Earnings Release
3Q21 results

VEON

28 OCTOBER 2021

EXECUTION GAINS MOMENTUM:

ANOTHER QUARTER OF DOUBLE-DIGIT GROWTH

RAISING FULL YEAR EBITDA GUIDANCE

Amsterdam (28 October 2021) - VEON Ltd. (VEON) announces results for the third quarter ended 30 September 2021:

3Q21 HIGHLIGHTS:

- Strong year-over-year revenue performance in both reported currency (+10.2%) and local currency (+11.2%)
- Strong acceleration in Beeline Russia's total revenue and service revenue performance, which were up 8.2% and 4.7% YoY in local currency respectively (+8.3% and +4.8% YoY reported respectively)
- EBITDA increased strongly year-over-year in both reported currency (+8.6%) and local currency (+9.1%)
- Equity free cash flow for the quarter of USD 308 million showing a significant improvement over prior quarters
- 4G subscribers increased to 93.8 million, reaching penetration of 46.2%, up 10.3 p.p. YoY and 3.0 p.p. QoQ
- JazzCash in Pakistan reached 13.9 million monthly active users, and Toffee TV in Bangladesh reached 6.3 million monthly active users.
- FY2021 Group EBITDA guidance raised to minimum local currency growth of 8%. On Group revenues guidance, we maintain high single-digit local currency growth for the full financial year
- Algeria has become a discontinued operation, is accounted for as an "Asset held for sale" and does not contribute to both the comparison base and the actual reported numbers

- With reported revenues up 10.2% YoY and local currency revenues growing 11.2% YoY, VEON recorded double digit growth for the second consecutive quarter in 3Q21.
- Beeline Russia continued to execute on its turnaround, as revenue growth accelerated with 3Q21 local currency revenue growth of 8.2% YoY and local currency mobile service revenue growth of 4.5%. Beeline added 0.5 million mobile customers in last quarter reaching 50.6m (+1.7% YoY).
- All of our countries posted local currency revenue growth, with double digit performance from Kazakhstan (+25.5% YoY), Georgia (+21.4% YoY), Pakistan (+13.0% YoY), Ukraine (+11.9% YoY) and Uzbekistan (+10.4% YoY).
- Group EBITDA increased by 8.6% YoY in reported terms, and 9.1% YoY in local currency. This solid result was driven primarily by robust local-currency EBITDA performance in Ukraine (+11.4% YoY) and Kazakhstan (+36.7% YoY). Russian posted a second consecutive quarter of positive EBITDA with local currency growth of 1.9%.
- Group capex stood at USD 381 million, supporting the continued expansion of our 4G customer base, which increased by 24.7 million YoY and 7.0 million QoQ. Total Group 4G users reached 93.8 million, corresponding to 4G subscriber penetration of 46.2% at quarter-end. The Group also recorded a QoQ increase in its total subscribers, which grew by 3.2 million in 3Q21 to reach 202.9 million.
- Mobile data revenue increased by 18.8% YoY in local currency (18.1% YoY reported), driven by our ongoing 4G focus. A noteworthy contribution to our data revenue growth came from Pakistan (+25.5% YoY), Kazakhstan (+40.3% YoY) and Bangladesh (+32.0% YoY).
- JazzCash closed the quarter with 13.9 million monthly active users (+43.6% YoY), Toffee TV in Bangladesh reached 6.3 million monthly active users from 1.8 million a year ago; and Beeline TV in Russia hit 3.1 million monthly active users (+16.7% YoY) in 3Q21.
- We remain focused on active portfolio management and the pursuit of opportunities to realize the value of our infrastructure portfolio. On 6 September 2021, VEON announced that it had reached an agreement to sell its mobile network towers in Russia to Service-Telecom Group of Companies LLC for a total consideration of RUB 70.65 billion (USD 970 million equivalent), subject to customary regulatory approvals.
- Group net debt of USD 8.2bn (of which lease liabilities were USD 1.8bn) at the end of 3Q resulted in a net debt/EBITDA ratio of around 2.5x. These figures reflect cash capex of approximately USD 347mn in the quarter. The Group's cost of debt (excluding leases) in 3Q21 increased to 6.3% from 6.1% in 3Q20, while debt maturity (excluding leases) increased to 3.2 years, from 2.8 years in 3Q20.

KEY RECENT DEVELOPMENTS

- 17 August 2021, Michael Schulz joined VEON as Group Chief People Officer
- 6 September 2021, VEON announced the sale of its Russian tower assets for USD 970 million
- 9 September 2021, VEON announced the pricing of its 5-year RUB 20 billion 8.125% notes issued under its GMTN programme
- 21 October 2021, VEON announced that its Group General Counsel Scott Dresser will be leaving the Company effective 31 December 2021
- 26 October 2021, VEON published its integrated report for 2020

The non-IFRS financial information used in this document, including among others, EBITDA, EBITDA margin, net debt, equity free cash flow, operational capex, capex Intensity, local currency trends, and ARPU, are defined in Attachment A "Definitions" on page 18. In the above text, YoY local currency was calculated excluding Armenia from 3Q20 and 9M20 results. For further discussion of adjustments made for one-off and non-recurring items, see "Non-recurring items that affect year-on-year comparisons" on page 4.

Kaan Terzioğlu commented on 3Q21 results:

"Our successful execution along VEON's 3 strategic pillars - infrastructure, digital operator transformation and Ventures - is moving full steam ahead and bearing fruit. With this we have now delivered five consecutive quarters of improvement in both operational and financial performance.

All of our operating companies have recorded year-over-year total revenue growth, with 5 of them reporting double-digit growth. I am particularly pleased that Beeline Russia's strong performance has continued to accelerate further in the month of September with total revenues up 8.2% and mobile service revenue growth of 4.5% making Beeline Russia a significant contributor to our Group's revenue growth.

These financial results are built on strong operational foundations as we strengthen our 4G subscriber base - now 46% of our customers. With significantly higher ARPU and lower churn, they form the fundamental building block of our present and future growth as we execute on our digital operator transformation.

Our operating companies are widening and deepening their relationship with the users of our digital services. In Q3, Toffee TV reached 6.3 million subscribers up 3.6 times YoY, JazzCash reached 13.9 million subscribers with 44.0% YoY growth and Beeline TV reached 3.1 million subscribers with 17% YoY growth.

We are making progress in crystallising the value of our infrastructure assets. The agreement that we have reached for the sale of our Russia towers is a first and an important step in our transition towards an asset-light model while maintaining our competitiveness.

As we deliver on our targets and strategy, we remain focused on the long-term financial health and sustainability of the Group. Improving cash flow trends is proof of our disciplined approach in this area. With the achievements of this quarter, we are well positioned for sustained growth and confident in the longer-term value creation for all our stakeholders."

3Q21 KEY FIGURES

- **Revenue:** USD 2,005 million, +10.2% YoY on a reported basis and +11.2% YoY in local currency, with +8.2% YoY revenue growth in Russia, +13.0% in Pakistan, +11.9% in Ukraine, +25.5% in Kazakhstan and +7.2% in Bangladesh
- **EBITDA:** USD 889 million, +8.6% YoY on a reported basis and +9.1% YoY in local currency, driven by EBITDA growth in Russia (+1.9% YoY) and double-digit EBITDA growth in Ukraine (+11.4% YoY) and Kazakhstan (+36.7% YoY)
- **Operational capex:** USD 381 million in 3Q21, with a rolling 12-month capex intensity of 25.2% reflecting our continued focus on our 4G roll-out, and healthy linearity driven by good investment planning
- **Capital structure:** Group leverage of 2.5x (net debt/EBITDA), including lease liabilities; total cash and undrawn committed credit lines of USD 3.0 billion; average cost of debt (excluding leases) of 6.3% and average debt (excluding leases) maturity at 3.2 years
- **Net income for the period:** USD 195 million, material YoY improvement compared to USD 645 million loss in 3Q20 (Net income includes the contribution from discontinued operations)

USD million	3Q21	3Q20	YoY reported	YoY local currency	9M21	9M20	YoY reported	YoY local currency
Total Revenue, of which	**2,005**	**1,820**	**10.2%**	**11.2%**	**5,736**	**5,463**	**5.0%**	**9.7%**
mobile and fixed service revenue	1,825	1,683	8.4%	9.4%	5,283	5,113	3.3%	8.0%
of which mobile data revenue	685	580	18.1%	18.8%	1,964	1,732	13.4%	18.2%
EBITDA	**889**	**819**	**8.6%**	**9.1%**	**2,505**	**2,403**	**4.2%**	**8.7%**
EBITDA margin (EBITDA /total revenue)	44.4%	45.0%	(0.6p.p.)	(0.8p.p.)	43.7%	44.0%	(0.3p.p.)	(0.4p.p.)
Net income/(loss) for the period	195	(645)	n.m.		460	(350)	n.m.	
Net income/(loss) for the period attr. to VEON shareholders	145	(620)	n.m.		375	(357)	n.m.	
Operational Capex	381	328	16.0%		1,260	1,150	9.5%	
LTM Operational Capex / LTM Revenue	25.2%	24.5%	0.6p.p.					
Equity Free Cash Flow	308	239	29.2%		320	300	6.5%	
Net Debt, excluding banking operations in Pakistan	8,154	7,607	7.2%					
Net Debt / LTM EBITDA	2.5	2.5						
Total mobile customers (millions)	202.9	192.3	5.5%					
4G smartphone users (millions)	104.0	84.5	23.1%					
4G smartphone penetration, %	51.3%	44.0%	7.3p.p.					
4G users (millions)	93.8	69.1	35.8%					
4G customer base penetration, %	46.2%	35.9%	10.3p.p.					
4G coverage, %	78.3%	69.2%	9.1p.p.					
Fixed-line broadband customers (millions)	4.6	4.4	4.4%					

Note: in the above table YoY local currency was calculated excluding Armenia from 3Q20 and 9M20 results. The Algerian operations do not contribute to both the comparison base and the actual reported numbers, other than in net income (for further discussion of adjustments made for one-off and non-recurring items, see "Non-recurring items that affect year-on-year comparisons." on page 4).

The non-IFRS financial information used in this document, including among others, EBITDA, EBITDA margin, net debt, equity free cash flow, operational capex, capex Intensity, local currency trends, and ARPU, are defined in Attachment A "Definitions" on page 18. In the above text, YoY local currency was calculated excluding Armenia from 3Q20 and 9M20 results. For further discussion of adjustments made for one-off and non-recurring items, see "Non-recurring items that affect year-on-year comparisons" on page 4.

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PRESENTATION OF FINANCIAL RESULTS

VEON's results presented in this earnings release are, unless otherwise stated, based on IFRS and have not been audited.

Certain amounts and percentages that appear in this earnings release have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including those in the tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.

All comparisons are on a year-on-year (YoY) basis unless otherwise stated.

The non-IFRS information- disclosed in the document, including among others, EBITDA, EBITDA margin, net debt, equity free cash flow, operational capex, capex intensity, local currency trends, and ARPU is defined in Attachment A.
The non-IFRS information disclosed in the document, such as EBITDA, net debt, equity free cash flow, operational capex, local currency YoY change, is reconciled to the comparable IFRS information in Attachment C.

NON-RECURRING ITEMS THAT AFFECT YEAR-ON-YEAR COMPARISONS FOR REVENUE AND EBITDA

On 29 October 2020, VEON announced the sale of CJSC "VEON Armenia", VEON's operating subsidiary in Armenia. Armenia results were deconsolidated from VEON Group numbers starting from 4Q20.

Local currency year-on-year trends for 3Q21 and 9M21 disclosed in this earnings release exclude both the impact of foreign currency movements (see full definition in Attachment A) and the non-recurring item – the sale of operations in Armenia.

Following the exercise of the put option for our stake in Algeria on 1 July 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 RECENT DEVELOPMENTS

VEON announced the appointment of Group Chief People Officer

On 17 August 2021, VEON announced the appointment of Michael Schulz as VEON Group Chief People Officer. Michael joins VEON's Group Executive Committee and has been appointed to the Board of Directors of a number of the Group's operating companies.

VEON announced the sale of its Russia tower assets for USD 970 million

On 6 September 2021, VEON announced that it has reached an agreement to sell its mobile network towers in Russia to Service-Telecom for a total consideration of RUB 70.65 billion (USD 970 million equivalent). The sale reflects VEON's continued focus on active portfolio management and the pursuit of opportunities to realize the value of its infrastructure portfolio.

VEON announced the pricing of its ruble-denominated notes offering

On 9 September 2021, VEON announced the pricing of its 5-year RUB 20 billion (approximately USD 273 million) 8.125% notes issued under its Global Medium Term Note programme. This represents the third Russian ruble denominated bond offering under the programme.

VEON announced that Scott Dresser will depart VEON

On 21 October 2021, VEON announced that long serving General Counsel, Scott Dresser, will be leaving the company effective 31 December 2021. Mr. Dresser will continue as a strategic advisor to the Chairman of the Board.

New executive compensation scheme

As mentioned in our integrated report, our new executive compensation scheme ensures total alignment between management and shareholders. It introduces an annual rolling stock-based long-term incentive based on total shareholder return, as well as a deferred equity component in annual performance bonus. This combines global standards for vesting with share ownership requirements, and aims to attract and retain the best talent in a competitive market.

In 3Q21, Yaroslav Glazunov, a member of our Board, Kaan Terzioglu, our Group Chief Executive Officer and Erik Aas, the Chief Executive Officer of Banglalink, each purchased 68,500, 100,000 and 100,000 of our ADSs, respectively. As of 31 September 2021, Mr. Glazunov, Mr. Terzioglu and Mr. Aas, each owned 68,500, 700,000 and 200,000 of our ADSs, respectively.

GROUP PERFORMANCE

Following the exercise of the put option for our stake in Algeria on 1st July 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". 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.

In 3Q21, VEON reported strong operational and financial results with improving cash flow across the Group. Group revenue increased by 11.2% in local currency terms bringing the YTD revenue performance to +9.7%, which is at the higher end of our revenue guidance. Encouragingly, all countries delivered YoY growth in local currency revenue. The strong growth in data revenue, up 18.8% in local currency terms was a key driver of our revenue performance. Reported revenue increased 10.2% YoY.

Further revenue acceleration in Russia (+8.2% YoY) was an important contributor to the Group revenue performance. This growth in total revenue is the result of the combination of mobile service revenue growth (+4.5% YoY), fixed line service revenue growth (+6.2% YoY) and device sales (+38% YoY).

Group EBITDA increased 9.1% in local currency terms. We reported positive local currency EBITDA performance across all markets other than Pakistan, where the normalised EBITDA growth was 24.6% after adjusting for the one-off impact of the reversal of a provision USD 52.0 million (PKR 8.6 billion) in 3Q20. In 3Q20, we made a USD 14.6 million (UZS 155 billion) tax provision in Uzbekistan. After normalising for this, Uzbekistan's EBITDA grew by 31.2% YoY. In Kazakhstan, we recorded a USD 6.0m (KZT 2.7 billion) gain in 3Q21 related to a government grant for radio frequency taxes. Normalising for this gain, Kazakhstan's EBITDA grew 26.7% YoY. Normalising for these one-offs group EBITDA increased 13.6 % YoY. Russian EBITDA increased 1.9% YoY recording the second consecutive quarter of growth.

The Group continued to focus on investing in the expansion and quality of the customer experience on our 4G networks. This supported the growth in our 4G subscriber base which has reached 93.8 million an additional 24.7 million users. 4G subscribers now account for 46.2% of our total subscriber base, up 10pp from the prior year.

Our financial service business JazzCash ended the quarter with 13.9 million monthly active users, a rise of 43.6% YoY. Toffee TV reached 6.3 million monthly active users (3.6 times YoY) in 3Q21 and Beeline TV in Russia recorded 3.1 million users with 16.7% YoY growth. Our digital operator in Kazakhstan, Izi, ended the quarter with almost 70,000 monthly active users, a rise of 176% YoY.

Continued investment in our digital capabilities and services remain a key strategic focus and helped us grow our digital users significantly. Group capex rose by 16.0% YoY to USD 381 million with capex intensity of 25.2%.

Reflecting the further progress in financial performance, we have increased Group guidance for FY 2021 in relation to local currency performance for EBITDA. We now forecast minimum growth in local currency EBITDA of 8% and high single-digit growth in local currency terms in revenue for the full financial year, versus our previous local currency guidance of high single-digit growth for revenue and mid to high single-digit growth for EBITDA. Our capex guidance remains unchanged, with capex intensity of 22%-24%.

In 3Q21 we saw healthy growth in our subscriber base of 5.5% YoY while we continued to face varying degrees of Covid-related restrictions across our operations. Roaming revenues and migrant workforce related revenues remain well below pre-covid levels, and we remain cautious on the pandemic related risks.

INCOME STATEMENT & CAPITAL EXPENDITURE

USD million	3Q21	3Q20	YoY reported	YoY local currency	9M21	9M20	YoY reported	YoY local currency
Total revenue	2,005	1,820	10.2%	11.2%	5,736	5,463	5.0%	9.7%
Service revenue	1,825	1,683	8.4%	9.4%	5,283	5,113	3.3%	8.0%
EBITDA	889	819	8.6%	9.1%	2,505	2,403	4.2%	8.7%
EBITDA margin	44.4%	45.0%	(0.6p.p.)	(0.8p.p.)	43.7%	44.0%	(0.3p.p.)	(0.4p.p.)
Depreciation, amortization, impairments and other	(477)	(1,221)	61.0%		(1,378)	(2,127)	35.2%	
EBIT (Operating Profit)	413	(402)	n.m.		1,127	275	n.m.	
Financial income / (expenses)	(182)	(169)	(7.4%)		(497)	(540)	7.9%	
Net foreign exchange (loss) / gain and others	(10)	7	n.m.		1	(11)	n.m.	
Other non operating gains / (losses)	17	(1)	n.m.		24	101	(76.2%)	
Profit before tax	238	(565)	n.m.		655	(175)	n.m.	
Income tax expense	(111)	(103)	(8.5%)		(284)	(234)	(21.3%)	
Profit / (Loss) from discontinued operations	68	23	n.m.		88	59	50.7%	
Profit / (Loss) for the period	195	(645)	n.m.		460	(350)	n.m.	
Of which Profit / (Loss) attributable to non-controlling interest	50	(24)	n.m.		85	6	n.m.	
Of which Profit / (Loss) attributable to VEON shareholders	145	(620)	n.m.		375	(357)	n.m.	

	3Q21	3Q20	YoY reported	9M21	9M20	YoY reported
Operational capex	381	328	16.0%	1,260	1,150	9.5%
Capex intensity (LTM Operational capex/revenue)	25.2%	24.5%	0.6p.p.			

Note: in the above table, YoY local currency was calculated excluding Armenia from 3Q20 and 9M20 results. The Algerian operations do not contribute to both the comparison base and the actual reported numbers, other than in net income (for further discussion of adjustments made for one-off and non-recurring items, see “Non-recurring items that affect year-on-year comparisons.” on page 4).

For discussion on EBITDA performance please refer to the “Group performance” section.

Depreciation, amortization, impairments and other decreased by 61.0% YoY to USD 477 million due to the USD 790 million goodwill impairment charge in the prior year. Adjusting for this impairment, the line item increased by 10.6% on a YoY basis with higher depreciation following increased network investment.

Financial expenses increased YoY from USD 169 million in 3Q20 to USD 182 million in 3Q21 as a result of our financing activities over the last twelve months. We have seen a marginal increase in our cost of debt, a 20bps YoY impact due to the increase in the cost of our non-USD denominated funding.

Income tax expenses increased by 8.5% YoY to USD 111 million, mainly due to increase in the tax rate on dividends between Ukraine and the Netherlands (as a result of the updated double tax treaty between the two countries).

The Group recorded **net income for the period of USD 195 million**, an increase YoY from negative USD 645 million in 3Q20. While this improvement in net income was supported by the improved operational performance, the YoY trend primarily results from the impairment loss that was booked in 3Q20.

Operational capex was USD 381 million in 3Q21, a 16% increase from the USD 328 million recorded in 3Q20, mainly due to VEON’s focus on further 4G network roll-out and modernization.

FINANCIAL POSITION & CASH FLOW

USD million	3Q21	2Q21	QoQ	4Q20	YTD
Total assets	15,022	14,753	1.8%	14,551	3.2%
Total equity	1,277	1,227	4.1%	1,013	26.1%
Equity attributable to equity owners of the parent	380	402	(5.5%)	163	n.m.
Non-controlling interests	897	825	8.8%	850	5.6%
Gross debt of which	9,551	9,703	(1.6%)	9,582	(0.3%)
Bonds and loans	7,691	7,645	0.6%	7,669	0.3%
Cash pooling	30	13	n.m.	9	n.m.
Lease Liabilities - principal	1,829	2,045	(10.5%)	1,905	(4.0%)
Net debt, excluding banking operations in Pakistan	8,154	8,634	(5.6%)	8,075	1.0%
Net debt/LTM EBITDA	2.5	2.7		2.5	

USD million	3Q21	3Q20	YoY	9M21	9M20	YoY
Net cash from/(used in) operating activities	803	775	28	2,002	1,875	127
Net cash from/(used in) investing activities	(355)	(386)	31	(1,414)	(1,410)	(4)
Net cash from/(used in) financing activities	(50)	(613)	563	(597)	(694)	97

Note: Certain comparative amounts have been reclassified to conform to the current period presentation, cashflow numbers include the impact of the Algerian business

Total Equity increased by USD 50 million in 3Q21, after the impact of the acquisition in 3Q21 of the outstanding 20% in Georgia from the minority shareholder for a total consideration of USD 6.5 million, resulting in a negative charge to equity of USD 73 million.

Gross debt decreased to USD 9,551 million in 3Q21 compared to USD 9,703 million in 2Q21 due to a decrease in leases that was offset by an increase in bank loans and bonds of USD 63 million mainly due to increased borrowings by Kyivstar.

On 9 September 2021, VEON announced the pricing of its 5-year RUB 20 billion (approximately USD 273 million) 8.125% notes issued under its Global Medium Term Note programme. This represents the third Russian ruble-denominated bond offering under the programme.

Any cash inflows from tower transactions and the sale of Algeria will be used to reduce group debt.

Net debt, excluding banking operations in Pakistan decreased QoQ to USD 8,154 million mostly due to a decrease in leases and an increase in cash and cash equivalents.

COUNTRY PERFORMANCE

- Russia
- Ukraine
- Pakistan
- Kazakhstan
- Bangladesh and Uzbekistan

Key figures by countries

USD million	3Q21	3Q20	YoY reported	YoY local currency	9M21	9M20	YoY reported	YoY local currency
Total revenue	2,005	1,820	10.2%	11.2%	5,736	5,463	5.0%	9.7%
Russia	1,025	946	8.3%	8.2%	2,883	2,874	0.3%	5.3%
Ukraine	270	236	14.8%	11.9%	772	696	10.9%	14.9%
Pakistan	349	303	15.1%	13.0%	1,067	908	17.5%	15.3%
Kazakhstan	150	122	23.2%	25.5%	415	351	18.5%	23.2%
Bangladesh	145	136	7.0%	7.2%	420	403	4.2%	4.1%
Uzbekistan	51	48	6.1%	10.4%	143	151	(5.0%)	1.2%
Other	22	37	(40.3%)	(37.5%)	60	105	(43.4%)	(38.2%)
HQ and Eliminations	(8)	(8)	1.2%		(24)	(25)	2.2%	
Service revenue	1,825	1,683	8.4%	9.4%	5,283	5,113	3.3%	8.0%
Russia	884	843	4.8%	4.7%	2,544	2,615	(2.7%)	2.1%
Ukraine	269	234	14.7%	11.9%	768	693	10.9%	14.9%
Pakistan	320	278	15.0%	12.9%	978	837	16.8%	14.6%
Kazakhstan	145	120	21.0%	23.2%	403	346	16.4%	21.0%
Bangladesh	143	133	7.1%	7.3%	412	396	4.2%	4.1%
Uzbekistan	51	48	6.3%	10.5%	143	150	(4.8%)	1.4%
Other	22	35	(37.6%)	(34.7%)	59	101	(41.5%)	(36.1%)
HQ and Eliminations	(8)	(8)	(1.8%)		(24)	(25)	0.6%	
EBITDA	889	819	8.6%	9.1%	2,505	2,403	4.2%	8.7%
Russia	384	377	2.0%	1.9%	1,100	1,161	(5.3%)	(0.3%)
Ukraine	183	160	14.3%	11.4%	523	472	10.6%	14.6%
Pakistan	173	188	(8.2%)	(9.7%)	490	468	4.7%	2.6%
Kazakhstan	86	64	34.2%	36.7%	224	188	19.1%	23.9%
Bangladesh	62	60	3.4%	3.6%	174	173	0.5%	0.4%
Uzbekistan	26	6	359.3%	376.7%	67	51	30.1%	40.1%
Other	10	8	25.6%	31.1%	33	32	3.8%	12.9%
HQ and Eliminations	(35)	(43)	20.3%		(105)	(143)	26.1%	
EBITDA Margin	44.4%	45.0%	(0.6p.p.)	(0.8p.p.)	43.7%	44.0%	(0.3p.p.)	(0.4p.p.)

RUSSIA

RUB million	3Q21	3Q20	YoY	9M21	9M20	YoY
Total revenue	75,288	69,580	8.2%	213,287	202,551	5.3%
EBITDA	28,222	27,685	1.9%	81,351	81,602	(0.3%)
EBITDA margin	37.5%	39.8%	(2.3pp)	38.1%	40.3%	(2.1pp)
Operational Capex	17,012	15,971	6.5%	53,879	44,951	19.9%
Capex intensity	29.1%	24.2%	4.9pp			
Mobile						
Total revenue	65,063	59,917	8.6%	182,924	174,326	4.9%
Service revenue	54,787	52,445	4.5%	158,352	156,387	1.3%
Data revenue	17,768	16,531	7.5%	51,724	49,030	5.5%
Subscribers (mln)	50.6	49.7	1.7%			
Data users (mln)	34.7	32.4	7.2%			
4G smartphone users (mln)	31.0	28.3	9.4%			
4G users (mln)	25.4	21.7	16.9%			
ARPU (RUB)	361	350	3.1%			
MOU (min)	319	327	(2.4%)			
Data Usage (GB/user)	13.4	9.1	46.7%			
4G coverage	89%	87%	2pp			
Fixed-line						
Total revenue	10,225	9,663	5.8%	30,363	28,225	7.6%
Service revenue	10,140	9,552	6.2%	29,871	27,884	7.1%
Broadband revenue	3,025	2,831	6.8%	8,979	8,358	7.4%
Broadband subscribers (mln)	2.9	2.8	4.5%			
Broadband ARPU (RUB)	349	345	1.1%			

Beeline Russia total revenue growth accelerated in the third quarter, consolidating the business turnaround achieved during the first half of 2021.

Total revenue increased by 8.2% YoY in 3Q21, supported by solid growth in mobile service revenue (+4.5% YoY) and fixed service revenue (+6.2% YoY) with strong growth in revenues from equipment & accessories (+37.9% YoY). Increased demand for mobile data, with mobile data usage growing 46.7% YoY, was the main driver of a 7.5% YoY rise in mobile data revenue. Total fixed-line revenue was supported by the continued strength in Beeline Russia's broadband offer, revenues for which grew by 6.8% YoY during the quarter following the ongoing expansion in Beeline Russia's broadband customer base.

The B2B business reported 16.2% YoY growth as Beeline Russia continued to enhance its B2B offering with new digital services and integrated business solutions. Big data digital products revenues were particularly strong, growing by 125.7% to RUB 814 million, supported by revenue from advertising technology services boosted by the acquisition of OTM.

Sales of devices experienced a strong rise, growing by 38% YoY and making a 10.2bn RUB revenue contribution during the quarter. The growing smartphone penetration is an important enabler to the 4G focused growth story for the business.

Beeline Russia's total mobile customer base was up 0.5 million in the quarter. This growth was once again led by 4G customers, adding 1.2 million during the quarter, resulting in a 4G customer base of 25.4 million, a 16.9% rise compared with 3Q20. This contributed to a further rise in ARPU, which increased by 3.1% YoY, as well as a rise in Beeline Russia's 4G penetration rate to 53.1%, which is 7.2 percentage-points higher than at 3Q20. Churn decreased by 0.7 p.p. versus the previous quarter to 10.1% in 3Q21.

Beeline Russia's digital services continued to grow. **Beeline TV's** monthly active users increased to 3.1 million in 3Q21 (+16.7% YoY) as we further expanded the content offering together with targeted customer offers. Beeline Russia also maintained its focus on online distribution and self-registration products. The number of monthly active users of its **beeline** self-care application increased by 13.9% YoY, reflecting ongoing efforts to digitalize contact with customers and partners.

EBITDA increased by 1.9% YoY in 3Q21 as the business delivered its second quarter of EBITDA growth, and the EBITDA margin reached 37.5%. As we invest for the future, EBITDA was impacted by higher staff costs following a return to normal operations after lockdowns and the additional headcount of recent business acquisitions (OTM and Westcall), the greater contribution of lower-margin device sales and an increase in dealer commissions as Beeline Russia's customer base expanded.

In line with continued focus on improving customer experience on our networks **Capex** excluding licenses and leases (operational capex) increased by 6.5% YoY in 3Q21 and capex intensity was 29.1%. Beeline Russia increased its number of 4G sites by 15.5% YoY, focusing on all regions to ensure the widespread provision of high-quality infrastructure that is ready to integrate new technologies and deliver associated services.

UKRAINE

UAH million	3Q21	3Q20	YoY	9M21	9M20	YoY
Total revenue	7,275	6,502	11.9%	21,211	18,461	14.9%
EBITDA	4,915	4,411	11.4%	14,357	12,527	14.6%
EBITDA margin	67.6%	67.8%	(0.3pp)	67.7%	67.9%	(0.2pp)
Operational Capex	1,190	1,076	10.7%	3,729	3,601	3.6%
Capex intensity	17.8%	18.9%	(1.1pp)			
Mobile						
Total operating revenue	6,766	6,065	11.5%	19,720	17,189	14.7%
Service revenue	6,766	6,065	11.5%	19,720	17,189	14.7%
Data revenue	4,066	3,443	18.1%	11,849	9,596	23.5%
Customers (mln)	26.3	25.8	1.8%			
Data customers (mln)	18.4	16.8	9.0%			
4G smartphone users (mln)	16.8	14.4	16.3%			
4G users (mln)	11.6	8.8	31.9%			
ARPU (UAH)	86	78	9.7%			
MOU (min)	595	621	(4.3%)			
Data usage (GB/user)	7.0	5.8	19.8%			
4G coverage	89%	84%	5.2pp			
Fixed-line						
Total operating revenue	465	399	16.4%	1,379	1,172	17.6%
Service revenue	465	399	16.4%	1,379	1,172	17.6%
Broadband revenue	297	259	14.5%	883	765	15.4%
Broadband customers (mln)	1.18	1.08	9.5%			
Broadband ARPU (UAH)	84	81	3.6%			

Kyivstar, recorded its fifth consecutive quarter of double-digit revenue and EBITDA growth in 3Q21, driven by the continued expansion of its 4G customer base with associated data revenue, and a corresponding rise in ARPU.

Total revenue increased by 11.9% YoY in 3Q21, mainly due to ARPU expansion on the back of strong growth in Kyivstar's 4G customer base. Mobile service revenue increased by 11.5% YoY, driven by strong growth in data consumption, and corresponding growth in mobile data revenue of 18.1% YoY. An increase in data roaming revenue (following a further easing of travel restrictions that were put in place as a result of the COVID-19 pandemic) also contributed positively to total revenue growth.

Fixed-line service revenue increased by 16.4% YoY as a higher number of broadband customers, (+9.5% YoY) continued to draw on fixed-line data at home, served by Kyivstar's continued focus on rolling out fibre-to-the-building services.

With 12.5% YoY growth **B2B revenue** was an important growth driver as Kyivstar promoted new digital solutions for its business customers resulting in Big Data and AdTech revenue of UAH 55 million, growth of 2.6x YoY. For medium, small and start-up companies, Kyivstar promoted Open Application Programming Interface (Open API), fully developed in-house. With open API, Kyivstar can provide SME's with a range of services in data, analytics, scoring capabilities and services in a user-friendly environment.

The transformation of **Kyivstar's total mobile customer base** continued with 1.8% YoY growth in total subscribers and, more importantly, strong expansion in the 4G segment, with total 4G users growing by 2.8 million (+32% YoY) accounting for 44% of the total customer base. This expansion enabled a rise in ARPU of 9.7% YoY.

Digital adoption and usage amongst Kyivstar's customer base accelerated over the past year. In 3Q21, the number of MyKyivstar self-care users was 3.0 million, an increase of 33.7% YoY, while users of Kyivstar TV increased by 92.3% YoY to 480,000. Kyivstar SmartMoney processed transactions to the value of UAH 228 million +24% QoQ. Kyivstar also drew on its digital capabilities during the quarter to launch an SMS-campaign to provide its customers with health information, including info on COVID-19 vaccinations.

EBITDA increased by 11.4% YoY, corresponding to an EBITDA margin of 67.6%. This was primarily due to the solid revenue performance and Kyivstar's new cost savings initiative "SON (Self-Organizing Network) Solution", which focused on the deployment of self-organizing network technologies, configured to boost the quality and efficiency of the company's operations.

Capex - excluding licenses and leases (operational capex) - rose by 10.7% YoY, resulting in a capex intensity of 17.8%. The strategic priority for Kyivstar's investment remained 4G deployment, which by the end of the quarter had reached a population coverage of 89.4%, a rise of 5.2 p.p. YoY.

PAKISTAN

PKR million	3Q21	3Q20	YoY	9M21	9M20	YoY
Total revenue	57,274	50,678	13.0%	169,488	147,014	15.3%
EBITDA	28,393	31,429	(9.7%)	77,941	75,987	2.6%
EBITDA margin	49.6%	62.0%	(12.4pp)	46.0%	51.7%	(5.7pp)
Operational Capex	9,542	3,339	185.8%	37,845	27,923	35.5%
Capex intensity	22.6%	19.2%	3.4pp			
Mobile						
Total revenue	57,274	50,678	13.0%	169,488	147,014	15.3%
Service revenue	52,459	46,451	12.9%	155,349	135,596	14.6%
Data revenue	22,503	17,931	25.5%	63,901	49,838	28.2%
Customers (mln)	71.4	64.2	11.2%			
Data customers (mln)	51.2	43.1	18.9%			
4G Smartphone users (mln)	30.1	21.5	40.2%			
4G users (mln)	33.8	22.2	52.4%			
ARPU (PKR)	245	242	1.5%			
MOU (min)	431	469	(8.2%)			
Data usage (GB/user)	4.9	3.8	28.5%			
4G coverage	65%	56%	9pp			

Jazz continued to deliver double-digit revenue growth during 3Q21, maintaining its strategic focus on 4G and digital services to strengthen its market-leading position.

Total revenue grew by 13% YoY in 3Q21, underpinned by 25.5% YoY growth in mobile data revenue. Further expansion of the 4G customer base was a key enabler as Jazz added 11.6 million 4G users (+52.4% YoY), corresponding to a 4G penetration rate of 47.3%. **Jazz's total customer base** grew by 11.2% YoY to 71.4 million, and ARPU increased by 1.5% YoY.

Digital services were a key area of growth. **JazzCash** reached 13.9 million monthly active users (MAU) (+43.6% YoY) while revenues grew by 67.2% YoY. JazzCash recorded a rise in the total number of registered wallets, +54% YoY to 35.4 million. JazzCash's retail presence continued to expand and reached 92,110 active agents (+67.7% YoY) and 89,474 active merchants (+300% YoY) by the end of the third quarter. In September, JazzCash introduced a new, improved version of its consumer application.

Jazz's self-care app, **Jazz World**, continued to enjoy strong customer adoption levels. Its MAU grew by 40.6% YoY, reaching 9.4 million at the end of 3Q21. Our streaming and entertainment platforms such as **Jazz TV, Bajao**, **Jazz Cricket** and **Deikho**, enjoyed further growth and usage time of these platforms increased by an average of 75.4% YoY.

The strong growth in subscribers, customer engagement and revenue led to underlying **EBITDA** growth of 24.6%. The reported EBITDA declined by 9.7% YoY due to the one-off impact of the reversal of a provision (PKR 8.6 billion) in 3Q20.

EBITDA was further impacted by the change in accounting for the service charge related to the ex-Warid license renewal "now recorded as amortization below EBITDA" (c.PKR 760 million) and ongoing investment into Mobilink Bank and JazzCash continued.

Capex excluding licenses and leases (operational capex) was PKR 9.5 billion in 3Q21, corresponding to capex intensity of 22.6%. 4G network investment continued to be the principal focus of our expenditure, with approximately 1,500 additional 4G sites added to our network during the last twelve months, driving a 9p.p. growth in Jazz's 4G population coverage to 65% at the end of 3Q21.

With regards to the dispute on the ex-Warid license renewal, final arguments were re-heard by the Islamabad High Court on 29 June 2021. The High Court released its final decision on 19 July 2021 and dismissed Jazz's appeal. Jazz has appealed the Islamabad High Court's decision to the Supreme Court of Pakistan. A hearing date before the Supreme Court has not yet been fixed. Please refer to our 2Q21 earnings release dated 30 August 2021 for more information.

With regards to the legal order on administrative fees ("suo moto" order) and the ongoing matter dating back to April 2019, the next hearing before the Islamabad High Court is yet to be scheduled. For further background information about this matter and the subsequent discussions with the PTA, please refer to our 3Q20 earnings release dated 29 October 2020 and 2Q21 earnings release dated 30 August 2021.

KAZAKHSTAN

KZT million	3Q21	3Q20	YoY	9M21	9M20	YoY
Total revenue	63,930	50,949	25.5%	176,487	143,264	23.2%
EBITDA	36,809	26,933	36.7%	95,283	76,885	23.9%
EBITDA margin	57.6%	52.9%	4.7pp	54.0%	53.7%	0.3pp
Operational Capex	10,173	7,088	43.5%	29,057	28,612	1.6%
Capex intensity	21.6%	22.7%	(1.1pp)			
Mobile						
Total revenue	54,282	42,547	27.6%	147,929	119,942	23.3%
Service revenue	51,994	41,643	24.9%	142,670	118,192	20.7%
Data revenue	29,495	21,025	40.3%	81,582	59,582	36.9%
Customers (mln)	9.8	9.7	1.2%			
Data customers (mln)	7.7	7.1	9.2%			
4G Smartphone users (mln)	7.6	6.5	15.8%			
4G users (mln)	6.1	4.8	25.1%			
ARPU (KZT)	1,777	1,448	22.7%			
MOU (min)	326	336	(2.8%)			
Data usage (GB/user)	13.0	9.6	36.1%			
4G coverage	80.0%	75.2%	4.8pp			
Fixed-line						
Total revenue	9,648	8,402	14.8%	28,558	23,322	22.5%
Service revenue	9,630	8,380	14.9%	28,470	23,255	22.4%
Broadband revenue	4,481	3,773	18.8%	13,118	10,681	22.8%
Broadband customers (mln)	0.5	0.5	16.2%			
Broadband ARPU (KZT)	2,766	2,726	1.4%			

Beeline Kazakhstan was once again the fastest-growing business in VEON’s portfolio in 3Q21, continuing to enjoy strong demand for its 4G network and digital services. Customer base value management remained in focus, minimizing churn and enabling high-value users.

Total revenue grew by 25.5% YoY, with mobile revenue growth of 27.6% and broadband revenue growth of 18.8% in the period.

Mobile revenue growth was driven by the increase in mobile data revenue (+40.3% YoY). This in turn is the result of the expansion in Beeline Kazakhstan’s 4G customer base (+25.1% YoY) together with higher ARPU levels (+22.7% YoY), and evidence of the successful value generation from the 4G base which now accounts for 62% of the total customer base.

Fixed-line service revenue grew by 14.8% YoY, driven by solid growth in Beeline Kazakhstan’s broadband customer base, which increased by 16.2% YoY. The rising popularity of our convergent products continued to contribute to this success with 23% of the broadband base using mobile services as well as fixed.

In addition to the expansion in both the mobile and fixed-line customer bases, demand for Beeline Kazakhstan’s **digital services** also remained strong. Beeline Kazakhstan’s MyBeeline self-care app grew its MAUs by 60.7% YoY to 2.5 million. Beeline Kazakhstan’s dedicated digital operator and mobile OTT services provider ‘Izi’ also saw significant growth in its customer base, which grew by 176% YoY to nearly 70,000 MAUs. Big Data solutions also contributed to the top line demonstrating a 2.2x YoY increase to KZT 168 million in 3Q21.

Having launched Kazakhstan’s first digital payment card, ‘Simply’, in June 2021, Beeline Kazakhstan saw a rapid expansion of the card’s registered users reaching 455,000 by the end of 3Q21. ‘Simply’ is a digital payment card linked to the customer's phone number, an electronic wallet and a premium digital Visa Platinum card. The card also integrates with multiple digital wallets of other financial service providers as well as Beeline Kazakhstan’s broader mobile financial services offering, thereby expanding the digital payments options available to our customers.

Higher revenues combined with tight cost control saw **EBITDA** rise by 36.7%, corresponding to an EBITDA margin of 57.6%. In Kazakhstan we recorded KZT 2.7 billion gain in 3Q21 related to a government grant for radio frequency taxes and adjusting for this Beeline Kazakhstan’s EBITDA grew 26.7% YoY.

Capex excluding licenses and leases (operational capex) was KZT 10.2 billion during the quarter, with capex intensity of 21.6%. Our expenditure continued to focus on expanding Beeline Kazakhstan’s 4G network in order to meet the continued rise in demand. Beeline Kazakhstan’s participation in Kazakhstan’s **250+ project**, which aims to boost Internet connectivity of rural areas, saw Beeline Kazakhstan connect 191 additional new rural settlements with 94,000 total inhabitants to its network.

BANGLADESH

BDT million	3Q21	3Q20	YoY	9M21	9M20	YoY
Total revenue	12,361	11,531	7.2%	35,643	34,241	4.1%
EBITDA	5,248	5,067	3.6%	14,720	14,665	0.4%
EBITDA margin	42.5%	43.9%	(1.5pp)	41.3%	42.8%	(1.5pp)
Operational Capex	1,006	1,561	(35.6%)	4,557	6,562	(30.6%)
Capex intensity	18.5%	18.3%	0.2pp			
Mobile						
Total revenue	12,361	11,531	7.2%	35,643	34,241	4.1%
Service revenue	12,139	11,315	7.3%	34,976	33,591	4.1%
Data revenue	3,727	2,824	32.0%	10,098	8,419	20.0%
Customers (mln)	34.8	32.8	6.0%			
Data customers (mln)	22.2	20.5	8.7%			
4G Smartphone users (mln)	12.3	8.1	51.7%			
4G users (mln)	11.4	7.0	61.4%			
ARPU (BDT)	117	116	0.7%			
MOU (min)	221	231	(4.3%)			
Data usage (GB/user)	4.1	2.3	78.4%			
4G coverage	68.8%	53.3%	15.5pp			

Banglalink recorded revenue growth of 7.2% YoY despite the impact of lockdowns during the early months of the quarter. As a result of personalized data offers demand for data was particularly strong, increasing by 78.4% YoY, which primarily contributed to a 32% YoY rise in mobile data revenue during the quarter. 4G users led this expansion, rising in number by 61.4% YoY, and now accounting for 33% of Banglalink's total customers.

Banglalink's digital services continued to attract new customers, as video streaming app Toffee added an additional 1.4 million customers during 3Q21, and recorded 6.3 million active users with 'watch sessions' up 5.1x YoY to 150 million. Our self-care app MyBanglalink saw a doubling of its active user base YoY to 3.1 million.

With continued investment in 4G networks, Banglalink now covers 69% of the population in 4G and is recognized by Ookla Speedtest as the nation's fastest and highest-quality 4G network provider. Our third quarter EBITDA rose by 3.6% YoY, as a result of the growth in revenue, which was partially offset by higher technology costs and additional 2.5% VAT imposed by tax authorities on spectrum charges.

UZBEKISTAN

UZS million	3Q21	3Q20	YoY	9M21	9M20	YoY
Total revenue	543,034	492,061	10.4%	1,511,891	1,493,454	1.2%
EBITDA	280,724	58,892	376.7%	704,324	502,626	40.1%
EBITDA margin	51.7%	12.0%	39.7pp	46.6%	33.7%	12.9pp
Operational Capex	65,425	121,553	(46.2%)	227,290	382,641	(40.6%)
Capex intensity	18.6%	23.5%	(4.9pp)			
Mobile						
Total revenue	540,085	488,237	10.6%	1,502,733	1,482,276	1.4%
Service revenue	540,025	488,048	10.6%	1,502,496	1,479,352	1.6%
Data revenue	329,127	265,954	23.8%	953,744	817,968	16.6%
Customers (mln)	6.8	6.8	(0.9%)			
Data customers (mln)	5.3	4.7	13.2%			
4G Smartphone users (mln)	4.1	3.8	8.8%			
4G users (mln)	3.9	2.9	32.2%			
ARPU (UZS)	26,256	23,087	13.7%			
MOU (min)	737	692	6.6%			
Data usage (GB/user)	5.4	4.1	32.6%			
4G coverage	61.0%	47.0%	14.0pp			

Beeline Uzbekistan performed strongly this quarter, with double digit revenue growth (+10.4% YoY). Strong demand for data led revenue higher, with total data usage increasing by 32.6% YoY and data revenue by 23.8% YoY.

Beeline Uzbekistan continued to expand its 4G user base, which grew by 32.2% YoY during the quarter and now accounts for 57% of its total customers. This growth has been enabled by the continued expansion of our 4G network in Uzbekistan, which now reaches 61% of the nation's population, representing an increase of 14% YoY.

The large YoY increase in EBITDA primarily reflects the one-off tax provision recorded by Beeline Uzbekistan in 3Q20. Capex intensity for the quarter was 18.6%. Further improvement in Beeline's 4G networks continues to be the priority for our capital expenditure.

CONFERENCE CALL INFORMATION

On 28 October 2021, VEON will host a conference call by senior management at 14:00 CEST (13:00 BST), which will be made available through the webcast and over the phone. The call details and slide presentation may be accessed at http://www.veon.com.

Webcast

To register for the event and then access the webcast **please click here** or copy and paste this link to the address bar of your browser:

https://onlinexperiences.com/Launch/QReg/ShowUUID=B522EA04-3B3A-470F-8965-EE94FE248713&LangLocaleID=1033

We strongly encourage you to watch the event through the webcast link, but if you prefer to dial in or want to participate in the Q&A session over the phone, then please use the dial-in details.

Dial-in details

To join the conference call, please use the appropriate participant dial-in number listed below. Enter the event plus passcode stated below and leave any information requested after the tone. You will be automatically connected to the conference.

Netherlands dial-in number:
+31 (0) 207 157 566
Confirmation ID: 6459984

UK and International dial-in number:
+44 (0) 203 009 5709
Confirmation ID: 6459984

United States dial-in number:
+1 646 787 1226
Confirmation ID: 6459984

The conference call replay and the slide presentation webcast will be available for 12 months after the end of the event at the same link as the live webcast. The slide presentation will also be available for download from VEON's website.

CONTACT INFORMATION

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DISCLAIMER

This press release contains "forward-looking statements", as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by words such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" and other similar words. Forward-looking statements include statements relating to, among other things, VEON's plans to implement its strategic priorities, including operating model and development plans, among others; anticipated performance and guidance for the rest of 2021, including VEON's ability to generate sufficient cash flow; VEON's assessment of the impact of the COVID-19 pandemic on its current and future operations and financial condition; future market developments and trends; operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable; spectrum acquisitions and renewals; the effect of the acquisition of additional spectrum on customer experience; VEON's ability to realize the acquisition and disposition of any of its businesses and assets and to execute its strategic transactions in the timeframes anticipated, or at all; VEON's ability to realize financial improvements, including an expected reduction of net pro-forma leverage ratio following the successful completion of certain dispositions and acquisitions; our dividends; and VEON's ability to realize its targets and commercial initiatives in its various countries of operation. The forward-looking statements included in this press release are based on management's best assessment of VEON's strategic and financial position and of future market conditions, trends and other potential developments. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of further unanticipated developments related to the COVID-19 pandemic, such as the effect on consumer spending, that has negatively affected VEON's operations and financial condition in the past; demand for and market acceptance of VEON's products and services; our plans regarding our dividend payments and policies, as well as our ability to receive dividends, distributions, loans, transfers or other payments or guarantees from our subsidiaries; continued volatility in the economies in VEON's markets; including adverse macroeconomic developments related to the COVID-19 pandemic; unforeseen developments from competition; governmental regulation of the telecommunications industries; general political uncertainties in VEON's markets; government investigations or other regulatory actions; litigation or disputes with third parties or regulatory authorities or other negative developments regarding such parties; the impact of export controls and laws affecting trade and investment on our and important third-party suppliers' ability to procure goods, software or technology necessary for the services we provide to our customers; risks associated with data protection or cyber security, other risks beyond the parties' control or a failure to meet expectations regarding various strategic priorities, the effect of foreign currency fluctuations, increased competition in the markets in which VEON operates and the effect of consumer taxes on the purchasing activities of consumers of VEON's services. Certain other factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in VEON's Annual Report on Form 20-F for the year ended December 31, 2020 filed with the U.S. Securities and Exchange Commission (the "SEC") on March 15, 2021 and other public filings made from time to time by VEON with the SEC. Other unknown or unpredictable factors also could harm our future results. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements in this press release be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date hereof. We cannot assure you that any projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made, or to reflect the occurrence of unanticipated events. Furthermore, elements of this press release contain or may contain, "inside information" as defined under the Market Abuse Regulation (EU) No. 596/2014. All non-IFRS measures disclosed further in this earnings release (including, without limitation, EBITDA, EBITDA margin, net debt, equity free cash flow, local currency trends, operating capital expenditures and capex intensity) are reconciled to comparable IFRS measures in Attachment C to this earnings release. In addition, we present certain information on a forward-looking basis. We are not able to, without unreasonable efforts, provide a full reconciliation to IFRS due to potentially high variability, complexity and low visibility as to the items that would be excluded from the comparable IFRS measure in the relevant future period, including, but not limited to, depreciation and amortization, impairment loss, loss on disposal of non-current assets, financial income and expenses, foreign currency exchange losses and gains, income tax expense and performance transformation costs, cash and cash equivalents, long - term and short-term deposits, interest accrued related to financial liabilities, other unamortized adjustments to financial liabilities, derivatives, and other financial liabilities.

ABOUT VEON

VEON is a NASDAQ and Euronext Amsterdam-listed global provider of connectivity and digital services, headquartered in Amsterdam. Our vision is to empower customer ambitions through technology, acting as a digital concierge to guide their choices and connect them with resources that match their needs.

For more information visit: http://www.veon.com

CONTENT OF THE ATTACHMENTS

For more information on financial and operating data for specific countries, please refer to the supplementary file Factbook3Q2021.xls on VEON’s website at https://www.veon.com/investors/reports-results/reports-results/.

ATTACHMENT A: DEFINITIONS

ARPU (Average Revenue Per User) 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, MFS 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.

Capital expenditures (capex) are purchases of new equipment, new construction, upgrades, licenses, software, other long-lived assets and related reasonable costs incurred prior to intended use of the non-current asset, accounted at the earliest event of advance payment or delivery. Long-lived assets acquired in business combinations, are not included in capital expenditures.

Operational capital expenditures (operational capex) calculated as capex, excluding purchases of new spectrum licenses and capitalized leases. **Capex intensity** is a ratio, which is calculated as LTM operational capex divided by LTM revenue.

EBIT or Operating Profit is calculated as EBITDA plus depreciation, amortization and impairment loss. Our management uses EBIT as a supplemental performance measure and believes that it provides useful information of earnings of the Company before making accruals for financial income and expenses and net foreign exchange (loss)/gain and others. Reconciliation of EBIT to net income attributable to VEON Ltd., the most directly comparable IFRS financial measure, is presented in the 'reconciliation tables' section in Attachment C below.

EBITDA (called Adjusted EBITDA in the Form 20-F published by VEON) is a non-IFRS financial measure. VEON calculates Adjusted EBITDA as (loss)/profit 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 Our Adjusted EBITDA may be used to evaluate our performance against other telecommunications companies that provide EBITDA.
Additionally, a limitation of EBITDA's use as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue or the need to replace capital equipment over time. Reconciliation of EBITDA to net income attributable to VEON Ltd., the most directly comparable IFRS financial measure, is presented in the 'reconciliation tables' section in Attachment C below.

EBITDA margin is calculated as EBITDA divided by total revenue, expressed as a percentage.

Gross Debt is calculated as the sum of long-term notional debt and short-term notional debt including capitalized leases.

Equity free cash flow is a non-IFRS measure and is defined as free cash flow from operating activities less cash flow used in investing activities, after license payments and lease payments (principal amount); excluding balance movements in Pakistan banking, M&A transactions, inflow/outflow of deposits, financial assets and other one-off items. Reconciliation to the most directly comparable IFRS financial measure is presented in the 'reconciliation tables' section in Attachment C below.

A fixed-mobile convergence customer (FMC customer) is a customer on a one-month Active Broadband Connection subscribing to a converged bundle consisting of at least fixed Internet subscription and at least one mobile SIM.

Mobile Financial Services (MFS) of Digital Financial Services (DFS) is a variety of innovative services, such as mobile commerce or m-commerce, that use a mobile phone as the primary payment user interface and allow 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.

Mobile customers are generally customers in the registered customer base at a given measurement date who engaged in a mobile 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 and fixed-mobile convergence ("FMC").

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/HSPA+ technologies.

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.

Doubleplay 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.

Multiplay customers are double play 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.

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

Net foreign exchange (loss)/gain and others represents the sum of Net foreign exchange (loss)/gain, VEON's share in net (loss)/gain of associates and Other (expense)/income (primarily (losses)/gains from derivative instruments) and is adjusted for certain non-operating losses and gains mainly represented by litigation provisions.

Net Promoter Score (NPS) is the methodology VEON uses to measure customer satisfaction.

Local currency trends (growth/decline) in revenue and EBITDA are non-IFRS financial measures that reflect changes in Revenue and EBITDA, excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. For other factors please refer to section "non-recurring items that affect year-on-year comparisons".

VEON's reportable segments are the following, which are principally based on business activities in different geographical areas: Russia, Pakistan, Bangladesh, Ukraine, Uzbekistan, Kazakhstan and HQ based on the business activities in different geographical areas.

Discontinued Operations - under IFRS means that results of discontinued operations are presented separately in current and prior year income statements and have no impact on prior year balance sheet amounts.
Following the exercise of the put option for our stake in Algeria on 1st July 2021, the Algerian business is, in line with the IFRS 5 requirements, become a discontinued operation, and is accounted for as "Asset held for sale". This implies that its operations do not contribute to the base performance of VEON for both the current and prior year, and from the balance sheet perspective, it is measured at the lower of the carrying amount of the discontinued business and its fair market value less costs to sell. Any deviation from this value in respect of the final valuation would result in a gain/loss, which would be accounted for as a profit/loss from discontinued operations.

ATTACHMENT B: CUSTOMERS

	Mobile					Fixed-line broadband				
million	3Q21	2Q21	3Q20	QoQ	YoY	3Q21	2Q21	3Q20	QoQ	YoY
Russia	50.6	50.1	49.7	1.0%	1.7%	2.9	2.9	2.8	0.9%	4.5%
Pakistan	71.4	69.8	64.2	2.3%	11.2%					
Ukraine	26.3	25.9	25.8	1.4%	1.8%	1.2	1.2	1.1	1.6%	9.5%
Bangladesh	34.8	34.4	32.8	1.2%	6.0%					
Kazakhstan	9.8	9.6	9.7	1.7%	1.2%	0.5	0.5	0.5	4.4%	16.2%
Uzbekistan	6.8	6.8	6.8	(0.2%)	(0.9%)					
Other	3.3	3.2	3.2	3.6%	3.0%					
Total	**202.9**	**199.7**	**192.3**	**1.6%**	**5.5%**	**4.6**	**4.6**	**4.4**	**1.5%**	**4.4%**

Note: Other and Total for 3Q20 exclude mobile and fixed-line customers of Armenia. On 29 October 2020, VEON announced the sale of CJSC "VEON Armenia", VEON's operating subsidiary in Armenia. Armenia results were deconsolidated from VEON Group numbers starting from 4Q20. The Algerian operations do not contribute to both the comparison base and the actual reported numbers.

ATTACHMENT C: RECONCILIATION TABLES

RECONCILIATION OF CONSOLIDATED EBITDA

USD million	3Q21	3Q20	9M21	9M20
Unaudited				
EBITDA	**889**	**819**	**2,505**	**2,403**
Depreciation	(392)	(352)	(1,143)	(1,086)
Amortization	(81)	(75)	(222)	(235)
Impairment loss	(0)	(790)	(5)	(791)
Loss on disposals of non-current assets	(4)	(4)	(8)	(16)
Operating profit	**413**	**(402)**	**1,127**	**275**
Financial Income and Expenses	(182)	(169)	(497)	(540)
- including finance income	4	5	10	20
- including finance costs	(186)	(174)	(507)	(560)
Net foreign exchange (loss)/gain and others	7	7	25	89
- including other non-operating (losses)/gains	17	(1)	24	100
- including net foreign exchange gain/(loss)	(10)	7	1	(11)
Profit before tax	**238**	**(565)**	**655**	**(175)**
Income tax expense	(111)	(103)	(284)	(234)
Profit/(loss) from discontinued operations	68	23	88	59
Profit/(Loss) for the period	**195**	**(645)**	**460**	**(350)**
of which profit/(loss) attributable to non-controlling interest	50	(24)	85	6
of which profit/(loss) attributable to VEON shareholders	145	(620)	375	(357)

RECONCILIATION OF CAPEX

USD million unaudited	3Q21	3Q20	9M21	9M20
Operational Capex	**381**	**328**	**1,260**	**1,150**
Adding back purchase of licenses	(8)	11	110	50
Difference in timing between accrual and payment for capital expenditures	(26)	34	(43)	8
Cash paid for purchase of property, plant and equipment and intangible assets	**347**	**373**	**1,327**	**1,208**

RECONCILIATION OF ORGANIC AND REPORTED GROWTH RATES

3Q21 compared to 3Q20

	Total Revenue			EBITDA		
	Local currency	**Forex, Armenia sale and Other**	**Reported**	**Local currency**	**Forex, Armenia sale and Other**	**Reported**
Russia	8.2%	0.1%	8.3%	1.9%	0.1%	2.0%
Pakistan	13.0%	2.1%	15.1%	(9.7%)	1.4%	(8.2%)
Ukraine	11.9%	2.9%	14.8%	11.4%	2.9%	14.3%
Bangladesh	7.2%	(0.2%)	7.0%	3.6%	(0.1%)	3.4%
Kazakhstan	25.5%	(2.3%)	23.2%	36.7%	(2.5%)	34.2%
Uzbekistan	10.4%	(4.2%)	6.1%	376.7%	(17.3%)	359.3%
Total	**11.2%**	**(1.0%)**	**10.2%**	**9.1%**	**(0.5%)**	**8.6%**

9M21 compared to 9M20

	Total Revenue			EBITDA		
	Local currency	**Forex, Armenia sale and Other**	**Reported**	**Local currency**	**Forex, Armenia sale and Other**	**Reported**
Russia	5.3%	(5.0%)	0.3%	(0.3%)	(5.0%)	(5.3%)
Pakistan	15.3%	2.3%	17.5%	2.6%	2.1%	4.7%
Ukraine	14.9%	(4.0%)	10.9%	14.6%	(4.0%)	10.6%
Bangladesh	4.1%	0.1%	4.2%	0.4%	0.1%	0.5%
Kazakhstan	23.2%	(4.7%)	18.5%	23.9%	(4.8%)	19.1%
Uzbekistan	1.2%	(6.2%)	(5.0%)	40.1%	(10.0%)	30.1%
Total	**9.7%**	**(4.7%)**	**5.0%**	**8.7%**	**(4.4%)**	**4.2%**

RECONCILIATION OF VEON CONSOLIDATED NET DEBT

USD million	30 September 2021	30 June 2021	31 March 2021
Net debt excluding banking operations in Pakistan	**8,154**	**8,634**	**8,376**
Cash and cash equivalents*	1,498	1,192	1,193
Deposits in MMBL and JazzCash in Pakistan	(102)	(124)	(50)
Long - term and short-term deposits	1	1	1
Gross debt	**9,551**	**9,703**	**9,519**
Interest accrued related to financial liabilities	109	83	108
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	(10)	(9)	(17)
Derivatives not designated as hedges	16	16	0
Derivatives designated as hedges	9	13	33
Other financial liabilities	95	1	44
Total financial liabilities	**9,769**	**9,808**	**9,687**

*) In 3Q21 cash and cash equivalents include an amount of USD 87 milion relating to banking operations in Pakistan

RECONCILIATION OF EQUITY FREE CASH FLOW

USD million	3Q21	3Q20	YoY	9M21	9M20	YoY
EBITDA	**889**	**819**	**8.6%**	**2,505**	**2,403**	**4.2%**
Movements in Working Capital and other	26	93	(71.9%)	(79)	7	n.m.
Movements in provisions	(18)	4	n.m.	(16)	(15)	(6.6%)
Interest paid, incl.	(131)	(137)	4.4%	(435)	(472)	7.9%
Interest paid	(95)	(99)	4.2%	(327)	(364)	10.2%
Lease Liabilities - Interest Component	(36)	(38)	5.0%	(108)	(108)	0.1%
Interest received	4	4	5.1%	10	19	(50.7%)
Net Tax Paid	(59)	(98)	39.5%	(192)	(234)	17.9%
Discontinued operations from operating activity	92	89	2.8%	209	166	26.0%
Cash Flow from Operating Activities	**803**	**775**	**3.7%**	**2,002**	**1,875**	**6.8%**
Purchase of property, plant and equipment and intangible assets, incl.	(347)	(373)	7.1%	(1,327)	(1,208)	(9.9%)
Operational Capex	(381)	(328)	(16.0%)	(1,260)	(1,150)	(9.5%)
Licenses payments	(4)	(8)	52.4%	(79)	(65)	(22.2%)
Working capital part related to Capex excl licenses	38	(37)	n.m.	11	7	67.9%
Inflows/(outflows) from deposits	19	13	45.0%	(33)	(84)	60.7%
Receipts from / (investment in) financial assets	(8)	11	n.m.	38	(28)	n.m.
Other proceeds from investing activities, net	4	(16)	n.m.	(2)	(11)	80.7%
Discontinued operations in investing activity	(23)	(21)	(10.2%)	(89)	(78)	(13.1%)
Cash Flow from Investing Activities	**(355)**	**(386)**	**8.1%**	**(1,414)**	**(1,410)**	**(0.3%)**
Lease Payments - Principal amount	(81)	(74)	(9.0%)	(231)	(212)	(9.0%)
Excl. M&A transactions, inflow/outflow of deposits, financial assets and other one-off items	(11)	(5)	(98.4%)	9	131	(93.2%)
Excl. balances movements in Pakistan banking	20	(2)	n.m.	74	3	n.m.
Excl. Discontinued operations	(69)	(69)	(0.5%)	(120)	(87)	(37.7%)
Equity Free Cash Flow	**308**	**239**	**29.2%**	**320**	**300**	**6.6%**

EBITDA RECONCILIATION ON COUNTRY LEVEL

3Q 2021

USD million	Russia	Pakistan	Ukraine	Bangladesh	Kazakhstan	Uzbekistan	Other	HQ and eliminations	**VEON Consolidated**
EBITDA	**384**	**173**	**183**	**62**	**86**	**26**	**10**	**(35)**	**889**
Less									
Depreciation	(241)	(62)	(27)	(33)	(19)	(8)	(6)	3	(392)
Amortization	(28)	(16)	(14)	(14)	(8)	(1)	(1)	(0)	(81)
Impairment loss	5	0	(1)	(0)	(2)	0	(0)	(3)	(0)
Loss on disposals of non-current assets	(1)	1	(3)	0	(0)	(1)	0	0	(4)
Operating profit	**120**	**96**	**139**	**15**	**58**	**17**	**3**	**(35)**	**413**

9M 2021

USD million	Russia	Pakistan	Ukraine	Bangladesh	Kazakhstan	Uzbekistan	Other	HQ and eliminations	**VEON Consolidated**
EBITDA	**1,100**	**490**	**523**	**174**	**224**	**67**	**33**	**(105)**	**2,505**
Less									
Depreciation	(718)	(160)	(83)	(98)	(54)	(22)	(16)	8	(1,143)
Amortization	(81)	(37)	(40)	(32)	(26)	(2)	(2)	(1)	(222)
Impairment loss	7	0	(2)	(1)	(2)	0	(1)	(5)	(5)
Loss on disposals of non-current assets	(8)	1	1	0	(0)	(3)	0	1	(8)
Operating profit	**299**	**295**	**399**	**43**	**141**	**39**	**13**	**(103)**	**1,127**

ATTACHMENT D: RATES OF FUNCTIONAL CURRENCIES TO USD

	Average rates			Closing rates		
	3Q21	3Q20	YoY	3Q21	3Q20	YoY
Russian Ruble	73.47	73.56	0.1%	72.76	79.68	8.7%
Algerian Dinar	135.51	128.48	(5.5%)	137.23	129.18	(6.2%)
Pakistan Rupee	164.60	167.08	1.5%	170.63	165.75	(2.9%)
Bangladeshi Taka	84.96	84.83	(0.1%)	85.54	84.83	(0.8%)
Ukrainian Hryvnia	26.91	27.60	2.5%	26.58	28.30	6.1%
Kazakh Tenge	425.69	417.89	(1.9%)	425.67	429.51	0.9%
Uzbekistan Som	10,646.09	10,239.10	(4.0%)	10,691.91	10,321.21	(3.6%)
Armenian Dram	490.38	485.57	(1.0%)	484.20	488.41	0.9%
Kyrgyz Som	84.73	77.97	(8.7%)	84.79	79.60	(6.5%)
Georgian Lari	3.12	3.10	(0.6%)	3.12	3.29	5.0%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based on, and should be read in conjunction with, our unaudited interim condensed consolidated financial statements as of and for the nine-month period ended September 30, 2021 and 2020, and the related notes, attached hereto.

References to "VEON" as well as references to "our company," "the company," "our group," "the group," "we," "us," "our" and similar pronouns, are references to VEON Ltd. an exempted company limited by shares registered in Bermuda, and its consolidated subsidiaries. References to VEON Ltd. are to VEON Ltd. alone. The unaudited interim condensed consolidated financial statements as of September 30, 2021 and for the nine-month period ended September 30, 2021 and 2020 attached hereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and are presented in U.S. dollars. VEON Ltd. adopted IFRS as of January 1, 2009.

The discussion of our business and the telecommunications industry included herein contains references to certain terms specific to our business, including numerous technical and industry terms. Such terms are defined in Exhibit 99.1 to our Annual Report on Form 20-F for the year ended December 31, 2020 (our "2020 Annual Report"). For a comprehensive discussion of our critical accounting estimates and assumptions, please refer to Note 24 to our audited consolidated financial statements included in our 2020 Annual Report.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains estimates and forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. All statements other than statements of historical fact are forward-looking statements. The words "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" and similar words are intended to identify estimates and forward-looking statements. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties and are made in light of information currently available to us. Many important factors, in addition to the factors described in this document, may adversely affect our results as indicated in forward-looking statements. You should read this document completely and with the understanding that our actual future results may be materially different and worse from what we expect.

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

- our ability to implement and execute our strategic priorities successfully and to achieve the expected benefits from our existing and future transactions;
- our assessment of the impact of the COVID-19 pandemic on our operations and financial condition;
- our targets and strategic initiatives in the various countries in which we operate;
- our ability to develop new revenue streams and achieve portfolio and asset optimizations, improve customer experience and optimize our capital structure;
- our ability to generate sufficient cash flow to meet our debt service obligations, our expectations regarding working capital and the repayment of our debt and our projected capital requirements;
- our plans regarding our dividend payments and policies, as well as our ability to receive dividends, distributions, loans, transfers or other payments or guarantees from our subsidiaries;
- our expectations regarding our capital and operational expenditures in and after 2021;

- our goals regarding value, experience and service for our customers, as well as our ability to retain and attract customers and to maintain and expand our market share positions;
- our plans to develop, provide and expand our products and services, including operational and network development, optimization and investment, such as expectations regarding the expansion or roll-out and benefits of 3G, 4G/LTE and 5G networks or other networks, broadband services and integrated products and services, such as fixed-mobile convergence;
- our expectations as to pricing for our products and services in the future, improving our ARPU and our future costs and operating results;
- our ability to meet license requirements, to obtain, maintain, renew or extend licenses, frequency allocations and frequency channels and to obtain related regulatory approvals;
- our plans regarding marketing and distribution of our products and services, including customer loyalty programs;
- our expectations regarding our competitive strengths, customer demands, market trends and future developments in the industry and markets in which we operate;
- our expectations regarding management changes; and
- other statements regarding matters that are not historical facts.

These statements are management's best assessment of our strategic and financial position and of future market conditions, trends and other potential developments. While they are based on sources believed to be reliable and on our management's current knowledge and best belief, they are merely estimates or predictions and cannot be relied upon. We cannot assure you that future results will be achieved. The risks and uncertainties that may cause our actual results to differ materially from the results indicated, expressed or implied in the forward-looking statements used in this document include, without limitation:

- 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 (including as a result of armed conflict) 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 associated with developments related to the COVID-19 pandemic that negatively affect our operations and financial condition, including further lockdown restrictions, changes in customer behavior and adverse macroeconomic developments in our countries of operations;
- 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 the taxation thereof, laws on foreign investment, anti-corruption and anti-terror laws, economic sanctions, data privacy, anti-money laundering, antitrust, national security and legal interception and their official interpretation by governmental and other regulatory bodies and courts;
- risks relating to the fact that we operate in countries which pose elevated risks of corruption and are subject to a number of anti-corruption laws, and that, as previously disclosed, we entered into a Deferred Prosecution Agreement ("DPA") with the U.S. Department of Justice ("DOJ") under which, from time to time, we have undertaken remedial activities in response to identified instances of non-compliance with our policies and procedures and internal controls, and we have provided, and may in the future provide, updates on certain internal investigations related to potential misconduct to the U.S. authorities including instances of non-compliance that may implicate anti-fraud, corrupt payments, books and records, reporting and internal control provisions of the federal securities laws and related U.S. Securities and Exchange Commission (the "SEC") rules; we cannot guarantee that these remedial activities or other efforts to enforce our policies, procedures and controls have been or will be successful; if the matters that we have identified to U.S. authorities, or other matters relating to non-compliance with our policies, procedures and internal controls, are deemed to constitute a failure to comply with the terms of the DPA or a failure to comply with the injunction against future violations, we could face criminal prosecution by the DOJ or be subject to SEC enforcement action; in the event that any of these matters lead to governmental investigations or proceedings, it could subject us to penalties and other costs and have a material adverse impact on our business, financial condition, reputation, results of operations, cash flows or prospects or result in criminal or civil penalties;

- risks relating to financial reporting requirements under, or changes in, accounting standards and regulatory reviews, including from accounting standard-setting bodies such as the IASB, the SEC and the Dutch Authority for the Financial Markets (the "AFM"), that could result in changes to accounting regulations that govern the preparation and presentation of our financial statements; in the event of any such change in accounting standards or interpretation thereof, or unfavorable regulatory review relating to our financial reporting, we may be required 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 potentially even material weaknesses in our internal control over financial reporting – for example, we are currently 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 has indicated that our goodwill impairment tests may have been applied incorrectly and an additional goodwill impairment charge may be necessary and the outcome of this process could require us to restate previously issued financial statements and may result in other adverse consequences including a potential significant deficiency or material weakness in our internal control over financial reporting and a potential adverse effect on our net profit (i.e., potential non-cash adjustment);

- risks related to the impact of export controls, sanctions, international trade regulation, customs and technology regulation on our and important third-party suppliers' ability to procure goods, software or technology necessary for the services we provide to our customers, particularly on the production and delivery of supplies, support services, software, and equipment that we source from these suppliers - for example, in April 2018, the U.S. Department of Commerce, Bureau of Industry and Security ("BIS") issued an Export Administration Regulation ("EAR") Denial Order to ZTE Corporation ("ZTE") which prohibited, among other things, exports, re-exports and in-country transfers of goods, software and technology (collectively, "Items"), each of which could have led to service degradation and disruptions in certain markets, and in May and August 2019, and August 2020, BIS added Huawei Technologies Company Ltd. and 152 of its affiliates (collectively, "Huawei") to its "Entity List", prohibiting companies globally from directly or indirectly exporting, re-exporting or in-country transferring all Items subject to the EAR to Huawei and procuring Items from Huawei when they have reason to know that the Items were originally procured by Huawei in violation of U.S. law;
- risks relating to a failure to meet expectations regarding various strategic initiatives, including, but not limited to, changes to our portfolio;
- risks associated with our mobile financial services and digital financial services, including vulnerability to system breaches, credit and regulatory risks, and potential exposure to fraud, money laundering, or illegal customer behavior;
- risks related to solvency and other cash flow issues, including our ability to raise the necessary additional capital and incur additional indebtedness, the ability of our subsidiaries to make dividend payments, our ability to develop additional sources of revenue and unforeseen disruptions in our revenue streams;
- risks that the adjudications by the various regulatory agencies or other parties with whom we are involved in legal challenges, 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, regulatory uncertainty regarding our licenses, frequency allocations and numbering capacity, constraints on our spectrum capacity, availability of line capacity, 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 change 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 and implementing remedies;

- risks associated with data protection, 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 related to the ownership of our American Depositary Receipts, including those associated with VEON Ltd.'s status as a Bermuda company and a foreign private issuer; and
- other risks and uncertainties, including those set forth in Item 3 - Key Information — D. Risk Factors in our 2020 Annual Report.

These factors and the other risk factors described in our 2020 Annual Report are not necessarily all of the factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also harm our future results. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements in this document be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements included in this document are made only as of the date of the filing of this document. We cannot assure you that any projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should refer to our periodic and current reports filed or furnished, as applicable, with the SEC for specific risks which could cause actual results to be significantly different from those expressed or implied by these forward-looking statements.

OVERVIEW

VEON is a leading global provider of connectivity and internet services. Present in some of the world's most dynamic markets, VEON provides more than 213 million customers with voice, fixed broadband, data and digital services. VEON currently offers services to customers in 9 countries: Russia, Pakistan, Algeria, Bangladesh, Ukraine, Uzbekistan, Kazakhstan, Kyrgyzstan and Georgia. We provide services under the "Beeline," "Kyivstar," "banglalink," "Jazz" and "Djezzy" brands.

BASIS OF PRESENTATION OF FINANCIAL RESULTS

Our unaudited interim condensed consolidated financial statements attached hereto have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2020.

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 September 30, 2021, our reportable segments consist of the following six segments: Russia, representing our "cornerstone" market; Pakistan, Ukraine, Kazakhstan and Uzbekistan, representing our "growth engines"; and Bangladesh, representing our "frontier markets".

The Algerian business has been classified as a discontinued operation, and has been accounted for as an "Asset held for sale". Accordingly, the results of our 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.

We also present our results of operations for our "Other frontier markets" and "HQ and eliminations" although these are not reportable segments. "Other frontier markets" represents our results of operations in Kyrgyzstan and Georgia. "HQ and eliminations" represents transactions related to management activities within the group in Amsterdam, London and Luxembourg and costs relating to centrally managed operations, as well as intercompany eliminations to reconcile with our total revenue and Adjusted EBITDA.

For further details please see Note 2 to our unaudited interim condensed consolidated financial statements attached hereto.

KEY DEVELOPMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 mobile network towers in Russia to Service Telecom Group of Companies LLC ("Service Telecom") for approximately US$970 million. The transaction is subject to regulatory approvals and consummation of other customary closing conditions. The sale reflects VEON's continued focus on active portfolio management and the pursuit of opportunities to realize the value of its infrastructure portfolio.

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. This important step will further streamline VEON's operations, allowing for an improved focus on our core markets.

VEON completes the acquisition of majority shareholding in OTM

In June 2021, VEON successfully acquired a majority stake in OTM, a technology platform for automating and planning online advertising purchases in Russia. VEON's investments in OTM will significantly strengthen Beeline's position in the advertising technology market and enable VEON to expand OTM's operations into other markets served by VEON's mobile operators. The acquisition builds on VEON's ongoing transformation into a digital operator.

Beeline Kazakhstan first to issue digital payment card in Kazakhstan

In June 2021, Beeline Kazakhstan launched the country's first digital payment card integrated with its mobile financial services offering under the "Simply" brand. Simply is linked to a customer's phone number, an electronic wallet and a premium digital Visa Platinum card and integrates with digital wallets such as Apple Pay, Samsung Pay and Garmin Pay.

JazzCash launched new app for business owners

In May 2021, Pakistan's pioneering digital financial services provider JazzCash successfully launched an app for its expanding merchant base, which accounts over 100,000 registered users.

The JazzCash Business App aims to make digital payments more efficient and seamless for business owners, company managers and home businesses. The app includes advanced business-related tools, including the ability to generate a QR code for specific amounts in real time and to send customized digital invoices to customers, as well as to monitor sales and transactions and to conduct salary disbursements and supplier payments with ease.

Kyivstar's Smart Money received 'Best Fintech Service'

In May 2021, Kyivstar received the Best Fintech Service award for its innovating financial service application, Smart Money, at the Leaders in Fintech and Digital Banking Awards 2021 in Ukraine.

Kyivstar's Smart Money app allows users to make thousands of day-to-day payments, such as for public transport, utility bills and TV services via their mobile phone, without having to pay commission or linking to a bank card. Smart Money gives customers the ability to pay for over 3,000 services and is regularly used by more than 1.2 million Kyivstar customers.

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 BTRC. The newly acquired spectrum saw Banglalink increase its total spectrum holding from 30.6MHz to 40MHz. Banglalink will invest approximately BDT 10 billion (US$115 million) to purchase the spectrum. The allotment of the license to Banglalink took place in April 2021.

VEON enters into a US$1,250 million multi-currency revolving credit facility agreement

In March 2021, VEON entered into a new multi-currency revolving credit facility agreement (the "RCF") of US$1,250 million. The RCF replaces the revolving credit facility signed in February 2017, which is now cancelled. The RCF has an initial tenor of three years, with the company 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 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 (or earlier if USD LIBOR is no longer published or ceases to be representative prior to that date). The company will have the option to make each drawdown in either U.S. dollars or euro.

Appointment of CEO of Beeline Uzbekistan

In March 2021, Andrzej Malinowski was appointed to the vacant position of CEO of Beeline Uzbekistan. Mr. Malinowski joined from Beeline Georgia, where he held the position of CEO. Lasha Tabidze was appointed as Mr. Malinowski's successor at Beeline Georgia, where he previously held the joint position of Chief Operating Officer and Chief Commercial Officer.

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 28 September 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.

Shareholders trading on NASDAQ no longer subject to annual depository fee

From January 1, 2021, holders of VEON American Depositary Shares ("ADSs") trading on NASDAQ are no longer subject to any cash dividend fee or depository service fee of any kind. ADS holders will continue to be subject to the normal issuance and cancellation fees.

Leadership 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 general operations of the group.

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. Both executives report to VEON Group CEO Kaan Terzioglu.

On August 17, 2021, VEON announced the appointment of Michael Schulz as VEON's Group Chief People Officer.

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.

Financing activities

In March 2021, VEON successfully amended and restated its existing RUB 30 billion (US$396 million), bilateral term loan agreement with AO "Alfa Bank" ("Alfa Bank") and increased the total facility size to RUB 45 billion (US$594 million), by adding a new floating rate tranche of RUB 15 billion (US$198 million) (the "Alfa Bank Term Loan"). The new tranche has a five year term.

In April 2021, the proceeds from drawing down on the new tranche of the Alfa Bank Term Loan were used for the early repayment of RUB 15 billion in loans from Sberbank that were maturing in June 2023.

In June 2021, PMCL secured a PKR 50 billion (US$320 million), syndicated credit facility from a banking consortium led by Habib Bank Limited. This 10-year facility will be used to finance PMCL'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 in an aggregate principal amount of RUB 20 billion (US$273 million) under the Global Medium Term Note Program established in April 2020 (the “GMTN Program”), maturing in September 2026 and proceeds were used to prepay RUB 20 billion (US$273 million) in loans from Sberbank that were maturing in June 2023.

Ongoing comment letter process with the AFM

On July 7, 2021, 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 has asserted that they do not agree with our assumptions regarding the discount rate and projected cash flows used in our discounted cash flow model.

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. We responded to this initial request from the AFM in December 2020, and, during the first half of 2021, we responded to additional information requests from the AFM and met several times with the AFM to discuss our goodwill impairment testing. We continue to believe that our goodwill impairment tests were performed correctly and that no re-performance of the past impairment tests is necessary, as we informed the AFM on 6 August 2021. However, we can provide no assurance as to the outcome of this comment letter process.

As of the date of this report, the AFM’s comments remain unresolved. Until these comments are resolved, we cannot determine if we will be required to take an additional goodwill impairment charge or restate or make other changes to our previously issued financial statements. If we are required to take an additional goodwill impairment charge or restate or make other changes to our previously issued financial statements, such circumstances may involve the identification of one or more significant deficiencies or potentially even material weaknesses in our internal control over financial reporting, which could have a potential adverse effect on our net profit (i.e., potential non-cash adjustment).

RECENT DEVELOPMENTS

On October 21, 2021, the Company announced that its Group General Counsel, Scott Dresser, will be leaving the company effective on December 31, 2021. Mr. Dresser will continue as a strategic advisor to the Chairman of the Board.

VEON

RESULTS OF OPERATIONS

FINANCIAL PERFORMANCE FOR NINE MONTHS ENDED SEPTEMBER 30, 2021

	Nine-month period	
(In millions of U.S. dollars, except per share amounts)	**2021**	**2020**
Service revenues	5,283	5,113
Sale of equipment and accessories	357	266
Other revenue	96	83
Total operating revenues	**5,736**	**5,462**
Other operating income	2	3
Service costs	(1,036)	(999)
Cost of equipment and accessories	(346)	(261)
Selling, general and administrative expenses	(1,851)	(1,802)
Depreciation	(1,143)	(1,086)
Amortization	(222)	(235)
Impairment (loss) / reversal	(5)	(791)
Gain / (loss) on disposal of non-current assets	(8)	(16)
Operating profit	**1,127**	**275**
Finance costs	(507)	(560)
Finance income	10	20
Other non-operating gain / (loss)	24	101
Net foreign exchange gain / (loss)	1	(11)
Profit / (loss) before tax	**655**	**(175)**
Income tax expense	(283)	(234)
Profit / (loss) from continuing operations	**372**	**(409)**
Profit / (loss) after tax from discontinued operations	88	59
Profit / (loss) for the period	**460**	**(350)**
Attributable to:		
The owners of the parent (continuing operations)	335	(383)
The owners of the parent (discontinued operations)	40	27
Non-controlling interest	85	6
	460	**(350)**

TOTAL OPERATING REVENUE

The following table sets out our total operating revenue for the nine-month periods ended September 30, 2021 and 2020.

	Nine-month period ended September 30,	
(In millions of U.S. dollars)	**2021**	**2020**
Our cornerstone		
Russia	2,884	2,874
Our growth engines		
Pakistan	1,067	908
Ukraine	772	696
Kazakhstan	415	350
Uzbekistan	143	150
Our frontier markets		
Bangladesh	420	403
Other frontier markets	59	106
Other		
HQ and eliminations	(24)	(25)
Total segments	**5,736**	**5,462**

Our consolidated total operating revenue increased to US$5,736 million for the nine months ended September 30, 2021 compared to US$5,462 million for the nine months ended September, 2020. This was an increase of 5%, which was primarily due to underlying growth in local currency terms in mobile services and data revenue in Pakistan, Ukraine, Kazakhstan and Bangladesh, fixed line revenue in Russia, Ukraine and Kazakhstan, and device sales.

OPERATING PROFIT

Our consolidated operating profit increased to US$1,127 million for the nine months ended September 30, 2021 compared to US$275 million for the nine months ended September 30, 2020, which was primarily due to the growth in operating revenue as described above and there was an impairment loss of US$ 767 million, booked during the nine months ended September 30, 2020, contributed to year-on-year movement in operating profits.

NON-OPERATING PROFITS AND LOSSES

Finance costs

Our finance costs decreased to US$507 million for the nine months ended September 30, 2021 compared to US$560 million for the nine months ended September 30, 2020, which was primarily due to lower interest charges on our loans over this period due to the lower cost of debt in almost all local currencies.

Finance income

Our consolidated finance income decreased to US$10 million for the nine months ended September 30, 2021 compared to US$20 million for the nine months ended September 30, 2020, which was primarily due to lower cash and short-term deposit balances held in our accounts.

Other non-operating gain

Other non-operating gain for the nine months ended September 30, 2021 was US$24 million compared to US$101 million for the nine months ended September 30, 2020. The decrease is mainly associated with the revaluation of a contingent consideration liability and recognition of a gain upon reaching a settlement in connection with the dispute concerning the sale of Telecel Globe Limited in the second quarter of 2020.

Net foreign exchange gain

For the nine months ended September 30, 2021, we recognized a net foreign exchange gain of US$1 million compared to a loss of US$11 million for the nine months ended September 30, 2020. This year-on-year change is primarily due to the stabilization of the value of the Russian ruble against the U.S. dollar, which was offset by the impacts of the deterioration in the value of the Pakistani rupee against the U.S. dollar.

INCOME TAX EXPENSE

Our consolidated income tax expense increased by 21% from US$283 million for the nine months ended September 30, 2021 compared to US$234 million for the nine months ended September 30, 2020. This increase was mainly due to a higher profit before tax.

For more information regarding income tax expenses, please refer to Note 3 of our unaudited interim condensed consolidated financial statements attached hereto.

PROFIT / (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS

During the nine months ended September 30, 2021 we recorded a profit of US$88 million, which was attributable to the exercise of our put option to sell the entirety of our 45.57% stake in our Algerian subsidiary, Omnium. For more information regarding the exercise of this put option, please refer to Note 4 of our unaudited interim condensed consolidated financial statements attached hereto.

PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT FROM CONTINUING OPERATIONS

For the foregoing reasons as described above, our profit / (loss) for the period attributable to the owners of the parent from continuing operations for the nine months ended September 30, 2021 increased to a profit of US$335 million as compared to loss of US$383 million for the nine months ended September 30, 2020.

PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTEREST

For the foregoing reasons as described above, profit for the period attributable to non-controlling interest for the nine months ended September 30, 2021 was US$85 million as compared to US$6 million for the nine months ended September 30, 2020.

ADJUSTED EBITDA

The following table sets out our consolidated Adjusted EBITDA for the nine-month periods ended September 30, 2021 and 2020.

	Nine-month period ended September 30,	
In millions of U.S. dollars	**2021**	**2020**
Our cornerstone		
Russia	1,100	1,161
Our growth engines		
Pakistan	490	468
Ukraine	523	472
Kazakhstan	224	188
Uzbekistan	67	51
Our frontier markets		
Bangladesh	174	173
Other frontier markets	33	32
Other		
HQ and eliminations	(106)	(142)
Total segments	**2,505**	**2,403**

Our consolidated Adjusted EBITDA was US$2,505 million for the nine months ended September 30, 2021 compared to US$2,403 million for the nine months ended September 30, 2020. This was an increase of 4%, which was primarily due to the increase in operating revenue as described above.

The following table provides the reconciliation of Profit / (loss) before tax to Total Adjusted EBITDA for the nine-month period ended September 30:

	Nine-month period ended September 30,	
In millions of U.S. dollars	**2021**	**2020**
Profit / (loss) before tax	**655**	**(175)**
Adjustments to reconcile Profit / (loss) before tax to Total Adjusted EBITDA		
Depreciation	1,143	1,086
Amortization	222	235
Impairment loss / (reversal)	5	791
(Gain) / loss on disposal of non-current assets	8	16
Finance costs	507	560
Finance income	(10)	(20)
Other non-operating (gain) / loss	(24)	(101)
Net foreign exchange (gain) / loss	(1)	11
Total Adjusted EBITDA	**2,505**	**2,403**

RESULTS OF REPORTABLE SEGMENTS

RUSSIA

Results of operations in US$

The following table sets out the operating results for the Russia segment in U.S. dollars for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of U.S. dollars (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**2,884**	**2,874**	**0.3 %**
Mobile service revenue	2,140	2,220	-4 %
- of which mobile data	699	696	0.4 %
Fixed-line service revenue	404	395	2 %
Sales of equipment, accessories and other	340	259	31 %
Operating Expenses	**1,785**	**1,716**	**4 %**
Adjusted EBITDA	**1,100**	**1,161**	**-5 %**
Adjusted EBITDA margin	**38.1 %**	**40.4 %**	**-2pp**

Results of operations in RUB

The following table sets out the operating results for the Russia segment in Russian ruble for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of RUB (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**213,287**	**202,551**	**5 %**
Mobile service revenue	158,352	156,387	1 %
- of which mobile data	51,724	49,030	5 %
Fixed-line service revenue	29,871	27,884	7 %
Sales of equipment, accessories and other	25,064	18,280	37 %
Operating Expenses	**132,046**	**121,186**	**9 %**
Adjusted EBITDA	**81,351**	**81,602**	**-0.3 %**
Adjusted EBITDA margin	**38.1 %**	**40.3 %**	**-2pp**

Selected performance indicators

The following table sets out selected performance indicators for the Russia segment as of and for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
	2021	2020	2021-2020 change %
Mobile			
Customers in millions	50.6	49.7	2%
Mobile data customers in millions	34.7	32.4	7%
ARPU in US$	4.7	4.7	—%
ARPU in RUB	349.0	332.0	5%

Total operating revenue

Our total operating revenue in Russia increased by 0.3% (US$ terms) and by 5% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. Local currency growth was primarily attributable to continued growth in fixed-line service revenue, which was supported by the increase in our broadband customer base in Russia, as well as improvement in mobile data revenue and sale of devices as a result of a strong demand for mobile data.

Adjusted EBITDA

Our Russia Adjusted EBITDA decreased by 5% (US$ terms) and by 0.3% (local currency terms) for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020, mainly due to an increase in operating expenses, such higher staff costs following a return to regular operations after various COVID-19 related lockdowns, the additional headcount of the recent acquisitions of OTM and Westcall, the increase in sales of lower-margin devices, and an increase in dealer commissions as our customer user base expanded. This increase in operating expenses was partially offset by the growth in operating revenue as described above.

Selected performance indicators

As of September 30, 2021, we had 50.6 million mobile customers in Russia, representing an increase of 2% as compared to September 30, 2020. This is mainly due to an increase of 7% in mobile data customers over the same period.

Our mobile ARPU in Russia remained at par with last year (US$ terms) and increased by 5% (local currency terms) for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. Local currency growth is mainly associated with the increase in mobile data customers, which resulted in an increase in mobile data revenue as described above.

PAKISTAN

Results of operations in US$

The following table sets out the operating results for the Pakistan segment in U.S. dollars for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of U.S. dollars (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**1,067**	**908**	**18 %**
Mobile service revenue	978	837	17 %
- of which mobile data	402	307	31 %
Sales of equipment, accessories and other	89	71	25 %
Operating expenses	**577**	**440**	**31 %**
Adjusted EBITDA	**490**	**468**	**5 %**
Adjusted EBITDA margin	**45.9 %**	**51.6 %**	**-6pp**

Results of operations in PKR

The following table sets out the operating results for the Pakistan segment in Pakistani rupee for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of PKR (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**169,488**	**147,014**	**15 %**
Mobile service revenue	155,349	135,596	15 %
- of which mobile data	63,901	49,838	28 %
Sales of equipment, accessories and other	14,139	11,418	24 %
Operating expenses	**91,547**	**71,027**	**29 %**
Adjusted EBITDA	**77,941**	**75,987**	**3 %**
Adjusted EBITDA margin	**46.0 %**	**51.7 %**	**-6pp**

Selected performance indicators

The following table sets out selected performance indicators for the Pakistan segment as of and for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
	2021	2020	2021-2020 change %
Mobile			
Customers in millions	71.4	64.2	11%
Mobile data customers in millions	51.2	43.1	19%
ARPU in US$	1.6	1.5	7%
ARPU in PKR	248.0	240.0	3%

Total operating revenue

Our Pakistan total operating revenue increased by 18% (US$ terms) and 15% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily due to an increase in mobile data revenue as a result of an increase in its 4G customer base, and a stronger uptake among its customers of digital services provided by JazzCash.

Adjusted EBITDA

Our Pakistan Adjusted EBITDA increased by 5% (US$ terms) and 3% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily due to strong growth in subscribers, customer engagement and operating revenue as described above, which was partially offset by an increase in structural operating expenses.

Selected performance indicators

As of September 30, 2021, we had 71.4 million customers in Pakistan, representing an increase of 11% as compared to September 30, 2020. This was primarily due to growth in mobile data customers as the result of the strength and increased coverage of our 4G network.

Our mobile ARPU in Pakistan increased by 7% (US$ terms) and 3% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. The increase was primarily due to the growth in mobile data customers as described above.

UKRAINE

Results of operations in US$

The following table sets out the operating results for the Ukraine segment in U.S. dollars for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of U.S. dollars (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**772**	**696**	**11 %**
Mobile service revenue	718	648	11 %
- of which mobile data	431	361	19 %
Fixed-line service revenue	50	44	14 %
Sales of equipment, accessories and other	4	4	0 %
Operating expenses	**250**	**224**	**12 %**
Adjusted EBITDA	**523**	**472**	**11 %**
Adjusted EBITDA margin	**67.7 %**	**67.8 %**	**—pp**

Results of operations in UAH

The following table sets out the operating results for the Ukraine segment in Ukrainian hryvnia for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of UAH (except as indicated)	**2021**	**2020**	**2021-2020 change %**
Total operating revenue	**21,211**	**18,461**	**15 %**
Mobile service revenue	19,720	17,189	15 %
- of which mobile data	11,849	9,596	23 %
Fixed-line service revenue	1,379	1,172	18 %
Sales of equipment, accessories and other	112	101	11 %
Operating expenses	**6,857**	**5,935**	**16 %**
Adjusted EBITDA	**14,357**	**12,527**	**15 %**
Adjusted EBITDA margin	**67.7 %**	**67.9 %**	**—pp**

Selected performance indicators

The following table sets out selected performance indicators for the Ukraine segment as of and for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
	2021	**2020**	**2021-2020 change %**
Mobile			
Customers in millions	26.3	25.8	2%
Mobile data customers in millions	18.4	16.8	10%
ARPU in US$	3.0	2.8	7%
ARPU in UAH	84.0	73.0	15%

Total operating revenue

Our Ukraine total operating revenue increased by 11% (US$ terms) and 15% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily driven by strong growth in mobile data consumption due to strong growth in our 4G user base, which resulted in increased mobile data revenue. There was also an increase in data roaming revenue following a further easing of travel restrictions that were put in place as a result of the COVID-19 pandemic. Fixed line revenue also increased as customers continued to consume fixed line data at home as we focused on rolling out fiber-to-the-building services.

Adjusted EBITDA

Our Ukraine Adjusted EBITDA increased by 11% (US$ terms) and by 15% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily due to higher revenue as described above and our new cost savings initiative that focused on the deployment of self-organizing network technologies, which was partially offset by the increased structural operating expenses.

Selected performance indicators

As of September 30, 2021, we had 26.3 million mobile customers in Ukraine, representing an increase of 2% as compared to September 30, 2020. This was primarily due to growth in our mobile data customers.

Our mobile ARPU in Ukraine increased by 7% (US$ terms) and by 15% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020, primarily due to an increase in mobile data consumption as described above.

KAZAKHSTAN

Results of operations in US$

The following table sets out the operating results for the Kazakhstan segment in U.S. dollars for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of U.S. dollars (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**415**	**350**	**19 %**
Mobile service revenue	336	289	16 %
- of which mobile data	192	146	32 %
Fixed-line service revenue	67	57	18 %
Sales of equipment, accessories and other	12	4	200 %
Operating expenses	**197**	**162**	**22 %**
Adjusted EBITDA	**224**	**188**	**19 %**
Adjusted EBITDA margin	**54.0 %**	**53.7 %**	**—pp**

Results of operations in KZT

The following table sets out the operating results for the Kazakhstan segment in Kazakh tenge for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of KZT (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**176,487**	**143,264**	**23 %**
Mobile service revenue	142,670	118,192	21 %
- of which mobile data	81,582	59,583	37 %
Fixed-line service revenue	28,470	23,255	22 %
Sales of equipment, accessories and other	5,347	1,817	194 %
Operating expenses	**83,878**	**66,380**	**26 %**
Adjusted EBITDA	**95,283**	**76,885**	**24 %**
Adjusted EBITDA margin	**54.0 %**	**53.7 %**	**—pp**

Selected performance indicators

The following table sets out selected performance indicators for the Kazakhstan segment as of and for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
	2021	2020	2021-2020 change %
Mobile			
Customers in millions	9.8	9.7	1%
Mobile data customers in millions	7.7	7.1	8%
ARPU in US$	3.9	3.2	22%
ARPU in KZT	1,636.0	1,318.0	24%

Total operating revenue

Our Kazakhstan total operating revenue increased by 19% (US$ terms) and 23% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily due to the increase in mobile service revenue that benefited from an increased 4G user base as a result of an expansion in our 4G network, and fixed line services revenue. Fixed line services revenue grew mainly as a result of the growth in our broadband customer base, which was partially attributed to the popularity of our convergent product offers, which included fixed line services products.

Adjusted EBITDA

Our Kazakhstan Adjusted EBITDA increased by 19% (US$ terms) and by 24% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily due to higher operating revenue as described above and the continued implementation of cost control measures, which was partially offset by the adjustment that was made to discount the US$ 6.0 million gain that was recorded related to a government grant for radio frequency taxes.

Selected performance indicators

As of September 30, 2021, we had 9.8 million mobile customers in Kazakhstan, representing an increase of 1% as compared to September 30, 2020. The increase is primarily associated with growth in 4G mobile data customers as a result of the expansion of our 4G network.

Our mobile ARPU in Kazakhstan increased by 22% (US$ terms) and by 24% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020, due to rise in mobile data use from the growth in our 4G mobile data customers, which contributed to higher mobile services and data revenue as described above.

UZBEKISTAN

Results of operations in US$

The following table sets out the operating results for the Uzbekistan segment in U.S. dollars for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
In millions of U.S. dollars (except as indicated)	2021	2020	2021-2020 change %
Total operating revenue	**143**	**150**	**-5 %**
Mobile service revenue	142	149	-5 %
- of which mobile data	90	83	8 %
Fixed-line service revenue	1	1	— %
Sales of equipment, accessories and other	—	—	0 %
Operating expenses	**76**	**99**	**-23 %**
Adjusted EBITDA	**67**	**51**	**31 %**
Adjusted EBITDA margin	**46.6 %**	**34.0 %**	**13pp**

Results of operations in UZS

The following table sets out the operating results for the Uzbekistan segment in Uzbek som for the nine months ended September 30, 2021 and 2020.

In billions of UZS (except as indicated)	Nine months ended September 30,		
	2021	**2020**	**2021-2020 change %**
Total operating revenue	**1,512**	**1,493**	**1 %**
Mobile service revenue	1,502	1,479	2 %
- of which mobile data	954	818	17 %
Fixed-line service revenue	7	9	-22 %
Sales of equipment, accessories and other	3	5	-40 %
Operating expenses	**808**	**991**	**-18 %**
Adjusted EBITDA	**704**	**503**	**40 %**
Adjusted EBITDA margin	**46.6 %**	**33.7 %**	**13pp**

Selected performance indicators

The following table sets out selected performance indicators for the Uzbekistan segment as of and for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
	2021	**2020**	**2021-2020 change %**
Mobile			
Customers in millions	6.8	6.8	0%
Mobile data customers in million	5.3	4.7	13%
ARPU in US$	2.3	2.2	5%
ARPU in UZS	24,316.0	21,819.0	11%

Total operating revenue

Our Uzbekistan total operating revenue decreased by 5% (US$ terms) and increased by 1% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily due to underlying growth in mobile service revenue and data revenue.

Adjusted EBITDA

Our Uzbekistan Adjusted EBITDA increased by 31% (US$ terms) and 40% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily driven by the one-off tax provision that we recorded in the third quarter in 2020.

Selected performance indicators

As of September 30, 2021, we had 6.8 million mobile customers in our Uzbekistan segment which was similar compared to September 30, 2020.

Our mobile ARPU in Uzbekistan increased by 5% (US$ terms) and by 11% (local currency terms) for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020 primarily due to growth in our mobile data customer base and focus on high value customers.

BANGLADESH

Results of operations in US$

The following table sets out the operating results for the Bangladesh segment in U.S. dollars for the nine months ended September 30, 2021 and 2020.

In millions of U.S. dollars (except as indicated)	Nine months ended September 30,		
	2021	**2020**	**2021-2020 change %**
Total operating revenue	**420**	**403**	**4 %**
Mobile service revenue	412	396	4 %
- of which mobile data	119	99	20 %
Sales of equipment, accessories and other	8	7	14 %
Operating expenses	**247**	**231**	**7 %**
Adjusted EBITDA	**174**	**173**	**1 %**
Adjusted EBITDA margin	**41.4 %**	**42.8 %**	**-1pp**

Results of operations in BDT

The following table sets out the operating results for the Bangladesh segment in Bangladeshi taka for the nine months ended September 30, 2021 and 2020.

In millions of BDT (except as indicated)	Nine months ended September 30,		
	2021	**2020**	**2021-2020 change %**
Total operating revenue	**35,643**	**34,241**	**4 %**
Mobile service revenue	34,976	33,591	4 %
- of which mobile data	10,098	8,419	20 %
Sales of equipment, accessories and other	667	651	2 %
Operating expenses	**20,923**	**19,576**	**7 %**
Adjusted EBITDA	**14,720**	**14,665**	**0 %**
Adjusted EBITDA margin	**41.3 %**	**42.8 %**	**-2pp**

Selected performance indicators

The following table sets out selected performance indicators for the Bangladesh segment as of and for the nine months ended September 30, 2021 and 2020.

	Nine months ended September 30,		
	2021	**2020**	**2021-2020 change %**
Mobile			
Customers in millions	34.8	32.8	6%
Mobile data customers in millions	22.2	20.5	8%
ARPU in US$	1.3	1.3	—%
ARPU in BDT	114.0	112.0	2%

Total operating revenue

Our Bangladesh total operating revenue increased by 4% both in US$ and local currency terms for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 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.

Adjusted EBITDA

Our Bangladesh Adjusted EBITDA showed a slight increase of 1% in US$ and remained largely flat in local currency terms for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily associated with increased operating revenue as described above, which was partially offset by higher technology costs and additional 2.5% VAT imposed by tax authorities on spectrum charges.

Selected performance indicators

As of September 30, 2021, we had 34.8 million customers in our Bangladesh segment representing an increase of 6% for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. This was primarily due to the continued focus on growing our 4G user base.

Our mobile ARPU in Bangladesh both in USD and local currency terms remained the same for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020, with a slight growth in local currency terms primarily as a result of an increase in operating revenue as described above.

VEON

LIQUIDITY AND CAPITAL RESOURCES

WORKING CAPITAL

Working capital is defined as current assets less current liabilities.

As of September 30, 2021, we had negative working capital of US$1,608 million, compared to negative working capital of US$1,560 million as of December 31, 2020. The change of net working capital compared to December 31, 2020 was primarily due to a reduction in our current asset base as of September 30, 2021, particularly a decrease in cash and cash equivalents.

Our working capital is monitored on a regular basis by our management. Our management expects to repay our debt as it becomes due from our operating cash flows or 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 short-term and foreseeable long-term cash requirements.

INTERIM CONSOLIDATED CASH FLOW SUMMARY

The following table sets out our net cash flow for the nine month period ended September 30, 2021 and 2020

	Nine-month period ended September 30,	
(In millions of U.S. dollars)	**2021**	**2020**
Net cash flows from operating activities	**1,793**	**1,709**
Net cash flow from operating activities from discontinued operations	**209**	**166**
Net cash flows from / (used in) investing activities	**(1,400)**	**(1,293)**
Net cash flow from / (used in) investing activities from discontinued operations	**(89)**	**(78)**
Net cash flows from / (used in) financing activities	**(535)**	**(629)**
Net cash flow from / (used in) financing activities from discontinued operations	(62)	(65)
Net increase / (decrease) in cash and cash equivalents	(84)	(190)
Net foreign exchange difference	(17)	(59)
Cash and cash equivalents classified as discontinued operations/held for sale	(92)	—
Cash and cash equivalents at beginning of period	1,661	1,238
Cash and cash equivalents at end of period, net of overdraft	**1,468**	**989**

For more details, see our interim condensed consolidated statement of cash flows in our unaudited interim condensed consolidated financial statements attached hereto.

OPERATING ACTIVITIES

For the nine months ended September 30, 2021, net cash flows from operating activities increased to US$1,793 million from US$1,709 million during the nine months ended September 30, 2020. The movement in net cash flows from operating activities mainly relates to increased profit before tax and reduced interest costs.

INVESTING ACTIVITIES

During the nine months ended September 30, 2021, net outflow for investing activities was US$1,400 million compared to net cash outflow of US$1,293 million for the nine months ended September 30, 2020. The increase is mainly associated with an increase in cash outflow due to an increase in investments in high speed data networks, an acceleration in our network development program, and movement in financial assets.

Acquisitions and Disposals

For information regarding our acquisitions and disposals, see Note 5 and Note 6 to our unaudited interim condensed consolidated financial statements attached hereto.

FINANCING ACTIVITIES

For the nine months ended September 30, 2021, net cash outflow for financing activities was US$535 million compared to net cash outflow of US$629 million for the nine months ended September 30, 2020. This net cash outflow for the nine months ended September 30, 2021 was mainly driven by the acquisition of the non-controlling interest in PMCL and a net reduction of lease expenses. The higher cash outflow from financing activities for the nine months ended September 30, 2020 was mainly driven by the payment of dividends and the higher net repayment of debt.

For the nine months ended September 30, 2021, we raised US$835 million in the form of bank loans and bonds, net of fees and repaid US$852 million of borrowings as compared to US$3,212 million and US$3,538 million, respectively for the nine months ended September 30, 2020. In addition, lease expenses for the nine months ended September 30, 2021 were reduced by US$233 million (2020: US$ 215 million).

For information regarding changes to our debt portfolio during the nine months ended September 30, 2021, see Note 7 to our unaudited interim condensed consolidated financial statements attached hereto.

BORROWINGS

As of September 30, 2021, the principal amounts of our external indebtedness represented by bank loans and bonds amounted to US$7,721 million, compared to US$7,678 million as of December 31, 2020. As of September 30, 2021, our debt includes overdrawn bank accounts related to a cash-pooling program of US$30 million, as compared to US$8 million as of December 31, 2020.

As of September 30, 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	7.5043%	USD	417	417	01.03.2022
VEON Holdings B.V.	Notes	5.9500%	USD	529	529	13.02.2023
VEON Holdings B.V.	Notes	7.2500%	USD	700	700	26.04.2023
VEON Holdings B.V.	Loan from Sberbank	CBR Key Rate + 2.2%	RUB	15,000	206	03.06.2023
VEON Holdings B.V.	Loan from Sberbank	7.3500%	RUB	30,000	412	03.06.2024
VEON Holdings B.V.	Notes	4.9500%	USD	533	533	17.06.2024
VEON Holdings B.V.	Loan from Alfa Bank	7.5000%	RUB	30,000	412	11.03.2025
VEON Holdings B.V.	Notes	4.0000%	USD	1,000	1,000	09.04.2025
VEON Holdings B.V.	Notes	6.3000%	RUB	20,000	275	18.06.2025
VEON Holdings B.V.	Loan from VTB	CBR Key Rate + 1.85%	RUB	30,000	412	09.07.2025
VEON Holdings B.V.	Notes	6.5000%	RUB	10,000	137	11.09.2025
VEON Holdings B.V.	Loan from Alfa Bank	CBR Key Rate + 2.1%	RUB	15,000	207	26.03.2026
VEON Holdings B.V.	Notes	8.1250%	RUB	20,000	275	16.09.2026
VEON Holdings B.V.	Notes	3.3750%	USD	1,250	1,250	25.11.2027
TOTAL VEON Holdings B.V.					**6,765**	
PMCL	Loan from Habib Bank Limited	6M KIBOR + 0.35%	PKR	3,333	20	15.06.2022
PMCL	Syndicated Loan Facility	6M KIBOR + 0.35%	PKR	8,558	50	15.06.2022
PMCL	Syndicated Loan Facility	6M KIBOR	PKR	2,424	14	15.12.2023
PMCL	Syndicated Loan Facility	6M KIBOR	PKR	1,508	9	15.12.2023
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	33,848	198	02.09.2026
PMCL	Loan from Habib Bank Limited	6M KIBOR + 0.55%	PKR	14,369	84	02.09.2026
PMCL	Loan from United Bank Limited	3M KIBOR + 0.55%	PKR	5,000	29	18.05.2028
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	15,000	88	18.05.2028
PMCL	Syndicated Loan Facility	6M KIBOR + 0.55%	PKR	10,000	59	05.07.2031
PMCL	Other				6	
TOTAL Pakistan Mobile Communications Limited					**557**	
PJSC Kyivstar	Loan from Alfa Bank	NBU Key Rate + 3%	UAH	1,677	63	14.12.2023
PJSC Kyivstar	Loan from OTP Bank	10.1500%	UAH	1,250	47	22.12.2023
PJSC Kyivstar	Loan from JSC Credit Agricole Bank	NBU Key Rate + 3.5%	UAH	1,275	48	29.02.2024
PJSC Kyivstar	Loan from JSC CitiBank	Treasury Bill Rate + 3%	UAH	1,350	51	15.03.2024
PJSC Kyivstar	Loan from Raiffeisen Bank	11.0000%	UAH	1,400	53	26.11.2025
Total PJSC Kyivstar					**262**	
Banglalink	Syndicated Loan Facility	Average bank deposit rate + 4.25%	BDT	4,546	53	24.09.2022
Other					21	
TOTAL Banglalink Digital Communications Ltd.					**74**	
Other entities	Cash pool overdrawn accounts* and Other				63	
Total VEON					**7,721**	

** As of September 30, 2021, some bank accounts forming part of a cash pooling program and being an integral part of VEON's cash management remained overdrawn by US$30 million. Even though the total balance of the cash pool remained positive, VEON has no legally enforceable right to set-off and therefore the overdrawn accounts are presented as financial liabilities and form part of our debt. For additional information on our outstanding indebtedness, please refer to Note 7 of our unaudited interim condensed consolidated financial statements attached hereto.*

FUTURE LIQUIDITY AND CAPITAL REQUIREMENTS

For the nine months ended September 30, 2021, our capital expenditures excluding licenses and right-of-use assets (**"CAPEX exc. licenses and ROU"**) were US$1,260 million compared to US$1,150 million in the nine months ended September 30, 2020. The increase was primarily due to investments in high speed network and acceleration in the network deployment program.

We expect that CAPEX exc. licenses and ROU in 2021 will mainly consist of investing in high-speed data networks to capture mobile data growth, including the continued roll-out of 4G/LTE networks in Russia, Bangladesh, Pakistan, Kazakhstan and Ukraine. We expect these expenditures to continue to be significant throughout the remainder of 2021.

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 come from:

- Cash we currently hold;
- Operating cash flows;
- Borrowings under bank financings, including credit lines currently available to us;
- Syndicated loan facilities; and
- Issuances of debt securities on local and international capital markets.

As of September 30, 2021, we had an undrawn amount of US$1,484 million under existing credit facilities of which US$1,250 million was available under the VEON Holdings revolving credit facility.

Management expects that positive cash flows from our current operations will continue to provide us with internal sources of funds. The availability of external financing depends on many factors, including the success of our operations, contractual restrictions, availability of guarantees from export credit agencies, the financial position of international and local banks, the willingness of international banks to lend to our companies and the liquidity of international and local capital markets.

The table below sets out the reconciliation of CAPEX exc. licenses and ROU (refer to Note 2 of the Audited Consolidated Financial Statements) to cash flows used in the Purchase of property, plant and equipment and intangible assets for the nine month period ended September 30, 2021 and 2020:

	Nine-month period ended September 30,	
(In millions of U.S. dollars)	**2021**	**2020***
Capital expenditures **	1,260	1,150
Adjusted for		
Additions of licenses	474	50
Difference in timing between accrual and payment for capital expenditures	(407)	9
Purchase of property, plant and equipment and intangible assets	**1,327**	**1,209**

**Prior year comparatives are adjusted following the classification of Algeria as a discontinued operation (see Note 4 - Significant transactions of our unaudited interim condensed consolidated financial statements)*

***Excluding licenses and right-of-use assets, refer to Note 2 — Segment information of our unaudited interim condensed 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 September 30, 2021, the largest currency exposure risks for our group were in relation to the Russian ruble, Pakistani rupee, Ukrainian hryvnia, Kazakh tenge, Algerian dinar, Bangladeshi taka, and Uzbek som, because the majority of our cash flows from operating activities in Russia, Pakistan, Ukraine, Kazakhstan, Bangladesh and Uzbekistan are denominated in each of these functional currencies, respectively, while our debt, if not incurred in or hedged to the aforementioned currencies, is primarily denominated in U.S. dollars.

As of September 30, 2021, we held approximately 61% of our readily available cash and bank deposits in U.S. dollars in order to hedge against the risk of functional currency devaluation. We also hold part of our debt in Russian rubles, Pakistani rupee and other currencies to manage this risk. Nonetheless, if the U.S. dollar value of the Russian ruble, Pakistani rupee, Ukrainian hryvnia, Kazakh tenge, Algerian dinar, Bangladeshi taka, or Uzbek som were to dramatically decline, it could negatively impact our ability to repay or refinance our U.S. dollar denominated indebtedness. 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, see the section of our 2020 Annual Report entitled “Item 3—Key Information—D. Risk Factors— Market Risks—We are exposed to foreign currency exchange loss and currency fluctuation and translation risks.”

In accordance with our policies, we do not enter into any treasury transactions of a speculative nature.

As of September 30, 2021, the interest rate risk on the financing of our group was limited as 79% of our group’s total debt was fixed rate debt.

Unaudited interim condensed consolidated financial statements

VEON Ltd.

As of and for the nine and three-month periods ended September 30, 2021

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

for the nine and three-month periods ended September 30:

		Nine-month period		Three-month period	
(In millions of U.S. dollars, except per share amounts)	**Note**	**2021**	**2020***	**2021**	**2020***
Service revenues		5,283	5,113	1,825	1,683
Sale of equipment and accessories		357	266	147	108
Other revenue		96	83	33	28
Total operating revenues	2	**5,736**	**5,462**	**2,005**	**1,819**
Other operating income		2	3	1	1
Service costs		(1,036)	(999)	(347)	(340)
Cost of equipment and accessories		(346)	(261)	(139)	(100)
Selling, general and administrative expenses		(1,851)	(1,802)	(631)	(561)
Depreciation		(1,143)	(1,086)	(391)	(352)
Amortization		(222)	(235)	(81)	(75)
Impairment (loss) / reversal		(5)	(791)	—	(790)
Gain / (loss) on disposal of non-current assets		(8)	(16)	(4)	(5)
Operating profit		**1,127**	**275**	**413**	**(403)**
Finance costs		(507)	(560)	(186)	(174)
Finance income		10	20	5	5
Other non-operating gain / (loss)		24	101	17	—
Net foreign exchange gain / (loss)		1	(11)	(11)	7
Profit / (loss) before tax		**655**	**(175)**	**238**	**(565)**
Income tax expense	3	(283)	(234)	(111)	(103)
Profit / (loss) from continuing operations		**372**	**(409)**	**127**	**(668)**
Profit / (loss) after tax from discontinued operations	4	88	59	68	24
Profit / (loss) for the period		**460**	**(350)**	**195**	**(644)**
Attributable to:					
The owners of the parent (continuing operations)		335	(383)	114	(631)
The owners of the parent (discontinued operations)		40	27	31	11
Non-controlling interest		85	6	50	(24)
		460	**(350)**	**195**	**(644)**
Basic and diluted gain / (loss) per share attributable to ordinary equity holders of the parent					
from continuing operations		**$0.19**	**($0.22)**	**$0.07**	**($0.36)**
from discontinued operations		**$0.02**	**$0.02**	**$0.02**	**$0.01**
		$0.21	**($0.20)**	**$0.09**	**($0.35)**

- *Prior year comparatives are adjusted following the classification of Algeria as a discontinued operation (see Note 4)*

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the nine and three-month periods ended September 30:

		Nine-month period		Three-month period	
(In millions of U.S. dollars)	**Note**	**2021**	**2020**	**2021**	**2020**
Profit / (loss) for the period		**460**	**(350)**	**195**	**(644)**
Items that may be reclassified to profit or loss					
Foreign currency translation	4	(96)	(705)	(104)	(219)
Other		—	7	—	6
Items reclassified to profit or loss					
Other		2	(13)	—	(8)
Other comprehensive income / (loss) , net of tax		**(94)**	**(711)**	**(104)**	**(221)**
Total comprehensive income / (loss) , net of tax		**366**	**(1,061)**	**91**	**(865)**
Attributable to:					
The owners of the parent		313	(987)	51	(836)
Non-controlling interests		53	(74)	40	(29)
		366	**(1,061)**	**91**	**(865)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of:

(In millions of U.S. dollars)	Note	September 30, 2021	December 31, 2020
Assets			
Non-current assets			
Property and equipment	5	6,446	6,879
Intangible assets	6	3,149	4,152
Investments and derivatives	7	57	305
Deferred tax assets		185	186
Other assets		200	179
Total non-current assets		**10,037**	**11,701**
Current assets			
Inventories		112	111
Trade and other receivables		671	572
Investments and derivatives*	7	32	90
Current income tax assets		36	73
Other assets		315	335
Cash and cash equivalents*	8	1,498	1,669
Total current assets		**2,664**	**2,850**
Assets classified as held for sale	4	2,321	—
Total assets		**15,022**	**14,551**
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent		379	163
Non-controlling interests		898	850
Total equity		**1,277**	**1,013**
Non-current liabilities			
Debt and derivatives	7	8,616	8,832
Provisions		91	141
Deferred tax liabilities		174	127
Other liabilities		31	28
Total non-current liabilities		**8,912**	**9,128**
Current liabilities			
Trade and other payables*		1,850	1,946
Debt and derivatives*	7	1,320	1,255
Provisions		105	151
Current income tax payables		212	175
Dividend payable		2	—
Other liabilities		783	883
Total current liabilities		**4,272**	**4,410**
Liabilities associated with assets held for sale	4	561	—
Total equity and liabilities		**15,022**	**14,551**

** Certain comparative amounts have been reclassified to conform to the current period presentation, refer to Note 14 for further details.*

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine-month period ended September 30, 2021:

(In millions of U.S. dollars)	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 December 31, 2020		**1,749,127,404**	**2**	**12,753**	**(1,898)**	**(1,919)**	**(8,775)**	**163**	**850**	**1,013**
Profit / (loss) for the period		—	—	—	—	375	—	375	85	460
Other comprehensive income / (loss)		—	—	—	—	(4)	(58)	(62)	(32)	(94)
Total comprehensive income / (loss)		—	—	—	—	371	(58)	313	53	366
Dividends declared	10	—	—	—	—	—	—	—	(77)	(77)
Acquisition of non-controlling interest		—	—	—	(76)	—	—	(76)	69	(7)
Acquisition of subsidiary	4	—	—	—	(16)	—	—	(16)	6	(10)
Other		—	—	—	(8)	2	1	(5)	(3)	(8)
As of September 30, 2021		**1,749,127,404**	**2**	**12,753**	**(1,998)**	**(1,546)**	**(8,832)**	**379**	**898**	**1,277**

for the nine-month period ended September 30, 2020:

(In millions of U.S. dollars)	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 December 31, 2019		**1,749,127,404**	**2**	**12,753**	**(1,887)**	**(1,330)**	**(8,312)**	**1,226**	**994**	**2,220**
Profit / (loss) for the period		—	—	—	—	(356)	—	(356)	6	(350)
Other comprehensive income / (loss)		—	—	—	(6)	(4)	(621)	(631)	(80)	(711)
Total comprehensive income / (loss)		—	—	—	(6)	(360)	(621)	(987)	(74)	(1,061)
Dividends declared	10	—	—	—	—	(262)	—	(262)	(64)	(326)
Other		—	—	—	(2)	26	(26)	(2)	1	(1)
As of September 30, 2020		**1,749,127,404**	**2**	**12,753**	**(1,895)**	**(1,926)**	**(8,959)**	**(25)**	**857**	**832**

for the three-month period September 30, 2021:

(In millions of U.S. dollars)	Note	Attributable to equity owners of the parent: Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit	Foreign currency translation	Total	Non-controlling interests	Total equity
July 1, 2021		**1,749,127,404**	**2**	**12,753**	**(1,921)**	**(1,690)**	**(8,743)**	**401**	**825**	**1,226**
Profit / (loss) for the period		—	—	—	—	145	—	145	50	195
Other comprehensive income / (loss)		—	—	—	—	(4)	(90)	(94)	(10)	(104)
Total comprehensive income / (loss)		—	—	—	—	141	(90)	51	40	91
Dividends declared	10	—	—	—	—	—	—	—	(33)	(33)
Acquisition of non-controlling interest		—	—	—	(76)	—	—	(76)	69	(7)
Other		—	—	—	(1)	3	1	3	(3)	—
September 30, 2021		**1,749,127,404**	**2**	**12,753**	**(1,998)**	**(1,546)**	**(8,832)**	**379**	**898**	**1,277**

for the three-month period September 30, 2020:

(In millions of U.S. dollars)	Note	Attributable to equity owners of the parent: Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit	Foreign currency translation	Total	Non-controlling interests	Total equity
July 1, 2020		**1,749,127,404**	**2**	**12,753**	**(1,894)**	**(1,303)**	**(8,747)**	**811**	**891**	**1,702**
Profit / (loss) for the period		—	—	—	—	(620)	—	(620)	(24)	(644)
Other comprehensive income / (loss)		—	—	—	(1)	(3)	(212)	(216)	(5)	(221)
Total comprehensive income / (loss)		—	—	—	(1)	(623)	(212)	(836)	(29)	(865)
Dividends declared	10	—	—	—	—	—	—	—	(5)	(5)
Other		—	—	—	—	—	—	—	—	—
September 30, 2020		**1,749,127,404**	**2**	**12,753**	**(1,895)**	**(1,926)**	**(8,959)**	**(25)**	**857**	**832**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine-month period ended September 30:

		Nine-month period	
(In millions of U.S. dollars)	**Note**	**2021**	**2020***
Operating activities			
Profit / (loss) before tax		655	(175)
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation, amortization and impairment loss / (reversal)		1,370	2,112
(Gain) / loss on disposal of non-current assets		8	16
Finance costs		507	560
Finance income		(10)	(20)
Other non-operating (gain) / loss		(24)	(101)
Net foreign exchange (gain) / loss		(1)	11
Changes in trade and other receivables and prepayments		(170)	(67)
Changes in inventories		(8)	45
Changes in trade and other payables		99	30
Changes in provisions, pensions and other		(16)	(15)
Interest paid		(435)	(472)
Interest received		10	19
Income tax paid		(192)	(234)
Net cash flows from operating activities from continuing operations		**1,793**	**1,709**
Net cash flow from operating activities from discontinued operations		**209**	**166**
Investing activities			
Purchase of property, plant and equipment and intangible assets		(1,327)	(1,209)
Receipts from / (payment on) deposits		(33)	(84)
Receipts from / (investment in) financial assets****		(37)	10
Other proceeds from investing activities, net		(3)	(10)
Net cash flows from / (used in) investing activities from continuing operations		**(1,400)**	**(1,293)**
Net cash flow from / (used in) investing activities from discontinued operations		**(89)**	**(78)**
Financing activities			
Proceeds from borrowings, net of fees paid**	7	835	3,212
Repayment of debt		(1,085)	(3,538)
Acquisition of non-controlling interest		(279)	(1)
Dividends paid to owners of the parent		—	(259)
Dividends paid to non-controlling interests		(6)	(43)
Net cash flows from / (used in) financing activities from continuing operations		**(535)**	**(629)**
Net cash flow from / (used in) financing activities from discontinued operations		**(62)**	**(65)**
Net (decrease) / increase in cash and cash equivalents		(84)	(190)
Net foreign exchange difference		(17)	(59)
Cash and cash equivalents classified as discontinued operations/held for sale at the end of period	4	(92)	—
Cash and cash equivalents at beginning of period****		1,661	1,238
Cash and cash equivalents at end of period, net of overdrafts* **	8	**1,468**	**989**

* *Prior year comparatives are adjusted following the classification of Algeria as a discontinued operation (see Note 4)*

** *Fees paid for borrowings were US$22 (2020: US$21).*

*** *Overdrawn amount was US$30 (2020: US$165)*

**** *Certain comparative amounts have been reclassified to conform to the current period presentation, refer to Note 14 for further details.*

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

GENERAL INFORMATION ABOUT THE GROUP

1 GENERAL INFORMATION

VEON Ltd. (**"VEON"**, the **"Company"** and together with its consolidated subsidiaries, the **"Group"** or **"we"**) was incorporated in Bermuda on June 5, 2009. The registered office of VEON is Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda. VEON's headquarters and the principal place of business is located at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands.

VEON generates revenue from the provision of voice, data and other telecommunication services through a range of mobile and fixed-line technologies, as well as selling equipment and accessories.

The interim condensed consolidated financial statements are presented in United States dollars (**"U.S. dollar"** or **"US$"**). In these notes, U.S. dollar amounts are presented in millions, except for share and per share (or American Depository Shares (**"ADS"**)) amounts and as otherwise indicated.

VEON's ADSs are listed on the NASDAQ Global Select Market (**"NASDAQ"**) and VEON's common shares are listed on Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**").

Major developments during the nine-month period ended September 30, 2021

Financing activities

In March 2021, VEON successfully entered into a new multi-currency revolving credit facility agreement (the "**RCF**") of US$1,250. The RCF replaces the revolving credit facility signed in February 2017, which is now cancelled. Refer to Note 7 for further details.

In March 2021, VEON successfully amended and restated its existing RUB 30 billion (US$396), bilateral term loan agreement with Alfa Bank by adding a new floating rate tranche of RUB 15 billion (US$198). Refer to Note 7 for further details.

In March 2021, PMCL successfully entered into a new PKR 15 billion (US$98) syndicated facility with Muslim Commercial 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.

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, Pakistan Mobile Communication Limited (PMCL) secured a PKR 50 billion (US$320) syndicated credit facility from a banking consortium led by Habib Bank Limited. This 10-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) under the Global Medium Term Note Programme established in April 2020 (the "GMTN Programme"), maturing in September 2026 and proceeds were used to early repay RUB 20 billion (US$273) of loans from Sberbank, originally maturing in June 2023.

Other developments

In March 2021, VEON successfully concluded the acquisition of the 15% minority stake in PMCL from the Dhabi Group for US$273. Refer to Note 7 for further details.

In March 2021, VEON's operating company in Bangladesh acquired spectrum following successful bids at an auction held by the BTRC. Refer to Note 4 for further details.

In September 2021, VEON's operating company in Pakistan recognized the ex-Warid license. Refer to Note 4 for further details.

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 next year.

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. The results for

Algeria in the consolidated income statements and the consolidated statements of cash flows for 2020 have been presented separately. (see Note 4 Significant Transactions).

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 for approximately US$970. The transaction is subject to regulatory approvals and consummation of other customary closing conditions which are expected to be completed by the end of 2021. Under the terms of the deal, Russia 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 and an additional 5,000 towers to be leased in the duration of the lease term.The agreement was signed on October 15, 2021.

As a result of this anticipated transaction, the Company expects to transfer control of NTC and therefore classified the assets and liabilities in NTC as held-for-sale in these consolidated financial statements. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of the NTC assets (see Note 4 Significant Transactions).

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

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. All the segments are grouped and analyzed as three main markets - our cornerstone, our growth engines and our frontier markets - representing the Company's strategy and capital allocation framework.

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 exc. licenses and ROU"**). Management does not analyze assets or liabilities by reportable segments.

Financial information by reportable segment for the nine and three-month periods ended September 30, is presented in the following tables. Inter-segment transactions between segments are not material, and are made on terms which are comparable to transactions with third parties. Subsequent to its discontinued operation classification Algeria is not reported in the tables below.

For the nine-month period ended September 30:

	Service revenue				Sale of equipment and accessories		Other revenue		Total Revenue	
	Mobile		Fixed							
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Our cornerstone										
Russia	2,140	2,220	404	395	333	252	7	7	2,884	2,874
Our growth engines										
Pakistan	978	837	—	—	13	7	76	64	1,067	908
Ukraine	718	648	50	44	—	—	4	4	772	696
Kazakhstan	336	289	67	57	11	3	1	1	415	350
Uzbekistan	142	149	1	1	—	—	—	—	143	150
Our frontier markets										
Bangladesh	412	396	—	—	—	—	8	7	420	403
Other frontier markets	59	82	—	20	—	4	—	—	59	106
Other										
HQ and eliminations	(10)	(25)	(14)	—	—	—	—	—	(24)	(25)
Total segments	**4,775**	**4,596**	**508**	**517**	**357**	**266**	**96**	**83**	**5,736**	**5,462**

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

	Adjusted EBITDA		CAPEX exc. licenses and ROU	
	2021	2020	2021	2020
Our cornerstone				
Russia	1,100	1,161	728	632
Our growth engines				
Pakistan	490	468	239	173
Ukraine	523	472	136	135
Kazakhstan	224	188	68	69
Uzbekistan	67	51	20	38
Our frontier markets				
Bangladesh	174	173	54	77
Other frontier markets	33	32	12	24
Other				
HQ and eliminations	(106)	(142)	3	2
Total segments	**2,505**	**2,403**	**1,260**	**1,150**

For the three-month period ended September 30:

	Service revenue				Sale of equipment and accessories		Other revenue		Total Revenue	
	Mobile		Fixed							
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Our cornerstone										
Russia	745	713	138	130	140	101	2	2	1,025	946
Our growth engines										
Pakistan	320	278	—	—	3	4	26	21	349	303
Ukraine	252	220	17	14	—	—	2	1	271	235
Kazakhstan	122	100	23	20	5	1	—	1	150	122
Uzbekistan	51	48	1	—	—	—	—	—	52	48
Our frontier markets										
Bangladesh	142	133	—	—	—	—	3	3	145	136
Other frontier markets	22	28	—	6	—	2	—	—	22	36
Other										
HQ and eliminations	(3)	(6)	(5)	(1)	(1)	—	—	—	(9)	(7)
Total segments	**1,651**	**1,514**	**174**	**169**	**147**	**108**	**33**	**28**	**2,005**	**1,819**

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

	Adjusted EBITDA		CAPEX exc. licenses and ROU	
	2021	2020	2021	2020
Our cornerstone				
Russia	385	377	230	217
Our growth engines				
Pakistan	173	188	58	20
Ukraine	183	160	45	39
Kazakhstan	86	64	24	17
Uzbekistan	27	6	7	12
Our frontier markets				
Bangladesh	62	60	12	18
Other frontier markets	9	8	6	5
Other				
HQ and eliminations	(36)	(44)	1	—
Total segments	**889**	**819**	**383**	**328**

The following table provides the reconciliation of Profit / (loss) before tax to Total Adjusted EBITDA for the nine and three-month periods ended September 30:

	Nine-month period		Three-month period	
	2021	2020	2021	2020
Profit / (loss) before tax	**655**	**(175)**	**238**	**(565)**
Adjustments to reconcile Profit / (loss) before tax to Total Adjusted EBITDA				
Depreciation	1,143	1,086	391	352
Amortization	222	235	81	75
Impairment loss / (reversal)	5	791	—	790
(Gain) / loss on disposal of non-current assets	8	16	4	5
Finance costs	507	560	186	174
Finance income	(10)	(20)	(5)	(5)
Other non-operating (gain) / loss	(24)	(101)	(17)	—
Net foreign exchange (gain) / loss	(1)	11	11	(7)
Total Adjusted EBITDA	**2,505**	**2,403**	**889**	**819**

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

3 INCOME TAXES

Income tax expense is the total of the current and deferred 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 the reporting date, and any adjustment to tax payable or receivable in respect of previous years. Deferred income tax is the tax asset or liability resulting from a difference in income recognition between enacted or substantively enacted local tax law and group IFRS accounting.

Income tax expense consisted of the following for the nine and three-month periods ended September 30:

	Nine-month period		Three-month period	
	2021	**2020**	**2021**	**2020**
Current income taxes	261	299	89	162
Deferred income taxes	22	(65)	22	(59)
Income tax expense	**283**	**234**	**111**	**103**
Effective tax rate	43.2 %	(133.7)%	46.6 %	(18.2)%

The difference between the statutory tax rate in the Netherlands (25.0%) and the effective corporate income tax rate for the Group in the nine and three-month periods ending September 30, 2021 (43.2% and 46.6%, respectively) was primarily driven by a number of non-deductible expenses incurred by the Group in various countries, which are recorded in our consolidated income statement, as well as withholding taxes accrued for forecasted dividends from our operating companies.

The difference between the statutory tax rate in the Netherlands (25.0%) and the effective corporate income tax rate for the Group in the nine and three-month periods ending September 30, 2020 ((133.7)% and (18.2)%, respectively) was primarily driven by the recognition of non-deductible impairment losses in respect of our operating activities in Russia and Kyrgyzstan. In addition, the effective tax rate was impacted by a number of non-deductible expenses incurred by the Group in various countries, which are recorded in our consolidated income statement, as well as withholding taxes accrued and paid for dividends (forecasted and received) from our operating companies.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

INVESTING ACTIVITIES OF THE GROUP

4 SIGNIFICANT TRANSACTIONS

During the nine-month period ended September 30, 2021

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 will invest BDT 10 billion (US$115) to purchase the spectrum.

VEON completes the acquisition of majority shareholding in OTM

In June 2021, VEON successfully acquired a majority stake of 67% in OTM (a technology platform for the automation and planning of online advertising purchases in Russia) for US$16.

PMCL Warid License Capitalization

The ex-Warid license renewal was due in May 2019. Pursuant to directions from the Islamabad High Court, the Pakistan Telecommunication Authority (“PTA”) issued a license renewal decision on July 22, 2019 requiring payment of US$40 per MHz for 900 MHz spectrum and US $30 per MHz for 1800 MHz spectrum, equating to an aggregate price of approximately US$450 (excluding applicable taxes of approximately 13%). On August 17, 2019, Jazz appealed the PTA’s order to the Islamabad High Court. On August 21, 2019, the Islamabad High Court suspended the PTA’s order pending the outcome of the appeal and subject to Jazz making payment in the form of security (under protest) as per the options given in the PTA’s order. As a result, PMCL deposited US$326 including the initial 50% payment of license as well as subsequent installments in order to maintain its appeal in the Islamabad High Court regarding the PTA's underlying decision on the license renewal.

On July 19, 2021, Islamabad High Court dismissed Jazz's appeal. Based on the dismissal of appeal by the court, subsequent legal opinion obtained and acceptance of the total license price, the license was recognized amounting US$384, net of service cost liability of US$65. Consequently, the security deposit balance of US$326 was also adjusted. Subsequently, on October 18, 2021 PMCL and PTA signed the license document.

Held for sale and discontinued operations

The following table provides the details over assets and liabilities classified as held-for-sale as of September 30, 2021

	Assets held-for-sale	Liabilities held-for-sale
Algeria	1,816	409
NTC	497	152
Other individual assets	8	—
Total assets and liabilities held for sale	**2,321**	**561**

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 next year.

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. The results for Algeria in the consolidated income statements and the consolidated statements of cash flows for 2020 have been presented separately.

The following table shows the profit/(loss) and other comprehensive income relating to Algeria operations for the nine and three-month periods ended September 30, 2021:

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

	Nine-month period		Three-month period	
Income statement and statement of comprehensive income	**2021**	**2020**	**2021**	**2020**
Operating revenue	493	519	170	173
Operating expenses	(377)	(427)	(91)	(137)
Other expenses	(13)	(12)	(3)	(4)
Profit / (loss) before tax for the period	103	80	76	32
Income tax benefit / (expense)	(15)	(21)	(8)	(8)
Profit / (loss) after tax for the period	88	59	68	24
Other comprehensive income / (loss)*	(53)	(125)	(28)	(1)
Total comprehensive income / (loss)	35	(66)	40	23

*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 September 30, 2021:

	2021
Property and equipment	488
Intangible assets excl. goodwill	108
Goodwill	1,013
Deferred tax assets	35
Other current assets	172
Total assets held for sale	1,816
Non-current liabilities	96
Current liabilities	313
Total liabilities held for sale	409

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 for approximately US$970. The transaction is subject to regulatory approvals and consummation of other customary closing conditions which are expected to be completed by the end of 2021. Under the terms of the deal, Russia 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 and an additional 5,000 towers to be leased in the duration of the lease term. The agreement was signed on October 15, 2021.

As a result of this anticipated transaction and assessment that control of NTC will be transferred, on September 5, 2021, the Company classified NTC as a disposal group held-for-sale, including goodwill allocated to NTC from Russia based on its relative fair values at September 30, 2021. Following the classification as disposal group held-for-sale, the Company no longer accounts for depreciation and amortization expenses of NTC assets.

The following table shows the assets and liabilities classified as held-for-sale relating to NTC as of September 30, 2021:

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

	2021
Property and equipment	264
Goodwill	215
Other current assets	18
Total assets held for sale	497
Non-current liabilities	126
Current liabilities	26
Total liabilities held for sale	152

During the nine-month period ended September 30, 2020

GTH restructuring

During the first half of 2020, VEON continued with the restructuring of Global Telecom Holding S.A.E. ("**GTH**"), 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. For further details on GTH restructuring, refer to the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2019.

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 the first nine months of 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$705 recorded against the foreign currency translation reserve in the Statement of Comprehensive Income.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

5 PROPERTY AND EQUIPMENT

The following table summarizes the movement in the net book value of property and equipment for the nine-month period ended September 30:

	Nine-month period	
	2021	**2020**
Balance as of January 1	**6,879**	**7,340**
Additions*	1,501	1,224
Disposals	(27)	(32)
Depreciation	(1,143)	(1,193)
Held for sale	(746)	—
Impairment	(4)	(41)
Translation adjustment	(5)	(1,178)
Other	(9)	35
Balance as of September 30	**6,446**	**6,155**

*There were no material changes in estimates other than lease term reassessments in Russia which had the effect of increasing right-of-use assets by US$108 (2020-US$13).

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

6 INTANGIBLE ASSETS

The following table summarizes the movement in the net book value of intangible assets, including goodwill for the nine-month period ended September 30:

	Nine-month period	
	2021	2020
Balance as of January 1	**4,152**	**5,688**
Acquisition of subsidiary (Note 4)	18	—
Additions*	593	172
Amortization	(222)	(260)
Held for sale	(1,356)	—
Impairment	—	(731)
Translation adjustment	(32)	(827)
Other	(4)	23
Balance as of September 30	**3,149**	**4,065**

- Additions for the period include capitalization of ex-Warid license in Pakistan amounting to US$384, please refer to Note 4 for further information

Goodwill

Included within total intangible asset movements for the nine month periods ended September 30, 2021, as shown above, are the following movements in goodwill for the group, per cash generating unit **("CGU")**:

CGU *	September 30, 2021	Others and transfers	Held for sale***	Currency translation	January 1, 2021
Russia**	935	2	(215)	17	1,131
Algeria	—	—	(1,034)	(19)	1,053
Pakistan	299	(6)	—	(19)	324
Kazakhstan	138	—	—	(2)	140
Uzbekistan	34	—	—	—	34
Total	**1,406**	**(4)**	**(1,249)**	**(23)**	**2,682**

** There is no goodwill allocated to the CGUs of Ukraine, Bangladesh, Kyrgyzstan or Georgia*

*** In June 2021, VEON acquired a majority stake in OTM, a technology platform for the automation and planning of online advertising purchases in Russia.*

****Refer to Note 4 for further details*

Impairment analysis

Goodwill is tested for impairment annually or when circumstances indicate the carrying value may be impaired. When reviewing for indicators of impairment in interim periods, the Company considers, amongst others, 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 cash-generating unit (**"CGU"**).

VEON performed its annual impairment testing at September 30, 2021. For further details regarding calculations and assumptions used for impairment testing, refer to the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2020.

There was no goodwill impairment recorded for the nine month periods ended September 30, 2021

Impairment losses in 2020

During the nine-month period ended September 30, 2020, 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 during the quarter. 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, allocated against the carrying value of property and equipment (US$38), intangible assets (US$8) and other assets (US$18).

The Company also performed impairment testing for Algeria CGU during the third quarter of 2020. Based on the recoverable amount of the CGU of US$1,433, the headroom remaining for the Algeria CGU is limited although no impairment loss was recorded during the third quarter of 2020.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

FINANCING ACTIVITIES OF THE GROUP

7 INVESTMENTS, DEBT AND DERIVATIVES

The Company holds the following investments and derivative assets:

	September 30, 2021	December 31, 2020
At fair value		
Derivatives not designated as hedges	—	20
Derivatives designated as net investment hedges	—	3
Other	29	8
	29	**31**
At amortized cost		
Security deposits and cash collateral	39	325
Other investments	21	39
	60	**364**
Total investments and derivatives	**89**	**395**
Non-current	57	305
Current	32	90

The Company holds the following debt and derivative liabilities:

	September 30, 2021	December 31, 2020
At fair value		
Derivatives not designated as hedges	—	52
Derivatives designated as net investment hedges	9	1
	9	**53**
At amortized cost		
Principal amount outstanding	7,721	7,678
Interest accrued	105	85
Discounts, unamortized fees, hedge basis adjustment	(9)	(5)
Bank loans and bonds	**7,817**	**7,758**
Lease liabilities	1,833	1,912
Put-option liability over non-controlling interest	16	273
Other financial liabilities*	261	91
	9,927	**10,034**
Total debt and derivatives	**9,936**	**10,087**
Non-current	8,616	8,832
Current	1,320	1,255

** Certain comparative amounts have been reclassified to conform to the current period presentation, refer to Note 14 for further details.*

Significant changes in financial assets and financial liabilities

There were no significant changes in financial assets and liabilities in the nine-month period ended September 30, 2021, except for the scheduled repayments of debt or as described below. Furthermore, there were no changes in risk management policies as disclosed in the Group's annual consolidated financial statements as of and for the year ended December 31, 2020.

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 enters 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 replaces the revolving credit facility signed in February 2017, which is now cancelled. The RCF has an initial tenor of three years, with the Company 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 (or earlier if USD LIBOR is no longer published or ceases to be representative prior to that date). The Company 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-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.

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 10-year facility will be used to finance the company's ongoing 4G network rollouts and technology upgrades, as well as to address upcoming maturities.

Global Medium Term Note programme

In September 2021, VEON Holdings B.V. issued senior unsecured notes of RUB 20 billion (US$273) under its existing Global Medium Term Note programme with a programme limit of US$6.5 billion, or the equivalent thereof in other currencies. This new tranche will mature in September 2026 and proceeds were used to early repay RUB 20 billion (US$273) of loans from Sberbank, originally maturing in June 2023.

Fair values

The carrying amounts of all financial assets and liabilities are equal to or approximate their respective fair values as shown in the table above, with the exception of:

- 'Bank loans and bonds, including interest accrued', for which fair value is equal to US$7,987 at September 30, 2021 (December 31, 2020: US$8,031); and
- 'Lease liabilities', for which fair value has not been determined.

Fair values were estimated based on quoted market prices (for bonds), derived from market prices or by discounting contractual cash flows at the rate applicable for the instruments with similar maturity and risk profile.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

As of September 30, 2021 and December 31, 2020, the Group recognized financial instruments at fair value in the statement of financial position, all of which were measured based on Level 2 inputs. Observable inputs (Level 2) used in valuation techniques include inter-bank interest rates, bond yields, swap curves, basis swap spreads, foreign exchange rates and credit default spreads. During the nine-month period ended September 30, 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

All impairment losses and changes in fair values of investments, debt and derivatives are unrealized and are recorded in "Other non-operating gain / (loss)" in the consolidated income statement.

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following items:

	September 30, 2021	December 31, 2020
Cash at banks and on hand	779	694
Short-term deposits with original maturity of less than three months*	719	975
Cash and cash equivalents	**1,498**	**1,669**
Less overdrafts	(30)	(8)
Cash and cash equivalents, net of overdrafts (as presented in the consolidated statement of cash flows)**	**1,468**	**1,661**

** Certain comparative amounts have been reclassified to conform to the current period presentation, refer to Note 14 for further details.*

*** Cash and cash equivalents include an amount of US$86 relating to banking operations in Pakistan.*

As of September 30, 2021 and December 31, 2020, there were no restricted cash and cash equivalent balances. Cash balances as of September 30, 2021 include investments in money market funds of US$561 (December 31, 2020: US$543).

As of September 30, 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$30 (2020:US$8). Even though the total balance of the cash pool remained positive, the Company has no legally enforceable right-of-offset and therefore the overdrawn accounts are presented as financial liabilities 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.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

9 ISSUED CAPITAL

The following table details the common shares of the Company as of:

	September 30, 2021	December 31, 2020
Authorized common shares (nominal value of US$0.001 per share)	1,849,190,667	1,849,190,667
Issued shares, including 7,603,731 shares held by a subsidiary of the Company	1,756,731,135	1,756,731,135

The holders of common shares are, subject to our by-laws and Bermuda law, generally entitled to enjoy all the rights attaching to common shares.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

10 DIVIDENDS PAID AND PROPOSED

There were no dividends declared by VEON Ltd in the nine-month period ended September 30, 2021.

In March 2020, the Company paid a final dividend of US 15 cents per share for 2019, bringing total 2019 dividends to US 28 cents per share.

The Company makes appropriate tax withholdings of up to 15% when dividends are paid to the Company's share depository, The Bank of New York Mellon. For ordinary shareholders at Euronext Amsterdam, dividends are paid in euro.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

ADDITIONAL INFORMATION

11 RELATED PARTIES

For the nine and three-month periods ended September 30, 2021, there were no material transactions and there were no material balances recognized with related parties as of this date.

12 RISKS, COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES

Other than disclosed below and elsewhere in these interim condensed consolidated financial statements, there were no material changes to risks, commitments, contingencies and uncertainties that occurred during the nine-month period ended September 30, 2021.

13 EVENTS AFTER THE REPORTING PERIOD

As of October 28, 2021, there were no events to be reported.

14 BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine and three-month periods ended September 30, 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (**"IASB"**).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2020.

The preparation of these interim condensed consolidated financial statements has required management to apply accounting policies and methodologies based on complex and subjective judgments, 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 the statement of financial position, income statement, statement of cash flows, statement of changes in equity, as well as the notes. 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.

Certain comparative amounts have been reclassified to conform to the current period presentation. 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.

STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2020.

Non-current assets (or disposal groups) held for sale and discontinued operations

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.

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. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

A number of new and amended standards became effective as of January 1, 2021, which are not expected to have a material impact on VEON financial statements in current or future reporting periods or on foreseeable future transactions. The Group has not early adopted any other standards, interpretations or amendments that have been issued but have not yet become effective.

Amsterdam, October 28, 2021

VEON Ltd.