ongoing, our results for 2022 and 2023 have been impacted and 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 war began, we have faced and expect to continue to face challenges with our performance in Ukraine, which will be exacerbated as the war continues. Furthermore, if there is an extended continuation or further increase in the severity of the ongoing war 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 war and inherent danger in the country. See *Risk Factors—Market Risks—The ongoing war 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*.

Foreign Currency Translation

Our Audited Consolidated Financial Statements are presented in U.S. dollars and in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, 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 reportable segments 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 *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 war between Russia and Ukraine, see *—Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing war 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 war 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 2023, 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 war 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 war 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 *.—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, during 2022, we 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*). As a result of the 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, and the sale transaction completed on October 9, 2023. In 2023, our net loss for the period was primarily a result of the sale of our Russian operations, which resulted in US$3.4 billion cumulative currency translations losses reflected in equity in our other comprehensive income and which impacted our income statement on the completion date of the disposal. 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 (now digital assets). See *—History and Development of the Company* for further information on what this strategic framework entails. 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. 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. 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 2023, 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, 2024, 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 Holdings B.V. For a further discussion of the risks relating to VEON Holdings B.V.'s ability to withdraw funds and dividends from our subsidiaries and operating companies, see *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 Holdings B.V., 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 4G users, digital services monthly active users, doubleplay 4G customers, mobile ARPU, mobile customers, mobile data customers, mobile financial services or digital financial services and multiplay customers, please see the discussion below.

4G users

4G users are mobile customers who have engaged in revenue-generating activity during the three months prior to the measurement date as a result of activities over fourth-generation (4G or LTE – long term evolution) network technologies.

Digital services monthly active users

Digital services monthly active users ("MAUs") is a gross total of monthly active users of all digital products and services offered by an entity or by VEON Group and includes MAUs who are active in more than one application. It is a total cumulative MAU of all VEON digital platforms, services and applications.

Doubleplay 4G customers

Doubleplay 4G customers are mobile customers who engaged in usage of our voice and data services over 4G (LTE) technology at any time during the one month prior to such measurement date.

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.

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 financial services or digital financial services

Mobile financial services (MFS) or digital financial services (DFS) is a variety of innovative services, such as mobile commerce that uses a mobile phone as the primary payment user interface and allows mobile customers to conduct money transfers to pay for items such as goods at an online store, utility payments, fines and state fees, loan repayments, domestic and international remittances, mobile insurance and tickets for air and rail travel, all via their mobile phone.

Multiplay customers

Multiplay customers are doubleplay 4G customers who also engaged in usage of one or more of our digital products at any time during the one month prior to such measurement date.

RESULTS OF OPERATIONS

In millions of U.S. dollars	Year ended December 31, 2023	2022
Consolidated income statement data:		
Service revenues	3,577	3,600
Sale of equipment and accessories	19	28
Other revenues	98	127
Total operating revenues	**3,694**	**3,755**
Other operating income	2	2
Service costs	(422)	(448)
Cost of equipment and accessories	(18)	(28)
Selling, general and administrative expenses	(1,484)	(1,397)
Depreciation	(548)	(564)
Amortization	(205)	(218)
Impairment reversal	8	115
Gain on disposal of non-current assets	48	3
Gain on disposal of subsidiaries	—	94
Operating profit	**1,075**	**1,314**
Finance costs	(567)	(609)
Finance income	146	79
Other non-operating gain, net	14	26
Net foreign exchange gain	81	188
Profit before tax from continuing operations	**749**	**998**
Income taxes	(173)	(67)
Profit from continuing operations	**576**	**931**
Loss after tax from discontinued operations and disposals of discontinued operations	(2,830)	(739)
(Loss) / profit for the period	**(2,254)**	**192**
Attributable to:		
The owners of the parent (continuing operations)	503	852
The owners of the parent (discontinued operations)	(2,835)	(814)
Non-controlling interest	78	154
	(2,254)	**192**

Total Operating Revenue

In millions of U.S. dollars, includes intersegment revenue	Year ended December 31, 2023	2022
Pakistan	1,119	1,285
Ukraine	919	971
Kazakhstan	774	636
Uzbekistan	268	233
Bangladesh	570	576
Others	55	66
HQ and eliminations	(11)	(12)
Total	**3,694**	**3,755**

For the year ended December 31, 2023, our consolidated total operating revenue decreased to US$3,694 million as compared to US$3,755 million for the year ended December 31, 2022. This was a decrease of 1.6% 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 of 18.1% driven by increased 4G penetration, content revenue in Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh operations that was partially offset by the lower usage from the Cybersecurity attack in Ukraine on December 12, 2023. 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.

Operating Profit

For the year ended December 31, 2023, our consolidated operating profit decreased to US$1,075 million as compared to US$1,314 million for the year ended December 31, 2022. Operating profit decreased primarily as a result of the decrease in operating revenue as well as due to increased one-off expenses at HQ recorded in selling, general and administrative expenses.

Non-Operating Profits And Losses

Finance Costs

For the year ended December 31, 2023, our consolidated finance costs were US$567 million as compared to US$609 million for the year ended December 31, 2022. This decrease is mainly due to debt reduction, partially offset by higher interest rates of our floating Pakistani rupee and U.S. dollar denominated debt.

Finance Income

For the year ended December 31, 2023, our consolidated finance income was US$146 million as compared to US$79 million for the year ended December 31, 2022. The increase in finance income was primarily due to higher interest rates.

Other Non-Operating Gain / (Loss)

For the year ended December 31, 2023, we recorded other non-operating gains of US$14 million as compared to a non-operating gain of US$26 million for the year ended December 31, 2022. The increase is driven by higher interest income on money market funds, partially offset by losses on other financial assets..

Net Foreign Exchange Gain / (Loss)

For the year ended December 31, 2023, we recorded a net foreign exchange gain of US$81 million as compared to a net foreign exchange gain of US$188 million for the year ended December 31, 2022. The net foreign exchange gain of US$ 81 million in 2023 was due to the impact of the depreciation of Pakistani rupee and Bangladeshi taka against the U.S. dollar that was offset by the appreciation of Russian ruble and corresponding impacts on loans and bonds denominated in Russian rubles. For a discussion of risks related to foreign currency fluctuation and translation, see *Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing war between Russia and Ukraine*.

Income Tax Expense

For the year ended December 31, 2023, our consolidated income tax expense increased by 158% to US$173 million as compared to US$67 million for the year ended December 31, 2022. 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.

Profit / (Loss) after Tax from Discontinued Operations

For the year ended December 31, 2023, we recorded a loss after tax from discontinued operations of US$2,830 million as compared to a loss after tax from discontinued operations of US$739 million for the year ended December 31, 2022. The year on year change is mainly associated with the loss of US$3,746 million recognized during the year 2023 on sale of our Russian operations and profit after tax on Russian operations of US$916 million, compared to the loss after tax in our Russian and Algeria Operations for the year 2022. Please refer to *Note 9 — Significant Transactions* 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, 2023, we recorded a profit attributable to the owners of the parent from continuing operations of US$503 million as compared to US$852 million in 2022, that was mainly due to a decrease in operating profit driven by impairment reversal and net foreign exchange gains during 2022 coupled with an increase in consolidated income tax expense.

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

For the year ended December 31, 2023, we recorded a profit attributable to non-controlling interest of US$78 million as compared to a profit of US$154 million for the year ended December 31, 2022, which was mainly driven by a decrease in operating profit.

Adjusted EBITDA

In millions of U.S. dollars	Year ended December 31,	
	2023	**2022**
Pakistan	502	654
Ukraine	541	575
Kazakhstan	421	321
Uzbekistan	112	124
Bangladesh	214	210
Others	22	26
HQ and eliminations	(40)	(26)
Total	**1,772**	**1,884**

For the year ended December 31, 2023, our total Adjusted EBITDA was US$1,772 million as compared to US$1,884 million for the year ended December 31, 2022. This was a decrease of (5.9)% that was mainly due to currency depreciation impacts from the Pakistan and Bangladesh operations. At a constant currency level, the organic revenue growth as discussed above was offset by the higher operating costs associated with persistent increase in energy costs in our Pakistan, Ukraine and Bangladesh operations coupled with higher technical support costs, professional consultancy and tax provision costs during the year.

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, 2023 and 2022, please refer to the table below.

	Year ended December 31,	
In millions of U.S. dollars	**2023**	**2022**
Profit before tax from continuing operations	**749**	**998**
Depreciation	548	564
Amortization	205	218
Impairment reversal	(8)	(115)
Loss on disposal of non-current assets	(48)	(3)
Gain on disposal of subsidiaries	—	(94)
Finance costs	567	609
Finance income	(146)	(79)
Other non-operating gain	(14)	(26)
Net foreign exchange gain	(81)	(188)
Total Adjusted EBITDA	**1,772**	**1,884**

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Results of our Reportable Segments

Pakistan

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**1,119**	**1,285**	**1,408**	**-12.9 %**	**-8.7 %**
Mobile service revenue	1,021	1,169	1,285	-12.7 %	-9.0 %
- of which mobile data	459	521	534	-11.9 %	-2.4 %
Sales of equipment, accessories and other	79	116	123	-31.9 %	-5.7 %
Operating expenses	**617**	**631**	**765**	**-2.2 %**	**-17.5 %**
Adjusted EBITDA	**502**	**654**	**643**	**-23.2 %**	**1.7 %**
Adjusted EBITDA margin	**44.9%**	**50.9%**	**45.7%**	**-6.0pp**	**5.2pp**

Results of Operations in PKR

In millions of PKR (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**313,574**	**261,621**	**228,927**	**19.9 %**	**14.3 %**
Mobile service revenue	286,183	238,084	208,923	20.2 %	14.0 %
- of which mobile data	128,495	105,960	86,977	21.3 %	21.8 %
Sales of equipment, accessories and other	21,991	23,537	20,004	14.2 %	17.7 %
Operating expenses	**172,884**	**127,574**	**124,360**	**35.5 %**	**2.6 %**
Adjusted EBITDA	**140,680**	**134,047**	**104,567**	**4.9 %**	**28.2 %**
Adjusted EBITDA margin	**44.9%**	**51.2%**	**45.7%**	**-6.4pp**	**5.6pp**

Selected Performance Indicators

	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Mobile					
Customers in millions	70.6	73.7	72.6	-4.2%	1.5%
Mobile data customers in millions	53.0	52.8	50.9	0.4%	3.7%
ARPU in US$	1.2	1.3	1.5	-7.7%	-13.3%
ARPU in PKR	328.0	269.0	248.0	21.9%	8.5%

Total Operating Revenue

For the year ended December 31, 2023, our Pakistan total operating revenue decreased by 12.9% (in US$ terms) and increased by 19.9% (in local currency terms), as compared to the year ended December 31, 2022. This change in local currency terms is mainly due to increased 4G penetration, higher service revenue owing to increased usage and pricing in addition to stronger uptake of digital services, as well as higher volume content services relating to application to personal products that generated a growth in mobile data revenue. There was a one-off SIM issuance tax release in 2022 which had an incremental impact in 2022 and is also contributing to variance when compared to this year. This organic local currency increase was offset by the deterioration in Pakistani rupee during the year 2023 in US$ terms.

Adjusted EBITDA

For the year ended December 31, 2023, our Pakistan Adjusted EBITDA decreased by 23.2% (in US$ terms) and increase by 4.9% (in local currency terms), as compared to the year ended December 31, 2022. 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 a one off positive impact of Pakistan SIM tax reversals in 2022 contributing to year on year variance this year. 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 2023.

Number of Mobile Customers

As of December 31, 2023, we had 70.6 million mobile customers in Pakistan, representing a decrease of 4.2% as compared to December 31, 2022. This was driven primarily by higher churn owing to aggressive pricing during the year. There was a growth in mobile data customers that increased by 0.4% 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, 2023, our mobile ARPU in Pakistan was lower as compared to 2022 by 7.7% (in US$ terms) due to devaluation of the PKR against US$, and increased by 21.9% (in local currency terms). These changes in local currency are mainly the result of an increase in mobile data revenues as discussed above.

Ukraine

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**919**	**971**	**1055**	**-5.4 %**	**-8.0 %**
Mobile service revenue	859	906	980	-5.2 %	-7.6 %
- of which mobile data	507	527	590	-3.8 %	-10.7 %
Fixed-line service revenue	53	59	68	-10.2 %	-13.2 %
Sales of equipment, accessories and other	7	6	7	16.7 %	-14.3 %
Operating expenses	**378**	**396**	**351**	**-4.5 %**	**12.8 %**
Adjusted EBITDA	**541**	**575**	**704**	**-5.9 %**	**-18.3 %**
Adjusted EBITDA margin	**58.9%**	**59.2%**	**66.7%**	**-0.3pp**	**-7.5pp**

Results of Operations in UAH

In millions of UAH (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**33,588**	**31,092**	**28,748**	**8.0 %**	**8.2 %**
Mobile service revenue	31,397	29,014	26,712	8.2 %	8.6 %
- of which mobile data	18,528	16,837	16,092	10.0 %	4.6 %
Fixed-line service revenue	1,922	1,879	1,859	2.3 %	1.1 %
Sales of equipment, accessories and other	269	198	176	35.9 %	12.5 %
Operating expenses	**13,816**	**12,795**	**9,556**	**8.0 %**	**33.9 %**
Adjusted EBITDA	**19,775**	**18,301**	**19,196**	**8.1 %**	**-4.7 %**
Adjusted EBITDA margin	**58.9%**	**58.9%**	**66.8%**	**—pp**	**-7.9pp**

Selected Performance Indicators

	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Mobile					
Customers in millions	23.9	24.8	26.2	-3.6%	-5.3%
Mobile data customers in millions	17.7	17.5	18.5	1.1%	-5.4%
ARPU in US$	2.9	3.0	3.1	-3.3%	-3.2%
ARPU in UAH	107.0	95.0	85.0	12.6%	11.8%

Total Operating Revenue

For the year ended December 31, 2023, our Ukraine total operating revenue decreased by 5.4% (in US$ terms) and increased by 8.0% (in local currency terms) as compared to the year ended December 31, 2022. 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 lower usage due to a cyber security attack in December 2023 (refer to *Note 1- General information* to our Audited Consolidated Financial Statements attached hereto). The US$ change is mainly driven by deterioration of local currency against US$ in 2023.

Adjusted EBITDA

For the year ended December 31, 2023, our Ukraine Adjusted EBITDA decreased by 5.9% (in US$ terms) and increased by 8.1% (in local currency terms) as compared to the year ended December 31, 2022. 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 network maintenance and higher marketing costs.

Number of Mobile Customers

As of December 31, 2023, we had 23.9 million mobile customers in Ukraine representing a decrease of 3.6% year-on-year. This change is primarily due to a loss of subscribers as a result of the ongoing war in Ukraine.

Mobile ARPU

For the year ended December 31, 2023, our mobile ARPU in Ukraine decreased by 3.3% (in US$ terms) and increased by 12.6% (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 2023.

Kazakhstan

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	2023	2022	2021	'22-23 % change	'21-22 % change
	Year ended December 31,				
Total operating revenue	**774**	**636**	**569**	**21.7 %**	**11.8 %**
Mobile service revenue	603	497	459	21.3 %	8.3 %
- of which mobile data	380	293	265	29.7 %	10.6 %
Fixed-line service revenue	146	116	91	25.9 %	27.5 %
Sales of equipment, accessories and other	25	23	19	8.7 %	21.1 %
Operating expenses	**354**	**316**	**262**	**12.0 %**	**20.6 %**
Adjusted EBITDA	**421**	**322**	**307**	**30.7 %**	**4.9 %**
Adjusted EBITDA margin	**54.4%**	**50.6%**	**54.0%**	**3.8pp**	**-3.3pp**

RESULTS OF OPERATIONS IN KZT

In millions of KZT (except as indicated)	2023	2022	2021	'22-23 % change	'21-22 % change
	Year ended December 31,				
Total operating revenue	**353,562**	**293,057**	**242,509**	**20.6 %**	**20.8 %**
Mobile service revenue	275,226	228,084	195,583	20.7 %	16.6 %
- of which mobile data	173,232	134,484	113,045	28.8 %	19.0 %
Fixed-line service revenue	66,630	54,312	38,676	22.7 %	40.4 %
Sales of equipment, accessories and other	11,706	10,661	8,250	9.8 %	29.2 %
Operating expenses	**161,578**	**145,351**	**111,449**	**11.2 %**	**30.4 %**
Adjusted EBITDA	**192,067**	**147,784**	**131,060**	**30.0 %**	**12.8 %**
Adjusted EBITDA margin	**54.3%**	**50.4%**	**54.0%**	**3.9pp**	**-3.6pp**

Selected Performance Indicators

	2023	2022	2021	'22-23 % change	'21-22 % change
	Year ended December 31,				
Mobile					
Customers in millions	11.1	10.6	9.9	4.7%	7.1%
Mobile data customers in millions	9.4	8.6	7.9	9.3%	8.9%
ARPU in US$	4.6	4.0	3.9	15.0%	2.6%
ARPU in KZT	2,107.0	1,844.0	1,671.0	14.3%	10.4%

Total Operating Revenue

For the year ended December 31, 2023, our Kazakhstan total operating revenue increased by 21.7% (in US$ terms) and increased by 20.6% (in local currency terms) as compared to the year ended December 31, 2022. These changes were primarily driven by higher voice, data usage and 4G subscribers along with higher fixed line services usage and repricing during the year 2023.

Adjusted EBITDA

For the year ended December 31, 2023, our Kazakhstan Adjusted EBITDA increased by 30.7% (in US$ terms) and increased by 30.0% (in local currency terms) as compared to the year ended December 31, 2022. These changes are primarily due to higher total operating revenue as described above. The increase was partially offset by increased network maintenance and marketing spend.

Number of Mobile Customers

As of December 31, 2023, we had 11.1 million mobile customers in Kazakhstan representing an increase of 4.7% as compared to December 31, 2022. This increase was driven by growth in mobile data customers which increased by 9.3% 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, 2023, our mobile ARPU in Kazakhstan increased by 15.0% (in US$ terms) and increased by 14.3% (in local currency terms) as compared to the year ended December 31, 2022. 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.

Bangladesh

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**570**	**576**	**564**	**-1.0 %**	**2.1 %**
Mobile service revenue	561	566	553	-0.9 %	2.4 %
- of which mobile data	201	184	160	9.2 %	15.0 %
Sales of equipment, accessories and other	9	10	11	-10.0 %	-9.1 %
Operating expenses	**356**	**366**	**329**	**-2.7 %**	**11.2 %**
Adjusted EBITDA	**214**	**210**	**235**	**1.9 %**	**-10.6 %**
Adjusted EBITDA margin	**37.5%**	**36.5%**	**41.7%**	**1.1pp**	**-5.2pp**

Results of Operations in BDT

In millions of BDT (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**61,490**	**53,742**	**47,941**	**14.4 %**	**12.1 %**
Mobile service revenue	60,546	52,819	47,050	14.6 %	12.3 %
- of which mobile data	21,713	17,277	13,647	25.7 %	26.6 %
Sales of equipment, accessories and other	944	923	891	2.3 %	3.6 %
Operating expenses	**38,377**	**34,188**	**27,975**	**12.3 %**	**22.2 %**
Adjusted EBITDA	**23,113**	**19,554**	**19,966**	**18.2 %**	**-2.1 %**
Adjusted EBITDA margin	**37.6%**	**36.4%**	**41.6%**	**1.2pp**	**-5.3pp**

Selected Performance Indicators

	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Mobile					
Customers in millions	40.4	37.6	35.1	7.4%	7.1%
Mobile data customers in millions	26.8	24.4	22.1	9.8%	10.4%
ARPU in US$	1.2	1.3	1.3	-7.7%	0.0%
ARPU in BDT	129.3	119.7	115.0	8.0%	4.1%

Total Operating Revenue

For the year ended December 31, 2023, our Bangladesh total operating revenue decreased by 1.0% (in US$ terms) and increased by 14.4% (in local currency terms) as compared to the year ended December 31, 2022. This change in local currency terms 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. The US$ change is due to the deterioration of the Bangladesh taka.

Adjusted EBITDA

For the year ended December 31, 2023, our Bangladesh Adjusted EBITDA increased by 1.9% (in US$ terms) and increased by 18.2% (in local currency terms) as compared to the year ended December 31, 2022. This increase was mainly due to higher revenues as stated above that was offset by the increased energy costs along with higher technology and other general and administration costs.

Number of Mobile Customers

As of December 31, 2023, the number of mobile customers in Bangladesh increased by 7.4% to 40.4 million as compared to December 31, 2022. This was primarily driven by growth in mobile data customers, which increased by 9.8% as compared to 2022, 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, 2023, our mobile ARPU in Bangladesh decreased by 7.7% in US$ terms and increased by 8.0% in local currency terms as compared to December 31, 2022. This increase in local currency terms was primarily driven by growth in mobile data and voice revenue and as described above.

Uzbekistan

Results of Operations in US$

In millions of U.S. dollars (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**268**	**233**	**194**	**15.0 %**	**20.1 %**
Mobile service revenue	267	232	193	15.1 %	20.2 %
- of which mobile data	186	159	122	17.0 %	30.3 %
Fixed-line service revenue	—	1	1	-100.0 %	-16.9 %
Sales of equipment, accessories and other	1	—	—	0.0 %	0.0 %
Operating expenses	**157**	**109**	**105**	**44.0 %**	**3.8 %**
Adjusted EBITDA	**112**	**124**	**89**	**-9.7 %**	**39.3 %**
Adjusted EBITDA margin	**41.8%**	**53.2%**	**45.9%**	**-11.4pp**	**7.3pp**

Results of Operations in UZS

In millions of UZS (except as indicated)	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Total operating revenue	**3,158,369**	**2,575,184**	**2,056,545**	**22.6 %**	**25.2 %**
Mobile service revenue	3,144,698	2,563,793	2,043,366	22.7 %	25.5 %
- of which mobile data	2,182,824	1,762,342	1,298,999	23.9 %	35.7 %
Fixed-line service revenue	1,186	8,169	9,404	-85.5 %	-13.1 %
Sales of equipment, accessories and other	12,485	3,223	3,774	287.4 %	-14.6 %
Operating expenses	**1,846,729**	**1,210,233**	**1,112,252**	**52.6 %**	**8.8 %**
Adjusted EBITDA	**1,319,354**	**1,371,642**	**944,432**	**-3.8 %**	**45.2 %**
Adjusted EBITDA margin	**41.8%**	**53.3%**	**45.9%**	**-11.5pp**	**7.3pp**

Selected Performance Indicators

	Year ended December 31, 2023	2022	2021	'22-23 % change	'21-22 % change
Mobile					
Customers in millions	8.4	8.4	7.1	0.0%	18.3%
Mobile data customers in millions	7.6	7.2	5.7	5.6%	26.3%
ARPU in US$	2.6	2.5	2.3	4.0%	8.7%
ARPU in UZS	30,762	27,228	24,217	13.0%	12.4%

Total Operating Revenue

For the year ended December 31,2023, our Uzbekistan total operating revenue increased by 15.0% (in US$ terms) and increased by 22.6% (in local currency terms) as compared to the year ended December 31, 2022. These increases are primarily due to higher data revenues in addition to higher digital revenues during the year.

Adjusted EBITDA

For the year ended December 31, 2023, our Adjusted EBITDA in Uzbekistan decreased by 9.7% (in US$ terms) and decreased by 3.8% (in local currency terms) as compared to the year ended December 31, 2022. These decreases are due to higher operational costs associated with license fees, energy prices and higher IT support costs during the year that was partially offset by the increased revenues during the year as stated above.

Number of Mobile Customers

As of December 31,2023, the number of mobile customers in Uzbekistan remained 8.4 million compared to 2022, although the mobile data customers increased by 5.6% as compared to December 31, 2022 (mainly due to the continued expansion of our 4G network in Uzbekistan).

Mobile ARPU

For the year ended December 31, 2023, our mobile ARPU in Uzbekistan increased by 4.0% (in US$ terms) and increased by 13.0% (in local currency terms) as compared to December 31, 2022. These increases are primarily attributable to focus on high value customers.

Liquidity and Capital Resources

Working Capital

As of December 31, 2023, we had negative working capital of US$414 million, compared to negative working capital of US$664 million as of December 31, 2022. Working capital is defined as current assets less current liabilities. The change was primarily due to a decrease in cash and cash equivalents as compared to 2022 mainly as a result of proceeds from sale of Algeria operations, which was partially offset by the decrease in trade and other receivables when compared to 2022.

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 war between Russia and Ukraine, see —*Future Liquidity and Capital Requirements* below.

The consolidated financial statements included in this Annual Report 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 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 23—*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

(In millions of U.S. dollars)	2023	2022
Net cash flows from operating activities from continuing operations	**1,264**	**1,075**
Net cash flows from operating activities from discontinued operations	**948**	**1,625**
Net cash flows (used in) investing activities from continuing operations	**(1,078)**	**(1,179)**
Net cash flows (used in) investing activities from discontinued operations	**(1,217)**	**(599)**
Net cash flows (used in) / from financing activities from continuing operations	**(963)**	**485**
Net cash flows (used in) financing activities from discontinued operations	**(226)**	**(340)**
Net (decrease) / increase in cash and cash equivalents	(1,272)	1,067
Net foreign exchange difference related to continuing operations	(31)	(92)
Net foreign exchange difference related to discontinued operations	(44)	(22)
Cash and cash equivalent classified as held for sale	146	(33)
Cash and cash equivalent at beginning of period	3,077	2,157
Cash and cash equivalents at end of period, net of overdraft	**1,876**	**3,077**

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

Operating Activities

For the year ended December 31, 2023, net cash flows from operating activities from continuing operations increased to US$1,264 million from US$1,075 million for the year ended December 31, 2022. The increase was primarily attributable to lower income taxes paid and higher interest received as well as an improvement in working capital as compared to 2022.

Investing Activities

For the year ended December 31, 2023, net cash outflow from investing activities was US$1,078 million compared to net cash outflow of US$1,179 million for the year ended December 31, 2022. This slight decrease was primarily relating to lower capex activity during the year 2023. Our total payments for the purchase of property, equipment and intangible assets amounted to US$511 million in 2023 compared to US$616 million in 2022.

Financing Activities

For the year ended December 31, 2023, net cash outflow from financing activities from continuing operations was US$(963) million compared to net cash inflow of US$485 million for the year ended December 31, 2022. The net cash outflow from financing activities in 2023 was due to significant repayments combined with limited inflows from bank loans and bonds.

Indebtedness

As of December 31, 2023, the principal amounts of our external indebtedness represented by bank loans and bonds amounted to US$3,707 million, compared to US$6,670 million as of December 31, 2022. As of December 31, 2023, our debt does not include any overdrawn bank accounts related to our cash-pooling program.

As of December 31, 2023, 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.	Revolving Credit Facility	SOFR + 1.5%	US$	692	692	01.22.2024
VEON Holdings B.V.	Revolving Credit Facility	SOFR + 1.5%	US$	363	363	02.29.2024
VEON Holdings B.V.	Notes	4.00%	US$	556	556	04.09.2025
VEON Holdings B.V.	Notes	6.30%	RUB	9,187	102	06.18.2025
VEON Holdings B.V.	Notes	6.50%	RUB	3,274	37	09.11.2025
VEON Holdings B.V.	Notes	8.13%	RUB	1,357	15	09.16.2026
VEON Holdings B.V.	Notes	3.38%	US$	1,093	1,093	11.25.2027
VEON Holdings B.V. Total					**2,858**	
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	25,386	90	09.02.2026
PMCL	Loan from Habib Bank Limited	6M KIBOR + 0.55%	PKR	10,777	38	09.02.2026
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	15,000	53	05.18.2028
PMCL	Syndicated Loan Facility	3M KIBOR + 0.60%	PKR	50,000	178	07.05.2031
PMCL	Syndicated Loan Facility	6M KIBOR + 0.60%	PKR	40,000	142	04.19.2032
PMCL	Other				55	
Pakistan Mobile Communications Limited Total					**556**	
Banglalink	Syndicated Loan Facility	Average bank deposit rate + 4.25%	BDT	8,850	81	04.26.2027
Banglalink	Syndicated Loan Facility	7% to 12%	BDT	5,000	46	11.25.2028
Other					61	
Banglalink Digital Communications Ltd. Total					**188**	
KaR-Tel	Loan from Forte Bank	17.7500% - 18.5000 %	KZT	9,800	22	11.13.2026
	Other				22	
TOTAL KaR-Tel Limited Liability Partnership.					**44**	
Unitel LLC	National Bank for Foreign Economic Activity	20.00%	UZS	150,000	12	11.07.2025
	Other				36	
TOTAL Unitel LLC.					**48**	
Other entities	**Overdrawn accounts and other**				**13**	
Total VEON					**3,707**	

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, 2023.

(In millions of U.S. dollars)	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**	**Total**
Bank loans and bonds	1,433	1,392	1,415	237	4,477
Lease liabilities	289	471	356	508	1,624
Purchase obligations	148	—	—	—	148
Derivative financial instruments-liabilities					
- Gross cash inflows	(14)				(14)
- Gross cash outflows	16				16
Total financial liabilities, net of derivative assets	**1,872**	**1,863**	**1,771**	**745**	**6,251**

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, 2023*. For a description of some of the risks associated with certain of our indebtedness, see *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

As a result of the war between Russia and Ukraine, clearing systems are no longer accepting payments in Russian rubles on ruble denominated notes and we have been paying any Russian ruble denominated coupons in U.S. dollars. In addition, the Company faces currency controls in Ukraine, which impact Kyivstar's ability to upstream cash, including as dividends*.* For more information on these risks, see *—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 Holdings B.V., 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 2023, our capital expenditures (excluding licenses and right-of-use assets) were US$631 million compared to US$836 million in 2022. 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 war 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 have been put on hold since 2022 from time to time and may continue to be put on hold until the impact of the ongoing war 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 private credit financings; and

- issuances of debt securities on local and international capital markets.

Following the onset of the war between Russia and Ukraine, our ability to generate cash to service our indebtedness has been materially impaired, due to restrictive currency controls in Ukraine, and sanctions in relation to the war. 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 or private credit funds to lend to our companies (including as a result of any sanctions concerns) and the liquidity and strength of international and local capital markets. Due to the adverse impact the ongoing war between Russia and Ukraine has had on us, the terms of such external financing may be less favorable than our existing financing, including due to the reputational harm we have suffered. See *Risk Factors—Market Risks—We have suffered reputational harm as a result of the ongoing war between Russia and Ukraine*.

As of December 31, 2023, we had an undrawn amount of US$38 million under the existing Bangladesh and Kazakhstan term facilities. 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, 2023, VEON had approximately US$1.3 billion of cash held at the level of its headquarters ("HQ"), 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 US$0.6 billion. However, there can be no assurance that our existing cash balances and available credit lines will be sufficient over time to service our existing indebtedness, including to address our upcoming bond maturities. See *—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 war. See *—Risk Factors—Market Risk—The consolidated financial statements included in this Annual Report 2023 have been prepared on a going concern basis as a result of the ongoing war between Russia and Ukraine*and Note 23—*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:

(In millions of U.S. dollars)	**2023**	**2022**
Capital expenditures (excluding licenses and right-of-use assets) *	631	836
Adjusted for:		
Additions of licenses	4	525
Difference in timing between accrual and payment for capital expenditures (excluding licenses and right-of-use assets)	108	(371)
Purchase of property, plant and equipment and intangible assets	**743**	**990**

** 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*—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 - *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 -—*Related Party Transactions and Note 21—Related Parties* and *Note 22—Events After the Reporting Period—Agreement with Impact Investments LLC for Strategic Support and Board Advisory Service* to our Audited Consolidated Financial Statements.

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, 2023, the largest currency exposure risks for our group were in relation to 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 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 72% 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 Pakistani rupee, Bangladeshi taka and other currencies, as well as selectively enter into foreign exchange derivatives. Nonetheless, if the U.S. dollar value of the Pakistani rupee, the Bangladeshi taka, the Uzbekistani som, 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 *—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 war between Russia and Ukraine, see — *Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing war between Russia and Ukraine*.

The following table summarizes information, as of December 31, 2023, 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,
	2023	**2024**	**2025**	**2023**
Total debt:				
Fixed Rate (in US$ millions)	209	209	15	246
Average interest rate	6%	6%	8%	—
TOTAL	209	209	15	246

As of December 31, 2023, the variable interest rate risk on the financing of our group was significant as 54% 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.

Consolidated Financial Statements

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CONSOLIDATED INCOME STATEMENT

for the years ended December 31

	Note	2023	2022
(In millions of U.S. dollars)			
Service revenues		3,577	3,600
Sale of equipment and accessories		19	28
Other revenues		98	127
Total operating revenues	3	**3,694**	**3,755**
Other operating income		2	2
Service costs		(422)	(448)
Cost of equipment and accessories		(18)	(28)
Selling, general and administrative expenses	4	(1,484)	(1,397)
Depreciation	12	(548)	(564)
Amortization	13	(205)	(218)
Impairment reversal	11	8	115
Gain on disposal of non-current assets		48	3
Gain on disposal of subsidiaries	9	0	94
Operating profit		**1,075**	**1,314**
Finance costs		(567)	(609)
Finance income		146	79
Other non-operating gain, net	15	14	26
Net foreign exchange gain		81	188
Profit before tax from continuing operations		**749**	**998**
Income taxes	8	(173)	(67)
Profit from continuing operations		**576**	**931**
Loss after tax from discontinued operations and disposals of discontinued operations	10	(2,830)	(739)
(Loss) / profit for the period		**(2,254)**	**192**
Attributable to:			
The owners of the parent (continuing operations)		503	852
The owners of the parent (discontinued operations)		(2,835)	(814)
Non-controlling interest		78	154
		(2,254)	**192**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended December 31

	Note	2023	2022*
(In millions of U.S. dollars)			
Profit / (loss) for the period		**(2,254)**	**192**
Items that may be reclassified to profit or loss			
Foreign currency translation		(595)	(486)
Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation	10	3,414	558
Other		(10)	—
Items that will not be reclassified to profit or loss			
Other		(4)	6
Other comprehensive income / (loss) for the period, net of tax		**2,805**	**78**
Total comprehensive income / (loss) for the period, net of tax		**551**	**270**
Attributable to:			
The owners of the parent		475	160
Non-controlling interests		76	110
		551	**270**
Total comprehensive income / (loss) for the period, net of tax from:			
Continuing operations		392	404
Discontinued operations		159	(134)
		551	**270**

**Other comprehensive income for the year-ended December 31, 2022 has been restated. Refer to Note 23 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

(In millions of U.S. dollars)	Note	2023	2022
Assets			
Non-current assets			
Property and equipment	12	2,949	2,892
Intangible assets	13	1,612	1,953
Investments and derivatives	16	1,790	1,431
Deferred tax assets	8	311	273
Other assets	6	179	157
Total non-current assets		**6,841**	**6,706**
Current assets			
Inventories		23	18
Trade and other receivables	5	646	561
Investments and derivatives	16	429	592
Current income tax assets	8	58	70
Other assets	6	191	200
Cash and cash equivalents	17	1,876	3,077
Total current assets		**3,223**	**4,518**
Assets classified as held for sale	10	**—**	**5,796**
Total assets		**10,064**	**17,020**
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent	19	2,584	2,109
Non-controlling interests		213	198
Total equity		**2,797**	**2,307**
Non-current liabilities			
Debt and derivatives	16	3,535	5,382
Provisions	7	44	47
Deferred tax liabilities	8	26	36
Other liabilities	6	25	20
Total non-current liabilities		**3,630**	**5,485**
Current liabilities			
Trade and other payables		1,270	1,126
Debt and derivatives	16	1,722	3,171
Provisions	7	50	50
Current income tax payables	8	151	179
Other liabilities	6	444	453
Total current liabilities		**3,637**	**4,979**
Liabilities associated with assets held for sale	10	**—**	**4,249**
Total equity and liabilities		**10,064**	**17,020**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2023

(In millions of U.S. dollars, except for share amounts)	Note	Number of shares outstanding	Attributable to equity owners of the parent: Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation	Total	Non-controlling interests	Total equity
As of January 1, 2023		**30,099,998**	**39**	**13,028**	**(2,654)**	**(1,694)**	**(6,610)**	**2,109**	**198**	**2,307**
(Loss) / profit for the period		—	—	—	—	(2,332)	—	(2,332)	78	(2,254)
Transfer from OCI to income statement on disposal of subsidiary		—	—	—	—	—	3,414	3,414	—	3,414
Other comprehensive (loss)		—	—	—	(10)	(4)	(593)	(607)	(2)	(609)
Total comprehensive income / (loss)		**—**	**—**	**—**	**(10)**	**(2,336)**	**2,821**	**475**	**76**	**551**
Dividends declared	20	—	—	—	—	—	—	—	(45)	(45)
Disposal of subsidiaries with non-controlling interests		—	—	—	—	—	—	—	(16)	(16)
Other		—	—	—	2	(2)	—	—	—	—
As of December 31, 2023		**30,099,998**	**39**	**13,028**	**(2,662)**	**(4,032)**	**(3,789)**	**2,584**	**213**	**2,797**

for the year ended December 31, 2022**

(In millions of U.S. dollars, except for share amounts)	Note	Number of shares outstanding	Attributable to equity owners of the parent: Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit *	Foreign currency translation	Total	Non-controlling interests	Total equity
As of January 1, 2022		**30,099,998**	**39**	**13,028**	**(2,626)**	**(1,729)**	**(6,731)**	**1,981**	**913**	**2,894**
Profit for the period		—	—	—	—	38	—	38	154	192
Transfer from OCI to income statement on disposal of subsidiary (reclassification adjustments)		—	—	—	—	—	558	558	—	558
Other comprehensive income / (loss) (excluding reclassification adjustments)		—	—	—	6	—	(442)	(436)	(44)	(480)
Total comprehensive income / (loss)		**—**	**—**	**—**	**6**	**38**	**116**	**160**	**110**	**270**
Dividends declared	20	—	—	—	—	—	—	—	(14)	(14)
Disposal of subsidiaries with non-controlling interests		—	—	—	—	—	—	—	(824)	(824)
Acquisition of non-controlling interest		—	—	—	—	—	5	5	4	9
Other		—	—	—	(34)	(3)	—	(37)	9	(28)
As of December 31, 2022		**30,099,998**	**39**	**13,028**	**(2,654)**	**(1,694)**	**(6,610)**	**2,109**	**198**	**2,307**

** Certain of the consolidated entities of VEON Holdings are restricted from remitting funds in the form of cash dividends or loans by a variety of regulations, contractual or local statutory requirements.*

*** Equity as of December 31, 2022 has been restated. Refer to Note 23 for further details with respect to the restatement*

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	2023	2022
Operating activities			
Profit before tax		749	998
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation, amortization and impairment loss		745	667
Gain on disposal of non-current assets		(48)	(3)
Gain on disposal of subsidiaries		—	(94)
Finance costs		567	609
Finance income		(146)	(79)
Other non-operating gain		(14)	(26)
Net foreign exchange gain		(81)	(188)
Changes in trade and other receivables and prepayments		(52)	(164)
Changes in inventories		(19)	(12)
Changes in trade and other payables		151	61
Changes in provisions, pensions and other		103	49
Interest paid	16	(494)	(499)
Interest received		65	40
Income tax paid		(262)	(284)
Net cash flows from operating activities from continuing operations		**1,264**	**1,075**
Net cash flows from operating activities from discontinued operations		**948**	**1,625**
Investing activities			
Purchase of property, plant and equipment		(511)	(616)
Purchase of intangible assets		(232)	(374)
Payments on deposits		(53)	(54)
Outflows on loans granted		(227)	(152)
Inflows on loans granted		90	1
Acquisition of a subsidiary, net of cash acquired		—	(16)
Proceeds from sales of share in subsidiaries, net of cash		(1)	40
Investment in financial assets		(150)	(22)
Other proceeds from investing activities, net		6	14
Net cash flows used in investing activities from continuing operations		**(1,078)**	**(1,179)**
Net cash flows used in investing activities from discontinued operations		**(1,217)**	**(599)**
Financing activities			
Proceeds from borrowings, net of fees paid *	16	194	2,087
Repayment of debt	16	(1,142)	(1,591)
Dividends paid to non-controlling interests		(15)	(11)
Net cash flows (used in) / from financing activities from continuing operations		**(963)**	**485**
Net cash flows used in financing activities from discontinued operations		**(226)**	**(340)**
Net (decrease) / increase in cash and cash equivalents		(1,272)	1,067
Net foreign exchange difference related to continued operations		(31)	(92)
Net foreign exchange difference related to discontinued operations		(44)	(22)
Cash and cash equivalents classified as discontinued operations/held for sale at the beginning of the period		146	113
Cash and cash equivalents classified as discontinued operations/held for sale at the end of the period		—	(146)
Cash and cash equivalents at beginning of period		3,077	2,157
Cash and cash equivalents at end of period, net of overdraft	17	**1,876**	**3,077**

** Fees paid in 2023 for borrowings were US$18 (2022: US$11)*

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL INFORMATION ABOUT THE GROUP

1 GENERAL INFORMATION

VEON Holdings B.V. (**"VEON"**, the **"Company"**, and together with its consolidated subsidiaries, the **"Group"** or **"we"**) was established as a private company with limited liability under the laws of the Netherlands on June 29, 2009. The registered office and principal place of business of VEON is located at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands. The Company is an indirectly wholly-owned subsidiary of VEON Ltd.

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.

The consolidated financial statements were authorized by the Board of Directors for issuance on November 20, 2024.

The consolidated financial statements prepared for Dutch statutory purposes for the year ended December 31, 2022 were authorized by the Board of Directors for issuance on June 29, 2023. After the issuance of those financial statements, the Company discovered an error in the consolidated statement of comprehensive income with respect to the de-recognition of non-controlling interest for the sale of its Algerian operations (refer to Note 10 for further details) which was corrected in the financial statements for the year ended December 31, 2022. Refer to Note 24 for further details.

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 amounts and as otherwise indicated.

Due to the ongoing war 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 23 of these consolidated financial statements.

Major developments during the year ended December 31, 2023

Completion of Sale of Russian operations

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings redeemed US$406 of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings bonds representing a nominal value of US$1,576 which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 as of December 31, 2023 was offset against VEON Holdings bonds acquired by VimpelCom representing a nominal value of US$72, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 23 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

Agreement between Banglalink and Summit Towers Limited ("Summit") regarding the sale of its Bangladesh tower assets

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97) net of cost of disposals containing legal, regulatory and investment bankers costs amounting BDT 855 million (US$8). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34), right-of-use assets of BDT 550 million (US$5) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9) and lease liabilities of BDT 6 billion (US$52) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40) were recognized for total right-of-use assets of BDT 5 billion (US$45) and total lease liabilities of BDT 10 billion (US$92). Refer to Note 9 for further details.

Cybersecurity Incident in Ukraine

On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement and government agencies and the Security Service of Ukraine, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, and that mobile voice and internet, fixed connectivity and SMS services as well as the MyKyivstar self-care application were active and available across Ukraine.

After stabilizing the network, although there was no legal obligation to do so, Kyivstar immediately launched offers to thank its customers for their loyalty, initiating a *"Free of Charge"* program offering one month of free services on certain types of contracts. Furthermore, on December 21, 2023, Kyivstar announced a donation of UAH 100 million (US$3) would be made towards Ukrainian charity initiatives.

Largely due to the limited period during which the critical services were down, there was no material financial impact on our consolidated results for the year ended December 31, 2023 due to these service disruptions, or due to costs associated with additional IT capabilities required for restoring services, replacing lost equipment or compensating external consultants and partners in 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue in 2024 was US$46. VEON expects no further impact on its financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

VEON and Kyivstar conducted a thorough investigation, together with outside cybersecurity firms, to determine the full nature, extent and impact of the incident and to implement additional security measures to protect against any recurrence. The Ukrainian government also conducted an investigation to support the recovery efforts. All investigations were concluded as of June 30, 2024, and has resulted in an in depth analysis into details of how the attack was executed and how this can be prevented in the future.

Kyivstar has initiated remediation and mitigation actions to reduce current risks and establish a robust framework to manage evolving cyber threats, protect business continuity and maintain customer trust by investing in immediate response actions, enhanced security infrastructure, proactive threat management, compliance with cybersecurity regulations and standards, employee awareness, and long-term adaptive measures. Further, VEON Group has executed a group-wide assessment of cybersecurity maturity in alignment with the U.S. National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST2).

VEON's Scheme of arrangement

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme 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 VEON Holdings' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. 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 would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had 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 were 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 was granted requiring VEON Holdings 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 2023 Put Option. The aggregate put option premium paid was US$9. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$ 1. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1. For further details, refer to further discussion in Note 16.

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

On April 20, 2023, and May 30, 2023, the outstanding amounts under our RCF facility were rolled over until October 2023 for US$692 and November 2023 for US$363. These outstanding amounts were further rolled over until January 2024 for US$692 and February 2024 for US$363. We subsequently repaid and canceled our RCF facility in March 2024.

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.

Freezing of corporate rights in Kyivstar

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts were seizing all “corporate rights” of Mikhail Fridman, Petr Aven and Andriy Kosogov in 20 Ukrainian companies that these individuals beneficially own, while criminal proceedings, unrelated to Kyivstar or VEON, were in progress. This announcement was incorrectly characterized by some Ukrainian media as a “seizure” or “freezing” of “Kyivstar’s assets” as the assets of Kyivstar had not been seized or frozen and the court’s ruling did not impact the assets of Kyivstar directly. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly targeted Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of M. Fridman. Subsequent clarification by the SSU noted that “The seizure of corporate rights of Ukrainian companies does not affect the protection of the interests of foreign investors and owners of shares of corporate rights, does not hinder their economic activity and the possibility of receiving dividends.” We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our Kyivstar shares, including transfer of such shares, from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. had filed two appeals with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected our appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts to protect our assets in Ukraine. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on renting property and land, on participating in public procurement and on the transfer of technology and intellectual property rights to Kyivstar from VEON impacting B2G revenue would also apply.

Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary (“Kyivstar”) and concluded that, under the requirements of relevant reporting standards (IFRS 10, *Consolidated financial Statements*), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

Share-based payment awards in VEON Ltd.

On February 21, 2023, VEON Ltd. announced the completion of the transfer of 52,550 shares in VEON Ltd. to Joop Brakenhoff. A total of 104,047 common VEON Ltd. shares vested as part of VEON Ltd.’s 2021 Deferred Share Plan in 2022. Of those vested VEON Ltd. shares, 51,500 common shares (the equivalent of 2,060 ADSs) were withheld to cover local withholding taxes and the remaining 52,550 VEON Ltd. shares (the equivalent of 2,102 ADSs) were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd.

In March 2023, equity-settled and liability settled awards in VEON Ltd. were granted to five members of VEON Ltd.’s GEC under the Short-Term Incentive Plan (154,876 ADS) and the Long-Term Incentive Plan (“LTIP”) (643,286 ADS).

On July 1, 2023, 1,395,358 common shares in VEON Ltd. granted to current and former members of VEON Ltd.’s GEC vested as part of the 2021 Deferred Share Plan. Subsequently, VEON Ltd. had initiated the transfer of 34,094 ADSs, representing 852,350 common shares in VEON Ltd., to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares in VEON Ltd., were granted with immediate vesting to members of VEON Ltd.’s GEC and 70,000 ADSs, representing 1,750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.’s Board. Subsequently, VEON Ltd. initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares in VEON Ltd., to the respective VEON Ltd. executives and Board members. Additionally, 30,000 ADSs, representing 750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board.

In July 2023, VEON Ltd. equity-settled awards were granted to one member of VEON Ltd.’s GEC under the LTIP (105,573 ADS).

On September 1, 2023, 146,490 ADSs, representing 3,662,250 common VEON Ltd. shares, granted to VEON Ltd.'s Group CEO, Mr. Kaan Terzioglu, vested as part of VEON Ltd.’s Deferred Share Plan.

In November 2023, VEON Ltd. initiated the transfer of 1,870 ADSs, representing 46,750 common shares in VEON Ltd. to Mr. Brakenhoff for VEON Ltd. equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2023 as well as 6,535 ADSs, representing 163,375 common shares in VEON Ltd., to a former Board member of VEON Ltd. in relation to a grant that vested in July 2023 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

For further details on share-based payment awards, refer to Note 21.

Changes in Key Senior Managers of VEON Ltd.

On March 15, 2023, VEON announced the appointment of Joop Brakenhoff as Group 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 continued to serve VEON as a special advisor to the Group CEO and CFO.

On June 16, 2023, VEON announced that Omiyinka Doris had been appointed Group General Counsel in a permanent capacity, effective June 1, 2023, and would continue as a member of the VEON Ltd. 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 within VEON Ltd. effective October 1, 2023. VEON Ltd.’s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

Change in Board of Directors of VEON Ltd.

On June 29, 2023, at its Annual General Meeting, VEON Ltd. shareholders approved the Board recommended slate of seven directors, including six directors already serving on the Board at that time – 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.

In July 2023, the Board elected Morten Lundal as the Chair in its first meeting following the 2023 AGM. The Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

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 June 30, 2023. Subsequently, during July 2023 the agreed amount of settlement was paid and settled.

Canadian Sanctions

On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including VimpelCom. As of October 9, 2023, as a result of the completion of the sale of VEON’s Russian operations, Vimpelcom is no longer part of the VEON Group and as such, these sanctions have no impact on the remaining group. Refer to Note 23 *Basis of Preparation of the Consolidated Financial Statements* for further details.

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$74) which includes BDT 4,307 million (approximately US$39) 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.

Subsequently, Banglalink had a meeting with BTRC officials and agreed to pay amounts pertaining to 2G matters (already accrued BDT 2,200 million in the financials) in BDT 500 million immediately in July 2023 and 12 equal monthly installments of BDT 146 million (approximately US$1.4), accordingly Banglalink has paid BDT 500 million (approximately US$5) in July 2023 and all installments until December 2023 as agreed.

Despite having objections to the audit findings, in compliance with the instruction given by the BTRC on November 5, 2023 to pay the principal amount of the BTRC’s audit demand within 10 working days, Banglalink deposited BDT 1,657 million (US$16 million) to the BTRC on November 19, 2023. The remaining elements of the BTRC’s audit, including the late fee, are not yet resolved. Refer to Note 7.

Ukraine prepayment

In 2023, Kyivstar fully prepaid all of its remaining 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).

Pakistan Mobile Communication Limited ("PMCL") syndicated credit facility

PMCL fully utilized the remaining PKR 10 billion (US$41) under its existing PKR 40 billion (US$164) facility through drawdowns in January and April 2023.

Banglalink Digital Communications Ltd. ("BDCL") syndicated credit facility

BDCL utilized BDT 5 billion (US$ 45) out of new syndicated credit facility of BDT 8 billion (US$ 73) during November 2023. The tenor of the facility is 5 years.

KaR-Tel Limited Liability Partnership credit facility

KaR-Tel Limited Liability Partnership ("KaR-Tel") utilized KZT 9.8 billion (US$22) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

Repayment of VEON Holdings 5.95% Senior Notes

On October 13, 2023 VEON Holdings repaid its outstanding 5.95% Senior Notes amounting to US$39 at their maturity date.

Early redemption of VEON Holdings 2023 and 2024 Notes

On September 13, 2023, VEON issued two redemption notices for the early repayment of VEON Holdings B.V.'s bonds maturing in December 2023 and June 2024. On September 27, 2023 VEON redeemed US$243 senior notes held by external noteholders and on October 04, 2023 redeemed US$406 senior notes held by VimpelCom. Please refer to Note 16-*Investments, Debt and Derivatives* for further details.

Novation of VEON Digital Amsterdam B.V. credit facility

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

Amendment of VEON Amsterdam B.V. credit facility

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

Increase and amendment of VEON Ltd. credit facility

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

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 2023 and 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 were classified as discontinued operations and accounted for as an "Asset held for sale" in line with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, requirements. The sale of our Russian operations was completed on October 9, 2023. Additionally, 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. The sale of our stake in the Algerian operations was completed on August 5, 2022. Refer to Note 10 for further details on both transactions.

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 in 2022.

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	
	2023	**2022***	**2023**	**2022***	**2023**	**2022***
Pakistan	1,119	1,285	502	654	130	258
Ukraine	919	971	541	575	155	177
Kazakhstan	774	636	421	321	165	122
Bangladesh	570	576	214	210	105	199
Uzbekistan	268	233	112	124	65	64
Others	55	66	22	26	10	16
HQ and eliminations	(11)	(12)	(40)	(26)	1	—
Total	**3,694**	**3,755**	**1,772**	**1,884**	**631**	**836**

**In 2022, Pakistan Adjusted EBITDA includes the impact of SIM tax reversal. For further details 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:

	2023	**2022**
Profit before tax from continuing operations	**749**	**998**
Depreciation	548	564
Amortization	205	218
Impairment reversal	(8)	(115)
Loss on disposal of non-current assets	(48)	(3)
Gain on disposal of subsidiaries	—	(94)
Finance costs	567	609
Finance income	(146)	(79)
Other non-operating gain	(14)	(26)
Net foreign exchange gain	(81)	(188)
Total Adjusted EBITDA	**1,772**	**1,884**

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							
	2023	2022*	2023	2022*	2023	2022*	2023	2022*	2023	2022*
Pakistan**	1,021	1,169	19	—	6	14	73	102	1,119	1,285
Ukraine	859	906	53	59	—	1	7	5	919	971
Kazakhstan	603	497	146	116	12	13	13	10	774	636
Bangladesh	561	566	—	—	—	—	9	10	570	576
Uzbekistan	267	232	—	1	—	—	1	—	268	233
Others	55	66	—	—	—	—	—	—	55	66
HQ and eliminations	(4)	(8)	(3)	(4)	1	—	(5)	—	(11)	(12)
Total	**3,362**	**3,428**	**215**	**172**	**19**	**28**	**98**	**127**	**3,694**	**3,755**

**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 as of.

	December 31, 2023	December 31, 2022
Contract balances		
Receivables (billed)	479	494
Receivables (unbilled)	40	37
Contract liabilities	(157)	(169)
Capitalized costs		
Customer acquisition costs	98	126

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 that are incurred in acquiring a contract with a customer (**"customer acquisition costs"**) and are considered recoverable 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:

	2023	2022
Network and IT costs	487	490
Personnel costs	348	339
Customer associated costs	386	347
Losses on receivables	14	27
Taxes, other than income taxes	60	29
Other	189	165
Total selling, general and administrative expenses	**1,484**	**1,397**

In 2022, our subsidiary in Pakistan recorded a reversal of PKR 13.8 billion (US$63 million) in customer associated costs, relating to the reversal of a provision following a favorable decision from the Islamabad High Court on pending litigation.

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:

	2023	2022
Trade receivables (gross)*	519	531
Expected credit losses	(96)	(84)
Trade receivables (net)	**423**	**447**
Other receivables, net of expected credit losses allowance**	223	114
Total trade and other receivables* **	**646**	**561**

** Includes contract assets (unbilled receivables), see Note 3 for further details*

*** Other receivables as of December 31, 2023, includes consideration receivable for tower sale in Bangladesh , refer Note 9 for further details.*

**** Total trade and other receivables includes balances of US$259 million (2022: US$254 million) relating to banking operations in Pakistan.*

The following table summarizes the movement in the allowance for expected credit losses for the years ended December 31:

	2023	2022
Balance as of January 1	**84**	**159**
Accruals for expected credit losses	35	44
Recoveries	(8)	(6)
Accounts receivable written off	(6)	(64)
Reclassifications	—	(4)
Reclassification as held for sale	—	(28)
Foreign currency translation adjustment	(9)	(15)
Other movements	—	(2)
Balance as of December 31	**96**	**84**

Set out below is the information about the Group's trade receivables (including contract assets) using a provision matrix:

			Days past due			
	Unbilled Receivables	Current	< 30 days	Between 31 and 120 days	> 120 days	Total
December 31, 2023						
Expected loss rate, %	0.0%	1.8%	10.9%	50.0%	98.5%	
Trade receivables	40	329	46	36	68	**519**
Expected credit losses	—	(6)	(5)	(18)	(67)	**(96)**
Trade receivables, net	**40**	**323**	**41**	**18**	**1**	**423**
December 31, 2022						
Expected loss rate, %	0.0%	0.6%	15.4%	27.6%	97.1%	
Trade receivables	37	356	39	29	70	**531**
Expected credit losses	—	(2)	(6)	(8)	(68)	**(84)**
Trade receivables, net	**37**	**354**	**33**	**21**	**2**	**447**

ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables are measured at amortized cost and include invoiced/contractual 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:

	2023	2022
Other non-current assets		
Customer acquisition costs (see Note 3)	98	126
Tax advances (non-income tax)	6	7
Other non-financial assets	75	24
Total other non-current assets	**179**	**157**
Other current assets		
Advances to suppliers	41	51
Input value added tax	40	45
Prepaid taxes	51	50
Other assets	59	54
Total other current assets	**191**	**200**

Other liabilities consisted of the following items as of December 31:

	2023	2022
Other non-current liabilities		
Long-term deferred revenue (see Note 3)	13	10
Other liabilities	12	10
Total other non-current liabilities	**25**	**20**
Other current liabilities		
Taxes payable (non-income tax)	121	134
Short-term deferred revenue (see Note 3)	109	121
Customer advances (see Note 3)	35	38
Other payments to authorities	66	60
Due to employees	73	60
Other liabilities	40	40
Total other current liabilities	**444**	**453**

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, 2022	**88**	**85**	**6**	**6**	**185**
Arising during the year	4	1	—	1	**6**
Utilized	—	(2)	—	—	**(2)**
Unused amounts reversed	(20)	(6)	—	—	**(26)**
Reclassification as held for sale	(11)	(30)	(4)	—	**(45)**
Discount rate adjustment and imputed interest	—	4	—	—	**4**
Translation adjustments and other	(8)	(9)	—	(3)	**(20)**
Transfer and reclassification	(4)	—	—	(1)	(5)
As of December 31, 2022	**49**	**43**	**2**	**3**	**97**
Non-current	4	43	—	—	**47**
Current	45	—	2	3	**50**
As of January 1, 2023	**49**	**43**	**2**	**3**	**97**
Arising during the year	3	3	—	—	**6**
Utilized	—	(1)	—	—	**(1)**
Unused amounts reversed	(2)	(4)	—	—	**(6)**
Reclassification as held for sale	—	—	—	—	**—**
Transfer and reclassification	7	—	—	—	**7**
Discount rate adjustment and imputed interest (change in estimate)	—	3	—	—	**3**
Translation adjustments and other	(7)	(4)	—	(1)	**(12)**
As of December 31, 2023	**50**	**40**	**2**	**2**	**94**
Non-current	5	40	—	(1)	**44**
Current	45	—	2	3	**50**

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, 2023 as set out below.

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$70) 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"**), BTRC, Association of Mobile Telecom Operators of Bangladesh 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$69). 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$48) 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 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 judgement 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$15) 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 judgement 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, 2023, the Company has recorded a provision, for the cases discussed above of, US$8 (2022: US$8).

Other contingencies and uncertainties

In addition to the individual matters mentioned above, the Company is involved in other disputes, litigation and regulatory inquiries and both internal and external investigations, both pending and threatened, in the ordinary course of its business. For example, our operating company in Bangladesh has recently been subject to an extensive audit conducted by the 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$74) which includes BDT 4,307 million (approximately US$39) for interest. The Company has paid the principal amount and is currently having discussions with government stakeholders, including the BTRC for removal of the interest amount. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the removal of the interest amount, 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$205 (2022: US$289). 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 uncertainties and therefore no financial effect has been included within the preceding disclosure. The Company does not expect any liability or other financial impact (e.g. regarding recoverability of certain receivables) arising from these contingencies and uncertainties 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, internal and external investigations, 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:

	2023	2022
Current tax payable	58	46
Uncertain tax provisions	93	133
Total income tax payable	**151**	**179**

In addition to the 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$216 (2022: US$124). 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$58 (2022: 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:

	2023	2022
Current income taxes		
Current year	241	268
Adjustments in respect of previous years	14	10
Total current income taxes	**255**	**278**
Deferred income taxes		
Movement of temporary differences and losses	(58)	(8)
Changes in tax rates	(4)	(4)
Changes in recognized deferred tax assets*	(20)	(162)
Adjustments in respect of previous years	1	(5)
Other	(1)	(32)
Total deferred tax benefit	**(82)**	**(211)**
Income tax expense	**173**	**67**

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%) (2022 the statutory rate was 25.8%) and the effective income tax rates for the Group, together with the corresponding amounts, for the years ended December 31:

	2023	2022	Explanatory notes
Profit before tax from continuing operations	749	998	
Income tax expense at statutory tax rate (25.8%)	**(193)**	**(257)**	
Difference due to the effects of:			
Different tax rates in different jurisdictions	62	47	Certain jurisdictions in which VEON operates have income tax rates which are different to the Dutch statutory tax rate of 25.8% (25.8% in 2022). Profitability in countries with lower tax rates (i.e. Kazakhstan, Ukraine) has a positive impact on the effective tax rate, partially offset with profitability in countries with higher rate (i.e. Pakistan, Bangladesh).
Non-deductible expenses	(45)	(35)	The Group incurs certain expenses which are non-deductible in the relevant jurisdictions. In 2023 and 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.
Non-taxable income	28	9	In 2023, the non-taxable income is mainly driven by the non-taxable FOREX gains incurred by Dutch Holdings on sale of subsidiaries of US$25. In 2022, non-taxable income is mainly driven by reversal of previously unrecognized management fees in Uzbekistan.
Adjustments in respect of previous years	(15)	(9)	In 2023, the effect of prior year adjustments mainly relates to tax return true-ups and the effects of 6% Super tax in Pakistan introduced in 2023 which had a retrospective impact on 2022. In 2022, the effect of prior year adjustments mainly relates to tax return true-ups and the effects of 4% Super tax in Pakistan introduced in 2022 which had a retrospective impact on 2021.
Movements in (un)recognized deferred tax assets	20	162	In 2023, the movements in (un)recognized deferred tax assets are primarily caused by tax losses and other credits mainly in the Netherlands and Luxembourg, 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$108. The increase of deferred tax assets in Bangladesh is mainly driven by recognition of previously unrecognized historic losses due to positive outlook and business developments in our Bangladesh operations.
Withholding taxes	(31)	39	Withholding taxes are recognized to the extent that dividends from foreign operations are expected to be paid in the foreseeable future. In 2023, the net WHT of US$(31) mainly comprised of WHT on interest from Russia of US$(16) and US$(15) of WHT provided for as a deferred tax on outside basis during 2023 on the dividends planned to be paid out in 2024 mainly from Pakistan, Kazakhstan and Uzbekistan. In 2022, the net WHT benefit of US$39 comprising of reversal of WHT provision related to Russia, Ukraine and Pakistan.
Uncertain tax positions	2	(25)	The tax legislation in the markets in which VEON operates is unpredictable and gives rise to significant uncertainties (see 'Source of estimation uncertainty' below). During 2022, provisions were made for a dispute in Italy. The impact of movements in uncertain tax positions is presented net of any corresponding deferred tax assets recognized.
Change in income tax rate	4	4	Changes in tax rates impact the valuation of existing deferred tax assets and liabilities on temporary differences. In 2023, the statutory tax rate in Pakistan increased by 6% resulting in the total tax charge of 39%. In 2022, the statutory tax rate in Pakistan increased by 4% resulting in the total tax charge of 33%.
Other	(5)	(2)	In 2023, others is impacted mainly by a CFC charge for US$(6). In 2022, US$2 relates to various other permanent differences.
Income tax expense	**(173)**	**(67)**	
Effective tax rate	**23.1 %**	**6.8 %**	

Deferred taxes

The Group reported the following deferred tax assets and liabilities in the statement of financial position as of December 31:

	2023	2022
Deferred tax assets	311	273
Deferred tax liabilities	(26)	(36)
Net deferred tax position	285	237

The following table shows the movements of net deferred tax positions in 2023:

		Movement in deferred taxes			
	Opening balance	Net income statement movement	Held for sale	Other movements	Closing balance
Property and equipment	(84)	23	—	11	(50)
Intangible assets	59	14	—	(8)	65
Trade receivables	22	5	—	(3)	24
Provisions	15	(2)	—	(1)	12
Accounts payable	36	25	—	(8)	53
Withholding tax on undistributed earnings	(29)	8	—	2	(19)
Tax losses and other balances carried forwards	2,024	94	—	(290)	1,828
Non-recognized deferred tax assets	(1,819)	(92)	—	265	(1,646)
Other	13	7	—	(2)	18
Net deferred tax positions	237	82	—	(34)	285

The following table shows the movements of net deferred tax positions in 2022:

		Movement in deferred taxes			
	Opening balance	Net income statement movement	Held for sale	Other movements	Closing balance
Property and equipment	(100)	(46)	35	27	(84)
Intangible assets	36	59	(13)	(23)	59
Trade receivables	32	(19)	7	2	22
Provisions	16	7	(7)	(1)	15
Accounts payable	90	32	(65)	(21)	36
Withholding tax on undistributed earnings	(98)	69	—	—	(29)
Tax losses and other balances carried forwards	2,093	31	(3)	(97)	2,024
Non-recognized deferred tax assets	(1,965)	68	—	78	(1,819)
Other	8	10	—	(5)	13
Net deferred tax positions	112	211	(46)	(40)	237

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, 2023	0-5 years	6-10 years	More than 10 years	Indefinite	Total
Tax losses expiry					
Recognized losses	—	—	—	(387)	(387)
Recognized DTA	—	—	—	146	146
Non-recognized losses	—	—	(1,204)	(5,313)	(6,517)
Non-recognized DTA	—	—	300	1,324	1,624
Other credits carried forwards expiry					
Recognized credits	—	(36)	—	—	(36)
Recognized DTA	—	36	—	—	36
Non-recognized credits	—	—	—	(86)	(86)
Non-recognized DTA	—	—	—	22	22

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)	(6,296)	(7,149)
Non-recognized DTA	—	—	213	1,570	1,783
Other credits carried forwards expiry					
Recognized credits	(1)	(45)	—	—	(46)
Recognized DTA	1	45	—	—	46
Non-recognized credits	—	—	—	(141)	(141)
Non-recognized DTA	—	—	—	36	36

Losses mainly relate to our holding entities in Luxembourg (2023: US$6,232; 2022: US$6,776) and the Netherlands (2023: US$229; 2022: US$199).

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$19 (2022: US$29), 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, 2023, 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$6,241 (2022: US$6,105). 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 judgement 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 judgement 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 judgements due to uncertainty concerning the interpretation of the rules and any transitional rules.

Future legislative changes

Pillar Two legislation has been substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning January 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The Group has applied the temporary mandatory exception to the requirement to recognize deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has accumulated US$6,904 of tax losses and US$122 of other tax attributes in various jurisdictions which can be carried-forward and taken into account for Pillar Two purposes.

INVESTING ACTIVITIES OF THE GROUP

9 SIGNIFICANT TRANSACTIONS

SIGNIFICANT TRANSACTIONS IN 2023

Completion of Sale of Russian operations

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings redeemed US$406 of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings bonds representing a nominal value of US$1,576 which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 as of December 31, 2023 was offset against VEON Holdings bonds acquired by VimpelCom representing a nominal value of US$72, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 22 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

Agreement between Banglalink and Summit regarding the sale of its Bangladesh tower assets

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97) net of cost of disposals containing legal, regulatory and investment bankers costs amounting BDT 855 million (US$8). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34), right-of-use assets of BDT 550 million (US$5) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9) and lease liabilities of BDT 6 billion (US$52) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40) were recognized for total right-of-use assets of BDT 5 billion (US$45) and total lease liabilities of BDT 10 billion (US$92).

Significant movements in exchange rates

An increase in demand for hard currencies, in part due to the ongoing war in Ukraine (refer to Note 23) and other macroeconomic conditions, resulted in the devaluation of exchange rates in the countries in which VEON operates, particularly in Pakistan and Russia. While the UAH to USD foreign exchange rate have been relatively stable during 2023 given the ongoing circumstances in Ukraine, there is a continued risk of a significant Ukrainian hryvnia ("UAH") to USD depreciation. This risk has been partially mitigated by investment of excess cash in USD denominated domestic Ukrainian sovereign bonds. Refer to Note 18 for further details on foreign currency risk and Note 16 for further details on the Ukrainian sovereign bonds. As such, in the twelve-months ended December 31, 2023, the book value of assets and liabilities of our foreign operations, in U.S. dollar terms, decreased significantly, with a corresponding loss of US$598 (2022:US$480) recorded against the foreign currency translation reserve in the consolidated statement of comprehensive income.

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 VimpelCom, led by the CEO at the time, Aleksander Torbakhov. Under the agreement, VEON will receive consideration of RUB 130 billion (approximately US$1,294). 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 (the United States, the United Kingdom, the 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 were 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, 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$94 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 war 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$486 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, 2023 and 2022:

	Assets held-for-sale		Liabilities held-for-sale	
	2023	**2022**	**2023**	**2022**
Russia	—	5,793	—	4,249
Ukraine towers	—	3	—	—
Total assets and liabilities held for sale	—	**5,796**	—	**4,249**

The following table provides the details of loss after tax from discontinued operations and disposals of discontinued operations for the periods ended December 31:

	2023	2022
Russia		
Profit / (loss) after tax for the period	916	(161)
Loss on disposal	(3,746)	—
Algeria		
Profit after tax for the period	—	144
Loss on disposal	—	(722)
Total loss after tax from discontinued operations and disposals of discontinued operations	**(2,830)**	**(739)**

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Sale of Russia operations

On November 24, 2022, VEON entered into the Share Purchase Agreement ("SPA") to sell VEON's Russian operations to certain senior members of the management team of VimpelCom, led by the CEO at the time, Aleksander Torbakhov. Under the agreement, the purchase price consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023), was expected to be settled primarily by VimpelCom taking on and discharging certain VEON Holdings B.V.'s debt, thus significantly deleveraging VEON's balance sheet. The SPA contained 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 was subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (the United States, the United Kingdom, the European Union, and Bermuda) for the proposed structure of the sale.

On November 24, 2022, the signing date of the SPA, the Company classified its Russian operations as a disposal group held-for-sale and discontinued operations. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of Russia's assets.

On September 13, 2023, VEON agreed with the buyer, owned by certain senior members of VimpelCom's management team, amendments to the SPA, which had no material impact on the economic terms of the original transaction announced on November 24, 2022. With the amendments to the sale agreement, the entire consideration for the sale was agreed to be satisfied by transferring the agreed value of VEON Holdings bonds acquired by VimpelCom to a wholly owned subsidiary of VEON Holdings (Unitel LLC) on or prior to the closing of the sale, which will hold such notes until their cancellation or maturity. U.S. and other regulatory approvals were received for the transfer of approximately 95% of such VEON Holdings bonds.

During the year ended 31 December 2023, VimpelCom independently purchased US$2,140 equivalent of the Issuer's debt securities in order to satisfy certain Russian regulatory obligations.

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. Upon completion of the sale, control of VimpelCom was transferred to the buyer, and accordingly, a loss of US$3.7 billion recorded within "Profit / (loss) after Tax from Discontinued Operations" in the Consolidated Income Statement was recognized, primarily due to US$3.4 billion of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. VEON Holdings redeemed US$406 of these debt securities from VimpelCom following their maturity. Upon the completion of the sale, the agreed amount of the bonds of VEON Holdings B.V., a wholly owned subsidiary of the Company, ("VEON Holdings"), acquired by VimpelCom representing a nominal value of US$1,576 were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023) on a non cash basis resulting in no impact on the cash flows. The remaining deferred consideration of US$72 as of December 31, 2023 was offset against VEON Holdings bonds acquired by VimpelCom representing a nominal value of US$72, in July 2024 after receiving the relevant regulatory approval.

The following table shows the assets and liabilities disposed in 2023 and classified as held-for-sale relating to Russia operations as of:

	October 9, 2023	December 31, 2022
Property and equipment	3,216	3,941
Intangible assets excl. goodwill	386	356
Goodwill	155	617
Deferred tax assets	72	78
Other non-current assets	1,328	50
Inventories	53	113
Trade and other receivables	287	368
Other current assets	839	270
Total assets disposed / held for sale	**6,336**	**5,793**
Non-current liabilities		
Debt and Derivatives – NCL	3,641	2,888
Other non-current liabilities	26	64
Current liabilities		
Trade and other payables	494	708
Debt & Derivatives – CL	233	306
Other non-financial liabilities	300	283
Total liabilities disposed / held for sale	**4,694**	**4,249**

The following table shows the profit / (loss) and other comprehensive income relating to Russia operations for the periods ended December 31 and as of date of disposal:

Income statement and statement of comprehensive income	**October 9, 2023**	**2022**
Operating revenue	2,780	4,263
Operating expenses **	(1,865)	(3,976)
Other expenses	42	(424)
Profit / (loss) before tax for the period	957	(137)
Income tax expense	(41)	(24)
Profit / (loss) after tax for the period	916	(161)
Other comprehensive loss*	(421)	(29)
Total comprehensive income / (loss)	495	(190)

**Other comprehensive loss relates to the foreign currency translation of discontinued operations.*

*** In 2023, operating expenses includes an impairment of US$281 (2022:US$446) against the carrying value of goodwill in Russia.*

The following table shows the results for the disposal of the Russia operations that are accounted for in these financials as of December 31, 2023:

	2023
Sale consideration *	1,294
Carrying amount of net assets at disposal **	(1,642)
De-recognition of non-controlling interest	16
Loss on sale before reclassification of foreign currency translation reserve	**(332)**
Reclassifications of:	
foreign currency translation reserve	(3,384)
net investment hedge reserves	(30)
	(3,414)
Net loss on disposal of Russia operations	**(3,746)**

*As discussed above, the sale consideration was settled in a non-cash transaction via the transfer of bonds held by Vimpelcom to VEON Holdings' subsidiary.

** Net assets include US$715 relating to cash and cash equivalents at disposal.

Russia impairment losses 2023

As of June 30, 2023, assets and liabilities held-for-sale were assessed for impairment in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and valued at the lower of their carrying value and fair value less costs to sell. VEON recorded an impairment of US$281 against the carrying value of goodwill in Russia, resulting in a reduced carrying value of US$168 at the reporting date of which the VEON share amounts to US$152, excluding non-controlling interest.

The recoverable amount of the net assets held for sale of US$152 as of June 30, 2023 was determined based on the fair value less costs of disposal and represents the remaining portion of the sales proceeds as per SPA (Level 2 in the fair value hierarchy). This equates to the value of the VEON bonds remaining to be purchased by VimpelCom to reach the sales consideration of RUB 130 billion.

As of September 30, 2023, the carrying value of Russian net assets amounted to US$(165) due to increased external debt. The VEON share of net assets amounted to US$(179), excluding non-controlling interest. The sales proceeds as per the SPA of RUB 130 billion was fully settled upon closing against the receivable held by Vimpelcom for the VEON bonds acquired by VimpelCom and subsequently transferred to Unitel LLC. Therefore, the recoverable amount of the net assets, being the remaining portion of the sales proceeds as per SPA (Level 2 in the fair value hierarchy) to be settled against the net assets, amounted to nil. No further impairment or reversal was recorded.

Russia impairment losses 2022

The war 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 *** Explicit forecast period	Terminal period	Combined average *	September 30, 2021 Explicit forecast period	Terminal period	Combined average *
Discount rate	— %	— %	20.5 %	— %	— %	9.3 %
Average annual revenue growth rate	6.2 %	1.6 %	5.5 %	5.0 %	1.6 %	4.4 %
Average operating margin	32.4 %	35.0 %	32.8 %	33.2 %	35.5 %	33.6 %
Average CAPEX / revenue **	20.3 %	18.0 %	19.9 %	25.4 %	21.0 %	24.7 %

** 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 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$1,294 million) 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.

Exercised Put option to sell entirety stake in Omnium Telecom Algerie SpA

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, 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	286
Total liabilities disposed / held for sale	367	392

The following table shows the profit 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
Operating revenue	378	659
Operating expenses	(212)	(470)
Other expenses	(7)	(17)
Profit / (loss) before tax for the period	159	172
Income tax benefit / (expense)	(15)	(21)
Profit / (loss) after tax for the period	144	151
Other comprehensive income / (loss)*	(65)	(68)
Total comprehensive income / (loss)	79	83

**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	823
Loss on sale before reclassification of foreign currency translation reserve	(25)
Reclassification of foreign currency translation reserve	(697)
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 exists 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 2023 are disclosed in Note 10, including any current or past impairment charges recorded for these CGUs.

Impairment losses / (reversals) in 2023

	Property and equipment	Total impairment
2023		
Ukraine	1	1
Other*	(9)	(9)
	(8)	**(8)**

** This includes net impairment reversals on telecommunication equipment in Kazakhstan.*

The Company performed annual impairment testing of goodwill and for non-goodwill CGUs also tested assets for impairment as of September 30, 2023 and subsequently assessed for indicators of impairment or reversal of impairment as of December 31, 2023. CGU Bangladesh has limited headroom following the reversal of impairment in 2022 and is continuously monitored. Our assessment also considered the impact of the cyber-attack in December 2023 on our Ukrainian subsidiary, Kyivstar and the sale of the Bangladesh towers also in December 2023 and concluded that no impairment nor reversal of impairment was identified for any CGU. For further details of the Ukraine cyber-attack, refer to Note 1 and for details of the Bangladesh tower sale, refer to Note 9.

For details regarding the assessment of Russia and impairment of assets held for sale, refer to Note 10.

Impairment losses / (reversals) in 2022

	Property and equipment	Intangible assets	Goodwill	Other	Total
2022					
Bangladesh	(32)	(68)	—	—	(100)
Kyrgyzstan	(29)	(9)	—	(11)	(49)
Ukraine *	31	1	—	—	32
Other	3	(1)	—	—	2
	(27)	**(77)**	**—**	**(11)**	**(115)**

**This includes net impairment to property and equipment as a result of physical damage to sites in Ukraine caused by the ongoing war 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).

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 the applicable country's risk premium.

	Discount rate (local currency)	
	2023	**2022**
Pakistan	19.6 %	19.5 %
Bangladesh	13.9 %	14.6 %
Kazakhstan	12.9 %	13.8 %
Kyrgyzstan	17.0 %	19.0 %
Uzbekistan	14.7 %	15.8 %
Ukraine	20.8 %	21.7 %

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	
	2023	**2022**	**2023**	**2022**
Pakistan	16.5 %	12.0 %	4.0 %	4.0 %
Bangladesh	12.9 %	12.6 %	3.5 %	3.5 %
Kazakhstan	13.2 %	12.3 %	1.0 %	1.0 %
Kyrgyzstan	11.8 %	11.4 %	3.0 %	3.0 %
Uzbekistan	22.3 %	19.3 %	2.5 %	2.5 %
Ukraine	8.8 %	8.6 %	1.0 %	1.0 %

[1]The forecast period is the explicit forecast period of five years: for 2023 being 2024-2028 with terminal period in 2029; for comparative period 2022 being 2023-2027 with terminal period in 2028.

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	
	2023	**2022**	**2023**	**2022**
Pakistan	43.6 %	40.9 %	40.0 %	40.0 %
Bangladesh	30.7 %	32.6 %	33.5 %	36.3 %
Kazakhstan	49.5 %	49.2 %	45.0 %	45.0 %
Kyrgyzstan	36.2 %	36.7 %	33.5 %	33.7 %
Uzbekistan	40.0 %	43.6 %	40.0 %	41.0 %
Ukraine	51.8 %	51.2 %	50.0 %	50.0 %

[1]The forecast period is the explicit forecast period of five years: for 2023 being 2024-2028 with terminal period in 2029; for comparative period 2022 being 2023-2027 with terminal period in 2028.

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 period1 CAPEX as a percentage of revenue	
	2023	**2022**	**2023**	**2022**
Pakistan	11.3 %	15.8 %	14.0 %	16.0 %
Bangladesh	17.6 %	18.0 %	17.0 %	17.0 %
Kazakhstan	16.0 %	18.6 %	17.5 %	18.5 %
Kyrgyzstan	17.7 %	20.1 %	21.0 %	23.0 %
Uzbekistan	22.1 %	18.0 %	20.0 %	20.0 %
Ukraine	19.1 %	18.9 %	20.0 %	20.0 %

[11]The forecast period is the explicit forecast period of five years: for 2023 being 2024-2028 with terminal period in 2029; for comparative period 2022 being 2023-2027 with terminal period in 2028.*

SENSITIVITY TO CHANGES IN ASSUMPTIONS

The following table pertains to the reversals of impairment recognized in 2022 and 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.

	Bangladesh		**Kyrgyzstan**	
Sensitivity analysis	**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
Decrease in headroom	—	*(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
Decrease in headroom	—	*(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
Decrease in headroom	—	*(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
Decrease in headroom	—	*(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, 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, 2022	**3,827**	**149**	**407**	**451**	**1,871**	**6,705**
Additions	67	7	23	659	585	**1,341**
Disposals	(41)	(1)	(4)	(10)	(15)	**(71)**
Depreciation charge for the year	(378)	(6)	(29)	—	(151)	**(564)**
Divestment and reclassification as held for sale *	(1,987)	(80)	(314)	(235)	(1,393)	**(4,009)**
Impairment	(35)	(2)	—	(2)	(4)	**(43)**
Impairment reversal	56	1	3	6	4	**70**
Transfers	522	5	14	(542)	(5)	**(6)**
Modifications of right-of-use assets	—	—	—	—	26	**26**
Translation adjustment	(355)	(13)	(15)	(42)	(132)	**(557)**
As of December 31, 2022	**1,676**	**60**	**85**	**285**	**786**	**2,892**
Additions	78	2	31	424	359	**894**
Disposals	(1)	—	—	4	(28)	**(25)**
Depreciation charge for the year	(346)	(5)	(25)	(1)	(171)	**(548)**
Divestment and reclassification as held for sale *	(13)	—	(1)	—	—	**(14)**
Impairment	(3)	—	—	(2)	—	**(5)**
Impairment reversal	2	—	—	10	1	**13**
Transfers	445	7	12	(479)	—	**(15)**
Modifications of right-of-use assets	—	—	—	—	29	**29**
Translation adjustment	(180)	(4)	(5)	(19)	(64)	**(272)**
As of December 31, 2023	**1,658**	**60**	**97**	**222**	**912**	**2,949**
Cost	4,391	136	375	238	1,361	**6,501**
Accumulated depreciation and impairment	(2,733)	(76)	(278)	(16)	(449)	**(3,552)**

** 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 2023. During 2022, there were 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 war between Russia and Ukraine (refer to Note 11).

During 2023, VEON acquired property and equipment in the amount of US$291 (2022: US$306), which were not paid for as of year-end.

Property and equipment pledged as security for bank borrowings amounts to US$575 as of December 31, 2023 (2022: US$688), 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, 2022	**1,608**	**257**	**6**	**1,871**
Additions	573	12	—	585
Disposals	(12)	(3)	—	(15)
Depreciation charge for the year	(137)	(12)	(2)	(151)
Divestment and reclassification as held for sale	(1,175)	(216)	(2)	(1,393)
Impairment	(4)	—	—	(4)
Impairment reversal	—	4	—	4
Transfers	(4)	(1)	—	(5)
Modifications and reassessments	20	6	—	26
Translation adjustment	(126)	(6)	—	(132)
As of December 31, 2022	**743**	**41**	**2**	**786**
Additions	311	33	15	359
Disposals	(25)	(3)	—	(28)
Depreciation charge for the year	(156)	(13)	(2)	(171)
Impairment reversal	1	—	—	1
Transfers	1	(1)	—	—
Modifications and reassessments	27	5	(3)	29
Translation adjustment	(61)	(3)	—	(64)
As of December 31, 2023	**841**	**59**	**12**	**912**
Cost	1,246	98	17	1,361
Accumulated depreciation and impairment	(405)	(39)	(5)	(449)

COMMITMENTS

Capital commitments for the future purchase of equipment are as follows as of December 31:

	2023	**2022**
Less than 1 year	139	272
Total commitments	**139**	**272**

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 radiotelephone 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	Telecommunication licenses, frequencies & permissions	Software	Brands and trademarks	Customer relationships	Other intangible assets	Goodwill	Total
As of January 1, 2022	**1,202**	**342**	**14**	**98**	**22**	**1,542**	**3,220**
Additions	525	73	1	2	19	10	**630**
Disposals	(5)	(3)	—	—	—	—	**(8)**
Amortization charge for the year	(139)	(68)	(3)	(8)	—	—	**(218)**
Reclassification as held for sale	(84)	(150)	(2)	(21)	(21)	(1,084)	**(1,362)**
Transfer	—	3	—	—	(3)	—	**—**
Translation adjustment	(241)	(37)	(3)	(17)	(14)	(74)	**(386)**
Impairment reversal	75	2	—	—	—	—	**77**
As of December 31, 2022	**1,333**	**162**	**7**	**54**	**3**	**394**	**1,953**
Additions	4	89	—	—	5	—	**98**
Amortization charge for the year	(131)	(64)	(3)	(6)	(1)	—	**(205)**
Transfer	(1)	7	—	—	(1)	—	**5**
Translation adjustment	(180)	(8)	—	(6)	—	(45)	**(239)**
As of December 31, 2023	**1,025**	**186**	**4**	**42**	**6**	**349**	**1,612**
Cost	*1,915*	*526*	*165*	*278*	*7*	*1,298*	***4,189***
Accumulated amortization and impairment	*(890)*	*(340)*	*(161)*	*(236)*	*(1)*	*(949)*	***(2,577)***

During 2023, there were no material changes in estimates related to intangible assets. During 2022 a reversal of impairment as described in Note 11 of US$(77) was recognized.

During 2023, VEON acquired intangible assets in the amount of US$33 (2022: US$266), which were not yet paid for as of year-end.

GOODWILL

During the year, the movement in goodwill for the Group, per CGU**,** consisted of the following:

CGU*	December 31, 2023	Translation adjustment	January 1, 2023
Pakistan	179	(44)	223
Kazakhstan	129	2	127
Ukraine	10	—	10
Uzbekistan	31	(3)	34
Total	**349**	**(45)**	**394**

** There is no goodwill allocated to the CGUs of Bangladesh, or Kyrgyzstan.*

CGU*	December 31, 2022	Translation adjustment	Addition	Reclassification as held for sale	January 1, 2022
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*

COMMITMENTS

Capital commitments for the future purchase of intangible assets are as follows as of December 31:

	2023	2022
Less than 1 year	9	13
Total commitments	**9**	**13**

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 as of 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 2023	Equity interest held by the Group 2022
PJSC VimpelCom*	Russia	Operating	— %	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 %
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 %
Pakistan Mobile Communications Limited	Pakistan	Operating	100.0 %	100.0 %
Banglalink Digital Communications Limited	Bangladesh	Operating	100.0 %	100.0 %

* Until the date of sale of Russia on October 9, 2023, the Group had concluded that it controls VimpelCom, see 'Significant accounting judgements' below for further details.

** Based on the development with respect to the freezing of VEON's corporate rights in Kyivstar as discussed in Note 1, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over Kyivstar and concluded that, under the requirements of relevant reporting standards, VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

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$254 (2022: US$229).

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 2023	Equity interest held by NCIs 2022	Book values of material NCIs 2023	Book values of material NCIs 2022	Profit attributable to material NCIs 2023	Profit attributable to material NCIs 2022
LLP "KaR-Tel" ("Kar-Tel")	25.0 %	25.0 %	94	85	50	31
Omnium Telecom Algérie S.p.A. ("OTA")	— %	— %	—	—	—	21

The summarized financial information of these subsidiaries before intercompany eliminations for the years ended December 31 is detailed below.

Summarized income statement

	Kar-Tel 2023	Kar-Tel 2022
Operating revenue	692	571
Operating expenses	(423)	(403)
Other expenses	(11)	(12)
Profit before tax	258	156
Income tax expense	(57)	(33)
Profit for the year	201	123
Total comprehensive income	201	123
Attributed to NCIs	50	31

Summarized statement of financial position

	Kar-Tel	
	2023	**2022**
Property and equipment	455	327
Intangible assets	188	178
Other non-current assets	37	39
Trade and other receivables	39	34
Cash and cash equivalents	68	43
Other current assets	24	27
Debt and derivatives	(210)	(97)
Provisions	(10)	(9)
Other liabilities	(216)	(204)
Total equity	375	338
Attributed to:		
Equity holders of the parent	281	253
Non-controlling interests	94	85

Summarized statement of cash flows

	Kar-Tel	
	2023	**2022**
Net operating cash flows	308	243
Net investing cash flows	(117)	(127)
Net financing cash flows	(166)	(117)
Net foreign exchange difference	—	(3)
Net increase / (decrease) in cash equivalents	25	(4)

SIGNIFICANT ACCOUNTING JUDGEMENTS

Control over subsidiaries

Subsidiaries, which are those entities over which the Company is deemed to have control, are consolidated. In certain circumstances, significant judgement is required to assess if the Company is deemed to have control over entities where the Company’s ownership interest does not exceed 50%.

FINANCING ACTIVITIES OF THE GROUP

15 OTHER NON-OPERATING GAIN, NET

Other non-operating gains, net consisted of the following for the years ended December 31:

	2023	2022
Change of fair value of other derivatives	(1)	10
Gain from money market funds	75	29
Loss from other financial assets	(48)	—
Other losses	(12)	(13)
Other non-operating gain, net	**14**	**26**

The Loss from other financial assets relates to impairment of receivable with respect to repurchase of VEON Holdings debt. Refer to Note 16.

16 INVESTMENTS, DEBT AND DERIVATIVES

INVESTMENTS AND DERIVATIVES

The Company holds the following investments and derivatives assets as of December 31:

	Carrying value	
	2023	**2022**
At fair value		
Other investments	11	21
	11	**21.00**
At amortized cost		
Loans granted to (subsidiaries of) the ultimate parent	1,770	1,876
Security deposits and cash collateral	103	63
Bank deposits	2	—
Other investments	333	63
	2,208	**2,002**
Total investments and derivatives	**2,219**	**2,023**
Non-current	1,790	1,431
Current	429	592

Security deposits and cash collateral

Security deposits and cash collateral at amortized cost mainly consist of restricted bank deposits of US$39 (2022: US$49) and restricted cash of US$57 (2022: US$7) at our banking operations in Pakistan and our operating company in Ukraine, respectively.

Other Investments

Other investments at fair value are measured at fair value through other comprehensive income and relate to investments held in Pakistan US$11 (2022: US$21).

Other investments at amortized cost include a US$64 (2022: US$54) loan granted by VIP Kazakhstan Holdings to minority shareholder Crowell Investments Limited, US$150 (2022: Nil) sovereign bonds held by our operating company in Ukraine, US$72 (2022: Nil) deferred receivable from sale of Russia and US$26 (2022: Nil) short term lending at our banking operations in Pakistan.

Loans granted to subsidiaries of the ultimate parent include Loans to VEON Amsterdam B.V. amounting US$1,604 (including principal and interest) at December 31, 2023 and are callable on demand. As of December 31, 2023, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date. In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

DEBT AND DERIVATIVES

The Company holds the following outstanding debt and derivatives liabilities as of December 31:

	Carrying value	
	2023	**2022**
At fair value		
Derivatives not designated as hedges	1	—
	1	**0**
At amortized cost		
Borrowing, of which	3,707	6,670
i) Principal amount outstanding	3,559	6,670
ii) Other Borrowings	148	—
Interest accrued	84	102
Discounts, unamortized fees, hedge basis adjustment	(6)	(8)
Bank loans and bonds	3,785	6,764
Loans received from subsidiaries of the ultimate parent	—	305
Lease liabilities	1,078	875
Other financial liabilities	393	609
	5,256	**8,553**
Total debt and derivatives	**5,257**	**8,553**
Non-current	3,535	5,382
Current	1,722	3,171

Other borrowings includes long-term capex accounts payables US$88 (2022: Nil), deferred consideration of US$72 (2022: Nil) related to the sale of Russian operations and its related foreign currency exchange gain of US$12 (2022: Nil).

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 2023	2022
VEON Holdings B.V.	Notes	None	USD	5.95%	2023	—	529
VEON Holdings B.V.	Revolving Credit Facility	None	USD	SOFR + 1.50%	2024	692	692
VEON Holdings B.V.	Notes	None	USD	7.25%	2023	—	700
VEON Holdings B.V.	Revolving Credit Facility	None	USD	SOFR + 1.50%	2024	363	363
VEON Holdings B.V.	Notes	None	USD	4.95%	2024	—	533
VEON Holdings B.V.	Notes	None	USD	4.00%	2025	556	1,000
VEON Holdings B.V.	Notes	None	RUB	6.30%	2025	102	284
VEON Holdings B.V.	Notes	None	RUB	6.50%	2025	37	143
VEON Holdings B.V.	Notes	None	RUB	8.13%	2026	15	284
VEON Holdings B.V.	Notes	None	USD	3.38%	2027	1,093	1,250
PMCL	Loan	None	PKR	6M KIBOR + 0.55%	2026	128	212
PMCL	Loan	None	PKR	6M KIBOR + 0.55%	2028	53	66
PMCL	Loan	None	PKR	3M KIBOR + 0.55%	2028		22
PMCL	Loan	None	PKR	3M KIBOR + 0.60%	2031	178	221
PMCL	Loan	None	PKR	6M KIBOR + 0.60%	2032	142	132
PJSC Kyivstar	Loan	None	UAH	10.15% to 11.00%	2023-2025	—	59
Banglalink	Loan	None	BDT	Average bank deposit rate + 4.25%	2027	81	110
Banglalink	Loan	None	BDT	7.00% to 12.00%	2028	46	—
KaR-Tel	Loan	None	KZT	17.75% - 18.50 %	2026	22	—
Unitel LLC	Loan	None	UZS	20%	2025	12	—
	Other bank loans and bonds					187	70
	Total bank loans and bonds					**3,707**	**6,670**

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, 2022	**7,641**	**2,691**	**10,332**
Cash flows			
Proceeds from borrowings, net of fees paid	2,087	—	**2,087**
Repayment of debt	(1,455)	(136)	**(1,591)**
Interest paid	(417)	(66)	**(483)**
Non-cash movements			
Interest and fee accruals	399	60	**459**
Lease additions, disposals, impairment and modifications	—	628	**628**
Held for sale - Note 10	(10)	(2,134)	**(2,144)**
Foreign currency translation	(415)	(161)	**(576)**
Reclassification related to bank loans and bonds	(1,064)	—	(1,064)
Other non-cash movements	(2)	(7)	**(9)**
Balance as of December 31, 2022	**6,764**	**875**	**7,639**
Cash flows			
Proceeds from borrowings, net of fees paid	194	—	**194**
Repayment of debt	(1,014)	(141)	**(1,155)**
Interest paid	(383)	(111)	**(494)**
Non-cash movements			
Interest and fee accruals	534	107	**641**
Lease additions, disposals, impairment and modifications	—	459	**459**
Foreign currency translation	(276)	(82)	**(358)**
Reclassification related to bank loans and bonds*	(2,009)	—	**(2,009)**
Other non-cash movements	(25)	(29)	**(54)**
Balance as of December 31, 2023	**3,785**	**1,078**	**4,863**

**This primarily relates to the purchase of VEON group debt, refer to discussion below.*

FINANCING ACTIVITIES 2023

VEON's Scheme of arrangement

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme 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 VEON Holdings' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. 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 would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had 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 were 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 was granted requiring VEON Holdings 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 2023 Put Option. The aggregate put option premium paid was US$9. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$ 1. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1.For further details, refer to further discussion in Note 16.

Purchase of VEON Group Debt

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 equivalent of VEON Holdings B.V. Notes in order to satisfy certain Russian regulatory obligations. Upon such purchase by VimpelCom, these Notes were reclassified to intercompany debt with an equivalent reduction in gross debt for VEON Group. Out of these Notes, US$1,576 equivalent Notes were offset against the purchase price and any notes outstanding at closing were transferred to a wholly owned subsidiary of VEON Holdings B.V. and US$406 equivalent Notes were settled at maturity, while US$72 equivalent of VEON Holding B.V. Notes were held by VimpelCom as deferred consideration pending the receipt of an amended OFAC license. Upon receipt of the license, these remaining US$72 equivalent Notes were transferred to the wholly owned subsidiary of VEON Holdings B.V. to offset the remaining deferred purchase price for VimpelCom. This was completed early July 2024. As of December 31, 2023, US$1,005 of the notes transferred to Unitel LLC (wholly owned subsidiary) remained outstanding.

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

On April 20, 2023, and May 30, 2023, the outstanding amounts under our RCF facility were rolled over until October 2023 for US$692 and November 2023 for US$363. These outstanding amounts were further rolled over until January 2024 for US$692 and February 2024 for US$363. We subsequently repaid and canceled our RCF facility in March 2024.

Ukraine prepayment

In 2023, Kyivstar fully prepaid all of its remaining 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).

Pakistan Mobile Communication Limited ("PMCL") syndicated credit facility

PMCL fully utilized the remaining PKR 10 billion (US$41) under its existing PKR 40 billion (US$164) facility through drawdowns in January and April 2023.

Banglalink Digital Communications Ltd. ("BDCL") syndicated credit facility

BDCL utilized BDT 5 billion (US$45) out of new syndicated credit facility of BDT 8 billion (US$73) during November 2023. The tenor of the facility is five years.

KaR-Tel Limited Liability Partnership credit facility

KaR-Tel Limited Liability Partnership ("KaR-Tel") utilized KZT 9.8 billion (US$22) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

Repayment of VEON Holdings 5.95% Senior Notes

On October 13, 2023 VEON Holdings repaid its outstanding 5.95% Senior Notes amounting to US$39 at their maturity date.

Early redemption of VEON Holdings 2023 and 2024 Notes

On September 13, 2023, VEON issued two redemption notices for the early repayment of VEON Holdings B.V.'s bonds maturing in December 2023 and June 2024. On September 27, 2023 VEON redeemed US$243 senior notes held by external noteholders and on October 04, 2023 redeemed US$406 senior notes held by VimpelCom.

Novation of VEON Digital Amsterdam B.V. credit facility

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

Amendment of VEON Amsterdam B.V. credit facility

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%.

Increase and amendment of VEON Ltd. credit facility

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

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 VimpelCom. 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 canceled.

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 canceled 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, 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 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 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.

FAIR VALUES

As of December 31, 2023, 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 fair value is equal to US$3,333 (2022: US$6,142); and
- 'Lease liabilities', for which fair value has not been determined.

As of December 31, 2023 and December 31, 2022, 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, 2023 and 2022 relate to changes in fair value, which are unrealized, and are recorded in “Other non-operating gain / (loss), net” 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, 2023 and 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements with the exception in 2022 of our RUB denominated bonds for which quoted market prices were not available due to the ongoing war between Russia and Ukraine.

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
As of January 1, 2022	**(6,731)**
Foreign currency revaluation of the foreign operations	121
As of December 31, 2022	**(6,610)**
Transfer from OCI to income statement on disposal of subsidiary	3,384
Reclassification of net investment hedge	30
Other comprehensive loss	(593)
As of December 31, 2023	**(3,789)**

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 when necessary and available. 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. There have been no derivatives in hedge accounting relationships during 2023.

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 16*.

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 judgement is required in establishing fair values. The judgements 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 judgement 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:

	2023	2022
Cash and cash equivalents at banks and on hand	423	898
Cash equivalents with original maturity of less than three months	1,453	2,179
Cash and cash equivalents, as presented in the consolidated statement of cash flows*	**1,876**	**3,077**

* Cash and cash equivalents include an amount of US$165 relating to banking operations in Pakistan, which does not include customer deposits that are part of 'Trade and other payables' of US$426.

Cash at banks earns interest 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, 2023, US$151 (2022: US$122) 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$1,175 (2022: US$1,950), which are carried at fair value through profit or loss with gains presented within 'Other non-operating gain / (loss)' within the consolidated income statement.

The overdrawn accounts are presented as debt and derivatives within the statement of financial position. At the same time, because the overdrawn accounts are part of the Company's cash management, they were included as cash and cash equivalents within the statement of cash flows. Refer to Note 23 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, 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, 2023, approximately 54% of the Company's borrowings are at a fixed rate of interest (2022: 69%).

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). The Company's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit / (loss) before tax	
Change in foreign exchange rate against US$	10% depreciation	10% appreciation
2023		
Russian Ruble	14	(16)
Bangladeshi Taka	(30)	33
Pakistani Rupee	(13)	15
Ukrainian Hryvnia	(2)	2
Other currencies (net)	(2)	2
2022		
Russian Ruble	(5)	6
Bangladeshi Taka	(34)	37
Pakistani Rupee	(15)	17
Ukrainian Hryvnia	(1)	1
Other currencies (net)	—	(1)

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, 2023 and 2022, 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 23 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.

VEON's credit risk arising from its receivables from related parties is in some instances partly offset by having payables to the same related parties. Management periodically reviews the related party positions and sees no material credit risk.

The Company's maximum exposure to credit risk for the components of the statement of financial position at December 31, 2023 and 2022 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, 2023, 32% of the Company's debt (2022: 39%) 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 meets 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 23

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**
2023							
KaR-Tel LLP - Term Facility	Nov 2026	KZT15,000	KZT9,800	KZT5,200	33	22	11
Banglalink Digital Communications Ltd - Term Facility	May 2024	BDT 8,000	BDT 5,000	BDT 3,000	73	46	27

	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

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, 2023 and 2022, 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, 2023					
Bank loans and bonds	1,433	1,392	1,415	237	4,477
Lease liabilities	289	471	356	508	1,624
Derivative financial liabilities					
Gross cash inflows	(14)	—	—	—	(14)
Gross cash outflows	16	—	—	—	16
Trade and other payables	1,270	—	—	—	1,270
Other financial liabilities	137	202	86	66	491
Total financial liabilities	**3,131**	**2,065**	**1,857**	**811**	**7,864**

	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
Loans from related parties	312	—	—	—	312
Lease liabilities	235	396	306	390	1,327
Trade and other payables	1,126	—	—	—	1,126
Other financial liabilities	176	322	142	52	692
Total financial liabilities	**4,645**	**3,389**	**2,461**	**793**	**11,288**

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 Ltd. announced a dividend policy that targets paying at least 50% of prior year Equity Free Cash Flow after licenses so long as VEON Ltd.'s Net Debt to Adjusted EBITDA ratio would remain below 2.4x. See the paragraph below for more information on how VEON Ltd.'s Net Debt to Adjusted EBITDA ratio is calculated. Dividend payments remain subject to the review by VEON Ltd.'s Board of Directors of medium-term investment opportunities and VEON Ltd.'s capital structure. For the years ended December 31, 2023, 2022 and 2021, VEON Ltd. did not pay a dividend. There were no changes made in VEON Ltd.'s objectives, policies or processes for managing capital during 2023, 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 its major markets, and due to other geopolitical and foreign exchange pressures effecting emerging markets more generally. Furthermore, the ongoing war 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 sold its Russian Operations and implemented the Scheme to manage certain of its indebtedness and to help address the unprecedented challenges the Group faced.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 twelve 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 certain credit facilities of the Company. Under these credit facilities, the Company is required to maintain the Net Debt to Adjusted EBITDA ratio at or below the level agreed in such facility. The Company has not breached any financial or non-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:

	2023	2022
Authorized common shares (nominal value of EUR 1 per share)	70,000,000	70,000,000
Issued and outstanding shares	30,099,998	30,099,998

As of December 31, 2023, the Company had 70,000,000 authorized common shares (2022: 70,000,000) with a nominal value of EUR 1 per share, of which 30,099,998 shares were issued, outstanding and are fully paid-up (2022: 30,099,998).

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 DIVIDENDS PAID AND PROPOSED

There were no dividends declared by the Company in respect of the year 2023.

DIVIDENDS DECLARED TO NON-CONTROLLING INTERESTS

During 2023 and 2022, 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	2023	2022
VIP Kazakhstan Holding AG	30	—
TNS Plus LLP	15	11
Other	—	3
Total dividends declared to non-controlling interests	**45**	**14**

ADDITIONAL INFORMATION

21 RELATED PARTIES

The immediate parent and ultimate controlling shareholder of the Company are, respectively, VEON Amsterdam B.V. and VEON Ltd.

The following table provides the total amount of transactions that have been entered into with related parties and their affiliates for the years ended December 31:

	2023	2022
Finance income	86	48
Net gain on transfer of towers to Ukraine Tower Company	—	4
	86	52
Finance cost	(8)	(34)
	(8)	(34)

The following table provides the total balance of accounts with related parties and their affiliates at the end of the relevant period:

	2023	2022
Accounts receivable due from		
VEON Ltd.	78	84
VEON Amsterdam B.V.	22	18
VEON Digital Amsterdam B.V.	13	—
Others	11	9
Financial asset receivable from		
VEON Ltd.	160	60
VEON Amsterdam B.V.	1,462	1,401
VEON Digital Amsterdam B.V.	—	300
Ukraine Tower Company	—	13
VEON Digital limited	—	26
Interest accrued	149	76
	1,895	1,987
Accounts payable to related parties		
VEON Ltd.	55	41
VEON Wholesale Services BV	25	4
Others	31	35
Financial liabilities to related parties		
VEON Digital Amsterdam B.V.	—	300
Ukraine Tower Company	155	125
Interest accrued	—	5
	266	510

COMPENSATION TO DIRECTORS AND SENIOR MANAGERS OF THE COMPANY

VEON Holdings B.V, and its consolidated subsidiaries are part of the VEON Group and their operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company, Group Chief Executive Officer, Group Chief Financial Officer and Group General Counsel to be the key management personnel, as defined by IAS 24, Related Party Disclosures and finds it appropriate to disclose the compensation of the key management of the VEON Group. The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Benjamin Postma and Paulus (Paul) Klaassen.

The following table sets forth the total compensation to our directors and senior managers, who are considered to be key management of the company:

	2023	2022
Short-term employee benefits	11	23
Share-based payment*	11	9
Termination benefits	—	—
Total compensation to the Board of Directors and senior management**	**22**	**32**

**Share-based payment represents the expense under the Deferred Share Plan, Short-Term Incentive Plan and Long Term Incentive Plans, 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 in 2022, a determination that the chief executive officers of our operating companies should no longer be classified as senior managers and in 2023 the reduction in the Group Executive Committee. As a result, for 2023 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 2023, 2022 and 2021.*

Under VEON Ltd.'s bye-laws, the Board of Directors of VEON Ltd. established a Remuneration and Governance Committee, which has the overall responsibility for approving and evaluating the compensation and benefit plans, policies and programs of the VEON's directors, officers and employees and for supervising the administration of the VEON 's equity incentive plans and other compensation and incentive programs.

Compensation of VEON Ltd. 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 VEON Ltd. Board of Directors and Group Executive Committee, please refer to the Explanatory notes below.

	Kaan Terzioglu	**Serkan Okandan**	**Joop Brakenhoff**	**Omiyinka Doris**	**Victor Biryukov**	**Michael Schulz**	**Dmitry Shvets**	**Matthieu Galvani**	**Alex Bolis**
In whole euros	Group CEO	Group CFO*	Group Chief Internal Audit & Compliance Officer***	Group General Counsel**	Group Head of Corporate Development**	Former Group Chief People Officer ****	Former Group Head of Portfolio Management ****	Former Chief Corporate Affairs Officer ****	Former Group Head of Corporate Development, Communications and Investor Relations ****
2023									
Short-term employee benefits									
Base salary	1,323,000	432,000	684,000	606,667	—	—	—	—	—
Annual incentive	1,082,977	489,995	393,867	368,318	—	—	—	—	—
Other	205,350	406,458	211,263	105,885	—	—	—	—	—
Long-term employee benefits	—	—	—	—	—	—	—	—	—
Share-based payments	4,644,506	1,440,358	1,282,110	662,974	—	—	—	—	—
Termination benefits	—	—	—	—	—	—	—	—	—
Total remuneration expense	**7,255,833**	**2,768,811**	**2,571,240**	**1,743,844**	**—**	**—**	**—**	**—**	**—**
2022									
Short-term employee benefits									
Base salary	1,323,000	1,296,000	540,000	77,583	645,865	565,000	647,070	150,000	187,500
Annual incentive	1,035,891	712,800	297,000	52,644	343,556	310,750	350,585	83,178	204,555
Other	205,350	1,806,342	542,362	11,550	814,770	500,205	693,232	—	366,168
Long-term employee benefits	—	—	—	—	—	—	—	—	—
Share-based payments	3,392,793	981,490	654,502	—	105,710	482,768	436,981	36,434	187,704
Termination benefits	—	—	—	—	—	—	—	—	—
Total remuneration expense	**5,957,034**	**4,796,632**	**2,033,864**	**141,777**	**1,909,901**	**1,858,723**	**2,127,868**	**269,612**	**945,927**

** Mr. Okandan remained a VEON Ltd. GEC member until April 30, 2023.*

*** Ms. Doris was appointed as Group General Counsel of VEON Ltd. on June 1, 2023.*

**** Mr. Brakenhoff was appointed as Group Chief Financial Officer of VEON Ltd. on May 1, 2023.*

***** Refer to Changes to VEON Ltd. Group Executive Committee for further details.*

In whole US dollars	Kaan Terzioglu Group CEO	Serkan Okandan Group CFO*	Joop Brakenhoff Group Chief Internal Audit & Compliance Officer***	Omiyinka Doris Group General Counsel**	Victor Biryukov Group Head of Corporate Development**	Michael Schulz Former Group Chief People Officer ****	Dmitry Shvets Former Group Head of Portfolio Management ****	Matthieu Galvani Former Chief Corporate Affairs Officer ****	Alex Bolis Former Group Head of Corporate Development, Communications and Investor Relations ****
2023									
Short-term employee benefits									
Base salary	1,430,580	467,128	739,619	655,998	—	—	—	—	—
Annual incentive	1,171,039	529,839	425,894	398,268	—	—	—	—	—
Other	222,048	439,509	228,442	114,495	—	—	—	—	—
Long-term employee benefits	—	—	—	—	—	—	—	—	—
Share-based payments	5,022,173	1,557,481	1,386,365	716,884	—	—	—	—	—
Termination benefits	—	—	—	—	—	—	—	—	—
Total remuneration expense	**7,845,840**	**2,993,957**	**2,780,320**	**1,885,645**	**—**	**—**	**—**	**—**	**—**
2022									
Short-term employee benefits									
Base salary	1,390,582	1,362,203	567,585	81,546	678,869	593,862	680,135	157,662	197,078
Annual incentive	1,088,807	749,212	312,172	55,333	361,112	326,624	368,500	87,427	215,004
Other	215,840	1,898,615	570,067	12,140	856,404	525,757	728,656	—	384,873
Long-term employee benefits	—	—	—	—	—	—	—	—	—
Share-based payments	3,566,105	1,031,627	687,936	—	111,111	507,429	459,310	38,296	197,292
Termination benefits	—	—	—	—	—	—	—	—	—
Total remuneration expense	**6,261,334**	**5,041,657**	**2,137,760**	**149,019**	**2,007,496**	**1,953,672**	**2,236,601**	**283,385**	**994,247**

** Mr. Okandan remained a VEON Ltd. GEC member until April 30, 2023.*

*** Ms. Doris was appointed as Group General Counsel of VEON Ltd. on June 1, 2023.*

**** Mr. Brakenhoff was appointed as Group Chief Financial Officer of VEON Ltd. on May 1, 2023.*

***** Refer to Changes to VEON Ltd. Group Executive Committee for further details.*

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 plan, long-term incentive plan and the deferred share plan.

Changes in VEON Ltd. Group Executive Committee

On January 1, 2022, Victor Biryukov was appointed Group General Counsel of VEON Ltd.. 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.of VEON Ltd.

On March 15, 2023, VEON Ltd. 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 continued to serve VEON Ltd. 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 of VEON Ltd. in a permanent capacity, effective June 1, 2023, and will continue as a member of the GEC of VEON Ltd.

On July 19, 2023, VEON Ltd. 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. VEON Ltd.'s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and A. Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

Compensation of VEON Ltd. 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:

	Retainer		Committees		Other compensation		Total	
In whole euros	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Hans-Holger Albrecht	175,000	483,078	95,000	190,558	177,194	1,184,142	**447,194**	1,857,778
Yaroslav Glazunov	350,000	281,250	47,500	80,000	**177,194**	—	**574,694**	361,250
Andrei Gusev	350,000	281,250	30,000	52,500	**177,194**	500,000	**557,194**	833,750
Gunnar Holt	450,000	625,000	—	68,750	**577,194**	—	**1,027,194**	693,750
Irene Shvakman	175,000	350,000	35,000	55,000	**177,194**	—	**387,194**	405,000
Vasily Sidorov	175,000	350,000	35,000	123,750	**177,194**	—	**387,194**	473,750
Michiel Soeting	350,000	277,083	79,138	57,083	177,194	—	**606,332**	334,166
Karen Linehan	350,000	342,289	35,000	53,899	—	—	**385,000**	396,188
Augie Fabela	350,000	175,000	52,500	57,500	**177,194**	—	**579,694**	232,500
Morten Lundal	525,000	175,000	41,638	42,500	**177,194**	—	**743,832**	217,500
Stan Miller	175,000	175,000	35,000	30,000	177,194	—	**387,194**	205,000
Mikhail Fridman	—	12,500	—	—	**—**	—	**—**	12,500
Leonid Boguslavsky	—	175,000	—	12,500	**—**	—	**—**	187,500
Gennady Gazin	—	387,500	—	62,500	**—**	1,566,303	**—**	2,016,303
Sergi Herrero	—	175,000	—	12,500	**—**	—	**—**	187,500
Robert Jan van de Kraats	—	65,860	—	23,522	—	—	**—**	89,382
Total compensation	**3,425,000**	**4,330,810**	**485,776**	**922,562**	**2,171,940**	**3,250,445**	**6,082,716**	**8,503,817**

	Retainer		Committees		Other compensation		Total	
In whole US dollars	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Hans-Holger Albrecht	189,228	507,763	102,723	200,296	191,600	1,244,652	**483,551**	1,952,711
Yaroslav Glazunov	378,455	295,622	51,362	84,088	**191,600**	—	**621,417**	379,710
Andrei Gusev	378,455	295,622	32,439	55,183	**191,600**	525,550	**602,494**	876,355
Gunnar Holt	486,585	656,938	—	72,263	**624,120**	—	**1,110,705**	729,201
Irene Shvakman	189,228	367,885	37,846	57,810	**191,600**	—	**418,674**	425,695
Vasily Sidorov	189,228	367,885	37,846	130,074	**191,600**	—	**418,674**	497,959
Michiel Soeting	378,455	291,242	85,572	60,000	191,600	—	**655,627**	351,242
Karen Linehan	378,455	359,780	37,846	56,653	—	—	**416,301**	416,433
Augie Fabela	378,455	183,943	56,768	60,438	191,600	—	**626,823**	244,381
Morten Lundal	567,683	183,943	45,023	44,672	191,600	—	**804,306**	228,615
Stan Miller	189,228	183,943	37,846	31,533	191,600	—	**418,674**	215,476
Mikhail Fridman	—	13,139	—	—	—	—	**—**	13,139
Leonid Boguslavsky	—	183,943	—	13,139	**—**	—	**—**	197,082
Gennady Gazin	—	407,301	—	65,694	**—**	1,646,342	**—**	2,119,337
Sergi Herrero	—	183,943	—	13,139	**—**	—	**—**	197,082
Robert Jan van de Kraats	—	69,226	—	24,723	—	—	**—**	93,949
Total compensation	**3,703,455**	**4,552,118**	**525,271**	**969,705**	**2,348,520**	**3,416,544**	**6,577,246**	**8,938,367**

Explanatory notes

In 2023, a one-off discretionary equity based award was awarded to the members of the Board of Directors of VEON Ltd. This grant aims to align the interests of the Board members with the long-term success and growth of the company, encouraging their active participation in driving shareholder value and recognizing their extraordinary efforts in supporting the VEON success during a challenging year.

Changes in VEON Ltd. 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.

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.

In July 2023, the Board elected Morten Lundal as the Chair in its first meeting following the 2023 AGM. The Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

Directors of VEON Holdings B.V.

On June 30, 2021 and September 30, 2021, Jochem Benjamin Postma and Paul Klaassen were appointed statutory directors of the Company, respectively. Sergi Herrero and Murat Kirkgoz stepped down as statutory directors of the Company on June 30, 2021 and September 30, 2021, respectively. During the year 2023, there was no further change in directors of the Company.

The total remuneration expense for the Company's statutory directors for the year ended December 31, 2023 was US$1 (2022: US$0.8).

ACCOUNTING POLICIES

Equity-settled share-based payments are measured at the grant date fair value, which includes the impact of any market performance conditions. The grant date fair value is expensed over the vesting period, taking into account expected forfeitures and non-market performance conditions, if any, with a corresponding increase in equity. This is based upon the Company's estimate of the shares or share options that will eventually vest which takes account of all service and non-market performance conditions, if applicable, with adjustments being made where new information indicate the number of shares or share options expected to vest differs from previous estimates.

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 as selling, general and administrative expenses within the income statement. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transaction.

Other short-term benefits not related to share-based payments are expensed in the period when services are received.

22 EVENTS AFTER THE REPORTING PERIOD

VEON and Summit complete US$100 deal for Bangladesh towers portfolio

On January 31, 2024, VEON announced that, further to the announcement dated November 15, 2023, and the legal transfer of towers in December 2023 following the receipt of all regulatory approvals, its wholly owned subsidiary, Banglalink has obtained the cash consideration for the sale of approximately BDT 11 billion (approximately US$96).

Repayment of the RCF

In February 2024, we repaid US$250 of drawn commitments maturing in March 2024 under our US$1,055 RCF, and in March 2024, we repaid the remaining amounts outstanding of US$805 under our RCF, originally due in March 2025, and canceled the RCF.

Issuance of PKR bond by PMCL

In April 2024, PMCL issued a short term PKR bond of PKR 15 billion (US$52) with a maturity of six months. The coupon rate is three-month Karachi Interbank Offered Rate (KIBOR) plus 25bps per annum.

BDCL syndicated credit facility

BDCL utilized the remaining BDT 3 billion (US$27) under its existing syndicated credit facility of BDT 8 billion (US$73) during January 2024 and February 2024.

Announcement of issuance of new shares in VEON Ltd.

On March 1, 2024, VEON announced the issuance of 92,459,532 ordinary shares, after approval from the Board, to fund its existing and future equity incentive-based compensation plans. As a result of the issuance, VEON now has 1,849,190,667 issued and outstanding ordinary shares. The issuance of the ordinary shares represents approximately 4.99% of VEON's authorized ordinary shares. The shares are expected to be allocated to the company's existing and future equity incentive-based compensation plans, which are designed to align the interests of VEON's senior managers and employees with those of its shareholders and to support the company's long-term growth and performance, as well as compensation arrangements for strategic consultants. The shares were initially issued to VEON Holdings and then subsequently allocated to satisfy awards under VEON Ltd.'s existing incentive plans and will also be allocated to future equity incentive-based compensation plans, and such other compensation arrangements, as and when needed, as well as to meet certain employee, consultant and other compensation requirements. As a result, the initial share issuance will have an immediate dilutive impact on existing shareholders. The ordinary shares will be issued at a price of US$0.001 per share, which is equal to the nominal value of VEON's ordinary shares.

Appointment of PricewaterhouseCoopers Accountants N.V. ("PwC Netherlands") as 2023 independent auditor

On March 14, 2024, VEON announced that it appointed PricewaterhouseCoopers Accountants N.V. as the independent external auditor for the audit of the Group’s consolidated financial statements for the year ended December 31, 2023 in accordance with International Standards on Auditing (the “ISA Audit”). The delay in appointment was due to difficulties the Company faced in identifying a suitable independent auditor due to the material changes in the Group’s portfolio of assets which resulted in a delay in filing this Annual Report on Form 20-F with the SEC and filing its annual report with the AFM.

VEON announces sale of stake in Beeline Kyrgyzstan

On March 26, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 50.1% indirect stake in Beeline Kyrgyzstan to CG Cell Technologies, which is wholly owned by CG Corp Global for cash consideration of US$32. Completion of the sale of VEON’s stake in Beeline Kyrgyzstan, which is held by VIP Kyrgyzstan Holding AG (an indirect subsidiary of the Company), is subject to customary regulatory approvals and preemption right of the Government of Kyrgyzstan in relation to acquisition of the stake. VEON is currently liaising with Kyrgyzstan public authorities regarding the regulatory approvals and the Government’s preemption right.

As a result of this anticipated transaction and assessment that control of the Kyrgyzstan operations will be transferred, as from the date of the SPA signing, the Company classified its Kyrgyzstan operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for Kyrgyzstan operations.

VEON Ltd. increases management's and directors' ownership

On April 12, 2024, VEON announced an increase in management’s and directors' ownership in VEON Ltd. shares through awards under its existing equity-based compensation plans. VEON Ltd. is utilizing certain of the 92,459,532 common shares issued to VEON Holdings B.V. as disclosed in Note 1-*General Information*, announced on March 1, 2024, to satisfy the awards made. VEON Ltd.’s Group Executive Committee ("GEC") received a total of 2,853,375 VEON Ltd. common shares (equal to 114,135 VEON ADSs) within the scope of the VEON Ltd.’s Deferred Share Plans, and a total of 1,839,895 VEON Ltd. common shares (equal to 73,596 ADSs) within the scope of the VEON Ltd.’s STIP. The members of the VEON Ltd. Board of Directors received a total of 1,648,225 VEON Ltd. common shares (equal to 65,929 ADSs) within the scope of their compensation.

Share-based awards to VEON Ltd.’s GEC and Board of Directors

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common VEON Ltd. shares (equal to 128,050 ADSs) under VEON Ltd.'s 2021 LTIP. In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common VEON Ltd. shares (equal to 57,249 ADSs) under the 2021 Deferred Share Plan ("2021 DSP") for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common VEON Ltd. shares (equal to 95,731 ADSs) related to 3,662,250 common VEON Ltd. shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,965 common VEON Ltd. shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the VEON Ltd. GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd. shares' relative TSR performance against VEON Ltd.'s peer group which will be assessed at the end of the three-year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled common VEON Ltd. shares (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common VEON Ltd. shares (equal to 19,293 ADSs), while 472,743 common VEON Ltd. shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common VEON Ltd. shares (equal to 2,102 ADSs) related to 104,047 common VEON Ltd. shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,500 common VEON Ltd. shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common VEON Ltd. shares (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common VEON Ltd. shares (equal to 11,548 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common VEON Ltd. shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common VEON Ltd. shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON Ltd. granted a total of 3,369,125 equity-settled awards and 1,547,650 cash-settled awards in common VEON Ltd. shares (equal to 134,765 and 61,906 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors of VEON Ltd.. By June 2024, 1,648,225 of the equity-settled common VEON Ltd. shares (equal to 65,929 ADSs) were vested and transferred to the VEON Ltd. Board members and 173,250 common VEON Ltd. shares (equal to 6,930 ADSs) were withheld for tax purposes.

VEON Holdings consent solicitations to noteholders

In April 2024, VEON Holdings launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of VEON Holdings for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding and were not exchanged.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings subsequently issued new notes with identical maturities to the April 2025, June 2025, and November 2027 notes (any such new notes, the “New Notes”) to the noteholders who participated in the consent process and tendered the original notes (the “Old Notes”), which were exchanged for the New Notes subsequently (economically) canceled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings subsequently redeemed these notes in June 2024.

VEON Holdings has continued and will need to continue to provide the remaining holders of Old Notes maturing in April 2025, June 2025 and November 2027 further opportunities to exchange their Old Notes into corresponding New Notes maturing in April 2025, June 2025 and November 2027, respectively.

As of June 30, 2024, US$1,550 of New Notes due April 2025, June 2025 and November 2027 were outstanding and there were US$134 of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in July and August 2024, US$20 million equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of August 28, 2024, the equivalent amount of New Notes outstanding is US$1,565 and the remaining Old Notes that are subject to potential conversion to New Notes is US$113.

VEON Holdings is not required to make any further principal or coupon payments under the Old Notes.

Make-whole call

In June 2024, VEON Holdings executed an early redemption of its September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$ 53).

VEON Ltd. Receives Extension from Nasdaq for 20-F Filing

On May 22, 2024, VEON confirmed that on May 20, 2024 it received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) indicating that, as a result of the Company’s delay in filing its Annual Report on Form 20-F for the year ended December 31, 2023 (the “2023 20-F”), VEON Ltd. was not in compliance with the timely filing requirements for continued listing under Nasdaq Listing Rule 5250(c)(1) (the "Listing Rules").

VEON Ltd. had previously shared the expected delay in its 2023 20-F filing with a press release dated March 14, 2024, and subsequently filed its Notification of Late Filing on Form 12b-25 with the SEC on May 1, 2024. As described in these disclosures, the delay in VEON Ltd.'s 2023 20-F filing is due to the continued impact of challenges faced by the Company in connection with the timely appointment of an independent auditor that meets the requirements for a Public Company Accounting Oversight Board ("PCAOB") audit following VEON's exit from Russia..

VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rules and requested an exception of up to 180 calendar days, or until November 11, 2024, to regain compliance. On July 9, 2024, the Company announced that NASDAQ granted VEON Ltd. an exception, enabling it to regain compliance with the Listing Rules by filing its 2023 annual report on 20-F on or before November 11, 2024.

On October 17, 2024, VEON Ltd. filed its Annual Report on Form 20-F for the year ended December 31, 2023 (the "2023 Form 20-F") with the U.S. Securities and Exchange Commission following the completion of the audit of its 2023 financial statements by its independent auditor UHY LLP according to PCAOB standards. Following the filing, on October 21, 2024, VEON Ltd. received confirmation from the Nasdaq that VEON Ltd. is now compliant with the Nasdaq listing requirements.

Sale of TNS+ in Kazakhstan

On May 28, 2024, VEON announced that it signed share purchase agreement ("SPA") for the sale of its 49% in Kazakh wholesale telecommunications infrastructure services provider, TNS Plus LLP (TNS+), included within the Kazakhstan operating segment, to its joint venture partner, the DAR group of companies for total deferred consideration of US$137.5 due within six weeks of the transaction completion date. The closing of the transaction was subject to customary regulatory approvals in Kazakhstan which were subsequently obtained. Accordingly, the sale was completed on September 30, 2024. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the SPA signing, the Company classified its TNS+ operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for TNS+ operations. During, November 2024, the Company has received US$37 out of deferred consideration and the remaining is expected to be settled during Q4-2024.

Appointment of UHY LLP as auditors

On May 29, 2024, VEON Ltd. announced the appointment of UHY LLP (UHY) as the independent registered public accounting firm for the audit of the VEON Ltd.'s consolidated financial statements for the year ended December 31, 2023 in accordance with the standards established by the Public Company Accounting Oversight Board (United States) (the "PCAOB Audit").

VEON Ltd. Announces Its New Board

On May 31, 2024, VEON held its Annual General Meeting (AGM), during which the Company's shareholders approved the recommended slate of seven directors as VEON's new Board. The new members consist of former U.S. Secretary of State Michael R. Pompeo, Sir Brandon Lewis and Duncan Perry, who will serve alongside the incumbent directors Augie K. Fabela II, Andrei Gusev, Michiel Soeting and VEON Group CEO Kaan Terzioglu.

Following the AGM, the new Board held its inaugural meeting, and elected VEON's Founder and Chairman Emeritus Augie K Fabela II as the Chairman.

PMCL syndicated credit facility

In May 2024, PMCL secured a syndicated credit facility of up to PKR 75 billion (US$270) including green shoe option of PKR 15 billion with a tenor of 10 years. PMCL utilized PKR 43 billion (US$154) from this facility through drawdowns in May and June 2024 with a further PKR 22 billion (US$78) drawn in July 2024.

PMCL bilateral credit facilities

In May 2024, PMCL utilized PKR 15 billion (US$54) from three bilateral credit facilities of PKR 5 billion (US$18) each from different banks. The tenor of each facility is 10 years.

Sale of Russian operations deferred consideration settlement

In July 2024, the remaining US$72 equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings, upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for the sale of VimpelCom completed in October 2023.

VEON Ltd. Announces Intention to Delist from Euronext Amsterdam and Share buyback program

On August 1, 2024, VEON Ltd. announced its intention to voluntarily delist from Euronext Amsterdam (the "Delisting"). VEON expects the Delisting process to take place in the fourth quarter of 2024, following and subject to the filing of this annual report on Form 20-F. On October 21, 2024, VEON Ltd. announced that it has commenced the process of the Delisting, following the approval of Euronext Amsterdam. VEON Ltd.'s last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

VEON Ltd. also informed its shareholders that it intends to initiate a buyback program for up to US$100 of its American ADS following the Delisting. The timing and specifics of the ADS buybacks will be determined by the VEON Ltd.'s management and Board of Directors in due course, and will be subject to liquidity considerations, market conditions, applicable legal requirements, and other factors. Subsequently on October 21, 2024, VEON Ltd. announced that it has commenced the process for the delisting of its common shares from trading on Euronext Amsterdam, following the approval of Euronext Amsterdam. The Company's last day of trading on Euronext Amsterdam will be November 22, 2024 (the “Last Trading Date”) and the delisting will be effective from November 25, 2024.

Agreement with Impact Investments LLC for Strategic Support and Board Advisory Services

On June 7, 2024, VEON Ltd. entered into a letter agreement as amended on August 1, 2024 (the “2024 Agreement”) with Impact Investments which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON Ltd.). Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024, serves as Executive Chairman of Impact Investments. In exchange for the services provided, VEON Ltd. will pay Impact Investments US$0.05 in cash per month on or about the 7th day of each month during the term of the 2024 Agreement. Further, VEON Ltd. has granted to Impact Investments three VEON Ltd. common share warrants (hereby “Warrant A”, “Warrant B”, and “Warrant C”), with a value of $12, $2, and $2 worth of common shares in the capital of VEON Ltd., respectively. Warrant A vest ratably semi-annually over a period of three years subject to achievement of vesting conditions. One half of Warrant B will vest on the date that is six months after the three years anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant B will vest on the four years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. One half of Warrant C will vest on the date that is six months after the four years’ anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant C will vest on the five years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. The number of common VEON Ltd. shares to be transferred will be determined on the vesting date based on the 90-day average trading price. Finally, VEON Ltd., in its sole discretion, may pay Impact Investments an additional fee up to $3 subject to completion of certain strategic objectives.

On June 7, 2024, VEON Ltd. and Impact Investments also entered into a termination letter in connection with a letter agreement between VEON Ltd. and Impact Investments dated November 16, 2023. Under the terms of the termination letter, VEON Ltd. paid Impact Investments $2 in common VEON Ltd. shares or 2,066,954 shares (equal to 82,678 ADS), which common VEON Ltd. shares were determined on the basis of the 90-day average trading price of the VEON Ltd. common shares as of the date of the termination letter. These common shares were transferred to Impact Investments in August 2024, for strategic support and board advisory services to JSC Kyivstar performed by Impact Investments under the letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023.

VEON Ltd. Announces Plan to Move its Headquarters to Dubai

On October 14, 2024, VEON Ltd. announced its plan to move the Group Headquarters from Amsterdam to the DIFC in the United Arab Emirates. VEON Ltd. also plans to update its corporate entity structure to reflect the relocation of the headquarters from move from the Netherlands to the DIFC, subject to tax and structuring analyses. On November 15, 2024, VEON Ltd. further announced that it has completed the registration of and received the commercial license for its branch office in Dubai International Finance Centre (“DIFC”).

KaR-Tel Limited Liability Partnership credit facilities

On September 25, 2024 KaR-Tel Limited Liability Partnership ("KaR-Tel") signed a new bilateral credit facility with JSC Nurbank of KZT 18 billion (US$37) with a maturity of five years carrying fixed interest rate of 15.5%. On October 8, 2024, KaR-Tel utilized KZT 4.5 billion (US$10) from this facility. Subsequently, during October and November 2024, Kar-Tel further utilized KZT 6 billion (US$12).

2024 Annual Impairment Analysis

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations’ disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of November 20, 2024, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis will be published in our interim unaudited consolidated condensed financial statement for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See Note 11 for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh.

Changes in Directors of VEON Holdings B.V.

On March 7, 2024, Bruce John Leishman and Maciej Bogdan Wojtaszek were appointed statutory directors of the Company, while on the same date Jochem Benjamin Postma and Paul Klaassen stepped down as statutory directors of the Company.

Issuance of PKR Sukuk bond by Pakistan Mobile Communication Limited ("PMCL")

In October 2024, Pakistan Mobile Communication Limited ("PMCL") issued short term PKR sukuk bond of PKR 15 billion (US$54) with a maturity of six months. Coupon rate is 3 months Karachi Interbank Offered Rate (KIBOR) minus 10 bps per annum.

Unitel LLC credit facility

On October 7, 2024 Unitel LLC signed a new credit facility agreement with JSC “National Bank for Foreign Economic Activity of the Republic of Uzbekistan” for UZS 191.3 billion (US$14) with a maturity of two years and an interest rate of 22% per annum. During November 2024, Unitel LLC utilized the full amount from this facility.

VEON appoints UHY LLP as auditors for VEON Group's 2024 PCAOB Audit

On November 13, 2024, VEON announced that the VEON Board of Directors has re-appointed UHY LLP (“UHY”) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2024 in accordance with the standards established by the Public Company Accounting Oversight Board, United States (the "PCAOB Audit").

23 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 and adopted by the European Union and the applicable articles of Part 9 of Book 2 of the Dutch Civil Code, 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.

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 Holdings B.V.'s Dutch statutory financial statements for the year ended December 31, 2022 authorized by the Board of Directors on June 29, 2023, the Company discovered an error in the consolidated statement of comprehensive income with respect to the de-recognition of non-controlling interest for the sale of its Algerian operations (refer to Note 10 for further details) which was corrected. 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 judgement 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 has corrected and disclosed the error retrospectively in its statutory accounts in its Q3 2023 financial statements and in the full year 2023 Dutch annual report.

The non-controlling interest was incorrectly de-recognized in other comprehensive income (OCI), a component within equity, while it should have been de-recognized 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 the 2022 Annual Report. Refer to the impact on the consolidated statement of comprehensive income below. Thus, the error correction resulted 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	Impact of correction of the error		
(In millions of U.S. dollars)	VEON Holdings B.V. Dutch Statutory Financial Statements as previously reported	Adjustment	VEON Holdings B.V. Dutch Statutory Financial Statements as restated
Profit / (loss) for the period	192	—	192
Items that may be reclassified to profit or loss			
Foreign currency translation	(486)	—	(486)
Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation	(266)	824	558
Items that will not to be reclassified to profit or loss			
Other	6	—	6
Other comprehensive income / (loss) for the period, net of tax	**(746)**	**824**	**78**
Total comprehensive income / (loss) for the period, net of tax	**(554)**	**824**	**270**
Attributable to:			
The owners of the parent	160	—	160
Non-controlling interests	(714)	824	110
	(554)	824	**270**
Total comprehensive income / (loss) for the period, net of tax			
Continuing operations	404	—	404
Discontinued operations	(958)	824	(134)
	(554)	824	**270**

GOING CONCERN

As of November 20, 2024, hostilities continue in Ukraine. Currently, we have 24 million subscribers in Ukraine, where they are supported by 4,000 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 November 20, 2024, most of our Ukraine subsidiary's employees remain in the country. As of November 20, 2024, millions of people have fled Ukraine and the country has sustained significant damage to infrastructure and assets.

As the war 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 war. On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack, causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement agencies, the Security Service of Ukraine and government agencies, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, with mobile voice and internet, fixed connectivity, SMS and MyKyivstar self-care application active and available across Ukraine. Refer to Note 1 for further details. 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 war, 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.

Effective October 9, 2023, VimpelCom was deconsolidated from the VEON Group and, as such, the VEON Group no longer has operations in Russia. The risks related to sanctions, trade restrictions, and export bans targeting the Russian Federation and VimpelCom itself as well as risks related to counter-sanctions imposed by Russia, including the potential risk of imposing administration over Russian assets, have been sufficiently mitigated. As a result of the VimpelCom disposal, cybersecurity risk has been significantly reduced.

Ukraine has also implemented and may implement further sanctions or measures on individuals or entities with close ties to Russia, which may negatively impact Kyivstar if VEON is considered by local Ukrainian authorities as being a company controlled by sanctioned persons. 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 beneficial owners of LetterOne, which, in turn, is one of VEON's shareholders. 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 engage in transactions involving the Company. 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. On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts froze all "corporate rights" of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings against Mikhail Fridman and which are unrelated to VEON or any of our subsidiaries are in progress. This announcement was incorrectly characterized by some Ukrainian media as a "seizure" or "freezing" of "Kyivstar's assets". On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly identified Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding. On October 30, 2023 VEON announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and Ukraine Tower Company, noting that corporate rights in Kyivstar and Ukraine Tower Company belong exclusively to VEON, and that their full or partial freezing or seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar and Ukraine Tower Company. In December 2023, the court rejected the Company's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freezing of corporate rights in Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. VEON is continuing significant government affairs efforts to protect our assets in Ukraine.

Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on (i) the transfer of technology and intellectual rights to Kyivstar from VEON, renting of state property and land, and (ii) prohibitions on participation in public procurement impacting B2G revenue would apply.

The ongoing war in 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 war, sanctions and such responses continue or escalate, will continue to negatively impact aspects of our operations and results in Ukraine, and may affect aspects of our operations and results in the other countries in which we operate.

The war has directly and indirectly resulted in the following events and conditions that may cast significant doubt on the Company's ability to continue as a going concern:

- 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 war has also had a marked impact on the economy of Ukraine. However, since the beginning of the war, a significant majority of Ukraine's network infrastructure has been operating effectively and disruptions in service have been limited to specific areas where the war is most intense. As mentioned above, in December 2023, Kyivstar was the target of a widespread external cyber-attack, causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad, which were subsequently restored. It cannot be ruled out that the war and related damage could escalate within Ukraine.
- We may need to record future impairment charges in Ukraine or CGUs, which could be material, if the war continues or escalates and/or due to macroeconomic conditions.

- As of October 31, 2024, 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. 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.
- Based on the current state of affairs, the Company currently has sufficient liquidity to satisfy our current obligations at least over the next twelve months from the issuance of the financial statements without the need of additional financing assuming no early repayments of our long-term debt. In addition, cash on hand was US$963 as of September 30, 2024 after the full repayment of the RCF (refer to details in Note 1). As a result of the full repayment and cancellation of the RCF, the Company no longer has any financial covenants. However, these continue to be uncertain times and it is not possible to predict with certainty how certain developments will impact our liquidity position, 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. 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. If the assumptions behind our liquidity forecast are not correct, we may not have sufficient liquidity to continue to operate as outlined above. If we are unable to raise additional capital in the markets in which we seek to raise it, or at all, or if the cost of raising additional capital significantly increases, which has been the case since the onset of the ongoing war due to monetary policy in response 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 war in 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 war in Ukraine, and particularly its effects on our liquidity and financial profile, becomes more certain.
- In response to the geopolitical and economic situation in Ukraine, there is a risk of the country imposing external administration over foreign companies or assets or nationalizing them. For example, as part of the measures that the Ukrainian government has adopted in response to the ongoing war with Russia, several Nationalization Laws Amendments have been passed by the Ukrainian Parliament and, as of June 26, 2024, are awaiting signature by the President of Ukraine. Among other things, the Nationalization Laws Amendments extend the definition of "residents" whose property in Ukraine (whether owned directly or indirectly) can be seized under the Nationalization Laws to include property owned by the Russian state, Russian citizens, other nationals with close relationships 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. Pursuant to the Nationalization Laws, in May 2023, President Zelensky signed an initial package of restrictive measures relating to 41 entities, including against Zaporizhstal, one of Ukraine's largest metallurgical companies, due to Russian ownership in the company's structure. In April 2023, the Ukrainian Parliament voted for similar measures to allow for the nationalization of Sense Bank, one of Ukraine's largest commercial banks.
- Furthermore, in November 2022, the Ukrainian government invoked martial law, which allows the Ukrainian 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.
- As noted above, on October 6, 2023, the Security Service of Ukraine (SSU) announced that the Ukrainian courts froze all "corporate rights" of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings against Mikhail Fridman and, which are unrelated to Kyivstar or VEON, are in progress. This announcement was incorrectly characterized by some Ukrainian media as a "seizure" or "freezing" of "Kyivstar's assets". On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly identified Kyivstar, that the Ministry of Justice of Ukraine is separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding.
- If further measures are adopted and applied in relation to our Ukrainian subsidiary, this could lead to the involuntary deconsolidation of our Ukrainian 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.

Management’s actions to address these events and conditions are as follows:

- As mentioned above, on October 9, 2023, the sale of our Russian operations was completed and VimpelCom was deconsolidated from the VEON Group. The sale of VimpelCom has sufficiently mitigated risks related to sanctions, trade restrictions, and export bans imposed against Russia as well as risks related to counter-sanctions imposed by Russia including Decree 302 and Decree 430. The sale of VimpelCom has also significantly reduced the VEON Group’s exposure to cybersecurity attacks.
- 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.
- The Company has performed sensitivity analyses on the volatility of the Pakistani Rupee as well as other currencies in our operating markets with respect to the impact on our financial results and does not expect currency 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 continue to be in compliance and to evaluate any potential impact on the Company’s financial performance, operations, and governance. Management has actively engaged with sanctions authorities where appropriate. Management is engaging with authorities in Ukraine to address any concerns they have about the ownership and management of Kyivstar and to provide all necessary assurances to confirm that Russian nationals, including any beneficial owners of LetterOne, do not participate in the management of Kyivstar nor are they able to derive any benefits from VEON’s assets in Ukraine.
- On October 30, 2023, we announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and our subsidiary Ukraine Tower. Noting that corporate rights in Kyivstar and Ukraine Tower Company belong exclusively to VEON, and that their full or partial freezing or seizure directly violates the rights of VEON and its international debt and equity investors, VEON requested the lifting of the freezing of its corporate rights in Kyivstar and Ukraine Tower Company. In its filings, the Company also reiterated that any action aimed at the rights, benefits or funds of sanctioned individuals - the alleged reason for freezing of corporate rights as per the SSU statement - cannot legitimately be directed toward VEON or its subsidiaries. Sanctioned individuals do not own any shares in VEON or its subsidiaries; they cannot exercise any rights regarding VEON or any of its subsidiaries; are not a part of any VEON group company governance mechanisms, including boards; do not have the ability to control or influence decisions made by VEON or any of its subsidiaries; and do not derive any economic benefits from VEON or any of its operating companies. In December 2023, the court of appeals rejected VEON’s appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freeze of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. VEON is continuing significant government affairs efforts to protest our assets in Ukraine. Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary (“Kyivstar”) and concluded that, under the requirements of relevant reporting standards (IFRS 10, Consolidated financial Statements), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.
- Management actively monitors the Company’s liquidity position, our 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 non-financial provisions in our debt agreements are met.
- On March 28, 2024, VEON announced that it repaid in full the outstanding balance of US$805 (principal, excluding accrued interest) and cancelled its RCF, after paying the matured portion of US$250 in February 2024.
- As of March 14, 2024 and May 29, 2024, VEON Ltd. appointed PwC Netherlands and UHY, respectively, for the audits of the Group’s consolidated financial statements for the year ended December 31, 2023 for the ISA Audit and PCAOB Audit, respectively. As a result of the delay in appointing an external independent auditor, VEON Ltd. was delayed in producing its audited consolidated financial statements for the year ended December 31, 2023, filing its annual report on Form 20-F with the SEC and filing its annual report with the Dutch Authority for the Financial Markets (“AFM”) in connection with its Euronext listing. As a result of these expected delayed filings, VEON Ltd. was not in compliance with its listing requirements after the applicable deadlines passed. VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rule 5250(c)(1) (the “Listing Rules”) and on July 9, 2024, VEON Ltd. announced that Nasdaq granted the Company an exception, enabling it to regain compliance with the Listing Rules by filing its 2023 annual report on Form 20-F on or before November 11, 2024. VEON Ltd. filed its 2023 annual report on Form 20-F on October 17, 2024 and has regained compliance under the Listing Rules and filed its 2023 AFM Annual Report on October 31, 2024. Further, as a result of the consent solicitation, consent was obtained to extend the deadline for the provision of audited

financial statements for the years ended 2023 and 2024 for both VEON Ltd. and its subsidiary, VEON Holdings B.V., to the holders of the outstanding notes of VEON Holdings B.V. Refer to Note 22 for further developments and details.

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 interim 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 war and potential future imposed sanctions as well as potential new counter-sanctions, and given the possible future imposition of external administration over our 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.

24 SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements has required management to apply accounting policies and methodologies based on complex and subjective judgements, 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 2023

A number of amended standards became effective as of January 1, 2023, 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, 2023 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.

Amsterdam,

November 20, 2024

VEON Holdings B.V.

Company financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

Before appropriation of profit

as of December 31

(In millions of U.S. dollars)	Note	2023	2022
Assets			
Non-current assets			
Financial fixed assets	1	5,906	6,611
Total non-current assets		**5,906**	**6,611**
Current assets			
Receivables	2	251	1,523
Cash and cash equivalents	3	1,294	2,462
Total current assets		**1,545**	**3,985**
Total assets		**7,451**	**10,596**
Equity and liabilities			
Equity			
Issued capital		33	32
Capital surplus		10,294	10,294
Reserve results of subsidiaries		255	229
Foreign currency translation reserve		(3,794)	(6,611)
Retained earnings / (accumulated deficit)		(1,872)	(1,873)
Result for the year		(2,332)	38
Total equity	4	**2,584**	**2,109**
Provisions	5	**162**	**14**
Non-current liabilities	6	**2,557**	**4,426**
Current liabilities	7	**2,148**	**4,047**
Total equity and liabilities		**7,451**	**10,596**

COMPANY INCOME STATEMENT

for the year ended December 31

(In millions of U.S. dollars)	**Note**	**2023**	**2022**
General and administrative expenses	11	(35)	(13)
Recharged expenses to group companies		2	1
Operating loss		**(33)**	**(12)**
Finance income	12	706	491
Finance expenses	12	(211)	(307)
Profit before tax		**462**	**172**
Income tax	13	(9)	12
Share in results of subsidiaries after tax and result on sale of subsidiary		(2,785)	(146)
Net result		**(2,332)**	**38**

COMPANY AND GROUP ACTIVITIES

VEON Holdings B.V. ("**VEON**" or the "**Company**"), was incorporated on June 29, 2009. The Company has its statutory seat and its principal place of Business at Claude Debussylaan 88 in Amsterdam.

The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

For details of the Company's and its group of companies ("**VEON Group**") principal activities, reference is made to Note 1 (General information) to the Consolidated Financial Statements.

ACCOUNTING POLICIES

General

The Company 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 as endorsed by the European Union, except for the accounting policies disclosed below. For an appropriate interpretation, the Company financial statements should be read in conjunction with the consolidated financial statements.

The Company financial statements are presented in United States dollars ("U.S. dollar" or "US$"). In these financial statements, U.S. dollar amounts are presented in millions, except as otherwise indicated.

Comparison with previous year

The valuation principles and method of determining the results are the same as those used in the previous year.

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 derecognized 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 assets and liabilities 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.

Amounts due from investments in subsidiaries are stated initially at fair value and subsequently at amortized cost. Amortized cost is determined using the effective interest rate

Business combinations under common control

Business combinations under common control are accounted for using the carry-over accounting method. Accordingly, all assets and liabilities of the business acquired are recognized at the carrying value of those assets and liabilities as identified and measured in the consolidated financial statements of the Company. The resulting net assets from the business combination are recognized as an investment in subsidiary in the financial statements of the Company on the date of the business combination under common control. The difference between the net book value of the net asset acquired and the purchase consideration paid is recognized directly in Equity as a contribution in kind from or a dividend to the parent company, and it is recorded as a capital surplus. No goodwill or bargain purchase is recognized. The results of operations of acquired businesses are included in the company financial statements from the date of acquisition (i.e. no retrospective restatements in the company income statement).

Equity interests

For a full list of equity interests, reference is made to the list including entity details filed in accordance with Articles 379 and 414, Title 9 of Book 2 of the Dutch Civil Code at the Dutch Chamber of Commerce.

Going Concern

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 23 of the Consolidated Financial Statements.

(in millions of U.S. dollars unless otherwise stated)

NOTES TO THE COMPANY FINANCIAL

1. FINANCIAL FIXED ASSETS

	2023	2022
Investment in subsidiaries	3,259	4,408
Long-term loans to group companies	872	782
Long-term loans to (subsidiaries of) the ultimate parent	1,770	1,401
Other financial assets	5	20
Balance as at December 31	**5,906**	**6,611**

The fair value of the loans disclosed above including the short-term portion was US$1,806. Refer to Note 16 of consolidated financial statements above for further insight into fair value hierarchy and other details.

Investment in subsidiaries

Movements in investments in consolidated subsidiaries were as follows:

	2023	2022
Balance as at January 1	**4,408**	**3,687**
Capital contribution	145	450
Acquisition of / investment in subsidiaries	—	445
Result of participating interests after tax	(2,785)	(146)
Share premium distributions	—	(26)
Disposal of subsidiaries	2,124	—
Deemed distributions due to loan novation/loan forgiveness	—	9
Dividend received from subsidiaries	(168)	(114)
Net increase in provision for negative asset entities	147	13
Currency translation adjustments	(601)	116
Other equity movements related to subsidiaries	(11)	(26)
Balance as at December 31	**3,259**	**4,408**

Significant activities in 2023

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement (“SPA”) which had no material impact on the economic terms of the original transaction announced on November 24, 2022. For further details of this transaction please refer to Note 9 (Significant Transactions) of the Consolidated Financial Statements.

In December 2023, the Company purchased all of the shares VEON Bangladesh Holdings B.V. from its indirectly (via VEON Luxembourg Holdings S.à r.l”) wholly-owned subsidiary, VEON Luxemburg Finance S.A., for US$1 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of VEON Bangladesh Holdings B.V. of -/-US$140. Subsequently, the Company did a capital contribution of US$141 in its wholly-owned subsidiary, VEON Bangladesh Holdings B.V.. This capital contribution was done via offsetting a loan receivable (US$137) and the related accrued interest (US$4).

Significant activities in 2022

In March 2022, the Company purchased all of the shares held (50.1%) in VIP Kyrgyzstan Holding AG (**"VIP Kyrgyzstan"**) from its indirectly (via PJSC “Vimpel-Communications”) wholly-owned subsidiary, VEON Eurasia S.à r.l. (**"Eurasia"**), for US$12 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of Kyrgyzstan of US$12.

In December 2022, the Company purchased all of the shares held (75%) in VIP Kazakhstan Holding AG (**"VIP Kazakhstan"**) from its indirectly (via PJSC “Vimpel-Communications”) wholly-owned subsidiary, VEON Eurasia S.à r.l. (**"Eurasia"**), for US$868 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of Kazakhstan of US$445, presented within "Acquisition of / investment in subsidiaries", while the excess in consideration paid to Eurasia over the net asset value, resulted in an increase in the book value of Investment in PJSC “Vimpel-Communications” of US$423, presented as "Capital contribution/(distribution)".

(in millions of U.S. dollars unless otherwise stated)

Long-term loans to group companies

	2023	2022
Balance as at January 1	**782**	**2,129**
New loans granted and advances	—	295
Receipts during the year	—	(455)
Reclassification to short term	(247)	(1,324)
Reclassification from short term	337	331
Foreign exchange gain	—	206
Offset of loans	—	(400)
Balance as at December 31	**872**	**782**

Significant activities in 2023

In February 2023, the maturity of the short-term loan between the Company and Bangladesh Holdings B.V. of US$137 was extended till February 2026 and was reclassified from short-term loans to group companies to long-term loans to group companies. The loan carries a fixed interest rate of 3.5%. Subsequently in November 2023, the loan was reclassified from long-term loans to short-term loans to group companies.

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. From the total of US$250 facility an amount of US$50 was classified as a short-term loan to group companies and US$200 was classified as a long-term loan to group companies. in July (US$12.5) and October (US$12.5) an additional US$ 25 million was reclassified to short term loan to group companies.

In November 2023, US$84 of the loan due from VEON Luxembourg Finance S.A. was reclassified to short-term loans to group companies.

Significant activities in 2022
In February 2022, the Company received US$396 as a repayment on the loan due from PJSC “Vimpel-Communications".

In February 2022, the Company granted intercompany loan of RUB 3 billion (US$35) to PJSC “Vimpel-Communications" under existing facility agreement. The loan has a maturity date of December 2024 with a fixed interest rate of 8.75%.

In March 2022, the Company granted a loan of RUB 30 billion (US$259) to VEON Finance Ireland DAC. The loan has a maturity date of February 2029 with a floating interest rate of CBR key rate + 2.05%.

In July 2022, the Company offset US$350 of its long-term loan receivable due from PJSC “Vimpel-Communications", with its long-term loans payable US$350 due to PJSC “Vimpel-Communications"

In October 2022, the Company offset US$50 of its long-term loan receivable due from VEON Algeria Holdings B.V., with its long-term loans payable US$50 due to VEON Algeria Holdings B.V.

In December 2022, the Company received US$59 as a repayment on the loan due from VEON Luxembourg Finance S.A.

Long-term loans to (subsidiaries of) the ultimate parent

	2023	2022
Balance as at January 1	**1,401**	**1,361**
New loans granted and advances	60	40
Reclassification from short term (refer note 2)	309	—
Balance as at December 31	**1,770**	**1,401**

Loans granted to subsidiaries of the ultimate parent include Loans to VEON Amsterdam B.V. amounting US$1,604 (including principal and interest) at December 31, 2023 and are callable on demand. As of December 31, 2023, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date. In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

(in millions of U.S. dollars unless otherwise stated)

2. RECEIVABLES

	2023	2022
Loans to subsidiaries of the ultimate parent	—	386
Loans to group companies	52	859
Amounts due from group companies	106	94
Accrued interest*	6	138
Other receivables and prepayments	87	47
Balance as at December 31	**251**	**1,523**

*During the year accrued interest relating to VEON Amsterdam and VEON Ltd. were classified as long term. fir further details refer to Note 1 and details below.

The fair value of the receivables approximates the book value, due to their short-term character.

Loans to subsidiaries of the ultimate parent

The following table shows the movements in loan to subsidiaries of the ultimate parent during the year:

	2023	2022
Balance as at January 1	**386**	**316**
New loans	100	70
Receipts during the year	(76)	—
Reclassification to Loans to group companies	(50)	—
Reclassification to long term	(360)	—
Balance as at December 31	**—**	**386**

During 2023, the Company additionally granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025. Subsequently the loan US$166 (including principal and interest) was reclassified to long-term loans to (subsidiaries of) the ultimate parent.

In May 2023, the company received US$26 against the loan receivable from VEON Digital Limited which makes balance zero.

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. US$50 of the loan due from Banglalink Digital Communications Ltd. was reclassified to short-term loans to group companies and US$200 to long-term loans to group companies.

Loans to group companies

The following table shows the movements in loan to group companies during the year:

	2023	2022
Balance as at January 1	**859**	**347**
New loans	2	24
Offset of loans	(691)	(376)
Repayment of loans	(112)	(148)
Reclassification from long term	247	1,324
Reclassifications to long term	(137)	(330)
Reclassification from Loans to subsidiaries of the ultimate parent	50	—
Novation of loan to investment in subsidiaries	(137)	—
Foreign exchange result	(29)	18
Balance as at December 31	**52**	**859**

In February 2023, a short-term loan between the Company and Bangladesh Holdings B.V. of US$137 was reclassified from short-term loans to group companies to Long-term loans to group companies.

In November 2023, a long-term loan between the Company and Bangladesh Holdings B.V. of US$137 was reclassified from long-term loans to group companies to short-term loans to group companies and subsequently in December 2023 off-set against a capital contribution to the Company's' subsidiary VEON Bangladesh Holdings B.V.

In June 2023, through a tripartite agreement, the original short-term loan facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. Of this facility US$200 was classified as a long term loan to group companies and US$50 as short term loan to group companies. The interest rate applicable on loans was 9.3% and received in July, November and December 2024. In July (US$12.5) and October (US$12.5) 2023 a total of US$25 of the loan due from Banglalink Digital Communications Ltd. was reclassified from long-term to short-term loans to group companies and subsequently repaid.

In November 2023, US$84 of the loan due from VEON Luxembourg Finance S.A. was reclassified to short-term loans to group companies and subsequently in December this amount was received.

On February 15, 2023, PJSC VimpelCom and VEON Holdings signed a deed of set-off, to settle the receivable of RUB 54 billion (US$768 as of December 31, 2022) due from VEON Holdings, with loan balances between the two entities in which PJSC VimpelCom was the borrower. of which US$ 680 was offset against these short-term loans to group companies. With this set-off the internal transfer of VIP Kazakhstan Holding AG from December 2022 was completed.

Subsequently in October 2023 with the exit from Russia, with the closing of the sale of the Russian operations another US$11 was offset against these short-term loans to group companies.

Year 2022

In March 2022, the Company granted a loan of US$18 to VEON Finance Ireland DAC.The loan has a maturity date of March 2023 with a fixed interest rate of 0.1%.

In September 2022, the Company granted a loan of US$6 to VEON Bangladesh Holdings B.V. under its existing facility. The facility has a maturity date of February 2023 with a fixed interest rate of 3.5%.

In January 2022 (US$17), June 2022 (US$29) and November 2022 (US$2), the Company received US$48 as a repayment on the loan due from VEON Finance Ireland DAC. Original maturity of loan is January 2022 and April 2023 respectively. The interest rate applicable on loans was 0.1%.

In May 2022, the Company received US$100 as a repayment on the loan due from VEON Pakistan Holdings B.V. originally maturing in February 2023. The applicable interest rate on loan was 3.5%.

In May 2022, the Company offset US$114 of its loans receivable to its subsidiary VEON Bangladesh Holdings B.V., with its loans payable US$114 due to its subsidiary VEON Bangladesh Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In July 2022, the Company offset US$260 of its loan receivable due from VEON Pakistan Holdings B.V., with its short-term loans payable US$260 due to VEON Pakistan Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

3. CASH AND CASH EQUIVALENTS

All cash at bank and in hand is at the Company's free disposal.

The overdrawn accounts are presented as financial liabilities within the statement of financial position.

4. EQUITY

for the year ended December 31, 2023

(In millions of U.S. dollars)	Issued capital	Capital Surplus	Reserve Results of Subsidiaries	Foreign currency translation	Retained Earnings / (accumulated deficit)	Result for the year	Total equity
As at January 1, 2023	**32**	**10,294**	**229**	**(6,611)**	**(1,873)**	**38**	**2,109**
Loss for the period	—	—	—	—	—	(2,332)	(2,332)
Other comprehensive income	—	—	—	2,818	(11)	—	2,807
Total comprehensive income	**—**	**—**	**—**	**2,818**	**(11)**	**(2,332)**	**475**
Result appropriation	—	—	—	—	38	(38)	—
Movement in legal reserve due to currency restrictions	—	—	26	—	(26)	—	—
Revaluation of issued capital	1	—	—	(1)	—	—	—
As at December 31, 2023	**33**	**10,294**	**255**	**(3,794)**	**(1,872)**	**(2,332)**	**2,584**

for the year ended December 31, 2022

(In millions of U.S. dollars)	Issued capital	Capital Surplus	Reserve Results of Subsidiaries	Foreign currency translation	Retained Earnings / (accumulated deficit)	Result for the year	Total equity
As at January 1, 2022	**34**	**10,294**	**1,033**	**(6,729)**	**(3,459)**	**809**	**1,982**
Profit for the period	—	—	—	—	—	38	38
Other comprehensive income	—	—	—	116	—	—	116
Total comprehensive income	—	—	—	116	—	38	154
Result appropriation	—	—	—	—	809	(809)	—
Movement in legal reserve due to currency restrictions	—	—	(804)	—	804	—	—
Transactions with non-controlling interest partners	—	—	—	—	(19)	—	(19)
Revaluation of issued capital	(2)	—	—	2	—	—	—
Other	—	—	—	—	(8)	—	(8)
As at December 31, 2022	**32**	**10,294**	**229**	**(6,611)**	**(1,873)**	**38**	**2,109**

Issued capital

Reference is made to Note 19 (Issued capital and reserves) to the Consolidated Financial Statements. The issued capital is nominated in EUR. In accordance with Article 373, paragraph 5, Title 9 of Book 2 of Dutch Civil Code the issued capital is translated into U.S. Dollars at the rate of exchange ruling at the balance sheet date EUR 1 = US$ 1.1039 (2022: EUR 1 = US$ 1.0705).

Capital surplus

Capital surplus represents primarily contributions into the Company from the shareholders.

Results of subsidiaries

The reserve Results of subsidiaries comprises the amount of profits that cannot be repatriated from subsidiaries due the restrictions on dividend distributions relating to withholding tax in respect of dividends mainly from Kazakhstan and Uzbekistan. Also Certain of our subsidiaries are subject to legal restrictions that prevent the distribution of profit or dividends particularly Ukraine has 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.

(in millions of U.S. dollars unless otherwise stated)

Appropriation of result

The Board of Directors proposes to add the loss for the year of US$2,332 to the retained earnings / accumulated deficit. This has not been reflected in these financial statements.

Equity reconciliation between consolidated financial statements and the company financial statements

	2023	2022
Consolidated equity	2,584	2,109
Company - only equity	2,584	2,109
Difference	**—**	**—**

5. PROVISIONS

	2023	2022
Restructuring provision	1	—
Provision for the net liability balances of its loss-making subsidiaries	161	14
Balance as at December 31	**162**	**14**

If the (partly) settlement of a provision is expected to take place within one year, the provision will be (partly) classified as current.

The deferred tax liability relates to the withholding tax on undistributed earnings from subsidiaries. The movements in deferred tax liability were as follows:

	2023	2022
Balance as at January 1	—	41
Decrease tax liability	—	(41)
Balance as at December 31	**—**	**0**

The Company has determined that it has a constructive obligation with respect to the liabilities of its subsidiaries. As such, the Company has recorded a provision for the net liability balances of its loss-making subsidiaries. The movements in the provision were as follows:

	2023	2022
Balance as at January 1	14	1
Net increase during the year	147	13
Balance as at December 31	**161**	**14**

6. NON-CURRENT LIABILITIES

	2023	2022
Bonds, net of discounts and unamortized fees	1,732	3,491
Long- term loans due to group companies	824	934
Accrued interest loans due to group companies	1	1
Balance as at December 31	**2,557**	**4,426**

Bonds, net of deferred expenses and amortization adjustments

The movements in bonds were as follows:

	2023	2022
Balance as at January 1	3,491	4,682
Reclassification to short-term loan payable to group companies	(1,076)	—
Reclassification to short-term bonds	(532)	(1,229)
Amortization	3	—
Foreign exchange result	(154)	38
Balance as at December 31	**1,732**	**3,491**

The fair value of the Bonds disclosed above including the short-term portion was US$1,446. Refer to Note 16 of consolidated financial statements above for further insight into fair value hierarchy and other details.

Significant activities in 2023

Under the agreement ("SPA") to sell VEON's Russian operations to certain senior members of the management team of PJSC VimpelCom, it was agreed that the sales consideration would be primarily paid by PJSC VimpelCom taking on and discharging certain VEON Holdings B.V.'s debt. US$1,076 of longterm bonds were reclassified to Short term loans payable to group company. For further details of this transaction please refer to Note 9 (Significant Transactions) of the Consolidated Financial Statements.

As of December 31, 2023, one tranche of the bonds US$532(June 2024) became due within one year and was therefore reclassified from non-current to current liabilities.

Significant activities in 2022

As of December 31, 2022, two tranches of the bonds US$529 (March 2023) and US$700 (April 2023) became due within one year and were therefore reclassified from non-current to current liabilities.

Notes outstanding as at December 31, 2023

				Principal amount outstanding	
Notes	**Due date**	**Currency**	**Interest rate**	**2023**	**2022**
Notes	February 2023	USD	5.95%	—	529
Notes	April 2023	USD	7.25%	—	700
Notes	September 2026	RUB	8.13%	15	284
Notes	June 2024	USD	4.95%	—	533
Notes	June 2025	RUB	6.30%	102	284
Notes	September 2025	RUB	6.50%	37	142
Notes	April 2025	USD	4.00%	556	1,000
Notes	November 2027	USD	3.375%	1,093	1,250
Total notes non-current				**1,803**	**4,722**

Significant activities in 2023

During the year ended December 31, 2023, PJSC VimpelCom independently purchased US$2,140 equivalent of VEON Holdings B.V. Notes in order to satisfy certain Russian regulatory obligations. Upon such purchase by PJSC VimpelCom, these Notes were reclassified to intercompany debt with an equivalent reduction in gross debt for VEON Group. Out of these Notes, US$1,576 equivalent Notes were offset against the purchase price and any notes outstanding at closing were transferred to a wholly owned subsidiary of VEON Holdings B.V. and US$406 equivalent Notes were settled at maturity, while US$72 equivalent of VEON Holding B.V. Notes were held by PJSC VimpelCom.

On October 13, 2023 VEON Holding repaid its 5.95% Senior Notes amounting to US$39 million due in October 2023.

On September 13, 2023, VEON issued two redemption notices for the early repayment of VEON Holdings B.V.’s bonds maturing in December 2023 and June 2024. On September 27, 2023 VEON redeemed US$243 million senior notes held by external noteholders.

Significant activities in 2022

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

Bank loans

The Company had the following principal amounts outstanding for interest-bearing bank loans at December 31:

						Principal amount outstanding	
Lender	**Type of debt**	**Guarantor**	**Currency**	**Interest rate**	**Maturity**	**2023**	**2022**
VTB Bank	Loan	None	RUB	4.00%	2025	—	—
Total bank loans						**—**	**—**

Significant activities in 2022

In February 2022, VEON Holdings B.V. repaid RUB 30 billion (US$396) of outstanding loans to VTB Bank, comprising of a RUB 30 billion loan (US$400) originally maturing in 2025.

Long- term loans due to group companies

The movements in long-term loans due to group companies were as follows:

	2023	**2022**
Balance as at January 1	934	405
Additions	25	819
Offset of loans	—	(410)
Reclassification (from) / to long term-term	(101)	167
Repayments	(8)	(47)
Settlement of dividend receivable	(26)	—
Balance as at December 31	**824**	**934**

The fair value of the loans disclosed above was US$716. Refer to Note 16 of consolidated financial statements above for further insight into fair value hierarchy and other details.

Significant activities in 2023

During 2023 an amount of US$5 related to interest accrued was added to the loan principal due to Global Telecom Holding SAE. The maturity date of loan is September 2025 and applicable interest rate is 3.5%.

During October 2023, the Company obtained a loan of US$5 from its subsidiary VEON Algeria Holdings B.V. under facility agreement, The final maturity of facility is August 2025 and the applicable interest rate is 3.5%. Subsequently during November US$89 was reclassified to short-term loan payable to group companies.

In July 2023, the Company obtained a loan of US$14.5 from its indirect subsidiary Silkway Holding B.V. under credit facility. The facility has a maturity date of November 2025 with a fixed interest rate of 3.5%.

In March 2023, the Company paid US$8 as a repayment on the loan due to VEON Micro Holding B.V. in July US$26 of this loan was settled against a dividend receivable and subsequently in October 2023, the entire remaining loan balance of US$11 was reclassified to short-term loan payable to group companies.

Significant activities in 2022

In March 2022, the Company obtained a loan of US$68 from its indirect subsidiary, Global Telecom Netherlands B.V. The loan will reach its final maturity in August 2025, with an associated interest rate of 2.5%.

In August 2022, the Company obtained a loan of US$695 from its subsidiary under facility agreement, VEON Algeria Holdings B.V. The final maturity of facility is August 2025 and the applicable interest rate is 3.5%.

In November 2022 (US$47) and December 2022 (US$8.5), the Company obtained a loan of US$56 from its indirect subsidiary Silkway Holding B.V. under credit facility. The Facility has a maturity date of November 2025 with a fixed interest rate of 3.5%.

In July 2022, the Company offset US$360 of its long-term loans payable due to PJSC “Vimpel-Communications", with its long-term loan receivable (US$350) and its short term receivable (US$10) due from PJSC “Vimpel-Communications".

In October 2022, the Company offset US$50 of its long-term loans payable due to its subsidiary VEON Algeria Holdings B.V originally maturing in November 2025., with its long-term loan receivable US$50 due from VEON Algeria Holdings B.V. orignally maturing in October 2024.

In June 2022, the Company paid US$2 as a repayment on the loan due to Global Telecom Netherlands B.V. The Facility has a maturity date of February 2025 with a fixed interest rate of .5%.

In December 2022, the Company prepaid US$45 as a repayment on the loan due to VEON Algeria Holdings B.V. The final maturity of facility is August 2025 and the applicable interest rate is 3.5%.

In September 2022, the Company extended maturity of loan for further three year and reclassified the loan due to Global Telecom Holding SAE of US$167 from a short term loan to a long term loan, as repayment is not expected within one year. The amended maturity date of loan is September 2025 and applicable interest rate is 3.5%.

7. CURRENT LIABILITIES

	2023	2022
Short-term loan payable to group companies	192	147
Short-term bonds payable	60	1,229
Accrued interest	22	16
Short-term portion of bank loans	1,055	1,055
Interest payable bondholders	11	46
Short-term payable to group companies	789	1,525
Bank overdraft	1	1
Current income tax liabilities	—	24
Accrued expenses and other payables	18	4
Balance as at December 31	**2,148**	**4,047**

During 2023, the Company drew down US$1,055 under the revolving credit facility (RCF), Which was fully repaid during February and March 2024. Refer to Note 22 of the VEON Holdings B.V. consolidated financial statements for further developments on these Notes after the reporting period.

Short-term payable to group companies

Significant activities in 2023

On February 15, 2023, PJSC VimpelCom and VEON Holdings signed a deed of set-off, to settle the receivable of RUB 54 billion due from VEON Holdings, with loan balances between the two entities in which PJSC VimpelCom was the borrower, of which US$742 was offset against these short-term payable to group companies. With this set-off the internal transfer of VIP Kazakhstan Holding AG from December 2022 was completed.

Significant activities in 2022

In March 2022, the Company obtained a loan of US$12 from its indirect subsidiary, VEON Eurasia Sarl, related to the transfer of the shares of VIP Kyrgyzstan Holding AG.

In December 2022, the Company obtained a loan of US$868 from its indirect subsidiary, VEON Eurasia Sarl, related to the transfer of the shares of VIP Kazakhstan Holding AG.

In May 2022, the Company offset US$114 of its short-term payable due to VEON Bangladesh Holdings B.V., with its loans receivable US$114 from its subsidiary VEON Bangladesh Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In May 2022, the Company offset US$263 of its short-term payable due to VEON Pakistan Holdings B.V., with its long-term loans receivable of US$260 along with interest receivable from its subsidiary VEON Pakistan Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In March 2022, the Company repaid a loan of US$18 to its indirect subsidiary, VEON Bangladesh Holdings B.V.

In March 2022, the Company repaid a loan of US$12 to its indirect subsidiary, VEON Eurasia Sarl.

The fair value of the current liabilities approximates the book value, due to their short-term character. All current liabilities fall due within one year.

Movements in short-term loans payable to group companies were as follows:

	2023	2022
Balance as at January 1	147	268
Additions	152	64
Repayments	(514)	(24)
Reclassification from / (to) long term loans to group companies	101	(167)
Reclassification from Bonds, net of discounts and unamortized fees	1,076	—
Reclassification from short-term bonds payable	660	—
Offset of intercompany loans	(1,067)	—
Reclassifications	—	6
Settlement of dividend receivable	(83)	—
Foreign exchange result	(280)	—
Balance as at December 31	**192**	**147**

Under the agreement ("SPA") to sell VEON's Russian operations to certain senior members of the management team of PJSC VimpelCom, it was agreed that the sales consideration would be primarily paid by PJSC VimpelCom taking on and discharging certain VEON Holdings B.V.'s debt.Long term bonds US$1,076 were reclassified to Short term loans payable to group company. There was an offset of US$1,067 intercompany loan which was part sale of Russia transaction. For further details of this transaction please refer to Note 9 (Significant Transactions) of the Consolidated Financial Statements.

In October US$11 of the loan with VEON Micro Holding B.V. was reclassified from long-term loans due to group companies.

During November US$89 under the facility agreement with VEON Algeria Holdings B.V. was reclassified from long-term loans due to group companies and was subsequently paid by the company in December.

During the year, the Company repaid US$ 406 of the notes, 7.25% and 4.95% held by PJSC VimpelCom.

During 2023 the Company obtained a loan of US$117 from its subsidiary, VEON Kazakhstan Holding AG, The interest rate applicable on loans was 6 month term SOFR + 1.25% and maturing in November 2024. In June 2023 US$83 was settled against receivable on account of dividend declared.

During the year the Company obtained a loan of US$18 from its subsidiary, VEON Eurasia Sarl. During November the entire loan of US$18 was repaid by the Company.

8. WORKFORCE

The staff employed by the Company have administrative functions in the headquarters of the Group which is located in the Netherlands. The average number of staff employed by the Company in 2023 was 13 (2022: 13). These employees are located in the Netherlands.

9. COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

Fiscal unity

The Company, together with its Dutch group companies VEON Amsterdam B.V., VEON Wholesale Services B.V., VEON Georgia Holdings B.V., VEON Micro Holdings B.V., VEON Armenia Holding B.V., VEON Global Services B.V., VEON Digital Amsterdam B.V., VEON Central Procurement B.V., VimpelCom Amsterdam Finance B.V., VEON Pakistan Holdings B.V., VEON Bangladesh Holdings B.V., VEON Algeria Holdings B.V., VEON Microfinance Holdings, International Wireless Communications Pakistan Limited, Telecom Management Group Limited, Telecom Ventures Ltd., VEON Pakistan Tower Holdings B.V., VEON Global Tower Holdings 2 B.V., Global Telecom Holding S.A.E. and Global Telecom Netherlands B.V. constitutes a fiscal unity for Corporate Income Tax purposes. Current taxes are settled and accounted for within this fiscal unity as if each company were an independent taxable entity.

The Company forms part of a fiscal unity for value added tax purposes with VEON Ltd., VEON Amsterdam B.V., VEON Digital Amsterdam B.V. and Global Telecom Holding S.A.E..

The fiscal unities make these companies jointly and severally liable for tax liabilities of the fiscal unity.

10. FINANCIAL INSTRUMENTS

The Company’s principal financial liabilities comprise of loans and borrowings. The main purpose of these financial liabilities is to finance the Group’s operations. The Company's financial assets are primarily comprised of loans receivable from group companies and subsidiaries of the ultimate parent, as well as trade and other receivables, cash and short-term deposits that are derived directly from its operations.

For information regarding market risks on the Group's financial instruments, refer Note 18 (Financial Risk Management) to the Consolidated Financial Statements. In addition to these, the Company is exposed to credit risk with respect to loans to group companies, and foreign currency risk on foreign currency denominated loans to group companies.

11. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Salaries and wages	5	4
Social premiums	1	1
Other general and administrative expenses	29	8
Total general and administrative expenses	**35**	**13**

12. FINANCE INCOME AND EXPENSES

	2023	2022
Finance income		
Interest income loans group companies	174	151
Interest income banks and others	23	49
Foreign exchange gain	509	291
Total finance income	**706**	**491**
Finance expenses		
Interest expense loans group companies	(55)	(18)
Interest expense banks and others	(156)	(299)
Change in fair value derivatives gain	—	10
Total finance expenses	**(211)**	**(307)**
Net financial income	**495**	**184**

13. INCOME TAX

	2023	2022
Current Income tax	(7)	23
Withholding taxes	16	(35)
Total income tax	**9**	**(12)**

Income tax expense consisted of the following for the years ended December 31:

	2023	2022
Current withholding taxes	16	5
Deferred withholding taxes	—	(40)
Income tax expense	**16**	**(35)**

The statutory tax rate for 2023 was 19% for the first EUR 395,000 profit and 25.8% for all above. Disclosure on fiscal unity is included in Note 9 (Commitments not shown in the balance sheet). The difference between the effective tax rate and the statutory tax rate is mainly the result of non-taxable FOREX income on sale of subsidiaries, changes in unrecognized losses and withholding taxes.

The table below outlines the reconciliation between the statutory tax rate in the Netherlands (25.8%) and the effective income tax rate for the Company:

	2023	2022
Profit before tax	462	172
Income tax expense computed on profit before taxes at statutory tax rate	119	44
Difference due to effects of:		
Unrecognized tax losses	(24)	(44)
Non-taxable income	(95)	—
Uncertain tax positions	(7)	23
Withholding taxes	16	(35)
Income tax charge / (credit) for the period	9	(12)
Effective tax rate	**2 %**	**(7)%**

14. SUBSEQUENT EVENTS

For subsequent events reference is made to Note 22 (Events after the reporting period) to the Consolidated financial statements and disclosed elsewhere in these Company financial statements.

15. ADDITIONAL NOTES TO THE COMPANY FINANCIAL STATEMENTS

The Company is part of the VEON Group and its operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company to be the key management personnel and finds it appropriate to disclose the compensation of the key management of the VEON Group. Disclosure is made in Note 21 (Related parties) to the Consolidated Financial Statements.

The statutory directors of the Company are employed and remunerated by VEON Ltd., VEON Digital Ltd., and VEON Holdings B.V. in respect of their services to the VEON Group as a whole. The total remuneration of current and former members of the statutory directors charged to the Company and its subsidiaries in 2023 amounted to US$0.8 million (2022: US$0.8 million).

Principal Accountant Fees and Services

The Company has made use of the exemption of disclosing the audit fees, provided that the consolidated Annual Accounts of the parent company VEON Ltd., in which the accounts of the Company and its investments are included on a consolidated basis, and are filed with the Trade register.

Signatories to the financial statements

Amsterdam, November 20, 2024

VEON Holdings B.V.

Board of Directors

Kaan Terzioglu

Director

Bruce Leishman

Director

Maciej Wojtaszek

Director

OTHER INFORMATION

Provisions governing profit appropriation

Profit is appropriated in accordance with Article 19 of the Articles of Association, which states that the profits are placed at the disposal of the general meeting of shareholders.

Independent auditor's report

The independent auditor's report is set forth on the next pages.

Independent auditor's report

To: the general meeting and the board of directors of VEON Holdings B.V.

Report on the audit of the financial statements 2023

Our disclaimer of opinion

We do not express an opinion on the financial statements 2023 of VEON Holdings B.V., Amsterdam, the Netherlands. Because of the significance of the matter described in the 'The basis for our disclaimer of opinion' paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Our engagement

We were engaged to audit the accompanying financial statements 2023 of VEON Holdings B.V., Amsterdam, the Netherlands. The financial statements comprise the consolidated financial statements of VEON Holdings B.V. together with its subsidiaries ('the Group') and the company financial statements of VEON Holdings B.V. ('the Company').

The consolidated financial statements comprise:

- the consolidated statement of financial position as of 31 December 2023;
- the following statements for 2023: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as of 31 December 2023;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

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The basis for our disclaimer of opinion

Findings that caused us to disclaim our opinion

As disclosed in Note 10 to the consolidated financial statements, the Company has closed the sale of its Russian operations on 9 October 2023. As discussed in that note, the sale consideration was settled in a non-cash transaction via the transfer of bonds held by PJSC Vimpelcom to an intermediate subsidiary of VEON Holdings B.V. The financial statements include the Russian operations' transactions (i.e. revenue and expenses) and cash flows from 1 January 2023 until 9 October 2023 as well as the disposal of balances (i.e. assets, liabilities, equity) directly associated with the sale of the Company's Russian operations on 9 October 2023 including certain bond transactions executed as part of or in the context of the sale of VEON's Russian operations.

During the period of our audit of the 2023 financial statements, certain regulations under European Union (EU) sanctions law have been enforced (Article 5n of Regulation 833/2014). These sanctions include a prohibition for EU auditors to provide auditing services, both directly and indirectly, to the Russian government, as well as to legal persons, entities or bodies established in Russia.

As a result, we were unable to obtain sufficient and appropriate audit evidence to determine whether any corrections would be required in the financial statements with regard to the recognized or unrecognized balances, transactions and cash flows related to VEON's Russian operations during the period 1 January 2023 to 9 October 2023 and its sale on 9 October 2023, including certain bond transactions executed as part of or in the context of the sale of VEON's Russian operations. The same applies to related disclosures in the Notes to the financial statements. We considered the impact of the legal restriction both material and pervasive.

Because of the legal restriction mentioned above, we were also unable to obtain sufficient and appropriate audit evidence to assess whether the application of the going concern assumption as a basis for the preparation of the financial statements as included in Note 23 is appropriate. This note discusses the uncertainties surrounding the direct and indirect impacts of the ongoing war between Russia and Ukraine as well as the liquidity forecast. Management included in this note that these facts and conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Independence

We are independent of VEON Holdings B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Because of the significance of the matter described in the paragraph 'The basis for our disclaimer of opinion', we have not been able to conclude whether the other information:

- is consistent with the financial statements and does not contain material misstatements; and contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We were engaged to read the other information and, based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of VEON Holdings B.V. on July 29, 2014 by the board of directors through agreement via the signed engagement letter. Our appointment has been renewed annually and now represents a total period of uninterrupted engagement of 10 years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in Note 15 to the Company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, because of the matter described in the 'The basis for our disclaimer of opinion' paragraph, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.

Rotterdam, 20 November 2024
PricewaterhouseCoopers Accountants N.V.

Originally signed by

I. Linnemeijer RA

VEON Holdings B.V.
Balance Sheet (interim)

as at October 1

	2024
(In millions of U.S. dollars)	
Assets	
Non-current assets	
Intangible fixed assets	1
Financial fixed assets	5,839
Total non-current assets	**5,840**
Current assets	
Receivables	410
Cash and cash equivalents	367
Total current assets	**777**
Total assets	**6,617**
Equity and liabilities	
Equity	
Issued capital	34
Capital surplus	10,294
Reserve results of subsidiaries	255
Foreign currency translation reserve	(3,920)
Retained earnings / (accumulated deficit)	(4,099)
(Loss)/Profit for the year	488
Total equity	**3,052**
Provisions	**18**
Non-current liabilities	**1,083**
Current liabilities	**2,464**
Total equity and liabilities	**6,617**

VEON Midco B.V.

BALANCE SHEET (interim)

as at December 23, 2024

(in U.S. dollars)	December 23, 2024
Assets	
Non-current assets	0
Total non-current assets	**0**
Current assets	
Receivables	1
Total current assets	**1**
Total assets	**1**
Equity and liabilities	
Equity	
Share capital (issued, unpaid)	1
Total equity	**1**
Total liabilities	**0**
Total equity and liabilities	**1**

VEON Intermediate Holdings B.V.
BALANCE SHEET (interim)

as at December 23, 2024

(in U.S. dollars)	December 23, 2024
Assets	
Non-current assets	0
Total non-current assets	**0**
Current assets	
Receivables	1
Total current assets	**1**
Total assets	**1**
Equity and liabilities	
Equity	
Share capital (issued, unpaid)	1
Total equity	**1**
Total liabilities	**0**
Total equity and liabilities	**1**