# Annual Report 2023

**VEON Holdings B.V.**

Claude Debussylaan 88,

1082 MD Amsterdam

The Financial Statements are
approved by the Shareholder
on November 20, 2024

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# Directors' Report

# INFORMATION ON THE COMPANY

## Overview

VEON Holdings B.V. (the "Company" or "VEON Holdings"), was incorporated as a private company ('besloten vennootschap') with limited liability under the laws of the Netherlands by notarial deed executed on 29 June 2009. The Company changed its name from VimpelCom Holdings B.V. to VEON Holdings B.V., effective as of September 29, 2017.

The Company has its statutory seat and its principal place of business in Amsterdam. The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

The Directors' Report as presented is prepared by the management of the Company and in line with the business and strategic decisions of VEON Ltd. together with VEON Holdings B.V. ("VEON" or the "Group" and also referred to as "We", "Our" and "Us"), the ultimate parent company. The strategic and business decisions made by management of VEON Ltd. are pertinent to VEON Holdings B.V. and its subsidiaries. In this directors' report we will therefore often refer to the governance structure being in place at the level of VEON Ltd. as the Company will be impacted directly and indirectly by this governance structure and the related processes and procedures.

VEON is a leading global provider of connectivity and internet services. Present in some of the world's most dynamic markets, VEON currently provides nearly 160 million customers with voice, fixed broadband, data and digital services. VEON currently offers services to customers in the following countries: Pakistan, Ukraine, Kazakhstan, Bangladesh, Uzbekistan, and Kyrgyzstan. VEON's reportable segments currently consist of the following five segments: Pakistan, Ukraine, Kazakhstan, Bangladesh and Uzbekistan. Kyrgyzstan is not a reportable segment; we therefore present our result of operations in Kyrgyzstan separately under "Other" within our segment information disclosures. We provide key services, among others, under the "Kyivstar," "Banglalink," and "Jazz" brands. As of December 31, 2023, we had 17,131 employees For a breakdown of total revenue by category of activity and geographic segments for each of the last three financial years, see *—Operating and Financial Review and Prospects*.

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

As part of our initiative to digitize our core telecommunications business, ensuring we address 4G penetration levels across the Group is vital as 4G services remain a core enabler of our digital strategy. We intend to continue focusing on increasing our capital investment efficiency, including with respect to our IT, network, and distribution costs. We have secured network sharing agreements and intend to maintain our focus on achieving an asset-light business model in certain markets, where we own only the core assets needed to operate our business. Across our markets, we are looking into opportunities to create stand-alone entities for our infrastructure assets and encourage industry-wide efficient usage of these companies. In certain markets, we have progressed with tower deals which include the sale of our assets in exchange for long-term service agreements, liberating time and resources for our operators to focus on customer-facing and digital initiatives. For further information on our capital expenditures, see *—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Future Liquidity and Capital Requirements*. We anticipate that we will finance the investments with operational cash flow, cash on our balance sheet and external financing. For more information on our recent developments, including the ongoing impact that the ongoing war between Russia and Ukraine has and may continue to have on our capital expenditure, see*—Operating and Financial Review and Prospects—Key Developments for the year ended December 31, 2023* and *—Operating and Financial Review and Prospects—Key Developments after the year ended December 31, 2023.*

**History**

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

In the early 2000s, we began an expansion into certain markets in Eastern Europe and Central Asia by acquiring local operators or entering into joint ventures with local partners, including, but not limited to, in Kazakhstan (2004), Ukraine (2005), and Uzbekistan (2006). In 2010, we established our headquarters in Amsterdam. In 2011, we completed the acquisition of Global Telecom Holding (GTH, previously known as Orascom Telecom Holding S.A.E.) and through a series of transactions beginning in July 2019 through September 2019, VEON Holdings B.V. acquired substantially all of GTH's operating assets in Pakistan and Bangladesh. In March 2021, the group successfully completed its acquisition of the 15% minority stake in Pakistan Mobile Communication Limited ("PMCL"), its Pakistan operating business, from the Dhabi Group for US$273 million. In July 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algérie SpA, which owns Algerian mobile network operator, Djezzy, to the Algerian National Investment Fund, Fonds National d'Investissement (FNI), which sale was completed on August 5, 2022 for a sale price of US$682 million. On November 24, 2022, following a competitive process, we entered into an agreement to sell our Russian Operations to certain senior members of the management team of VimpelCom, led by the CEO at the time, Aleksander Torbakhov. Under the agreement, as amended and restated on September 13 2023, (the "Sale and Purchase Agreement") we received consideration equal to RUB 130 billion (approximately US$1,294 million equivalent). The Sale and Purchase Agreement allowed for the entire consideration of the sale to be satisfied by transferring the VEON Holdings bonds acquired by VimpelCom to a wholly owned subsidiary of VEON Holdings, to hold such notes until their cancellation or maturity. The sale was completed on October 9, 2023. An additional US$72 million equivalent of VEON Holdings bonds were transferred to VEON Holdings' wholly owned subsidiary upon the receipt of an OFAC license in June 2024, to offset the remaining deferred purchase price for our Russian Operations in July 2024.

## Key Developments

### Key Developments for the year ended December 31, 2023

### Completion of Sale of Russian operations

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 million equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings B.V. redeemed US$406 million of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings B.V. bonds representing a nominal value of US$1,576 million which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 million on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 million as of December 31, 2023 was offset against VEON Holdings B.V. bonds acquired by VimpelCom representing a nominal value of US$72 million, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 million receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 22 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 million recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 million of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

*Based on the applicable USD / RUB exchange rates at the applicable purchase dates (which took place between February 2023 and September 2023).*

### Agreement between Banglalink and Summit regarding the sale of its Bangladesh tower assets

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, has entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2,012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97 million). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97 million) net of cost of disposals containing legal, regulatory and investment bankers costs amounting to BDT 855 million (US$8 million). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34 million), right-of-use assets of BDT 550 million (US$5 million) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9 million) and lease liabilities of BDT 6 billion (US$52 million) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40 million) were recognized for total right-of-use assets of BDT 5 billion (US$45 million) and total lease liabilities of BDT 10 billion (US$92 million).

### Cybersecurity Incident in Ukraine

On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement and government agencies and the Security Service of Ukraine, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, and that mobile voice and internet, fixed connectivity and SMS services as well as the MyKyivstar self-care application were active and available across Ukraine.

After stabilizing the network, although there was no legal obligation to do so, Kyivstar immediately launched offers to thank its customers for their loyalty, initiating a *"Free of Charge"* program offering one month of free services on certain types of contracts. Furthermore, on December 21, 2023, Kyivstar announced a donation of UAH 100 million (US$3 million) would be made towards Ukrainian charity initiatives.

Largely due to the limited period during which the critical services were down, there was no material financial impact on our consolidated results for the year ended December 31, 2023 due to these service disruptions, or due to costs associated with additional IT capabilities required for restoring services, replacing lost equipment or compensating external consultants and partners in 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue in 2024 was US$46 million. VEON expects no further impact on its financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

VEON and Kyivstar conducted a thorough investigation, together with outside cybersecurity firms, to determine the full nature, extent and impact of the incident and to implement additional security measures to protect against any recurrence. The Ukrainian government also conducted an investigation to support the recovery efforts. All investigations were concluded as of June 30, 2024, and has resulted in an in depth analysis into details of how the attack was executed and how this can be prevented in the future.

Kyivstar has initiated remediation and mitigation actions to reduce current risks and establish a robust framework to manage evolving cyber threats, protect business continuity and maintain customer trust by investing in immediate response actions, enhanced security infrastructure, proactive threat management, compliance with cybersecurity regulations and standards, employee awareness, and long-term adaptive measures. Further, VEON Group has executed a group-wide assessment of cybersecurity maturity in alignment with the U.S. National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST2).

**VEON's Scheme of arrangement (the "Scheme")**

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme was approved by 97.59% of the Scheme creditors present and voting.

On January 30, 2023, VEON announced that the Scheme Sanction Hearing had taken place, at which the Court made an order sanctioning the Scheme in respect of VEON Holdings B.V.' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. The amendments to the 2023 Notes were subject to the receipt of relevant licenses to become effective, at which time the maturity dates of the February 2023 and April 2023 notes would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective.

Pursuant to the amendments, Noteholders were entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right was granted requiring VEON Holdings B.V. to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount ("2023 Put Option"), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US$165 million of the October 2023 Notes and holders of US$294 million of the December 2023 Notes exercising the Put Option. The aggregate put option premium paid was US$9 million. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$1 million. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1 million. For further details, refer to further discussion in Note 16-*Investments, Debt and Derivatives*.

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

On April 20, 2023, and May 30, 2023, the outstanding amounts under RCF facility have been rolled-over until October 2023 for US$692 million and November 2023 for US$363 million. Further these outstanding amounts were rolled-over until January 2024 for US$692 million and February 2024 for US$363 million. The RCF has subsequently been repaid and canceled in March 2024.

**Ukraine prepayment**

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

**PMCL syndicated credit facility**

PMCL fully utilized the remaining PKR 10 billion (US$41 million) under its existing PKR 40 billion (US$164 million) facility through drawdowns in January and April 2023.

**BDCL syndicated credit facility**

BDCL utilized BDT 5 billion (US$45 million) out of new syndicate credit facility of BDT 8 billion (US$73 million) during November 2023. The tenor of the facility is five years.

**KaR-Tel Limited Liability Partnership ("KaR-Tel") credit facility**

KaR-Tel utilized KZT 9.8 billion (US$22 million) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

**Repayment of VEON Holdings B.V. 5.95% Senior Notes**

On October 13, 2023 VEON Holdings B.V. repaid its outstanding 5.95% Senior Notes amounting to US$39 million at their maturity date.

**Early redemption of VEON Holdings B.V. 2023 and 2024 Notes**

On September 13, 2023, VEON Holdings B.V. issued two redemption notices for the early repayment of its bonds maturing in December 2023 and June 2024, with a planned redemption date of September 27, 2023. On that date, VEON Holdings B.V. redeemed US$243 million senior notes held by external noteholders, and on October 4, 2023, redeemed US$406 million senior notes held by VimpelCom. Please refer to Note 16-Investments, Debt and Derivatives for further details.

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

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

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

**Freezing of corporate rights in Kyivstar**

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts were seizing all “corporate rights” of Mikhail Fridman, Petr Aven and Andriy Kosogov in 20 Ukrainian companies that these individuals beneficially own, while criminal proceedings, unrelated to Kyivstar or VEON, were in progress. This announcement was incorrectly characterized by some Ukrainian media as a “seizure” or “freezing” of “Kyivstar’s assets” as the assets of Kyivstar had not been seized or frozen and the court’s ruling did not impact the assets of Kyivstar directly. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly targeted Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of M. Fridman. Subsequent clarification by the SSU noted that “The seizure of corporate rights of Ukrainian companies does not affect the protection of the interests of foreign investors and owners of shares of corporate rights, does not hinder their economic activity and the possibility of receiving dividends.” We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our Kyivstar shares, including transfer of such shares, from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. had filed two appeals with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected our appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts to protect our assets in Ukraine. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on renting property and land, on participating in public procurement and on the transfer of technology and intellectual property rights to Kyivstar from VEON impacting B2G revenue would also apply.

Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary (“Kyivstar”) and concluded that, under the requirements of relevant reporting standards (IFRS 10, *Consolidated financial Statements*), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

**VEON Ltd. implements new Clawback Policy**

On November 27, 2023, VEON Ltd. announced governance enhancements to its executive remuneration structure, in line with its commitment to ethical corporate governance practices and financial integrity. The Board of Directors of VEON Ltd. introduced a robust Policy for the Recovery of Erroneously Awarded Compensation (the “Clawback Policy”) to align with Section 10D and Rule 10D-1of the Securities Exchange Act of 1934 and the listing standards adopted by NASDAQ.

Effective October 2, 2023, the Clawback Policy enables VEON Ltd. to recover erroneously awarded incentive-based compensation from current and former Executive Officers (as defined in the Clawback Policy) in the event that it is required to prepare an accounting restatement. This step is crucial in maintaining transparency and accountability, particularly in instances requiring accounting restatements.

In tandem with the adoption of the Clawback Policy, the Board of Directors has also revised existing incentive-based compensation plans to further align executive remuneration with shareholder interests and corporate objectives. Refer to Note 21 *Related Parties* for further details.

**VEON Ltd.'s Management increases ownership**

On February 21, 2023, VEON Ltd. announced the completion of the transfer of 52,550 shares in VEON Ltd. to Joop Brakenhoff. A total of 104,047 common VEON Ltd. shares vested as part of VEON Ltd.’s 2021 Deferred Share Plan in 2022. Of those vested VEON Ltd. shares, 51,500 common shares (the equivalent of 2,060 ADSs) were withheld to cover local withholding taxes and the remaining 52,550 VEON Ltd. shares (the equivalent of 2,102 ADSs) were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd..

In March 2023, equity-settled and liability settled awards in VEON Ltd. were granted to five members of VEON Ltd.’s GEC under the Short-Term Incentive Plan (154,876 ADS) and the Long-Term Incentive Plan (“LTIP”) (643,286 ADS).

On July 1, 2023, 1,395,358 common shares in VEON Ltd. granted to current and former members of VEON Ltd.’s GEC vested as part of the 2021 Deferred Share Plan. Subsequently, VEON Ltd. had initiated the transfer of 34,094 ADSs, representing 852,350 common shares in VEON Ltd., to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares in VEON Ltd., were granted with immediate vesting to members of VEON Ltd.’s GEC and 70,000 ADSs, representing 1,750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.’s Board. Subsequently, VEON Ltd. initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares in VEON Ltd., to the respective VEON Ltd. executives and Board members. Additionally, 30,000 ADSs, representing 750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board.

In July 2023, VEON Ltd. equity-settled awards were granted to one member of VEON Ltd.’s GEC under the LTIP (105,573 ADS).

On September 1, 2023, 146,490 ADSs, representing 3,662,250 common VEON Ltd. shares, granted to VEON Ltd.'s Group CEO, Mr. Kaan Terzioglu, vested as part of VEON Ltd.’s Deferred Share Plan.

In November 2023, VEON Ltd. initiated the transfer of 1,870 ADSs, representing 46,750 common shares in VEON Ltd. to Mr. Brakenhoff for VEON Ltd. equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2023 as well as 6,535 ADSs, representing 163,375 common shares in VEON Ltd., to a former Board member of VEON Ltd. in relation to a grant that vested in July 2023 but for which transfer was delayed.

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

**Changes in VEON Ltd.'s Key Senior Managers**

On March 15, 2023, VEON Ltd. announced the appointment of Joop Brakenhoff as VEON Ltd.'s Group CFO, effective from May 1, 2023. Mr. Brakenhoff replaced Serkan Okandan whose three years contract as Group CFO expired at the end of April 2023. Mr. Okandan continued to serve VEON Ltd. as a special advisor to the VEON Ltd. Group CEO and CFO.

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

On July 19, 2023, VEON Ltd. announced that Group Head of Portfolio Management, Dmitry Shvets, Group Chief People Officer, Michael Schulz and Group Chief Corporate Affairs Officer, Matthieu Galvani will be stepping down from their executive roles effective October 1, 2023. VEON Ltd.’s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

**BTRC regulatory audit report**

On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US$74 million) which includes BDT 4,307 million (approximately US$39 million) for interest. The Company is currently reviewing the findings and Banglalink may challenge certain proposed penalties and interest which may result in adjustments to the final amount to be paid by Banglalink. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable.

Subsequently, Banglalink had a meeting with BTRC officials and agreed to pay amounts pertaining to 2G matters (already accrued BDT 2,200 million in the financials) in BDT 500 million immediately in July 2023 and 12 equal monthly installments of BDT 146 million (approximately US$1.4 million), accordingly Banglalink has paid BDT 500 million (approximately US$5 million) in July 2023 and all installments until December 2023 as agreed.

Despite having objections to the audit findings, in compliance with the instruction given by the BTRC on November 5, 2023 to pay the principal amount of the BTRC's audit demand within 10 working days, Banglalink has deposited BDT 1,657 million (US$16 million) to the BTRC on November 19, 2023. The remaining elements of the BTRC's audit, including the late fee, are not yet resolved.

**Change in Board of Directors of VEON Ltd.**

On June 29, 2023, at VEON Ltd.'s Annual General Meeting, VEON Ltd. shareholders approved the VEON Ltd. Board recommended slate of seven directors, including six directors already serving on the Board at that time – Augie Fabela, Yaroslav Glazunov, Andrei Gusev, Karen Linehan, Morten Lundal and Michiel Soeting – and Kaan Terzioğlu, the Chief Executive Officer (CEO) of the VEON Group.

In July 2023, the VEON Ltd. Board elected Morten Lundal as the Chair in its first meeting following the 2023 VEON Ltd. AGM. The VEON Ltd. Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

**Italy Tax Matter**

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

**Canadian Sanctions**

On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including VimpelCom. As of October 9, 2023, as a result of the completion of the sale of VEON's Russian operations, VimpelCom is no longer part of the VEON Group and as such, these sanctions have no impact on the remaining group. Please refer to Note 23 for further details.

**Novation of VEON Digital Amsterdam B.V. credit facility**

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

**Amendment of VEON Amsterdam B.V. credit facility**

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

**Increase and amendment of VEON Ltd. credit facility**

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

**Key Developments after the year ended December 31, 2023**

**VEON and Summit complete US$100 million deal for Bangladesh towers portfolio**

On January 31, 2024, VEON announced that, further to the announcement dated November 15, 2023, and the legal transfer of towers in December 2023 following the receipt of all regulatory approvals, its wholly owned subsidiary, Banglalink has obtained the cash consideration for the sale of approximately BDT 11 billion (approximately US$96 million).

**Repayment of the RCF**

For the US$1,055 million RCF, US$250 million of commitments maturing in March 2024 and were repaid during February 2024, and in March the remaining amounts outstanding and commitments of US$805 million, originally due in March 2025, were repaid and the RCF canceled.

**Issuance of PKR bond by PMCL**

In April 2024, PMCL issued a short term PKR bond of PKR 15 billion (US$52 million) with a maturity of six months. The coupon rate is three-month Karachi Interbank Offered Rate (KIBOR) plus 25bps per annum.

**BDCL syndicated credit facility**

BDCL utilized the remaining BDT 3 billion (US$27 million) under its existing syndicated credit facility of BDT 8 billion (US$73 million) during January 2024 and February 2024.

**VEON announces sale of stake in Beeline Kyrgyzstan**

On March 26, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 50.1% indirect stake in Beeline Kyrgyzstan to CG Cell Technologies, which is wholly owned by CG Corp Global for cash consideration of US$32 million. Completion of the sale of VEON's stake in Beeline Kyrgyzstan, which is held by VIP Kyrgyzstan Holding AG (an indirect subsidiary of the Company), is subject to customary regulatory approvals and preemption right of the Government of Kyrgyzstan in relation to acquisition of the stake. VEON is currently liaising with Kyrgyzstan public authorities regarding the regulatory approvals and the Government's preemption right.

As a result of this anticipated transaction and assessment that control of the Kyrgyzstan operations will be transferred, as from the date of the SPA signing, the Company classified its Kyrgyzstan operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for Kyrgyzstan operations.

**Appointment of PricewaterhouseCoopers Accountants N.V. ("PwC Netherlands") as 2023 independent auditor**

On March 14, 2024, VEON announced that it appointed PricewaterhouseCoopers Accountants N.V. as the independent external auditor for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with International Standards on Auditing (the "ISA Audit"). The delay in appointment was due to difficulties the Company faced in identifying a suitable independent auditor due to the material changes in the Group's portfolio of assets which resulted in a delay in filing this Annual Report on Form 20-F with the SEC and filing its annual report with the AFM.

**Announcement of issuance of new shares in VEON Ltd.**

On March 1, 2024, VEON Ltd. announced the issuance of 92,459,532 ordinary shares in VEON Ltd., after approval from the VEON Ltd. Board, to fund VEON Ltd.'s existing and future equity incentive-based compensation plans. As a result of the issuance, VEON Ltd. now has 1,849,190,667 issued and outstanding ordinary shares. The issuance of the ordinary shares represents approximately 4.99% of VEON Ltd.'s authorized ordinary shares. The shares are expected to be allocated to VEON Ltd.'s existing and future equity incentive-based compensation plans, which are designed to align the interests of VEON Ltd.'s senior managers and employees with those of VEON Ltd.'s shareholders and to support the VEON Ltd.'s long-term growth and performance, as well as compensation arrangements for strategic consultants. The shares were initially issued to VEON Holdings and then subsequently allocated to satisfy awards under VEON Ltd.'s existing plans and will also be allocated to future equity incentive-based compensation plans, and such other compensation arrangements, as and when needed, as well as to meet certain employee, consultant and other compensation requirements. As a result, the initial share issuance will have an immediate dilutive impact on existing shareholders of VEON Ltd.. The ordinary shares will be issued at a price of US$0.001 per share, which is equal to the nominal value of VEON Ltd.'s ordinary shares.

**VEON Ltd. increases management's and directors' ownership**

On April 12, 2024, VEON Ltd. announced an increase in VEON Ltd.'s management's and directors' ownership in VEON Ltd. shares through awards under its existing equity-based compensation plans. VEON Ltd. is utilizing certain of the 92,459,532 common shares issued to VEON Holdings B.V. as disclosed in Note 1 *General Information*, announced on March 1, 2024, to satisfy the awards made. VEON Ltd.'s Group Executive Committee ("GEC") received a total of 2,853,375 VEON Ltd. common shares (equal to 114,135 VEON ADSs) within the scope of the VEON Ltd.'s Deferred Share plans, and a total of 1,839,895 VEON Ltd. common shares (equal to 73,596 ADSs) within the scope of the VEON Ltd.'s STIP. The members of the VEON Ltd. Board of Directors received a total of 1,648,225 VEON Ltd. common shares (equal to 65,929 ADSs) within the scope of their compensation.

**Share-based awards to VEON Ltd.'s GEC and Board of Directors**

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common VEON Ltd. shares (equal to 128,050 ADSs) under VEON Ltd.'s 2021 LTIP. In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common VEON Ltd. shares (equal to 57,249 ADSs) under the 2021 DSP for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common VEON Ltd. shares (equal to 95,731 ADSs) related to 3,662,250 common VEON Ltd. shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,975 common VEON Ltd. shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the VEON Ltd. GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd shares' relative target shareholder return performance against VEON Ltd.'s peer group which will be assessed at the end of the three-year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled VEON Ltd. common shares (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common VEON Ltd. shares (equal to 19,293 ADSs), while 472,743 common VEON Ltd. shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common VEON Ltd. shares (equal to 2,102 ADSs) related to 104,047 common VEON Ltd. shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,500 common VEON Ltd. shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common VEON Ltd. shares (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common VEON Ltd. shares (equal to 11,548 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common VEON Ltd. shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common VEON Ltd. shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON Ltd. granted a total of 3,369,125 equity-settled awards and 1,547,650 cash-settled awards in common VEON Ltd. shares (equal to 134,765 and 61,906 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors. By June 2024, 1,648,225 of the equity-settled VEON Ltd. common shares (equal to 65,929 ADSs) were vested and transferred to the Board members and 173,250 common VEON Ltd. shares (equal to 6,930 ADSs) were withheld for tax purposes.

**VEON Holdings B.V. consent solicitations to noteholders**

In April 2024, VEON Holdings B.V. launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of VEON Holdings B.V. for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding and were not exchanged.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings B.V. subsequently issued new notes with identical maturities to the April 2025, June 2025, and November 2027 notes (any such new notes, the “New Notes”) to the noteholders who participated in the consent process and tendered the original notes (the “Old Notes”), which were exchanged for the New Notes subsequently (economically) canceled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings B.V. subsequently redeemed these notes in June 2024.

VEON Holdings B.V. has continued and will need to continue to provide the remaining holders of Old Notes maturing in April 2025, June 2025 and November 2027 further opportunities to exchange their Old Notes into corresponding New Notes maturing in April 2025, June 2025 and November 2027, respectively.

As of June 30, 2024, US$1,550 million of New Notes due April 2025, June 2025 and November 2027 were outstanding and there were US$134 million of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in July and August 2024, US$20 million equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of August 28, 2024, the equivalent amount of New Notes outstanding is US$1,565 million and the remaining Old Notes that are subject to potential conversion to New Notes is US$113 million.

VEON Holdings B.V. is not required to make any further principal or coupon payments under the Old Notes.

**Make-whole call**

In June 2024, VEON Holdings B.V. executed an early redemption of its September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$53 million).

**VEON Ltd. Receives Extension from Nasdaq for 20-F Filing**

On May 22, 2024, VEON confirmed that on May 20, 2024 it received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) indicating that, as a result of the VEON Ltd.’s delay in filing its Annual Report on Form 20-F for the year ended December 31, 2023 (the “2023 20-F”), VEON Ltd is not in compliance with the timely filing requirements for continued listing under Nasdaq Listing Rule 5250(c)(1) (the "Listing Rules").

VEON Ltd. had previously shared the expected delay in its 2023 20-F filing with a press release dated March 14, 2024, and subsequently filed its notification of late filing on Form 12b-25 with the SEC on May 1, 2024. As described in these disclosures, the delay in VEON Ltd.’s 2023 20-F filing is due to the continued impact of challenges faced by VEON Ltd. in connection with the timely appointment of an independent auditor that meets the requirements for a Public Company Accounting Oversight Board (“PCAOB”) audit following VEON Ltd.’s exit from Russia.

VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rules and requested an exception of up to 180 calendar days, or until November 11, 2024, to regain compliance. On July 9, 2024, VEON Ltd. announced that NASDAQ granted VEON Ltd. an exception, enabling it to regain compliance with the Listing Rules by filing VEON Ltd.'s 2023 annual report on 20-F on or before November 11, 2024.

On October 17, 2024, VEON Ltd. filed its Annual Report on Form 20-F for the year ended December 31, 2023 (the "2023 Form 20-F") with the U.S. Securities and Exchange Commission following the completion of the audit of its 2023 financial statements by its independent auditor UHY LLP according to PCAOB standards. Following the filing, on October 21, 2024, VEON Ltd. received confirmation from the Nasdaq that VEON Ltd. is now compliant with the Nasdaq listing requirements.

**Sale of TNS+ in Kazakhstan**

On May 28, 2024, VEON announced that it signed share purchase agreement ("SPA") for the sale of its 49% in Kazakh wholesale telecommunications infrastructure services provider, TNS Plus LLP (TNS+), included within the Kazakhstan operating segment, to its joint venture partner, the DAR group of companies for total deferred consideration of US$137.5 million due within six weeks of the transaction completion date. The closing of the transaction was subject to customary regulatory approvals in Kazakhstan which were subsequently obtained. Accordingly, the sale was completed on September 30, 2024. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the SPA signing, the Company classified its TNS+ operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for TNS+ operations. During, November 2024, the Company has received US$37 out of deferred consideration and the remaining is expected to be settled during Q4-2024.

**Appointment of UHY LLP as auditors**

On May 29, 2024, VEON announced the appointment of UHY LLP (UHY) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with the standards established by the Public Company Accounting Oversight Board (United States) (the "PCAOB Audit").

**VEON Ltd. Announces Its New Board**

On May 31, 2024, VEON Ltd. held its Annual General Meeting (AGM), during which the VEON Ltd.'s shareholders approved the recommended slate of seven directors as VEON Ltd.'s new Board. The new members consist of former U.S. Secretary of State Michael R. Pompeo, Sir Brandon Lewis and Duncan Perry, who will serve alongside the incumbent directors Augie K. Fabela II, Andrei Gusev, Michiel Soeting and VEON Ltd. Group CEO Kaan Terzioglu.

Following the AGM, the new Board held its inaugural meeting, and elected VEON's Founder and Chairman Emeritus Augie K Fabela II as the Chairman.

**PMCL syndicated credit facility**

In May 2024, PMCL secured a syndicated credit facility of up to PKR 75 billion (US$270 million) including green shoe option of PKR 15 billion with a tenor of 10 years. PMCL utilized PKR 43 billion (US$154 million) from this facility through drawdowns in May and June 2024 with a further PKR 22 billion (US$78 million) drawn in July 2024.

**PMCL bilateral credit facilities**

In May 2024, PMCL utilized PKR 15 billion (US$54 million) from three bilateral credit facilities of PKR 5 billion (US$18 million) each from different banks. The tenor of each facility is 10 years.

**Sale of Russian operations deferred consideration settlement**

In July 2024, the remaining $72 million equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings, upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for the sale of VimpelCom completed in October 2023.

**VEON Ltd. Announces Intention to Delist from Euronext Amsterdam and Share buyback program**

On August 1, 2024, VEON Ltd. announced its intention to voluntarily delist from Euronext Amsterdam (the "Delisting"). VEON Ltd. expects the Delisting process to take place in the fourth quarter of 2024, following and subject to the filing of this Annual Report on Form 20-F. On October 21, 2024, VEON Ltd. announced that it has commenced the process of the Delisting, following the approval of Euronext Amsterdam. VEON Ltd.'s last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

VEON Ltd. also informed its shareholders that it intends to initiate a buyback program for up to US$100 million of its American ADS following the Delisting. The timing and specifics of the ADS buybacks will be determined by the VEON Ltd.'s management and Board of Directors in due course, and will be subject to liquidity considerations, market conditions, applicable legal requirements, and other factors. Subsequently on October 21, 2024, VEON Ltd. announced that it has commenced the process for the delisting of its common shares from trading on Euronext Amsterdam, following the approval of Euronext Amsterdam. The Company's last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

**Agreement with Impact Investments LLC for Strategic Support and Board Advisory Services**

On June 7, 2024, VEON Ltd. entered into a letter agreement as amended on August 1, 2024 (the "2024 Agreement") with Impact Investments which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON Ltd.). Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024, serves as Executive Chairman of Impact Investments. In exchange for the services provided, VEON Ltd. will pay

Impact Investments US$0.05 million in cash per month on or about the 7th day of each month during the term of the 2024 Agreement. Further, VEON Ltd. has granted to Impact Investments three common share warrants (hereby “Warrant A”, “Warrant B”, and “Warrant C”), with a value of $12 million, $2 million, and $2 million worth of common shares in the capital of VEON Ltd., respectively. Warrant A vest ratably semi-annually over a period of three years subject to achievement of vesting conditions. One half of Warrant B will vest on the date that is six months after the three years anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant B will vest on the four years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. One half of Warrant C will vest on the date that is six months after the four years’ anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant C will vest on the five years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. The number of common VEON Ltd. shares to be transferred will be determined on the vesting date based on the 90-day average trading price. Finally, VEON Ltd., in its sole discretion, may pay Impact Investments an additional fee up to $3 million subject to completion of certain strategic objectives.

On June 7, 2024, VEON Ltd. and Impact Investments also entered into a termination letter in connection with a letter agreement between VEON Ltd. and Impact Investments dated November 16, 2023. Under the terms of the termination letter, VEON Ltd. paid Impact Investments $2 million in common VEON Ltd. shares or 2,066,954 shares (equal to 82,678 ADS), which common shares were determined on the basis of the 90-day average trading price of the VEON Ltd. common shares as of the date of the termination letter. These VEON Ltd common shares were transferred to Impact Investments in August 2024, for strategic support and board advisory services to JSC Kyivstar performed by Impact Investments under the letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023.

**VEON Ltd. Announces Plan to Move its Headquarters to Dubai**

On October 14, 2024, VEON Ltd. announced its plan to move the Group Headquarters from Amsterdam to the DIFC in the United Arab Emirates. VEON Ltd. also plans to update its corporate entity structure to reflect the relocation of the headquarters from  move from the Netherlands to the DIFC, subject to tax and structuring analyses. On November 15, 2024,VEON Ltd. further announced that it has completed the registration of and received the commercial license for its branch office in Dubai International Finance Centre (“DIFC”).

**KaR-Tel Limited Liability Partnership credit facilities**

On September 25, 2024 KaR-Tel Limited Liability Partnership ("KaR-Tel") signed a new bilateral credit facility with JSC Nurbank of KZT 18 billion (US$37) with a maturity of five years carrying fixed interest rate of 15.5%. On October 8, 2024, KaR-Tel utilized KZT 4.5 billion (US$10) from this facility. Subsequently, during October and November 2024, Kar-Tel further utilized KZT 6 billion (US$12).

**2024 Annual Impairment Analysis**

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations’ disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of November 20, 2024, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis will be published in our interim unaudited consolidated condensed financial statement for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See *Note 11*—*Impairment of Assets* to our Audited Consolidated Financial Statements for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh.

**Changes in Directors of VEON Holdings B.V.**

On March 7, 2024, Bruce John Leishman and Maciej Bogdan Wojtaszek were appointed statutory directors of the Company, while on the same date Jochem Benjamin Postma and Paul Klaassen stepped down as statutory directors of the Company.

**Issuance of PKR Sukuk bond by Pakistan Mobile Communication Limited ("PMCL")**

In October 2024, Pakistan Mobile Communication Limited ("PMCL") issued short term PKR sukuk bond of PKR 15 billion (US$54) with a maturity of six months. Coupon rate is 3 months Karachi Interbank Offered Rate (KIBOR) minus 10 bps per annum.

**Unitel LLC credit facility**

On October 7, 2024 Unitel LLC signed a new credit facility agreement with JSC “National Bank for Foreign Economic Activity of the Republic of Uzbekistan” for UZS 191.3 billion (US$14) with a maturity of two years and an interest rate of 22% per annum. During November 2024, Unitel LLC utilized the full amount from this facility.

**VEON appoints UHY LLP as auditors for VEON Group's 2024 PCAOB Audit**

On November 13, 2024, VEON announced that the VEON Board of Directors has re-appointed UHY LLP (“UHY”) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2024 in accordance with the standards established by the Public Company Accounting Oversight Board, United States (the "PCAOB Audit").

## Business overview

### Business Units and Reportable Segments

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

Our reportable segments currently consist of the following five geographic segments: Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh. We also present our results of operations for "Others" and "HQ" separately, although these are not reportable segments. "Others" represents our operations in Kyrgyzstan and "HQ" represents transactions related to management activities within the group in Amsterdam and Dubai and costs relating to centrally managed operations and reconciles the results of our reportable segments and our total revenue and Adjusted EBITDA. See *—Operating and Financial Review and Prospects —Reportable Segments* and *Note 2—Segment Information* to our Audited Consolidated Financial Statements for further details.

This *section* - unless indicated otherwise, provides a description of our business as of December 31, 2023. Important aspects of our business operations may be subject to change, including licensing, our product offering, our market position and contractual arrangements with governments and key third parties. For a further discussion on the potential impact of the ongoing war between Russia and Ukraine on our business, see *Risk Factors* and *Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations—The War Between Russia and Ukraine*.

### Subsidiaries

The table below sets forth our significant subsidiaries as of December 31, 2023. The equity interest presented represents our direct and indirect ownership interest. Our percentage ownership interest is identical to our voting power for each of the subsidiaries listed below.

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

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

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

| | |
|---|---|
| **Pakistan** | In the territories of Pakistan and Azad Jammu and Kashmir ("AJK") and Gilgit-Baltistan, we have several interconnection agreements with mobile and fixed-line operators. Our MTR was PKR 0.7/min in 2020 and 2021; PKR 0.5/min from January 1, 2022 up until June 30, 2022; PKR 0.4 from July 1, 2022 up until June 30, 2023; and PKR 0.3/min from July 1, 2023 to onwards. |
| **Ukraine** | We have interconnection agreements with various mobile and fixed-line operators. From December 31, 2022 to December 31, 2023, the effective MTR was UAH 0.08/min and the effective IMTR was US$0.0212/min. As of January 1, 2024, the effective MTR is UAH 0.0.075/min and effective IMTR is US$0.0212/min. |
| **Kazakhstan** | We have interconnection agreements with mobile and fixed operators. Our MTR for 2023 for local mobile operators was KZT 5.60/min and for fixed operators was KZT 16.66/min; and our IMTR is KZT 53.76/min. |
| **Bangladesh** | In April 2023, the domestic SMS interconnection termination rate has been changed from BDT 0.055/SMS to BDT 0.07/SMS along with the floor rate for Application to Person (A2P) SMS.<br><br>The minimum termination rate of international calls was changed to US$0.004/min with effect from February 2, 2022. Henceforth, IGW operators are required to share 22.5% of international call termination revenue with mobile operators based on the minimum international termination rate. |
| **Uzbekistan** | We have interconnection agreements with various mobile and fixed-line operators. The MTR rate in 2023 was UZS 0.05/minute and remained unchanged in comparison to 2022 and 2021. |

### *Description of Our Mobile Telecommunications Business*

The table below presents the primary mobile telecommunications services we offer to our customers and a breakdown of prepaid and postpaid subscriptions as of December 31, 2023.

| **Mobile Service Description** | **Pakistan** | **Bangladesh** | **Ukraine** | **Uzbekistan** | **Kazakhstan** | **Others**(3) |
|---|---|---|---|---|---|---|
| Value added and call completion services (1) | *Yes* | *Yes* | *Yes* | *Yes* | *Yes* | *Yes* |
| National and international roaming services(2) | *Yes* | *Yes*(5) | *Yes* | *Yes* | *Yes* | *Yes* |
| Wireless Internet access | *Yes* | *Yes* | *Yes*(4) | *Yes* | *Yes* | *Yes* |
| Mobile financial services | *Yes* | *No* (6) | *No* | *Yes* | *Yes* | *Yes* |
| Mobile bundles | *Yes* | *Yes* | *Yes* | *Yes* | *Yes* | *Yes* |

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

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

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

*(4) Includes 4G.*

(5) National roaming has not been commercially introduced yet in Bangladesh. However, Banglalink initiated the trial run of national roaming with Teletalk Bangladesh Ltd., (a state-owned company) on July 31, 2023 with the field trial launched on November 1, 2023 and the pilot of active users (roaming) service launched on March 26, 2024.

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

**Mobile Business in Pakistan**

We operate in Pakistan through our operating company, PMCL and our brand, "Jazz," which is the historic Mobilink brand together with the merged Warid brand. In 2023, customers continued to migrate to 4G/LTE services and PMCL provided 3G services in over 300 towns and cities and 4G/LTE services in 313 cities.

In Pakistan, we offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2023, approximately 97.30% of our customers in Pakistan were on prepaid plans.

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

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

| **Voice** |
|---|
| • airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic (via 2G GSM, VolTE and VoWifi etc.) and roaming fees for airtime charges when customers travel abroad. |
| **Internet and data access** |
| • GPRS, EDGE, 3G and 4G/LTE. |
| **Roaming** |
| • active roaming agreements with 313 GSM networks in 154 countries.<br>• GPRS roaming with 244 networks in 135 countries.<br>• CAMEL roaming through 132 networks in 90 countries.<br>• LTE roaming through 107 networks in 72 countries.<br>• roaming agreements generally state that the host operator bills PMCL for the roaming services; PMCL pays these charges and then bills the customer for these services on a monthly basis. |
| **VAS** |
| • caller-ID; voicemail; call forwarding; missed call alert; credit balance; balance share; conference calling; call blocking and call |
| **Messaging** |
| • SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail), and mobile instant |
| **Content/infotainment** |
| • Ecosystem of digital services: self-care application Simosa (formerly JazzWorld), OTT streaming, platform Tamasha, gaming platform Game Now, music and live audio streaming services, mobile learning, Jazz Cricket sports app, BiP Messenger for a digital communication experience, other lifestyle services. |
| **Mobile financial services** |
| • Mobile financial services through JazzCash including mobile payments and transfers, digital lending, banking card trusted payment; banks notification. Insurance services via BIMA (tele-medicine and hospital insurance). |

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

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

(1) Warid (now merged with Jazz) acquired a 15-year technology neutral license in 2004 for US$291 million. US$145.5 million was paid upfront with the remainder paid in ten equal annual installments starting with a four-year grace period, with the last payment made in May 2018. The same 2G license was amended in December 2014 by the Pakistan Telecommunication Authority ("PTA") to allow Warid to provide 4G/LTE services in Pakistan. Additionally, the National Accountability Bureau (NAB) is conducting an investigation into certain former PTA and other officials and has requested information from Jazz concerning Warid's 2014 license amendment while the investigation is ongoing. The inquiry was closed by the NAB as of May 17, 2023.

(2) The renewal of the Warid license (now merged with Jazz since 2016) renewal was due in May 2019 and was renewed by signing under protest on October 18, 2021 as a result of a pending appeal by Jazz since August 17, 2019 against the PTA's renewal decision. We have challenged the PTA license renewal decision before Pakistani courts. However, we await final resolution from the Supreme Court of Pakistan as the review petition against the decision remains pending which has not been fixed yet. See Note 9—Significant Transactions to our Audited Consolidated Financial Statements for a more detailed discussion.

(3) In addition, PMCL and its subsidiaries have other licenses, including LDI, WLL, TTP, local loop and CVAS licenses to provide telecommunications and non-voice communication services in Pakistan, AJK and Gilgit-Baltistan. The licensees must also pay annual fees (0.5%) to the PTA and make universal service fund contributions (1.5%) and/or research and development fund contributions (0.5%), as applicable, in a total amount equal to a percentage of the licensees' annual gross revenues (less certain allowed deductions) for such services.

(4) In 2022, PMCL renewed its 2G license at initial license fee US$486.2 million for a further term of 15 years which was previously renewed in 2007. PMCL is entitled to provide NGMS (3G/4G) under the same renewed license. 50% of initial license fee (i.e. US$243.1 million) was paid in 2022 at the time of renewal while the remaining 50% will be payable in equal yearly installments as per the terms & conditions of the license. PMCL also acquired a new license for 4G/LTE services in 2017 at an initial license fee of US$295 million for a term of 15-years (valid until 2032).

All mobile licenses acquired by PMCL are technology neutral therefore, PMCL is entitled to use the frequency spectrum assigned under a specific license for provision of 2G, 3G and 4G services.

| **LICENSE FEES** |
|---|
| Under the terms of its 2G, 3G and 4G/LTE licenses, as well as its license for services in AJK and Gilgit-Baltistan, PMCL must pay annual fees to the PTA and make universal service fund contributions and/or research and development fund contributions, as applicable (not all of the foregoing are applicable to all licenses), in a total amount equal to 2.5% of PMCL's annual gross revenues (less certain allowed deductions) for such services, in addition to spectrum administrative fees.<br><br>PMCL's total license fees (annual license fees plus revenue sharing) in Pakistan (excluding the yearly installments noted above) was US$ 19.68 million, US$26.85 million, and US$24.6 million for the years ended December 31, 2023, 2022, and 2021, respectively. PMCL's total spectrum administrative fee payments were US$1.68 million, US$1.84 million, and US$1.7 million for the years ended December 31, 2023, 2022, and 2021, respectively. |

*Mobile bundles*

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

*Digital Services*

Pakistan is a significantly underserved market in terms of financial services, with one of the highest unbanked population rates across the world. JazzCash, the country's leading mobile finance platform accessible to users of all operators on feature and smartphones and Mobilink Microfinance Bank Limited ("Mobilink Bank"), our wholly owned subsidiary, address this gap. They do this by providing microfinance banking business and certain DFS and traditional banking services (including the granting of microfinance loans, provision of credit, payment and transfer services and a variety of other banking services) in Pakistan under a license granted by the State Bank of Pakistan and are subject to regulation by the State Bank of Pakistan. In partnership with Jazz, Mobilink Bank offers mobile wallets and payment services under the brand "JazzCash".

As of December 31, 2023, JazzCash's active base was 16.2 million users having focused growth in its App base (which observed a year-on-year increase of 29.4%) after a decline earlier in 2023. Digital instant micro-loans and the value of the loans disbursed grew 26.4% and 104.6%, respectively, on a year-on-year basis. Overall customer deposits grew 43.2% in the same period.

Jazz's video streaming app Tamasha provides access to the best HD content such as Live Sporting Tournament streaming Live TV Channels, Local/International Movies, Dramas and TV shows. Providing mobile infotainment services to users of other operators as well as Jazz, Tamasha's monthly active user base reached 10.6 million customers as of December 31, 2023. Jazz also offers a wider portfolio of digital services in music streaming, instant messaging, sports, insurance, learning, and lifestyle etc.

*Distribution*

As of December 31, 2023, our sales channels in Pakistan included 10 business centers, a direct sales force of 545 employees looking after indirect sales channels, 456 exclusive franchise currently active and over 17,638 non-exclusive third-party retailers. For top-up services, we offer prepaid scratch cards and electronic recharge options, which are distributed through the same channels. As of December 31, 2023, Jazz brand SIMs are sold through more than 41,042 retailers, supported by biometric verification devices.

*Competition*

The following table shows our and our competitors' respective customer numbers in Pakistan as of December 31, 2023:

| **Operator** | **Customers in Pakistan (in millions)** |
|---|---|
| PMCL ("Jazz") | 70.6 |
| Telenor Pakistan | 44.7 |
| Zong | 47.2 |
| Ufone | 25.2 |
| SCO | 1.7 |

Source: The Pakistan Telecommunications Authority.

According to the PTA, there were approximately 189.4 million mobile connections in Pakistan (including SCO numbers) as of December 31, 2023, compared to approximately 192.8 million mobile connections in Pakistan (including SCO numbers) as of December 31, 2022, representing a mobile penetration rate of approximately 78.9% compared to approximately 86.3% as of December 31, 2022.

**Mobile Business in Ukraine**

We operate in Ukraine with our operating company “Kyivstar JSC” and our brand, “Kyivstar.” Kyivstar provides mobile connectivity services on 2G, 3G and 4G/LTE networks. Kyivstar also offers voice and data services on fixed networks, including mobile and fixed converged services in consumer and business segments. Its digital portfolio in 2023 included Kyivstar TV, offered on IPTV platforms as well as mobile, self-care application MyKyivstar and consumer cloud offerings as well as B2B services.

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

In 2023, Kyivstar prioritized new internet coverage in rural areas, internet coverage of international roads, site modernization as well as restoration of communications in the liberated territories. Kyivstar maintained network coverage availability at a level of approximately 95% of the population in safe regions of Ukraine in 2023. See *Item 16 - Cybersecurity* for further information. In April 2023, the EU-Ukraine association committee adopted certain changes to the EU-Ukraine Association Agreement regarding the implementation of the EU’s Roam-Like-at-Home Regulation. Implementation of the Association Agreement is expected to involve changes to Ukrainian legislation to introduce relevant EU rules and eliminate roaming charges for Ukrainians throughout the EU on an indefinite basis.

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

| Voice |
|---|
| • Airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime charges when customers travel abroad.<br>• VoLTE(1) |
| **Internet and data access** |
| • GPRS/EDGE, 3G and 4G/LTE |
| **Roaming** |
| • Active roaming agreements for 494 networks in 189 countries<br>• GPRS roaming on 439 networks in 167 countries<br>• 3G roaming on 332 networks in 131 countries<br>• 4G/LTE roaming on 183 networks in 89 countries |
| **Messaging** |
| • SMS; voice messaging and SMS services (including information services such as news, weather, entertainment chats and friend finder) |
| **Content, infotainment, Entertainment** |
| • Voice- and SMS-based value-added services (information, content, customer care)<br>• Customer care via mobile OTT app and web portal "MyKyivstar" and call centers<br>• Kyivstar TV provided both as a mobile OTT application and a fixed/IPTV service<br>• Digital health services via Helsi, offering end-user solutions and digitization of healthcare provision for medical institutions and doctors<br>• Cloud solutions including consumer storage apps and business-to-business products<br>• M2M and productivity solutions to businesses<br>• Radio Kyivstar<br>• Other content and entertainment services provided via OTT applications and web-based services<br>• Ringback tone<br>• Mobile safety service (lost & found, insurance, family tracker)<br>• Device remote support service (for smartphones/laptops/personal computers) |

(1) Kyivstar was the first mobile operator in Ukraine to launch VoLTE technology for calls via 4G over network in December 2020. At first, VoLTE was available for contract subscribers who actively use most of Kyivstar's services. Later, in October 2022, the technology was introduced to prepaid subscribers. At the end of November 2023, it activated VoLTE technology to more than 4 million subscribers 3.5 million of which were active monthly users.

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

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

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

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

(3) Services provided in the 2100 MHz band.

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

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

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

| LICENSE FEES |
| --- |
| In 2023, Kyivstar PJSC made spectrum and license payments as follows: annual fee for the use of radio frequency spectrum – UAH 1,009.2 million (US$27.6 million) (paid to the state budget); EMC and monitoring – UAH 439.5 million (US$11.6 million) (paid to Ukrainian State Center of Radio Frequencies). |

Mobile bundles

Kyivstar offers bundles including combinations of voice, SMS, mobile data, OTT services and swappable benefits (telecommunications and non-telecommunications). As of December 31, 2023, approximately 80% of our customers were on Prepaid plans.

Digital Services

Helsi Ukraine, the leading Ukrainian digital healthcare provider, continues to improve access to e-health, focusing on core business development with 20% year-on-year growth of active medical personnel in Helsi medical information system in 2023. Helsi also experienced improved B2C customers engagement through digital channels and new services launch such as urgent online consultation services and extended functionality for booking of appointments with doctors. As of December 31, 2023 Helsi App MaU reached 1.3 million active App users and showed 103% year-on-year growth, surpassing the pre-war levels of usage.

The media streaming service Kyivstar TV delivered 18.5% year-on-year growth. In 2023, we focused on the Ukrainianization of foreign content and the active addition of Ukrainian films and series. Kyivstar TV offers free access to 200+ channels with various content, including a children's channel, e-learning platforms and news channels.

MyKyivstar, Kyivstar’s self-care platform, also continues to be a significant interface for digital interactions with Kyivstar customers. MyKyivstar served 4.3 million monthly active users at the end of 2023.

Distribution

Kyivstar’s strategy is to maintain a leadership position by using the following distribution channels as of December 31, 2023: distributors (31% of all connections), supermarkets (24%), monobranded stores (23%), national and local chains (9%), active sales (9%) and online sales (4%).

Competition

The following table shows our and our primary mobile competitors’ respective customer numbers as of December 31, 2023:

| **Operator** | **Customers (in millions)** |
| --- | --- |
| Kyivstar | 23.9 |
| Vodafone | 15.9 |
| “lifecell” LLC | 9.9 |

Source: National Commission of the State Regulation of Electronic Communications, Radio Frequency Spectrum and the Provision of postal services.

**Mobile Business in Kazakhstan**

In Kazakhstan, we operate as Beeline Kazakhstan, the country's largest independent mobile operator. As of December 31, 2023, approximately 90.7% of our customers in Kazakhstan were on prepaid plans.

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

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

**Voice**

- Standard voice services
- VoLTE services
- Prepaid and postpaid airtime charges from customers, including monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime usage when customers travel abroad

**Internet and data access**

- 3G and 4G/LTE service
- Technology neutral licenses

**Roaming**

- Voice roaming with 494 networks in 192 countries
- 4G/LTE roaming with 280 networks in 107 countries
- 3G roaming with 376 networks in 139 countries
- GPRS roaming with 445 networks in 160 countries
- CAMEL roaming through 404 networks in 168 countries
- Roaming agreements generally state that the host operator bills us for roaming services; we pay these charges and then bill the customer for these services on a monthly basis

**VAS**

- Caller-ID; Sim in safe
- Missed Call (notify me, notify about me)
- SMS inform, toll-free helplines for B2B customers (Voice CPA)

**Messaging**

- SMS; display of Beeline account balance information

**Content/infotainment**

- BeeTV offered as a digital OTT service on mobile as well as IPTV/fixed service
- MyBeeline self-care application and web portal including additional content features such as gaming services and Video
- Hitter, music streaming app designed to deliver an exceptional listening experience to millions of Beeline subscribers
- IZI, second brand, youth-focused entertainment operator that brings together variety of entertainment and a modern telco experience in one app
- BeeCloud among others

**Mobile financial services**

- Mobile payments (including Kazeuromobile and Woopay payment organizations)
- Mobile transfers (including Sim2Sim, Sim2Card, Sim2IBAN, Sim2ATM, Sim2post)
- Digital wallet, card "Simply"
- Trusted payment
- Direct carrier billing

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

| Licenses (as of December 31, 2023) | Expiration |
|---|---|
| Mobile services (GSM900/1800, UMTS/WCDMA2100, 4G/LTE800/1800)(1)(2)(3) | Unlimited term |

1. License received on August 24, 1998.

2. KaR-Tel has permission to use spectrum in 800 MHz, 900 MHz, 1800 MHz and 2100 MHz for mobile services and in 2.5-2.6 GHz, 3.3-3.5 GHz, and 5.5 GHz for wireless access to internet (WLL).

3. Upfront payments in US$ are: 800 MHz (US$62,691,378) in 2016, 900 MHz (US$67,500,000) in 1998, 1800 MHz (US$10,958,904) for 4G in 2016, 2G (US$20,783,107) in 2008, and 2100 MHz (US$34,106,412) in 2010.

| LICENSE FEES |
| --- |
| Under the Kazakhstan tax code, in 2023 KaR-Tel was required to pay: (i) an annual fee for the use of radio frequency spectrum amounting to KZT 1,614,678,152 (US$3,501,170) (for mobile and KZT 275,628,833 (US$599,193) for a wireless local loop (WLL)); and (ii) a mobile services provision payment KZT 3,273,501 254 (US$7,116,307). |

Mobile bundles

Our bundles are designed for active mobile data users and we have different options for our customers, from data bundles to customized and family plans. Starting in 2022, we focus on the promotion of our own digital products and the development of subscription projects for our customers and customers on other networks. All of our bundles are billed using a mixed payment system and there is an automatic switch to a daily payment schedule if there is an insufficient balance in the customer's account for full payment. In addition, from time to time, we run promotions to encourage early and on time payments, such as by offering to double the customer's monthly allowance or allowing the rollover of unused data to the following month. As of December 31, 2023, the penetration of bundles into our active base is 92.6%.

As of December 31, 2023, approximately 90.7% of our customers in Kazakhstan were on prepaid plans.

Digital Services

MyBeeline self-care app is a digital gateway for Beeline Kazakhstan's mobile bundles, as well as other digital applications and services. In 2023, MyBeeline increased its monthly mobile active users by 19% year-on-year to 4.6 million. The BeeTV entertainment platform is available on mobile devices as well as web and IPTV services and reached approximately 894,000 monthly active users at the end of 2023. Simply is Kazakhstan's first mobile online only neobank, and it served approximately 1.3 million monthly active users at the end of 2023. Beeline Kazakhstan's digital-first sub-brand IZI is another strategic digital product and grew its customer base by 14% year-on-year and reached approximately 433,000 monthly active users as of the end of 2023.

Distribution

We distribute our products in Kazakhstan through owned monobranded stores, franchises and other distribution channels. As of December 31, 2023, we had a total of 48 stores in Kazakhstan, as well as 8,273 other points of sale and 648 electronics stores.

Competition

The following table shows our and our primary mobile competitors' respective customers in Kazakhstan as of December 31, 2023:

| **Operator** | **Customers (in millions)** |
|---|---|
| Beeline Kazakhstan | 11.1 |
| Kcell + Tele2/Altel | 14.4 |

Source: Ministry of National Economy of the Republic of Kazakhstan, Statistics Committee, Agency for strategic planning and reforms of the Republic of Kazakhstan, Beeline Kazakhstan data.

According to the Ministry of National Economy of the Republic of Kazakhstan, Statistics Committee and other data sources noted above, as of December 31, 2023, there were approximately 25.4 million mobile connections in Kazakhstan, representing a mobile penetration rate of approximately 127.04% compared to approximately 25.2 million customers and a mobile penetration rate of approximately 129.2% in 2022.

**Mobile Business in Bangladesh**

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

Launched in February 2005, Banglalink was the catalyst in making mobile telephone an affordable option for consumers in Bangladesh. Banglalink offers 4G connectivity since 2018 and has focused on 4G-based growth, through network expansion. In 2022, the operator started pursuing a nation-wide growth strategy in its 4G network, expanding its footprint. As of December 31, 2023, Banglalink had 15,208 4G sites covering 86.6% of the Bangladesh population and is recognized by Ookla Speedtest as the nation's fastest 4G network provider for the last four consecutive years from 2020 to 2023. At the spectrum auction organized by Bangladesh telecommunications regulator BTRC in March 2022, Banglalink acquired 40 MHz of spectrum in the 2300 MHz band, doubling its spectrum holding to 80 MHz, resulting in the highest spectrum per subscriber among mobile network operators. Banglalink phased out its 3G services in May 2024 as part of its strategy to enhance 4G performance by reallocating the network resources.

The telecommunications market in Bangladesh is largely comprised of prepaid customers. As of December 31, 2023, approximately 94% of our customers were on prepaid plans.

Banglalink also owns Toffee, an infotainment available as a web- and OTT-based service to users of all operators in Bangladesh. In the last quarter of 2023, Toffee aired ICC Men's Cricket World Cup matches, and closed the year with 8.4 million monthly active users with a 2.4 fold revenue growth year-on-year.

In 2023, Banglalink started transforming its self-care application MyBL into a super-app providing services in mobile learning, mobile health, commerce, content, and music, among others. MyBL recorded a 36.6% year-on-year increase in monthly active users, reaching 7.7 million as of December 31, 2023.

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

| **Voice** |
|---|
| • Voice telephone to postpaid and prepaid customers through voice packs and mixed bundles<br>• VoLTE services – VoLTE was launched on September 25, 2023 |
| **Internet and data access** |
| • GPRS, EDGE, 3G and 4G/LTE technology<br>• Data services provided via pay-per-use and via bundles |
| **Roaming** |
| • Active roaming agreements with 373 GSM networks in 159 countries<br>• GPRS roaming with 320 networks in 136 countries<br>• Maritime roaming and in-flight roaming<br>• Roaming agreements generally state that the host operator bills BDCL for roaming services; BDCL pays these charges and subsequently bills the customer for these services on a monthly basis |
| **VAS** |
| • Call forwarding, conference calling, call waiting, caller line identification presentation, voicemail, and missed call alert |
| **Messaging** |
| • SMS, MMS (which allows customers to send pictures, audio and video to mobile phones and to e-mail) and mobile instant messaging |
| **Content/infotainment** |
| • Infotainment platform Toffee, as both web- and mobile OTT-based offering open to users of all operators<br>• Web- and OTT-based customer care services via MyBL super app<br>• Access to digital healthcare, mobile learning, games, Islamic section, community, commerce (air tickets, bus tickets, utility bills) and music streaming services via MyBL super app<br>• Ad-tech capabilities deployed on Banglalink digital channels and are being offered as B2B digital products to business clients<br>• News alert service; sports related content; job alerts; religious content; Vibe music services; health services (doctor appointment, discounts on health check-up and diagnosis); education contents and games.<br>• BiP Messenger for digital communication services (launched in the August 22, 2023) |

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

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

(1) In November 1996, BDCL was awarded a 15-year GSM license to establish, operate and maintain a digital mobile telephone network to provide 2G services throughout Bangladesh. The license was renewed in November 2011 for a further 15-year term.

(2) On September 19, 2013, following a competitive auction process, Banglalink was awarded a 15-year license to use 5 MHz of technology neutral spectrum in the 2100MHz band and was also awarded a 3G license, for which it paid a total cost of BDT 8,677.4 million (US$111.7 million) (inclusive of 5% VAT), including both a license acquisition fee and a spectrum assignment fee.

(3) On February 19, 2018, Banglalink acquired a 4G/LTE license for US$1.2 million. Banglalink also acquired the right to use 10.6 MHz technology neutral spectrum in the 1800 MHz (5.6) and 2100 MHz bands for US$323 million including VAT (33.34% of the fee has been considered as tariff value for 15% VAT). Banglalink also converted 15MHz of existing 2G spectrum for US$37.01 million into 4G spectrum.

(4) In March 2021, Banglalink acquired the right to use 4.4 MHz of technology neutral spectrum in the 1800 MHz band and 5 MHz technology neutral spectrum in the 2100 MHz band effective from April 9, 2021.

(5) In March 2022, Banglalink acquired the right to use 40 MHz of technology neutral spectrum in the 2.3 GHz band which has been effective from August 16, 2022 until February 18, 2033 to enhance 4G data speed, which could be used at a later date to deploy 5G technology.

(6) On April 1, 2022, VEON announced that Banglalink, the Company's wholly-owned subsidiary in Bangladesh, has acquired new spectrum, doubling the company's spectrum holding. Banglalink acquired 40 MHz of spectrum from the 2300 MHz band for US$205 million for a duration of 15 years, payable in ten installments over next 11 years.

**LICENSE FEES**

Under the terms of its 2G, 3G and 4G/LTE mobile licenses, Banglalink is required to pay the BTRC (i) an annual license fee of BDT 50.0 million (US$0.5 million) for each mobile license; (ii) 5.5% of Banglalink's annual audited gross revenue, as adjusted pursuant to the applicable guidelines; and (iii) 1% of its annual audited gross revenue (payable to Bangladesh's social obligation fund), as adjusted pursuant to the applicable guidelines. The annual license fees are payable in advance of each year, and the annual revenue sharing fees are each payable on a quarterly basis and reconciled at the end of each year.

Banglalink's total license fees (annual license fees plus revenue sharing) in Bangladesh was equivalent to US$36.8 million, US$39.20 million, and US$38.6 million for the years ended December 31, 2023, 2022, and 2021, respectively. In addition to license fees, Banglalink pays annual spectrum charges to BTRC, calculated according to the size of BDCL's network, its frequencies, the number of its customers and its bandwidth. The annual spectrum charges are payable on a quarterly basis and reconciled at the end of each year. BTRC has revised the formula for calculating annual spectrum charges on April 5, 2022 with the intention to apply a unified formula to calculate the charges for all of the different spectrum.

BDCL's annual spectrum charges was equivalent to US$ 18.7 million, US$ 11.9 million, and US$13.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Distribution

As of December 31, 2023, Banglalink's sales and distribution channels in Bangladesh included 48 monobrand stores, a direct sales force of 65 corporate account managers and 180 zonal sales managers (for mass market retail sales), 54,888 retail SIM outlets, 325,097 top-up selling outlets and the online sales channels. We provide a top-up service through our mobile financial services partners, ATMs, recharge kiosks, international top-up services, SMS top-up and Banglalink online recharge system. Banglalink provides customer support through our contact center, which operates 24 hours a day and seven days a week. The contact center caters to several after-sales services to all customer segments with a special focus on a "self-care" app to empower customers and minimize customers' reliance on call center agents. In order to stimulate data usage and fast track 4G smartphone penetration in the Banglalink network, we conduct strategic campaigns with leading smartphone brands from time to time. In addition, Banglalink drives the fastest 4G experience from top smartphone retail stores.

Competition

The mobile telecommunications market in Bangladesh is highly competitive. The following table shows Banglalink and the competitors' respective customer base in Bangladesh as of December 31, 2023.

| **Operator** | **Customers in Bangladesh (in millions)** |
|---|---|
| Grameenphone | 82.20 |
| Robi Axiata | 58.67 |
| Banglalink | 43.48 |
| Teletalk | 6.46 |

Source: Bangladesh Telecommunication Regulatory Commission ("BTRC"). Note, for market data BTRC uses its own definition for subscribers, For external reporting purposes Banglalink uses a more stringent criteria, counting only charged users for the reporting of its Active 3-months subscriber base.

According to the BTRC, the top three mobile operators, Grameenphone, Robi Axiata and Banglalink, collectively held approximately 96.61% of the mobile market which consisted of approximately 190.81 million customers as of December 31, 2023, compared to approximately 180.20 million customers as of December 31, 2022.

**Mobile Business in Uzbekistan**

In Uzbekistan, we operate through our operating company, LLC "Unitel," and our brands, "Beeline" and "OQ."

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

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

| Voice |
|---|
| • Airtime charges from mobile postpaid and prepaid customers, including monthly contract fees for a predefined amount of voice traffic (via 2G GSM, VoLTE) and roaming fees for airtime charges when customers travel abroad<br>• GSM service is provided in 2G, 3G and 4G networks; call duration for one session is limited to 60 minutes |
| **Internet and data access** |
| • GPRS/EDGE/3G/4G/LTE networks |
| **Roaming** |
| • Active roaming agreements with 486 GSM networks in 186 countries<br>• GPRS roaming with 436 networks in 165 countries<br>• CAMEL roaming through 306 networks in 137 countries<br>• Roaming agreements generally state that the host operator bills us for roaming services; we pay these charges and then bill the customer for these services on a monthly basis |
| **VAS** |
| • Call forwarding; conference calling; call blocking; SMS-inform and call waiting<br>• Two-step verification process for VAS subscriptions (the "double yes" program) was successfully implemented. |
| **Messaging** |
| • SMS |
| **Entertainment** |
| • Beeline TV (100+ channels, +18K films and series); Beeline Music (25+mln. tracks); Games (3000+ mobile games), Beeline Press (newspaper and magazine aggregator); BiP messenger for digital communication.<br>• Second brand OQ. |
| **FinTech** |
| • Beepul fintech application offers a  financial services  including bill payments (telco payments and top-ups, utility, other government and commercial services), and P2P transfers. |
| **Self-care** |
| • Beeline app (3,95 mln MAU, 50% penetration in 1M active base, +1 mln users year-on-year). Launch of new services – seasonal fairs, Beefortuna PLUS, insurance marketplace, offline mode and etc.<br>• Beeline web. New engine with better capacity and performance, updated UX/UI. |
| **Other** |
| • Launch of targeted SMS with dispatch of more than 1 million SMS in 2023 |

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

| Services | License | Expiration |
|---|---|---|
| GSM900/1800(1) | Nationwide | August 7, 2031 |
| 3G(1) | Nationwide | August 7, 2031 |
| 4G/LTE(1) | Nationwide | August 7, 2031 |
| International Communication Services License | Nationwide | 2026 |
| Data Transfer | Nationwide | Unlimited(2) |
| Inter-city communication services license | Nationwide | 2026 |
| TV broadcasting | Nationwide | August 18, 2028 |

(1) Requires annual license fee payments (due not later than 30 days before the start of the next license year).

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

| LICENSE FEES |
|---|
| In 2023, Unitel LLC made payments for spectrum and licenses with the following split: the annual fee for use of radio frequency spectrum in the total amount of US$5,809,923 and licenses fees in the total amount of US$4,006,775 paid to the state budget. |

Mobile bundles

In 2023, Unitel LLC tripled the new customer entry fee and introduced new price plans that give customers the discretion to activate different parameters of data services through a self-care application.

We offer our customers mobile telecommunications services under postpaid and prepaid plans. As of December 31, 2023, approximately 89% of our customers in Uzbekistan were on prepaid plans. In Uzbekistan, we offer a portfolio of tariffs and products for the prepaid system designed to cater to the needs of specific market segments, including mass-market customers, youth customers and high value contract customers. In addition, we have the following four segments in our postpaid system: large accounts, business to government, SME and SOHO.

*Digital services*

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

We launched OQ on October 31, 2023, an application that combines communication and media content services, giving customers the opportunity to connect to the network remotely thanks to an integrated personal identification system. BiP, a free instant communication app, has been launched on November 24, 2023. In 2023, we continued investing in the development of IT education for Uzbekistan youth. Fifty grants totaling US$100,000 were awarded to talented young IT-specialists for cybersecurity training at Astrum IT Academy. We also invested US$155,000 into the Beeline Academy with first graduates consisting of young IT specialists and Beeline IT personnel who completed courses on basic and advanced level cybersecurity.

Distribution

As of December 31, 2023, our sales channels in Uzbekistan include 45 owned offices, 756 exclusive stores and 2,167 multi-brand stores.

Competition

The following table shows our and our primary mobile competitors' respective customers in Uzbekistan as of December 31, 2023 based on available GSMA Intelligence market data and counting methodologies:

| Operator | Customers (in millions) |
|---|---|
| LLC “Unitel” | 8.4 |
| Ucell | 11.2 |
| UzMobile (Uzbektelecom) | 9.8 |
| UMS | 3.6 |
| Perfectum | 0.1 |

Source: GSMA Intelligence. Regulatory disclosures are not available in Uzbekistan, and sources may cite different numbers, due to approaches for calculation and definitions.

According to GSMA, as of December 31, 2023, there were approximately 33.4 million mobile connections in Uzbekistan, representing a mobile penetration rate of approximately 94.2% compared to approximately 32.3 million connections and a mobile penetration rate of approximately 93.4% as of December 31, 2022.

**Mobile Business in Others**

The “Others” category represents our operations in Kyrgyzstan. Our Kyrgyzstan business operates under the brand name “Beeline Kyrgyzstan” and provides mobile services as well as mobile financial services through its Balance KG application. For information on reportable segments, see—*Operating and Financial Review and Prospects—Reportable Segments.*

As of December 31, 2023, Beeline Kyrgyzstan served 88% of its mobile customer base with prepaid offers and 12% with postpaid.

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

| **Voice** |
|---|
| • Standard voice services<br>• Prepaid and postpaid airtime charges from customers, including weekly and monthly contract fees for a predefined amount of voice traffic and roaming fees for airtime usage when customers travel abroad. |
| **Internet and Data Access** |
| • 3G and 4G/LTE services<br>• Technology neutral licenses |
| **Roaming** |
| • Voice: 450 networks in 133 countries |
| • GPRS: 321 networks in 108 countries |
| • 4G/LTE: 239 networks in 92 countries |
| • CAMEL: 286 networks in 104 countries |
| • roaming agreements generally state that the host operator bills for roaming services; for outbound roaming: prepaid customers are billed online, and postpaid customers are billed on a monthly basis; for inbound roamers: we send the data for roaming charges to our RPs online (prepaid) and offline (postpaid), and then bill these charges to our RPs. |
| **VAS** |
| • Caller-ID; voicemail; call forwarding; conference calling; call blocking, call hold and call waiting |
| **Messaging** |
| • SMS, voice messaging and mobile instant messaging |
| **Content/Infotainment/Entertainment** |
| • SMS CPA, Voice CPA, RBT, voice services (including referral services), geolocation based services, content downloadable to telephone (including music, pictures, games and video); access to radio/television/ VOD broadcasting online or via mobile app<br>• Beeball<br>• Ukmush TV platform |
| **DFS** |
| • Balance transfer, trusted payment, mobile wallet<br>• Balance.kg |

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

| Licenses (as of December 31, 2023) | Expiration |
| --- | --- |
| Radio spectrum of 2600 MHz for the certain territory of Kyrgyzstan (technology neutral) 2530-2550MHz/2650-2670MHz | February 2030 |
| Radio spectrum of 800 MHz for the entire territory of Kyrgyzstan (technology neutral) 796-801MHz/837-842MHz | September 2025 |
| Radio spectrum of 800 MHz for the entire territory of Kyrgyzstan (technology neutral) 791-796MHz/832-837MHz | December 2026 |
| Radio spectrum of 900 MHz, 1800 MHz and 2100 MHz for the entire territory of Kyrgyzstan (technology neutral) | October 2024 (1) |
| National license for electric communication service activity | Unlimited term |
| Radio spectrum for the operation of radio relay station for the entire territory of Kyrgyzstan | December 2024 (2) |
| National license for services on data traffic | Unlimited term |
| Radio spectrum of 2360 – 2400 MHz (technology TDD) for Bishkek city | October 2031 |

(1) The license for radio spectrum of 900 MHz, 1800 MHz and 2100 MHz was renewed in September 2024 for a period of 5 years and will expire on October 30, 2029

(2) In accordance with local law, we plan to submit an application for the renewal of the license for radio spectrum for the operation of radio relay station before November 13, 2024. Should the renewal be granted, the renewed license will expire in December 2029. License renewals are typically granted by the regulator except in cases of inefficient use of the provided spectrum, significant violations by the operator or other equivalent circumstances.

Distribution

We distribute our products in Kyrgyzstan through owned monobranded stores, franchises and other distribution channels. As of December 31, 2023, we had 79 stores in Kyrgyzstan (as well as 7000+ other points of sale).

Mobile customers and mobile penetration rate

The table below presents our total number of customers and the total mobile penetration rate for all operators in Kyrgyzstan as of December 31, 2023 and December 31, 2022.

| **2022**[(1)] *(millions of customers)* | **Mobile Penetration** | **2023**[(1)] *(millions of customers)* | **Mobile Penetration** |
| --- | --- | --- | --- |
| 7.4 | 104.7% | 7.6 | 105.5% |

(1) Source: Open source reports of Service and Supervision in the Field of Communication under the Ministry of Digital Development of the Kyrgyz Republic

***Description of Our Fixed-line Telecommunications Services***

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

**Fixed-line Business in Pakistan**

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

| Services |
|---|
| • Data and voice services over a wide range of access media, covering more than 225 locations, including all the major cities<br>• Data services being provided to the enterprise customers include: dedicated internet access, VPN (virtual private networking), leased lines & fixed telephone<br>• Domestic and international transit leased lines, domestic and international MPLS, and IP transit services through our access network<br>• High-speed internet access (including fiber optic lines)<br>• Software-Defined Wide Area Network ("SD-WAN")<br>• Telephone communication services, based on modern digital fiber optic network<br>• Value added services including Universal Access Number (UAN) and Toll Free numbering (TFN) services<br>• Cloud based contact center and helpdesk solutions and enterprise surveillance bundled with Fixed voice and data connectivity<br>• Dedicated lines of data transmission<br>• Dedicated line access and fixed-line mobile convergence |
| **Coverage** |
| • Wired and wireless access services include FTTx, PMP (point to multipoint), point-to-point radios, VSAT and Microwave links connecting more than 225 locations across Pakistan |
| **Operations** |
| • Long-haul fiber optic network covers more than 13,000 kilometers and is supplemented by wired and wireless networks |
| **Customers** |
| • Enterprise customers<br>• Domestic and international carriers<br>• Corporate and individual business customers |

Distribution

We utilize a direct sales force in Pakistan for enterprise customers. This dedicated sales force has three channels dedicated to SMEs, large/key accounts and business-to-government. These channels are led by individual channel heads who further employ a team of regional sales managers in different regions, which are further supported by a sales force, including team leads and key account managers. Keeping in view the growing demand for connectivity throughout the country we have partnered externally to enable a new indirect sales channel team specifically targeting those areas where our direct sales teams are not available. There is also a centralized telesales executive team led by a manager who upsells through targeted campaigns.

Competition

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

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

Licenses

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

| **Services** | **License** | **Expiration** |
|---|---|---|
| Long Distance & International (“LDI”) | Nationwide and International | 2024 |
| Local Loop (fixed line and/or wireless local loop with limited mobility) | Regional | 2024[1] |
| Telecom Tower Provider (“TTP”) | Nationwide | 2032 |

(1) Our wireless local loop license will expire in November 2024. We have applied with the PTA for the renewal of our regional WLL license under the category of a national fixed line license (without spectrum), which, if approved, will allow us to continue our operations nationwide.

**Fixed-line Business in Ukraine**

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

| Services |
|---|
| • Corporate internet access using various last mile technologies (optical and copper lines, FTTB, xDSL, MW RRL, WiMax, Wi-Fi, 2/3/4G) at speeds ranging from 2 Mbit/s to 10 Gbit/s and additional services (IP-addresses, BGP, Backup, SLA, corporate Wi-Fi, DDos protection)<br>• Fixed-line telephone: IP-lines, SIP-Trunk, analog telephone, ISDN PRI, 0-800, Virtual PBX<br>• Data transmission (IPVPN and VPLS)<br>• FMC<br>• FTTB services tariffs for fixed-line broadband internet access targeted at different customer segments |
| **Coverage** |
| • Provided services in 130 cities in Ukraine<br>• Engaged in a project to install FTTB for fixed-line broadband services in approximately 44,393 residential buildings providing over 61,389 access points. |

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

*Competition*

As a result of martial law declared in Ukraine, government figures on the voice services, data services and retail internet services market for the end of 2021, 2022 and 2023 are not available. Based on data from the National Commission for the State Regulation of Communications ("NCCIR") as of September 30, 2021, we estimate that there are more than 3,000 internet service providers in Ukraine. According to the NCCIR, as of September 30, 2021, Kyivstar led the fixed broadband market with 1.2 million customers, which corresponded to a 14.5% market share. The table below presents our primary competitors in Ukraine in the services indicated according to the latest published information from NCCIR available to us (which is as of September 30, 2021). The market share information of the top five ISPs has not been provided due to the lack of current figures from the NCCIR.

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

(1) Voice service market for business customers only.

(2) Data services for corporate market only.

Source: NCCIR as of September 30, 2021

Distribution

Our company emphasizes high customer service quality and reliability for its corporate large accounts while at the same time focusing on the development of its SME offerings. We sell to corporate customers through a direct sales force and various alternative distribution channels such as IT servicing organizations and business center owners, and to SME customers through dealerships, direct sales, own retail and agent networks. We use a customized pricing model for large accounts which includes service or tariff discounts, volume discounts, progressive discount schemes and volume lock pricing. We use standardized and campaign-based pricing for SME customers. Our residential marketing strategy is focused on attracting new customers. We offer several tariff plans, each one targeted at a different type of customer. In addition, we have been able to benefit from cross-selling our products. As of December 31, 2023, our penetration of fixed-mobile convergence ("FMC") in fixed broadband was 81%, due to a high level of migration of mobile customers to FMC.

Licenses

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

**Fixed-line Business in Kazakhstan**

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

| Services |
|---|
| • High-speed internet access<br>• Local, long distance and international voice services over IP<br>• Local, intercity and international leased channels and IP VPN services<br>• Cloud services, BeeTV, Internet of Things (IoT)<br>• Integrated corporate networks (including integrated network voice, data and other services)<br>• FMC product, including mobile bundles and video content from Amediateka and IVI, and additional SIM cards for family<br>• ADSL, FTTB, Wi-Fi, WiMax, VSAT, GPON, WTTX |

Distribution

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

Competition

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

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

Licenses

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

| **Services** | **License** | **Expiration** |
|---|---|---|
| Long-distance and International | Nationwide | Unlimited |

**Fixed-line Business in Uzbekistan**

In Uzbekistan, we provide B2B and O2O (Operator to Operator) offerings. The table below presents a description of the fixed-line telecommunications services we offer in Uzbekistan.

| Services |
|---|
| • Fixed-line services, such as network access<br>• Internet and hardware and software solutions, including configuration and maintenance<br>• High-speed internet access (including fiber optic lines and fixed wireless access)<br>• Telephone<br>• Long distance and international long-distance telephone<br>• Dedicated lines of data transmission<br>• Dedicated line access and fixed-line mobile convergence |
| **Coverage** |
| • Provided services nationwide |

Distribution

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

Competition

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

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

Licenses

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

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

## Regulatory

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

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

## Seasonality

Telecommunications services are often impacted by seasonality, with certain months seen as higher consumption periods and others as low. Given the geographical diversity of our markets and the re-distribution of our Group revenues in a way that each operating company has a noticeable impact, it is not possible to talk about high and low seasons for the Group as a whole. Seasonality trends might be further disrupted, somewhat materially, but not fully predictably, by the changing time of Ramadan and the Islamic religious festivals in Pakistan and Bangladesh, the timing or timings of our operating companies' repricing actions and the large-scale network rollouts. In 2023, our business continued to be impacted, to some extent, by each of these trends. We continued to experience impacts on business as a result of the onset of the war in Ukraine (including the infrastructure damage and the population displacement it generated as well as the depreciation of local currencies). We were also impacted by the cyber-attack on Kyivstar in December 2023, the subsequent network shutdown and the customer retention programs which followed. We were further impacted by extreme climate events, such as the cyclone in Bangladesh and floods in Pakistan as well as the pre-election climate and consumer sentiment in those markets. These irregularities, as well as some residual impacts of COVID in 2021 and 2020, make it impossible to isolate the specific impact of seasonality, if any, on our business through 2023.

## Corporate Governance

As a Bermuda incorporated exempt company with ADSs listed on the NASDAQ Capital Market, VEON follows a set of governance principles other than the Dutch ones, and as the Dutch Corporate Governance Code only applies to companies incorporated in the Netherlands, we have chosen not to comply with the best practice provisions of the Dutch Corporate Governance Code as at the date of this report. However, annually, we do consider and make an assessment of our directors' independence, as if the Dutch Corporate Governance Code applied to us, and we also consider the principles of the Dutch Corporate Governance Code from time to time in other matters. There is also no other external corporate governance code that the company follows.

The Company has implemented a Code of Conduct that sets forth the framework and principles in key areas, including our zero tolerance for bribery, to ensure we adhere to the highest standards of ethical conduct. The Company also has a Business Code of Conduct which established basic requirements and responsibilities for our business partners. Please refer to *Code of Ethics* for further information on the Company.

The Company's zero tolerance for bribery is underpinned by VEON's Anti-bribery and Corruption policy which outlines the Company's risks related to bribery and corruption, highlights VEON Group personnel's responsibilities under the relevant anti-corruption laws and Company policies, and provides the tools and support necessary to identify and combat those Bribery and Corruption risks. Other related policies include the Anti-Money Laundering and Counter-Terrorist Financing Policy (AML/CTF Policy), Sanctions and Export Controls Policy, Conflict of Interest Policy, Third Party Risk Management Policy, Group Contracting Framework and Speak Up: Raising Concerns and Non-Retaliation Policy.

Regarding third party due diligence and standards for the selection, screening, engagement, retention, and monitoring of all third parties. Key requirements include:

a. all third parties must be screened for sanctions and restricted party risk in accordance with the requirements of the Sanctions Policy and the AML/CTF Policy;

b. selection, engagement, and retention of business partners, are subject to a risk-based evaluation, including risk assessment and due diligence -the risk assessment must also include a check against our "red flag vendors list"; and

c. implementation of a risk-based approach for conducting ongoing monitoring of business partners throughout the course of the relationship to ensure, amongst other criteria, the business partners are in compliance with the Business Partner Code of Conduct.

The Guidelines for OpCo CSR Strategies and Social Contributions codify that the Company does not make donations of any type, either in cash or in kind, to political parties, organizations, factions or movements of public or private nature, whose activity is clearly linked with political or religious activities. In adherence with the principles of transparency the Company also publishes its corporate citizenship strategy, performance and programs in its annual sustainability report.

## Information Technology and Cybersecurity

We have restructured VEON's cybersecurity policy landscape to properly reflect our ambitions to become an information security certified company through reworking all of our cybersecurity standards to provide tactical cybersecurity guidance in accordance with ISO 27001 and certain process handbooks (especially risk management and incident management handbooks) at the operational level. In order to enhance collaboration across the VEON Group, we commenced a new roadmap initiative to enhance alignment and transparency between HQ and our operating company cybersecurity teams. We have conducted several collaboration sessions with various operating company teams to identify potential improvement areas and to align on a future roadmap plan with special focus placed on potential cybersecurity threats. In December 2023, we engaged an independent external service provider to assess the maturity and compliance level of our HQ information security management system against industry standard ISO 27001 and achieved ISO 27001 certification in September 2024.

As part of our overall strategy and ambition, in 2023, a special focus was given to the development, improvement and maintenance of our information technology and cybersecurity systems as well as to the development and execution of our cybersecurity policy. In 2023, we completed a project to enhance the anti-phishing mechanisms and safeguards for our email systems to provide an additional layer of security against phishing attacks that target our personnel through malicious emails. In 2023, we also replaced our content management system ("CMS") service provider in order to improve the performance and security of the VEON corporate website and the content published there. The vendor selection process for the CMS migration was carried out diligently to avoid service and access disruptions on the VEON website. In order to effectively manage the third-party provider associated risks, a vendor management handbook was introduced to establish a well-defined third-party management process. The goal of this vendor management handbook is to provide a detailed and systematic approach for effectively handling cyber security aspects of supplier relationships and service delivery within the VEON group environment. The vendor management process established at VEON is mainly composed of three phases including vendor onboarding, regular performance monitoring and exit or change actions depending on the measured performances of third-party providers.

We also initiated and in some cases completed upgrades to our digital business support systems (DBSS) across all of our operating companies in Bangladesh, Pakistan, Ukraine, Kazakhstan and Kyrgyzstan and DBSS has been deployed in our Uzbekistan Operating Company with completion expected in early 2025. The enhancement of our IT and cybersecurity capabilities optimizes controls, performance and the experience of our stakeholders as they use our core services. At the same time our advanced capabilities enables our operators to offer IT, cybersecurity and big data/artificial intelligence-based products as a part of their B2B portfolios. Our portfolio of advanced IT/big data services includes data-driven marketing ("AdTech"), risk scoring models, geo-analytics, video/audio analytics, cybersecurity as a service, private industrial networks, integration and cloud infrastructure services. Jazz, our operating company in Pakistan, extended the deployment of Kron's PAM solution in the government and banking sector to utilize the cybersecurity-as-a-service model for revenue generation. Jazz also completed and unveiled Pakistan's largest Tier III certified data center on January 25, 2022, which serves the business needs of our Pakistan operations, as well as those of the broader business community in Pakistan. A major technical upgrade was executed in Bangladesh to ensure efficient operations of our TV/media service enjoying 24 million monthly active users during the Football World Cup in 2022. Our operations in Kyrgyzstan and Kazakhstan offer cybersecurity as a service proposition on a commercial basis to major clients in the banking sector.

*Risk Management and Strategy*

Our cybersecurity risk management strategy consists of:

a. investment in IT security and cybersecurity infrastructure;

b. detailed cybersecurity policies, procedures and robust educational trainings for our personnel;

c. an overall strategy to develop, improve and monitor our cybersecurity systems, processes, policies and governance frameworks that have been embedded into our overall risk management framework;

d. integrated third-party cybersecurity technologies and tools; and

e. governance through Board and management oversight.

In 2023, we have restructured VEON's cybersecurity policy landscape to properly reflect our ambitions to become an information security certified company through reworking all of our cybersecurity standards to provide tactical cybersecurity guidance in accordance with ISO 27001 and certain process handbooks (specially risk management and incident management handbooks) at the operational level. In order to enhance collaboration across the VEON Group, we commenced a new roadmap initiative to enhance alignment and transparency between HQ and our operating company cybersecurity teams. We have conducted several collaboration sessions with various operating company teams to identify potential improvement areas and to align on a future roadmap plan with special focus placed on potential cybersecurity threats. In December 2023, we engaged an independent external service provider to assess the maturity and compliance level of our HQ information security management system against industry standard ISO27001 and achieved ISO 27001 certification in September 2024. Our operating companies in Bangladesh, Ukraine and Pakistan completed ISO 27001 (Information Security Management System) certification during 2022. Our Bangladesh and Ukraine operating companies re-certified under ISO 27001 in 2023 and Jazz extended the scope of its ISO 27001 certification to cover telco core network, in addition to upgrading certain legacy cybersecurity solutions to enhance security incident detection and response coverage and implementing a multiple tier 1 systems at its disaster recovery site to ensure service availability where the primary site is affected by a cyber-attack or other disaster. Our operating companies in Kyrgyzstan and Kazakhstan similarly obtained ISO 27001 certification in early 2023. Further, in 2023, our microfinancing subsidiary in Mobilink Bank launched initiatives aiming to achieve ISO 27001 in 2024 with solid commitment and support provided from the management team and our Uzbekistan operating company has similarly launched initiatives to become ISO 27001 complaint. Our Bangladesh operating company also has also implemented multiple tier 1 systems at its disaster recovery site to ensure service availability where the primary site is affected by a cyber-attack or other disaster.

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

Finally, as part of the sale of our Russian Operations, starting in 2023, all our IT and cybersecurity applications which were operated from Russia have been relocated either to Kazakhstan (including, geo-redundant storage) or Amsterdam.

*Governance*

Cybersecurity and compliance with data protection regulations remain key priorities. The Audit and Risk Committee receives reports on our IT and cybersecurity activities on a semi-annual basis and any significant cybersecurity developments or incidents are reported to the Board of Directors if and when they arise. Chief information security officers of operating companies have distinguished professional certifications within cyber security relevant domains such as certified information systems security professional, certified information security manager, global information assurance certification, accompanied by experience gained especially in the telecom industry over the course of several years. Within their organizations they are usually positioned with a direct reporting function to chief information or technology officers so as to retain required empowerment to serve in a best way to defend cyber security interests of the operating companies. The Audit and Risk Committee is responsible for regularly assessing cybersecurity risk and provides oversight of our IT and cybersecurity policies, procedures and strategies and receives regular reports from management, including the chief cybersecurity officers, relating to our cybersecurity practices, to assist with fulfilling this mandate.

Our updated cybersecurity policy came into effect on February 2023. We regularly run cybersecurity forums to allow for structured and consistent governance throughout VEON, which is used to enforce the implementation of our cybersecurity policy, share best practices, lessons learned, industry developments, and other industries’ experiences. We have also established and continue to improve our VEON group-wide horizontal experience exchange mechanism to share best practices in cybersecurity as well as to report and track operational alarms, ongoing attacks and more across operating companies to enable us to respond to cyber threats of global scale.

*Cybersecurity Incidents*

In December 2023, our Ukrainian subsidiary, Kyivstar was the target of a widespread hacker attack that caused technical failure and disruption to its services. As a result of the attack, provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others were temporarily unavailable for Kyivstar customers in Ukraine and abroad. In collaboration with the Ukrainian law enforcement, the Security Service of Ukraine and government agencies, Kyivstar was able to restore its services in multiple stages starting with voice and data connectivity and immediately launched offers to thank its customers for their loyalty once the network was stabilized from the attack.

There was no material financial impact on VEON’s consolidated results for the year ended December 31, 2023 due to the service disruptions and related direct costs of the attack. However, there was a material impact on VEON’s consolidated revenue and EBITDA results for the six months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. In total, the cyber-attack and dedicated customer retention program has resulted in a loss of UAH 0.8 billion (US$23 million) on revenue and a loss of UAH 0.9 billion (US$24 million) in EBITDA during the year ended December 31, 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue for the six-months ended June 30, 2024 was US$46 million. We expect no further impact on our financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

## Intellectual Property

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

## Sustainability

The Group CFO oversees the corporate sustainability (ESG) program and confers with our management in connection with executing its duties. VEON's approach with respect to corporate sustainability is defined and reviewed periodically by the "ESG Steering Committee" chaired by the Group CFO with all relevant Group-level directors as members of the ESG Steering Committee.

Our approach to sustainability goes beyond corporate social responsibility and is centered around our mission to provide customers with connectivity, access to information and other vital digital services. We believe that connectivity and communication are essential humanitarian needs, whether it be connecting with loved ones, seeking help or searching for information and news from reliable sources, which entails a strong emphasis on the "social" pillar of the ESG framework. Through our strategy based on three pillars – "Digital Operator 1440", "Digital Assets", and "Infrastructure" – we transform lives, create opportunities for greater digital inclusion, empower people and drive economic growth. We engage with VEON stakeholders aiming to the sustainable value creation and long-term success of our business. Our digital entrepreneurship and digital skills and literacy programs help us to contribute to long-term socioeconomic value for the communities we serve. Through promoting digital equity and inclusion and creating new opportunities for participants, these programs also contribute to the demand for digital products and services, which in turn creates new opportunities for our business. In parallel with the "social" elements of our approach to ESG, we simultaneously ensure due attention is paid to the "governance" pillar. Indeed, we strive to act as good corporate citizens, promoting and reinforcing ethical business behavior with responsible corporate governance all with the aim of delivering on operational performance. VEON is committed to creating social and business value by making impactful investments that help create new services, partnerships and forums, which in turn enable and empower the people we serve across our markets.

Our Integrated Annual Report 2023 is guided by the principles of stakeholder engagement and materiality of the Global Reporting Initiative (GRI), utilizes ESG KPIs for the Mobile Industry recommended by GSMA as well as WEF's Stakeholder Capitalism metrics and is aligned with the UN's 17 Sustainable Development goals.

As part of our reporting cycle, we assess the effectiveness of our sustainability strategy and revise it when needed.

Our approach to the identification, management and evaluation of sustainability is guided by three main principles:

- Stakeholders: By engaging with our stakeholders, we understand their concerns and expectations, and consider their opinions in our decision-making;
- Materiality: We conducted our most recent materiality assessment in 2022, which defined our priority topics to focus on as a Company, following engagement with internal and external stakeholders. Over the past year, the Board and management reviewed this materiality analysis, and believe these issues are still the most relevant to VEON and its stakeholders. VEON has therefore remained focused on progressing with the economic, social, environmental and governance issues that are most material to our business and stakeholders. VEON's material topics shape our approach to earning and preserving value for our stakeholders, while our license to operate focuses on efforts aimed at improving and sustaining our operations. Altogether, these are VEON's material matters, emphasizing the most critical areas that provide long-term sustainable benefits to all our stakeholders; and
- Accountability: We are accountable to our stakeholders through the publication of our Integrated Annual Report. We also share periodic updates with internal stakeholders, including members of management, to inform them about key sustainability-related developments and our sustainability performance.

Our approach to sustainability disclosures meets Global Reporting Initiative standards at the "core" level, follows the guidance in the AA1000 Accountability Principles Standard and is influenced by International Integrated Reporting Council guidance. For the AA1000 Principles, our assured engagement was planned and performed to meet the requirements of a Type 1 "moderate level" of assurance as defined by AA1000 Assurance Standard (AA1000AS) 2008.

In February 2024, MSCI upgraded VEON's ESG rating from "A" to "AA" for its Environmental, Social, and Governance performance[1]. We are also proud to be a member of the GSM Association's (GSMA) climate action taskforce and are planning to align with the organization's goal of achieving net-zero GHG emissions for our industry by 2050. By taking this step, we are working towards setting climate action targets for our business that help our industry meet its emissions objectives. Furthermore, all our operating companies participated, for the first time in 2023, in the GSMA's "Energy Benchmark Initiative."

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

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

[1] The use by VEON of any MSCI ESG RESEARCH LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of VEON by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

***Diversity, Equity and Inclusion***

Within ESG, a particular focus for the Company, as a major employer, is diversity, equity and inclusion (DE&I). In December 2022, the Company appointed Ana de Kok Reyes as Group Diversity and Inclusion officer to strengthen our commitment to DE&I, ensuring our vision is aligned across our footprint and deploying best practices across our workforce. In 2023, the Company also adopted a 360-degree approach to DE&I which considers a multitude of perspectives which captures people, product, partner and community.

We have also undertaken a number of DE&I initiatives at the operating company level. For example, in 2023, Jazz, our operating company in Pakistan, launched an industry-first program for female leadership development in collaboration with the country's top business school in hopes of addressing the gender leadership gap. This five-year program provides scholarship for leadership development training programs and aims to train 1,000 women leaders to serve the nation by 2028. At Jazz, we have also adopted "She's Back," which is a women returnship platform for bringing women back to work after a career break. In our Kazakhstan operating company, we have implemented initiatives that provide or promote the establishment of waiting rooms for children in major offices, remote and hybrid work schedules, access to educational platforms during maternity/paternity leave and maternity leave pay above the mandatory minimum level to help parents and women stay productive and build fulfilling careers without sacrificing their family lives.

## EU Taxonomy Regulation

This section below is specifically prepared from view of VEON Ltd., the ultimate shareholder of the Company and are not applicable to VEON Holdings B.V.

In 2019, the European Commission (EC) presented the Green Deal of the European Union (EU), to reach a climate-neutral EU economy by 2050 – an economy with net-zero greenhouse gas (GHG) emissions, with a GHG-reduction of 55% implemented in 2030.

In this context, the EU Taxonomy Regulation became effective mid-2020 (Regulation (EU) 2020/852), which up to now has been supplemented and amended by Commission Delegated Regulations (EU) 2021/2139, 2021/2178, 2023/2485 and 2023/2486). The EU Taxonomy is mandatory when assessing and considering economic activities 'environmentally sustainable' in line with the Article 3 of the Regulation (EU) 2020/852.

The EU published a catalog of sustainable activities in the manner of the EU Taxonomy ('EU Catalog') relating to six sustainability objectives as stated in Article 9 of the Regulation (EU) 2020/852: climate change mitigation; climate change adaptation; sustainable use of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems.

By Delegated Regulations (EU) 2021/2139 Article 1, it is determined which economic activities can be considered. By implementing the first stage of the EU's taxonomy in 2021 (reporting on eligibility for potentially sustainable activities), we concluded that the impact of the framework in relation to the first two environmental objectives is limited under VEON's business model. As of 2022, it was required to report if eligible activities on the first two environmental objectives can be considered 'environmentally sustainable', i.e. Taxonomy-aligned.

This alignment depends on technical screening criteria that must be fulfilled as mentioned in Annexure referred to in the Article 1 of Delegated Regulations (EU) 2021/2139. These technical screening criteria determine the conditions under which an economic activity qualifies as contributing substantially to environmental objectives - and determine whether that economic activity causes no significant harm to any of the other environmental objectives and comply with minimum safeguards. As of June 2023, the remaining four of the six objectives have been added. Regarding new activities prescribed: this has little impact on VEON.

We performed an analysis based on the activities and criteria as described in the relevant Delegated Act (Annexure I referred to in Article 1 of the EU 2021/2139) for each theme to determine substantial contribution (SC) and substantiate the do no significant harm criterion (DNSH). The third criterion is compliance with minimum social safeguards: here we performed an analysis on three levels: product level, organizational level and responsible supply chain level.

On product level, reference was made to eligible product passports or supplier-self-declaration when available. In the non-EU market activities of VEON, these eligible product passports or supplier declarations are not always available (yet). On organizational level VEON's risk management and incident reports were analyzed. Compliance with minimum safeguards is enforced by suppliers accepting the VEON Supplier Code of Conduct and in case of shortcomings by corrective actions.

**Judgments and assumptions made by management regarding the EU Taxonomy**

Based on our assessment of the current EU Taxonomy Regulation, we conclude that various aspects are open to multiple interpretations. In preparation of the required EU Taxonomy disclosures, management made judgments and assumptions. We concluded that we have eligible activities in one out of six environmental objectives stated in Article 9 of the Regulation (EU) 2020/852: climate change mitigation. The amount and proportion of eligible, aligned, and non-eligible activities are reported in the tables on the next pages.

We conclude that the below economic activities described in the EU Taxonomy apply to VEON as eligible. Based on our assessment we found that our eligible 2022 economic activities cannot be considered 'environmentally sustainable', i.e. Taxonomy-aligned. For 2023 we have found a small portion of our activities related to maintenance and repair of energy efficient equipment to be 'environmentally sustainable'.

***Climate change mitigation eligible activities***

4.2 - Energy generation using concentrated solar power technology
6.5 - Transport by motorbikes, passenger cars and light commercial vehicles
7.3 - Installation, maintenance, and repair of energy efficiency equipment
7.6 – Installation, maintenance, and repair of renewable energy technologies
7.7 - Acquisition and ownership of buildings
8.1 - Data processing, hosting, and related activities

**Climate change mitigation alignment analysis**

On November 24, 2022, VEON announced the sale of its Russian operations, and the Russian business was, in line with the IFRS 5, (Non-current Assets Held for Sale and Discontinued Operations,) requirements, treated as a discontinued operation, and accounted for as an "Asset held for sale (refer to Note 10 —Held for Sale and Discontinued Operations in our Consolidated Financial Statements for further details). The Turnover, Operational expenditure (Opex) and Capital expenditure (Capex) in this disclosure exclude our Russian operations. In 2023, our Russian operations did not include eligible taxonomy turnover, nor taxonomy aligned Opex or Capex.

Climate change mitigation means the process of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid down in the Paris Agreement. Below we describe the nature of our Taxonomy eligible and aligned economic activities.

The eligible capital and operating expenditure includes those that are related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to GHG-reductions. To determine whether eligible activities are Taxonomy aligned, the activities were assessed to the 3 alignment criteria:

1. Substantial contribution (SC) to climate change mitigation
2. Does not do significant harm (DNSH) to climate change adaptation, nor to transition to a circular economy and/or pollution prevention and control
3. Compliance with minimum safeguards

We found our Taxonomy aligned 2023 Opex and Capex economic activities in relation to climate change mitigation to be negligible (0%). The proportion of 2023 eligible, aligned, and non-eligible climate change mitigation activities are reported below in terms of EU Taxonomy Opex and Capex:

**Table 1 - Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities 2023**

| | Total (USD million)* | Proportion of Taxonomy-eligible economic activities (in %) | Proportion of Taxonomy-non-eligible economic activities (in %) |
|---|---|---|---|
| **Turnover** | 3,698 | — % | 100 % |
| **Operating expenditure (Opex)** | (2,770) | 0.03 % | 99.97 % |
| **Capital expenditure (Capex)** | 998 | 10.33 % | 89.67 % |

**Note: FY 2023 Turnover, Opex, and Capex amounts exclude Russian operations, which were reclassified as 'held for sale' and 'discontinued operations' in 2022, Refer Note 10- Held for sale and discontinued operations in the Consolidated Financial Statements.*

**EU Taxonomy Turnover KPI**

We concluded that VEON's eligible EU Taxonomy Turnover is nil, as VEON's core economic activities are not described in the Delegated Acts on the six environmental objectives.

In addition, as electronic communications networks (telecommunication) as such are not included as an activity under the current coverage of the Taxonomy delegated act, management is not able to qualify certain network roll-out activities as environmentally sustainable under the EU Taxonomy Regulation. Industry alignment on treatment of this topic is ongoing.

As our core economic activities are not covered by the listed activities in Annex I of the EU Taxonomy Regulation (EU) 2021/2139) and are consequently Taxonomy-non-eligible, we have not performed Taxonomy-Alignment assessment for turnover.

Our assessment of Taxonomy-eligibility is focused on economic activities defined as the provision of goods or services on a market, thus (potentially) generating revenues. In this context, we, as a telecommunications group, define voice, fixed broadband, data- and digital services as the core of our business activities.

We define activities such as the acquisition/construction of new buildings (for our shops, front and back offices, warehouses, data centers) and towers or the transport for our administrative and engineering staff as support activities for our core business activities. They are not reported as Taxonomy-eligible activities and not included in our turnover KPI as they are not generating external turnover on a standalone basis.

**Accounting Policies**

The key performance indicators ("KPIs") include the turnover KPI, the Opex KPI and the Capex KPI. The specification of the KPIs is determined in accordance with Annex I of the Art. 8 Delegated Act. We describe our accounting policy in this regard as follows:

Turnover KPI

The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding our consolidated net turnover, please refer to Note 24 of our Annual Report 2023. With regard to the numerator, under the current environmental objectives of the EU Taxonomy, climate change mitigation, VEON had no eligible 2023 turnover-generating activities.

Opex KPI

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by our total Opex (denominator). With regard to the numerator, we refer to our explanations below. Total Opex consists of direct non-capitalized costs that relate to purchase of renewable energy, short-term lease, and maintenance and repair of equipment.

Capex KPI

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by our total Capex (denominator). With regard to the numerator, we refer to our explanations below.

Total Capex consists of additions to Property and Equipment and Intangible assets during the financial year. Total Capex can be reconciled to our consolidated financial statements as the reference to the sum of total Additions line of Note 12 and Note 13.

Explanations on the numerator of the Opex KPI and the Capex KPI

Opex and Capex with regard to support activities are included in table 2 and 3 below - and were considered for calculating of the proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in Opex and Capex (Table 1).

For the allocation of Opex and Capex management have identified the relevant purchases and measures and identified the primarily related economic activity in the Climate Delegated Act. In this way, no Opex or Capex was considered more than once. Of 2023 Opex, a negligible percentage of 0.002% (2022: 0%) is considered aligned under the current EU Taxonomy Regulations (Annex I referred to in Article 1 of Delegated Regulations (EU) 2021/2139), 0% of 2023 Capex is considered aligned (2022: 0%). This low percentage of alignment is partly related to unavailability of product certifications regarding purchased goods and services in VEON's non-EU core markets. A higher percentage of aligned activities from elements of Opex and Capex could have existed, but management was not able to validate such alignment due to lack of substantial information available.

We have identified the following economic activities in the Climate Delegated Act (Article 1) resulting in Opex which are considered eligible:

**Table 2 - Individually Taxonomy-eligible Opex and the respective 2023 economic activities**

| **Description of the individually Taxonomy-eligible purchased output/measure** | **Respective economic activity (s)** | **Amount, USD million** |
|---|---|---|
| Purchase of electricity generated from renewables | 4.2. Electricity generation using concentrated solar power (CSP) technology | -0.16 |
| Vehicle fleet (leasing) | 6.5. Transport by motorbikes, passenger cars and light commercial vehicles | -0.6 |
| Maintenance and repair of the energy efficient equipment related to base stations | 7.3. Installation, maintenance, and repair of energy efficiency equipment | -0.05 |
| Total | | (0.8)* |

* 2023 Opex related to climate change limitation is limited to 0.03% of 2023 Opex and considered immaterial. The results of the management's analyses are therefore not included in this disclosure.

We have identified the following economic activities in the Climate Delegated Act (Article 1) resulting in Capex which are considered eligible:

**Table 3 - Individually Taxonomy-eligible Capex and the respective 2023 economic activities**

| **Description of the individually Taxonomy-eligible purchased output/measure** | **Respective economic activity (Annex I to Climate Delegated Act)** | **Amount, USD million** |
|---|---|---|
| Maintenance and repair of energy efficient equipment for our base stations | 7.3. Installation, maintenance, and repair of energy efficiency equipment | 14.5* |
| Installation, maintenance, and repair of renewable energy technologies for our base stations | 7.6. Installation, maintenance, and repair of renewable energy technologies | 5.4* |
| Buildings, considering legal or economic ownership, including the right of use from a building lease. Includes shops, offices, warehouses, and towers | 7.7. Acquisition and ownership of buildings | 3.1* |
| Build-out and upgrade of energy efficient and high-speed network infrastructure and data centers | 8.1. Data processing, hosting, and related activities | 80.1* |
| Total | | 103.1 |

*lower lifecycle GHG-emissions through lower energy consumption.

**Conclusion**

We concluded that VEON's EU Taxonomy Turnover is not eligible under the current EU Taxonomy Regulations. Also, we concluded that the roll-out of fiber is currently not eligible, however we believe this is an important enabler for climate change mitigation, by providing significant energy savings compared to copper.

Furthermore, we found our Taxonomy eligible and aligned 2023 Opex-economic activities in relation to climate change mitigation to be negligible (2022: 0%) and that 2023 aligned Capex was 0% in both 2022 and 2023.

The proportion of 2023 eligible, aligned, and non-eligible climate change mitigation activities are reported below in terms of EU Taxonomy Opex and Capex.

Of 2023 Opex, 0.00% is considered aligned under the current EU Taxonomy Regulations, 0.00% of Capex is considered aligned. This low percentage of alignment is partly related to unavailability of product certifications regarding purchased goods and services in VEON's non-EU core markets. A higher percentage of aligned activities from elements of Opex and Capex could have existed, but management was not able to validate such alignment due to lack of substantial information available.

**EU Taxonomy Turnover table**

| | | | | **Substantial contribution criteria** | | | | | | **Does not significant harm (DNSH)** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Codes | Absolute Turnover (in USD million) | Proportion of Turnover | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguards | Taxonomy aligned proportion of Turnover 2023 | Category enabl. activity | Category trans. activity |
| **A. Taxonomy eligible activities** | | | | | | | | | | | | | | | | | | | |
| ***A1. Environmentally sustainable activities (Taxonomy aligned)*** | | | | | | | | | | | | | | | | | | | |
| No activities identified | | 0 | 0.00% | | | | | | | | | | | | | | 0 | | |
| ***A2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned)*** | | | | | | | | | | | | | | | | | | | |
| No activities identified | | 0 | 0.00% | | | | | | | | | | | | | | 0 | | |
| Total A1 + A2 | | 0 | 0.00% | | | | | | | | | | | | | | 0 | | |
| B. Taxonomy non-eligible activities | | | | | | | | | | | | | | | | | | | |
| **Turnover of taxonomy non-eligible** | | **3698.2** | **100%** | | | | | | | | | | | | | | | | |
| **Total A + B** | | 3698.2 | 100 % | | | | | | | | | | | | | | | | |

**EU Taxonomy Capex table**

| | **Substantial contribution criteria** | **Does not significantly harm (DNSH)** |
|---|---|---|

| | Codes | Absolute Capex (in USD million) | Proportion of Capex | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguards | Taxonomy aligned proportion of Capex 2023 | Category enabl. activity | Category trans. activity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A. Taxonomy eligible activities** | | | | | | | | | | | | | | | | | | | |
| ***A1. Environmentally sustainable activities (Taxonomy aligned)*** | | | | | | | | | | | | | | | | | | | |
| *No aligned activity identified* | | 0.0 | 0.00% | N | N | N | N | N | N | N | N | N | N | N | N | N | 0% | N | N |
| ***A2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned)*** | | | | | | | | | | | | | | | | | | | |
| Maintenance and repair of the energy efficient equipment for our base stations | CCM 7.3 | 14.5 | 1.45% | Y | N | N | N | N | N | N | N | N | N | N | N | N | 0% | Y | N |
| Installation, maintenance, and repair of renewable energy technologies for our base stations | CCM 7.6 | 5.4 | 0.54% | Y | N | N | N | N | N | N | N | N | N | N | N | N | 0% | Y | N |
| Our acquisition of buildings (i.e. eligibility of all buildings considering the legal or economic ownership, including the right of use from a lease of a building) including shops, front and back offices, warehouses and towers | CCM 7.7 | 3.1 | 0.31% | Y | N | N | N | N | N | N | N | N | N | N | N | N | 0% | Y | N |
| Our investment in the build-out and upgrade of energy efficient and high-speed network infrastructure and data centres, and in generation of renewable energy | CCM 8.1 | 80.1 | 8.03% | Y | N | N | N | N | N | N | N | N | N | N | N | N | 0% | Y | N |
| **Total A1 + A2** | | **103.1** | **10.33%** | | | | | | | | | | | | | | | | |
| **B. Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| **Capex of taxonomy non-eligible activity (B)** | | 895.0 | 89.67% | | | | | | | | | | | | | | | | |
| **Total A + B** | | **998.1** | **100%** | | | | | | | | | | | | | | | | |

**EU Taxonomy Opex table**

| | | | | **Substantial contribution criteria** | | | | | | **Does not significant harm (DNSH)** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Codes | Absolute Opex (in USD million) | Proportion of Opex | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguards | Taxonomy aligned proportion of Opex 2023 | Category enabl. activity | Category trans. activity |
| **A. Taxonomy eligible activities** | | | | | | | | | | | | | | | | | | | |
| ***A1. Environmentally sustainable activities (Taxonomy aligned)*** | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Maintenance and repair of energy efficiency equipment | CCM 7.3 | (0.05) | 0.00% | Y | N | N | N | N | N | Y | Y | Y | Y | Y | Y | Y | 0% | Y | N |
| ***A2. Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned)*** | | | | | | | | | | | | | | | | | | | |
| Our activities associated with purchase of electricity generated from renewables | CCM 4.2 | (0.16) | 0.01% | Y | N | N | N | N | N | N | N | N | N | N | N | N | 0% | Y | N |
| All VEON's vehicle fleet (leasing) | CCM 6.5 | (0.60) | 0.02% | Y | N | N | N | N | N | N | N | N | N | N | N | N | 0% | Y | N |
| Maintenance and repair of energy efficiency equipment | CCM 7.3 | (0.00) | 0.00% | Y | N | N | N | N | N | N | N | N | N | N | N | N | 0% | Y | N |
| **Total A1 + A2** | | **-0.81** | **0.03%** | | | | | | | | | | | | | | | | |
| **B. Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | | | |
| **Opex of taxonomy non-eligible activity (B)** | | (2,769.40) | 99.97% | | | | | | | | | | | | | | | | |
| **Total A + B** | | (2,770.21) | 100% | | | | | | | | | | | | | | | | |

## Property, Plants and Equipment

### Buildings

Our office in Amsterdam is leased. Our global headquarters activities are currently hosted in Amsterdam which consists of a 1020 square meter office with 33 workplaces, and we have subleased parts of our Amsterdam office since February 2020. On December 31, 2022, we entered into a lease for office space in the DIFC consisting of 500 square meters with 26 workspaces. Our DIFC office became operational in mid-June 2023 at which time we closed our small satellite office in Dubai Internet City which preciously opened in March 2022. On October 14, 2024, we announced our intention to relocate our Group headquarter activities from Amsterdam to the DIFC . Our London office at 15 Bonhill Street, London EC2A 4DN has been fully subleased since January 2019, and accordingly, we no longer have any designated office space in London. Our operating companies and subsidiaries each own and lease property used for a variety of functions, including administrative offices, technical centers, data centers, call centers, warehouses, operating facilities, sales offices, main switches for our networks and IT centers. We also own office buildings in some of our regional license areas and lease space on an as-needed basis.

### Telecommunications Equipment and Operations

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

<u>Mobile network infrastructure</u>

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

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

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

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

<u>Fixed-lined infrastructure</u>

Our infrastructure supports our mobile businesses in all of our markets and enables provision of fixed-line services to our customers in Ukraine, Uzbekistan and Kazakhstan. Our infrastructure in these markets include: a transport network designed and continually developed to carry voice, data and internet traffic of mobile network, FTTB and our fixed-line customers using fiber optics and microwave links; and a transport network based on our optical cable network utilizing DWDM, SDH and IP/MPLS equipment with all DWDM and SDH optical networks being fully ring-protected (except for secondary towns).

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

# DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

## Directors and Senior Management

The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Postma and Paul Klaassen. On March 4, 2024 Jochem Postma and Paul Klaassen stepped down from their role as statutory directors and were replaced by Bruce Leishman and Maciej Wojtaszek. The Company is part of the VEON Ltd. Group. VEON Ltd. is governed by VEON Ltd.'s Board of Directors.

Following May 31, 2024, the date of VEON Ltd.'s 2024 annual general meeting of shareholders (the "2024 AGM"), VEON Ltd.'s directors, their respective ages, positions, dates of appointment and assessment of independence as of September 30, 2024 are as follows:

| Name | Age | Position | First Appointed | Independent |
|---|---|---|---|---|
| Augie K Fabela II | 58 | Chairman of Board of Directors | 2024 (as Chairman); 2022 (as member) | x |
| Andrei Gusev | 52 | Director | 2014 | |
| Sir Brandon Lewis | 53 | Director | 2024 | x |
| Duncan Perry | 57 | Director | 2024 | x |
| Michael R. Pompeo | 60 | Director | 2024 | |
| Michiel Soeting | 62 | Director | 2022 | x |
| Kaan Terzioglu | 56 | Director (and Group CEO) | 2023 | |

Prior to the date of VEON Ltd.'s 2024 AGM, VEON Ltd.'s directors, their respective ages, positions, dates of appointment and assessment of independence were as follows:

| Name | Age | Position | First Appointed | Independent |
|---|---|---|---|---|
| Morten Lundal | 59 | Chairman of Board of Directors | 2023 (as Chairman); 2022 (as member) | x |
| Michiel Soeting | 62 | Director | 2022 | x |
| Augie K Fabela II | 58 | Director | 2022 | x |
| Yaroslav Glazunov | 44 | Director | 2020 | |
| Karen Linehan | 65 | Director | 2022 | x |
| Andrei Gusev | 52 | Director | 2014 | |
| Kaan Terzioglu | 56 | Director (and Group CEO) | 2023 | |

As of VEON Ltd.'s annual general meeting of shareholders held on June 29, 2023 (the "**2023 AGM**") and up to the date of VEON Ltd.'s 2024 AGM, the board of directors of VEON Ltd. ("Board of Directors") consisted of seven members, four of whom we deemed to be independent. See *—Memorandum and Articles of Association—Board of Directors*. In analyzing the independence of the members of the Board of Directors for this purpose, we are guided by the NASDAQ listing rules, the rules promulgated by the SEC, as if those rules applied to us.

All members of the Board of Directors are elected by VEON Ltd.'s shareholders at VEON Ltd.'s annual general meeting through a cumulative voting process at such general meeting. Nominations to the board of directors were managed by its Remuneration and Governance Committee ("RGC"), which prior to the date of VEON Ltd.'s 2024 AGM was led by Morten Lundal, whom we deemed to be an independent member of the Board of Directors. The RGC looked to ensure that the membership of the Board of Directors consists of individuals with sufficiently diverse and independent backgrounds, who possess experience, knowledge, and expertise most relevant to our strategic priorities and challenges. All members of the Board of Directors possess suitable industry experience and have additionally been selected to provide the requisite experience necessary for the committees of our Board of Directors.

At VEON Ltd.'s 2024 AGM, VEON Ltd. shareholders re-elected four previously serving directors and elected three new members to the VEON Ltd. Board of Directors. Following VEON Ltd.'s 2024 AGM, the Board amended the composition of certain of our committees. See — *Updates to the Board of Directors following the Annual General Meeting of Shareholders on May 31, 2024*—for details of the Board composition and following VEON Ltd.'s 2024 AGM.

On July 30, 2018, VEON Ltd. amended and restated their bye-laws to, among other things, eliminate their two-tier board structure. As a result, they have a board of directors and a management leadership team known as the VEON Ltd. GEC. On June 29, 2023, VEON Ltd. amended and restated their bye-laws to reduce the size of their Board of Directors to a minimum of five and maximum of nine board members and to allow the VEON Ltd. Board of Directors to delegate its powers to committees with responsibility for audit, board nomination and compensation, and such other committee as the VEON Ltd. Board of Directors deems necessary or appropriate. On May 31, 2024, VEON Ltd. further amended and restated their bye-laws to correct a legacy formatting error and to standardize the wording enabling the VEON Ltd. Board of Directors to convene electronic meetings of shareholders.

VEON Ltd.'s bye-laws empower the Board of Directors to direct the management of VEON Ltd.'s business and affairs, and require that the Board of Directors approves important matters including, among others, the annual budget and audited accounts, organizational or reporting changes to the management structure, significant transactions and changes to share capital or other significant actions of the group of subsidiary companies for which VEON Ltd. is the ultimate parent entity ("VEON Group"). Additionally, under Bermuda law, the Board of Directors has the right to require that any matter be brought to the attention of the Board of Directors for approval and any member of the Board of Directors may bring forward an item for the agenda of a meeting of the Board of Directors. Together, these decision-making channels help to ensure that the Board of Directors provides appropriate oversight over matters relevant to the VEON Group.

**Updates to the VEON Ltd. Board of Directors following the VEON Ltd. Annual General Meeting of Shareholders on May 31, 2024.**

At the 2024 VEON Ltd. AGM, VEON Ltd. shareholders re-elected four previously serving directors: Augie Fabela, Andrei Gusev, Michiel Soeting and Kaan Terzioglu. VEON Ltd.'s shareholders also elected Sir Brandon Lewis, Duncan Perry and Michael R. Pompeo as new members of the VEON Ltd. Board of Directors. Morten Lundal, Karen Linehan and Yaroslav Glazunov did not stand for re-election at the 2024 VEON Ltd. AGM. All members of VEON Ltd.'s Board of Directors serve in office until the next annual general meeting of shareholders of the VEON Ltd. to be held in 2025, unless any members are removed from office or their offices are vacated in accordance with VEON Ltd. bye-laws. Alternate VEON Ltd. directors will be summoned to act as regular directors in a temporary or permanent manner in case of absence, vacancy or demise. Of the seven members of the VEON Ltd. Board of Directors elected at the 2024 VEON Ltd. AGM, four are deemed to be independent. In analyzing the independence of the members of the VEON Ltd. Board of Directors for this purpose, we are guided by the NASDAQ listing rules, the rules promulgated by the SEC and the Dutch Corporate Governance Code, as if those rules applied to us**.**

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

As of September 30, 2024, the members of the VEON Ltd. GEC, their respective ages, positions and dates of appointment were as follows:

| Name | Age | Position | First Appointed |
|---|---|---|---|
| Kaan Terzioğlu | 56 | Group Chief Executive Officer | March 2020 (as co-CEO) |
| A. Omiyinka Doris[(1)] | 48 | Group General Counsel | June 2023 |
| Joop Brakenhoff [(2)] | 59 | Group Chief Financial Officer | May 2023 |

[(1)]A. Omiyinka Doris served on the VEON Ltd. GEC as Acting Group General Counsel from November 1, 2022 until May 31, 2023. Effective from June 1, 2023, she became the VEON Ltd. Group General Counsel.

[(2)]Serkan Okandan and Joop Brakenhoff served on the VEON Ltd. GEC as Group Chief Financial Officer and Chief Internal Audit and Compliance Officer respectively for the reporting period ending December 31, 2023, until April 30, 2023. Effective from May 1, 2023, Joop Brakenhoff replaced Serkan Okandan as Group Chief Financial Officer.

See *Note 21—Related Parties* to our Audited Consolidated Financial Statements for the compensation details of the VEON Ltd. GEC.

*Board of Directors following the 2024 AGM*

***Mr. Augie K Fabela II*** (Chairman) has been a director of VEON Ltd. since June 2022 and we deem Mr. Fabela to have been an independent director. Mr. Fabela serves as the chairman of the Remuneration and Governance Committee and is also a member of the Audit and Risk Committee. He also previously served as a member of both the Compensation and Talent Committee as well as the Strategy and Innovation Committee. Mr. Fabela was also a director of VEON Ltd. from June 2011 to December 2012, during which time he served as Chairman of the Board. He is executive chairman and co-founder of FastForward.ai. In addition, he is also a director (Finance Committee) at Shareability, Inc. since 2019. Mr. Fabela is a #1 bestselling author of “The Impatience Economy.” He graduated from Stanford University with a B.A. and M.A. in International Relations and International Policy Studies.

***Mr. Andrei Gusev*** (Director) has been a director of VEON Ltd. since April 2014. Mr. Gusev serves as member of the Remuneration and Governance Committee and previously served as the chairman of the Finance Committee. Mr. Gusev is currently a senior partner at LetterOne Technology LLP (UK). He has deep experience executing transactions in various geographies over the last 20 years. Mr. Gusev also has extensive experience as an executive having served as Chief Executive Officer at the publicly listed food retailer X5 Retail Group N.V. from 2011 to 2012 and as management board member responsible for business development and M&A from 2006 to 2010. From 2001 to 2005, Mr. Gusev held a position at the Alfa Group overseeing investment planning. Prior to that, Mr. Gusev worked at Bain & Company and Deloitte Consulting. Mr. Gusev holds an MBA from the Wharton School at the University of Pennsylvania and graduated with honors from the Faculty of Applied Mathematics and Computer Science at Moscow State University.

***Sir Brandon Lewis, CBE*** (Director) has been a director of VEON Ltd. since May 2024 and we deem Sir Brandon to be an independent director. Sir Brandon previously served as a Member of Parliament for Great Yarmouth. He is currently strategic advisor to each of LetterOne Holdings S.A., Civitas Investment Management Ltd., FM ConwayLimited and Thakeham Homes Limited since 2023. Sir Brandon  also serves as a non-executive director of Woodlands Schools Ltd.since 2023, having also been a director there from 2001 to 2012, and is a patron of Adam Smith Institute (a free market think tank in the UK) and non-Executive chairman of Millbank Creative Ltd. Prior to that, Sir Brandon served 10 years in the UK Government with 5.5 of those years in Cabinet in a range of roles: he was Lord Chancellor and Secretary of State for Justice, Ministry of Justice UK in 2022; Secretary of State, Northern Ireland Office from 2020 to 2022; Minister of State (National Security) and UK Home Office from 2019 to 2020. From 2018 to 2019, Sir Brandon also served as Cabinet Minister without Portfolio as well as Chairman of Conservative Party. Between 2016 and 2018, Sir Brandon served the UK Home Office in consecutive roles as Minister of State for Policing and the Fire Service, and then as Minister of State (Immigration and International). Prior to that, he was Minister of State from 2014 to 2016 and Parliamentary Under Secretary of State for Communities and Local Government from 2012 to 2014 with the Department for Communities and Local Government. Sir Brandon holds a BSc (Econ) and an LLB, Law from the University of Buckingham, and an LLM, Law (Commercial) from King’s College London. He is also a qualified a Barrister, Law from Inns of Court School of Law.

***Duncan Perry*** (Director) has been a director of VEON Ltd. since May 2024 and we deem Mr. Perry to be an independent director. Mr. Perry serves as an observer on the Audit and Risk Committee. Mr. Perry is a lawyer with 30 years of legal experience and has been a senior legal advisor at LetterOne since July 2023. He is also chairman of the not for profit, SEO Connect Ltd, and board member of the charity, SEO London Ltd. Prior to this, Mr. Perry was a general counsel and entrepreneur for 10 years, involved in a number of diverse projects, including being a founding team member and director of the UK regulated FinTech bank Kroo Bank. Mr. Perry was Global General Counsel at Barclays Wealth Asset Management for 7 years, where he was a member of the Barclays Wealth executive committee and responsible for legal and compliance risk across 24 jurisdictions. At Barclays he was a member of several committees, including the chair of the Risk and Reputation Committee. Mr. Perry also previously had roles including European COO and General Counsel of the hedge fund Amaranth LLC and European Head of Compliance (FIRC) at UBS Investment Bank, where he was also Global legal head of Syndicated Finance and Debt Trading. Prior to this, Mr. Perry was a banking lawyer at both Sherman & Sterling LLP and Allen & Overy LLP, in London and New York. Mr. Perry attended Exeter University where he obtained a first class law degree. He is currently an adjunct lecturer at Exeter University Business School on the MSc FinTech program. Mr. Perry is also currently a board member of a charity which helps students from underrepresented communities obtain employment at elite institutions.

***Michael R. Pompeo*** (Director) has been a director of VEON Ltd. since May 2024. Secretary Pompeo served as the 70th U.S. Secretary of State of the United States from April 2018 to January 2021, Director of the Central Intelligence Agency from January 2017 to April 2018, and was elected to four terms in the U.S. Congress representing the Fourth District of Kansas. Secretary Pompeo practiced law, business and tax litigation at Williams & Connolly for three years. He then raised capital to acquire assets in the aviation manufacturing supply chain and was the CEO of the company he founded with several colleagues, Thayer Aerospace, for several years. Secretary Pompeo then became President of Sentry International, an oilfield services and equipment company with operations in the U.S. and Canada. Since leaving government, Secretary Pompeo has remained active on the global stage advancing American interests. Currently, he serves as Executive Chairman of Impact Investments, a U.S.-based merchant bank that also provides strategic and financial advisory services that seeks to develop long-term partnerships with the World's leading companies across a range of industries and geographies. He is also a member of the Kyivstar board of directors. Secretary Pompeo graduated first in his class from the United States Military Academy at West Point in 1986. He served as a cavalry officer in the U.S. Army, leading troops patrolling the Iron Curtain. Secretary Pompeo left the military in 1991 and then graduated from Harvard Law School, having served as an editor of the Harvard Law Review.

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

***Mr. Kaan Terzioğlu*** (Director) has been serving VEON Group as the Group Chief Executive Officer since June 2021 and was appointed as a director of VEON Ltd. in June 2023. As the Group CEO, Terzioglu leads the executive teams of the Company's digital operators providing connectivity and digital solutions, empowering their customers with digital finance, education, entertainment and health services, among others, and supporting the economic growth of the Company's operating markets. Prior to being appointed as the Group CEO, Mr. Terzioglu served the Company as Group Co-CEO from March 2020 to June 2021, Group Co-COO from November 2019 to March 2020 and a member of the Board of Directors from July 2019 to October 2019. Mr. Terzioglu is currently a Board Member of the GSMA and of the GSMA Foundation, and served on the board of Digicel from July 2019 to March 2024. Prior to joining the Company, Mr. Terzioglu held regional and global leadership roles in management consulting, technology and telecoms with Arthur Andersen, CISCO and Turkcell in Belgium, United States and Turkey. In 2019, Mr. Terzioglu received GSMA's "Outstanding Contribution to the Industry" award for his leadership in creating a digital transformation model for the telecoms industry and for his contributions to socially responsible business in telecommunications industry. Mr. Terzioglu holds a Bachelor's Degree in Business Administration from Bogazici University and is also a Certified Public Accountant (Istanbul Chamber of Certified Independent Public Accountants).

**Board of Directors Prior to the 2024 AGM**

***Mr. Morten Lundal*** was a director of VEON Ltd. from June 2022 to May 31, 2024 and was Chairman of the Board from July 2023 to May 2024. We deem Mr. Morten to have been an independent director through his term of appointment. Mr. Lundal has over 20 years' experience as an executive in the telecoms sector with extensive experience in emerging markets, having held key positions at Telenor Group in Oslo and Vodafone Group in London as well as CEO of Maxis Bhd and Digi.Com Bhd in Malaysia. In addition, Mr. Lundal has served as a non-executive director of Digital National Bhd, Malaysia from 2020 until 2023. Mr. Lundal completed his Master of Business and Economics at the Norwegian School of Management and holds an MBA from the International Institute for Management Development in Lausanne.

***Mr. Yaroslav Glazunov*** was a director of VEON Ltd. from November 2020 to May 31, 2024. Prior to the 2024 AGM, Mr. Glazunov served as a member of the Remuneration and Governance Committee and previously served as a member of the Compensation and Talent Committee and was a member of the Nominating and Corporate Governance Committee. Mr. Glazunov is currently a partner at the publicly listed entity Korn Ferry (partner since 2021). Mr. Glazunov is a senior advisor at the international investment firm LetterOne where he focuses on long-term investment portfolio management. He oversees portfolio strategy and governance, as well as leadership performance, drawing upon more than two decades of advisory experience in Europe, Asia and the Middle East. He is Chairman for Central Eurasia at Korn Ferry, the world's largest organizational consulting company. In addition to his commercial roles, Mr. Glazunov chairs an NGO engaged in the advancement of arts education.

***Ms. Karen Linehan*** was a director of VEON Ltd. from January 2022 to May 31, 2024 and we deem Ms. Linehan to have been an independent director through her term of appointment. Ms. Linehan is currently a member of the Board of Directors of publicly listed entities Aelis Farma SA (Board member, Chairwoman of the Audit Committee and member of the Compensation Committee since January 2022), and CNH Industrial N.V. (Board member since April 2022 and Chairwoman of the Audit Committee since September 2022). Ms. Linehan retired at the end of 2021 as the executive Vice President and general counsel of Sanofi, a CAC 40 global healthcare company, and as a member of the supervisory boards of Sanofi Aventis Deutschland GmbH and Euroapi, which were both Sanofi subsidiaries. She is an independent Board member of GARDP North America Inc. (Global Antibiotic Research and Development Partnership), a non-profit organization that develops new treatments for drug-resistant infections and a member of the Board of Visitors at Georgetown University Law Center. Her role with GARDP ended in 2023. Ms. Linehan graduated from Georgetown University with Bachelor of Arts and Juris Doctorate degrees. Prior to practicing law at as an associate at Townley & Updike in New. York, NY from September 1986 until December 1990, Ms. Linehan served on the Congressional Staff of the Speaker of the U.S. House of Representatives from September 1977 to August 1986.

***Mr. Augie K. Fabela II, Mr. Andrei Gusev, Mr. Michiel Soeting and Mr. Kaan Terzioglu*** *each served as members of the Board of Directors prior to the 2024 AGM. Please see Board of Directors following the 2024 AGM* for each of their resume details.

**Group Executive Committee**

***Ms. Asabi Omiyinka Doris*** was appointed as Group General Counsel and a member of the Group Executive Committee effective June 2023 and prior to that she served as Acting Group General Counsel effective November 2022 until May 2023. Previously, she held the position of Deputy General Counsel SEC/Disclosure, Finance and Governance based in Amsterdam at VEON from July 2015 until October 2022. Prior to joining VEON, Ms. Doris was Chief Counsel, Africa for Vale based in Maputo, Mozambique from 2011 to 2014. Prior to that she worked at Norton Rose from 2006 to 2011 in its London and Milan offices, Freshfields Bruckhaus Deringer from 2005 to 2006 in its London office and at Davis Polk & Wardwell from 2000 to

2005 in its New York office. Ms. Doris holds a B.A. magna cum laude from Harvard and Radcliffe Colleges and a J.D. from Harvard Law School.

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

***Mr. Kaan Terzioglu***, as the Group Chief Executive Officer is also a member of the Group Executive Committee. Please see *Board of Directors following the 2024 AGM* for his resume details.

## Compensation

This section describes our compensation arrangements and process for VEON Ltd.'s board of directors and GEC for the year ended December 31, 2023. In order to ensure alignment with the long-term interests of the VEON Ltd.'s shareholders, the VEON Ltd. RGC, evaluated the compensation of the VEON Ltd.'s Board of Directors and the GEC during the period taking into account the competitive landscape, the compensation of directors at other comparable companies and recommendations regarding best practices. Following review by the RGC, it made recommendations to the VEON Ltd. Board of Directors on the compensation of the VEON Ltd. Board of Directors and the GEC.

We incurred remuneration expense in respect of our directors and senior managers in an aggregate amount of approximately US$22 million for services provided during 2023. For more information regarding our director and senior management compensation, including individual remuneration amounts for each our directors and senior managers, see *Note 21 —Related Parties* to our Audited Consolidated Financial Statements. The remuneration received by the VEON's non-executive directors was in compliance with the Board fee structure established by the VEON

To stimulate and reward leadership efforts that result in sustainable success, value growth cash and equity-based multi-year incentive plans ("Incentive Plans") were designed for members of our recognized leadership community. The participants in the Incentive Plans may receive cash payouts or share awards after the end of each relevant award performance period. These Incentive Plans are key in aligning the interests of the members of our leadership team with the long-term success of VEON as well as shareholders' interests while also acting as a tool to enhance retention among our leadership team. VEON's non-executive directors did not receive variable remuneration and did not participate in the Company's incentive plans in 2023. To ensure that the interests of the VEON's non-executive directors are aligned with those of the shareholders and that their remuneration supports the long-term company performance, in 2023 VEON introduced the new Board fee structure, whereby a certain portion of the Board of Directors' compensation is paid in the VEON shares which can be settled in either equity or cash depending on the circumstances.

VEON has adopted a malus and claw back policy in respect of short-term and long-term incentives. The provisions of the policy allow the Group to reduce or recoup short-term or long-term incentives awards in the event of fraud or gross negligence by an employee ("trigger events"). Malus applies before awards have vested or been paid to an employee while claw back applies for a period of three years from the date the award has vested or payment has been made to an employee. In addition, the Company has adopted a policy with respect to the Clawback Policy, effective from October 2, 2023. The Clawback Policy applies to "incentive-based compensation" (i.e. compensation that is granted/earned/vested based wholly or in part upon the attainment of financial reporting measures, including stock price and total shareholder return) and provides a mechanism whereby the VEON, in response to the restatement of its financial statements, claw-back any compensation received by an executive officer which exceeds the amount of incentive-based compensation that executive would have otherwise received had such compensation been determined based on the restated financial figures.

Short-Term Incentive Plan

The Short-Term Incentive Plan ("STIP") provides cash pay-outs and share rewards to participating employees based on the achievement of established Key Performance Indicators ("KPIs") over the period of one calendar year. Under the STIP Scheme the target award for a Group CEO is 125% of annual base salary and for the remainder of the executives is 100% of annual base salary, delivered 50% cash and 50% shares with the 50% share element restricted for two years. The shares are restricted for two years after grant with no further performance conditions. The maximum opportunity for the executive is 120% of the target level. KPIs are set every year at the beginning of the year and evaluated in the first quarter of the next year. The KPIs are partially based on the operational performance (50%), financial health (30%) and strategic projects (20%) of the Company. In 2023, operational performance KPIs consist of total operating revenue (20%), EBITDA (20%), and cost intensity (10%). The weight of each KPI was decided on an individual basis and pay-out of the STI award was dependent upon final approval by the RGC. Based on results achieved for the year 2023, the RGC has confirmed that all of the set targets for this year were generally achieved.

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

Long-Term Incentive Plan

The LTIP is granted in a rolling three-year performance cycle and subject to a three year vesting period from the date of the grant as well as a performance condition related to target shareholder return in line with shareholder interests. The target shareholder return performance condition is relative to a customized peer group of companies. The threshold level (50% of the on-target award) is achieved at the median of the peer group and maximum payout (200% of the on-target award) at performance in the top quartile of the peer group. In respect of the Company's 2021-2023 LTIP awards, vested on December 31, 2023, the RGC has assessed that the target shareholder return performance condition has not been satisfied, accordingly no payout will be initiated to the proposed award recipients. For the Company's 2021–2023 LTIP award, which was vested on December 31, 2023, the RGC confirmed that the targets for the target shareholder return have not been met, and, therefore, no payout will be executed in respect thereof.

Vesting of certain of our share awards are based on the attainment of certain KPIs, such as absolute share price, etc. Options may be exercised by the participant at any time during a defined exercise period, subject to the Company's insider trading policy.

<u>Deferred Share Plan ("DSP")</u>

The Deferred Share Plan (DSP) is an equity-settled scheme established in 2021, which enables the Board to award options to the selected staff (participants) on a discretionary basis at no cost to the participants. The awards are conditional on the ongoing employment for a specified period, typically a two-year vesting period.

*Other*

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

See *Note 21—Related Parties* to our Audited Consolidated Financial Statements for further details of our various Incentive Plans.

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

We have obtained insurance on behalf of our senior managers and directors for liability arising out of their actions in their capacity as a senior manager or director and we did not make any distributions to the Company's Board of Directors in 2023 as a result of any termination of employment. Further, there are currently no loans, advances or guarantees outstanding on behalf of any director of the Company.

We do not have any pension, retirement or similar benefit plans available to our directors or senior managers and we did not make any distributions to the Company directors in 2023 on termination of employment or any payments for pension obligations, early retirement arrangements or sabbaticals. There are no loans, advances or guarantees outstanding on behalf of any director of the Company.

***Vested Deferred Share Awards December 31, 2023***

| **Individuals** | **Award** | **No of ADRs awarded** | **Vesting Date** |
|---|---|---|---|
| Kaan Terzioglu | One-off Award | 30,996 | July 01, 2022 |
| Joop Brakenhoff | One-off Award | 3,703 | July 01, 2022 |
| Kaan Terzioglu | CEO Share Award | 62,782 | October 01, 2022 |
| Joop Brakenhoff | One-off Award | 4,162 | December 31, 2022 |
| Kaan Terzioglu | One-off Award | 30,996 | July 01, 2023 |
| Joop Brakenhoff | One-off Award | 3,703 | July 01, 2023 |
| Kaan Terzioglu | CEO Share Award | 146,490 | September 01, 2023 |
| Joop Brakenhoff | One-off Award | 4,162 | December 31, 2023 |
| Omiyinka Doris | One-off Award | 10,444 | June 07, 2023 |
| **Former member** | | | |
| Serkan Okandan | One-off Award | 8,887 | July 01, 2022 |
| Serkan Okandan | One-off Award | 8,887 | July 01, 2023 |

**Outstanding deferred share awards**

| Individuals | Award | No of ADRs/ awarded | Vesting date |
|---|---|---|---|
| Kaan Terzioglu | STI 2022 Deferred Grant | 65,761 | March 15, 2025 |
| Joop Brakenhoff | STI 2022 Deferred Grant | 18,855 | March 15, 2025 |
| Kaan Terzioglu* | STI 2023 Deferred Grant | 57,249 | February 16, 2024 |
| Joop Brakenhoff* | STI 2023 Deferred Grant | 20,821 | February 16, 2024 |
| Omiyinka Doris* | STI 2023 Deferred Grant | 11,548 | February 16, 2024 |
| **Former member** | | | |
| Serkan Okandan | STI 2022 Deferred Grant | 45,251 | March 15, 2025 |

* *These awards are subject to restriction in trading for 2 years following the vesting date.*

### *LTI award in performance shares*

| Award in ADRs | 2023 | 2022 | 2021 |
|---|---|---|---|
| Date awarded | March 15, 2023 | October 18, 2022 | February 24, 2022 |
| Vesting date | December 31, 2025 | December 31, 2024 | December 31, 2023 |
| ADR price at grant | US$15.00 | US$8.95 | US$22.09 |
| **Individuals** | | | |
| Kaan Terzioglu | 306,852 | 123,087 | 103,320 |
| Joop Brakenhoff | 123,169 | 35,291 | 29,623 |
| Omiyinka Doris | 105,573* | — | — |
| **Former member** | | | |
| Serkan Okandan | 23,461 | 84,697 | 71,095 |

* *The LTI 2023 for Omiyinka Doris was awarded on July 19, 2023, with an ADR price at grant of US$19.16*

### *VEON Ltd. GEC service contracts 2023**

| Individuals** | Position | Start date | Term | End date | Non- compete (months) | Non- solicitation (months) |
|---|---|---|---|---|---|---|
| Kaan Terzioglu | Group Chief Executive Officer | November 1, 2019 | Permanent | Indefinite | 12 | 6 |
| Joop Brakenhoff | Group Chief Financial Officer | January 15, 2019 | Permanent | Indefinite | 12 | 12 |
| Omiyinka Doris | Group General Counsel | July 1, 2015 | Permanent | Indefinite | 12 | 12 |

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

**Effective October 1, 2023, the VEON Ltd. GEC consisted of Kaan Terzioglu, Omiyinka Doris, and Joop Brakenhoff with all other VEON Ltd. GEC members stepping down from their executive roles effective October 1, 2023.

## Board Practices

VEON Ltd. is governed by our Board of Directors, consisting of seven directors. Our bye-laws provide that our Board of Directors shall consist of at least five and no more than nine directors, as determined by the Board of Directors and subject to approval by a majority of the shareholders voting in person or by proxy at a general meeting. We have not entered into any service contracts with any of our current directors providing for benefits upon termination of service.

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

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

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

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

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

On August 6, 2021, the SEC approved the NASDAQ Stock Market's proposal to amend its listing standards to encourage greater board diversity and to require board diversity disclosures for NASDAQ-listed companies. Pursuant to the amended listing standards, we, as a foreign private issuer, are required to have at least two diverse Board members or explain the reasons for not meeting this objective, starting with a phase-in during 2023 (at least one diverse Board member) that lasts until 2026 (at least two diverse Board members including at least one Board member who self-identifies as female). Furthermore, a Board of Directors diversity matrix is required to be included in the Annual Report containing certain demographic and other information regarding members of the Board of Directors. To see our Board of Directors' diversity matrix prior to our 2023 annual general meeting held on June 29, 2023, please see *Item 6.C—Board Practices* from our 2022 Form 20-F filed with the SEC on July 24, 2023 (our "2022 20-F"). The Board of Directors' diversity matrix as of December 31, 2023 and September 30, 2024 is set out below, which reflects changes in our Board member composition as a result of our 2024 AGM.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Country of Principal Executive Offices** | **The Netherlands** | | | | | | | |
| **Foreign Private Issuer** | **Yes** | | | | | | | |
| **Disclosure Prohibited under Home Country Law** | **No** | | | | | | | |
| | **As of December 31, 2023** | | | | **As of September 30, 2024** | | | |
| **Total Number of Board members** | 7 | | | | 7 | | | |
| Gender Identity | **Female** | **Male** | **Non-Binary** | **Did Not Disclose** | **Female** | **Male** | **Non-Binary** | **Did Not Disclose** |
| Directors | **1** | **2** | **0** | **4** | **0** | **7** | **0** | **0** |
| **Demographic Background** | | | | | | | | |
| Underrepresented Individual in Home Country Jurisdiction | **1** | | | | **1** | | | |
| LGBTQI+ | **2** | | | | **0** | | | |
| Did Note Disclose Demographic Background | **4** | | | | **0** | | | |

**Committees of the Board of Directors**

From August 1, 2023, the committees of our Board of Directors consisted of: the Audit and Risk Committee (ARC) and the Remuneration and Governance Committee (RGC). Our Board of Directors and committees meet at least quarterly. In 2023, our Board of Directors met 17 times, the ARC met seven times, and RGC met three times following its formation on August 1, 2023. Each director who served on our Board of Directors during 2023 attended at least 93% of the meetings of the Board of Directors and committees on which he or she served that were held during his or her tenor on our Board.

Our committee compositions and the terms of reference for these committees from August 1, 2023 and up to the 2024 AGM, as well as from the 2024 AGM onward are set out below.

*Audit and Risk Committee*

The charter of our Audit and Risk Committee provides that each committee member is required to satisfy the requirements of Rule 10A-3 under the Exchange Act and the rules and regulations thereunder as in effect from time to time. The Audit and Risk Committee is primarily responsible for the following: the integrity of VEON's financial statements and its financial reporting to any governmental or regulatory body and the public; VEON's audit process; the qualifications, engagement, compensation, independence and performance of the company's independent auditor, their conduct of the annual audit of VEON's financial statements and their engagement to provide any other services; the Company's process for monitoring compliance with legal and regulatory requirements as well as VEON's corporate compliance codes and related guidelines, including the Code of Conduct; VEON's systems of enterprise risk management and internal controls (including oversight over VEON IT and cybersecurity policies); VEON's capital structure, VEON's group-level tax strategy; VEON's compliance program; and the government relations risk of the Group.

From August 1, 2023 up to the 2024 AGM the members of the ARC were Michiel Soeting (chairman), Morten Lundal, and Karen Linehan. Following the 2024 AGM, the members of the ARC are Michiel Soeting (chairman), Brandon Lewis and Augie Fabela. Mr. Perry is as a non-voting observer on the ARC.

*Remuneration and Governance Committee*

The Charter of our Remuneration and Governance Committee is responsible for assisting and advising the Board of Directors discharging its responsibilities with respect to nominating directors for election to the VEON Ltd. board; fulfillment of the Board's corporate governance responsibilities; and overseeing the performance, selection, re-appointment, early termination (whether by mutual consent of otherwise) and compensation of the Company's CEO, the Company's CXOs, the chief executive officers of all operating subsidiaries of the Company and such other positions as the Committee may determine from time to time. The RGC also periodically assesses director compensation and participation in benefit/incentive plans and provides its recommendations in respect of the same to the Board of Directors. Additionally, the RGC has overall responsibility for approving and evaluating the Board of Directors, executive and employee compensation and benefit/incentive plans, policies and programs and supervising the administration of the VEON Group's equity incentive plans and other compensation and benefit/incentive programs; and advising the Board on the Company's overall culture and values, talent management and succession planning programs, including by periodically assessing the substance and considering overall employee feedback and other measurements of effectiveness.

From August 1, 2023 up to the 2024 AGM, the members of the RGC were Augie Fabela (chairman), Yaroslav Glazunov and Morten Lundal. Following the 2024 AGM, the members of the RGC are Augie Fabela (chairman), Michiel Soeting and Andrei Gusev.

**Previous Committees of the Board of Directors Structure (Up until the 2023 AGM)**

Up until the 2023 AGM, the committees of our Board of Directors consisted of the: Nominating and Corporate Governance Committee, Compensation and Talent Committee, Audit and Risk Committee, Finance Committee and the Strategy and Innovation Committee.

*Nominating and Corporate Governance Committee*

The purpose of the Nominating and Corporate Governance Committee was to assist in the nomination of directors for the Company and to advise the Board regarding the fulfillment of its corporate governance responsibilities, including recommendations concerning Board committees' structure, membership, and operations, corporate governance practices and guidelines, periodical evaluation of the Board and its committees.

The committee consisted of five members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

*Compensation and Talent Committee*

The Board's Compensation and Talent Committee formerly advised the Board with respect to the Board's responsibilities in overseeing the selection, termination, performance and compensation of the Group CEO, his direct reports, the CEOs of the Company's significant subsidiaries, and certain other positions which the Company determined as critical for its continuous operations. In addition, the committee oversaw, assessed and made recommendations to the Board in respect of the Company's compensation practices, benefits plans and incentive programs for Board's directors as well as the Company's executives and employees. The committee also advised the Board in relation to the Company's overall culture and values as well as talent management and succession planning programs. In particular, the committee periodically assessed the substance and effectiveness of these programs and considered employee feedback and level of engagement.

The committee consisted of three members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

*Audit and Risk Committee*

The primary role of the Audit and Risk Committee was to oversee the integrity of the Company's financial statements and its financial reporting, internal audit process, systems of Enterprise Risk Management ("ERM") and internal controls as well as the Company's ethics, and compliance programs. In particular, the Audit and Risk Committee monitored compliance with legal, regulatory and internal code of conduct requirements in addition to supervising activities related to Company's relationships with the U.S. and Dutch authorities. The Audit and Risk Committee was also responsible for making recommendation to the Board on the appointment of the external independent auditor which included evaluating the qualifications, engagement, compensation, independence and performance of the Company's external independent auditor and approving the annual audit plan and budget.

The committee consisted of four members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM

*Finance Committee*

The Finance Committee formerly advised the Board with respect to the Board's oversight of the Group's capital structure, budgets, and the execution of material transactions. The committee provided the Board with advice and recommendations on matters related to mergers, acquisitions, divestitures and reorganization transactions, the incurrence of indebtedness and finance policies, dividend policy, share capital matters, budget process and approval of budget, spectrum, and licensing matters, as well as on listing decisions and investor relations matters, and any material settlements.

The committee consisted of three members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

*Strategy and Innovation Committee*

The Strategy and Innovation Committee assisted and advised the Board on matters related to the Group's strategy and business plan for core connectivity, infrastructure, and digital operations, and also monitored the Company's performance in these business lines.

The committee consisted of five members of the Board at the time of dissolution following shareholder amendments to the Company's bye-laws approved at the 2023 AGM.

## Employees

The following chart sets forth the number of our employees as of December 31, 2023, 2022 and 2021, respectively:

| | As of December 31 | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| Pakistan | 5,252 | 5,114 | 5,091 |
| Bangladesh | 1,251 | 1,216 | 1,128 |
| Ukraine | 4,054 | 3,723 | 3,794 |
| Uzbekistan | 1,827 | 1,624 | 1,555 |
| Kazakhstan | 4,295 | 4,195 | 3,868 |
| HQ | 21 | 27 | 31 |
| Others | 431 | 456 | 799 |
| **Total*** | **17,131** | **16,355** | **16,266** |

* Total number of employees does not include the 27,717, and the 28,235 employees in our Russian Operations as of December 31, 2022 and 2021, respectively, since our Russian Operations were sold as at December 31, 2023, classified as a discontinued operation as at December 31, 2022, and were removed from 2021 for comparability. The sale of our Russian Operations was completed on October 9, 2023.

From time to time, we also employ external staff, who fulfill a position at the company for a temporary period. We do not consider these employees to constitute a significant percentage of our employee totals and have not included them above.

The following chart sets forth the number of our employees as of December 31, 2023 according to geographic location and our estimates of main categories of activities:

| | As of December 31, 2023 | | | | |
|---|---|---|---|---|---|
| **Category of activity(1)** | **Pakistan** | **Ukraine** | **Kazakhstan** | **Uzbekistan** | **Bangladesh** |
| Executive and senior management | 26 | 18 | 11 | 12 | 8 |
| Engineering, construction and information technology | 792 | 1,659 | 1,488 | 541 | 383 |
| Sales, marketing and other commercial operations | 2,933 | 927 | 1,535 | 475 | 612 |
| Finance, administration and legal | 595 | 463 | 273 | 137 | 155 |
| Customer service | 621 | 808 | 712 | 398 | 39 |
| Procurement and logistics | 81 | 77 | 79 | 38 | 23 |
| Other support functions | 204 | 102 | 197 | 226 | 31 |
| **Total** | **5,252** | **4,054** | **4,295** | **1,827** | **1,251** |

(1) A breakdown of employees by category of activity is not available for our HQ segment and our "Others" category.

We have established a joint works council ("Joint Works Council") for VEON Ltd, VEON Holdings B.V., VEON Amsterdam B.V., and VEON Wholesale Services B.V. at our Amsterdam headquarters, and it has consultation or approval rights in relation to a limited number of decisions affecting our employees working at this location.

Our employees are represented by unions or operate collective bargaining arrangements in Ukraine. We consider relations with our employees to be generally good. For a discussion of risks related to labor matters, see *—General Risk Factors —Our business may be adversely impacted by work stoppages and other labor matters.*

## Share Ownership

To our knowledge, as of September 30, 2024, none of our directors or senior managers beneficially owned more than 1.0% of any class of our capital stock. See *—Major Shareholders*.

On March 30, 2023, ADS and/or common shares representing 7,671,300, 3,079,225 and 586,525 common shares in VEON Ltd. were granted to Kaan Terzioğlu, Joop Brakenhoff and Serkan Okandan and on July 19, 2023, ADS and/or common shares representing 2,639,325 common shares in VEON Ltd. were granted to Omiyinka Doris under the LTIP. The vesting of the award is subject to achieving the targets set for VEON Ltd.'s LTI program.

On March 30, 2023, ADS and/or common shares representing 1,644,025, 471,375 and 1,131,275 common shares in VEON Ltd. were granted to Kaan Terzioğlu, Joop Brakenhoff and Serkan Okandan under the DSP which represents 50% of the Short-Term Incentive ("STI") scheme. The shares will vest in a period of two years.

On July 19, 2023, ADS and/or common shares representing 261,100 common shares in VEON Ltd. were granted to Omiyinka Doris under the DSP. The vesting of the award is unconditional.

On July 19, 2023, ADS and/or common shares representing 250,000 common shares in VEON Ltd. were granted to each Morten Lundal, Augie Fabela and Michiel Soeting under the DSP. The vesting of the award is unconditional.

To our knowledge, as of June 30, 2024, Kaan Terzioğlu, Joop Brakenhoff and Omiyinka Doris owned ADS and/or common shares representing 7,475,301; 726,740; and 465,950 common shares in VEON Ltd., respectively.

To our knowledge, as of June 30, 2024, Yaroslav Glazunov, Augie Fabela, Michiel Soeting and Morten Lundal own ADSs and/or representing 68,500; 2,623,050; 1,023,825 and 1,124,400 common shares in VEON Ltd. respectively.

To our knowledge, as of June 30, 2024, apart from what has been disclosed above, no other members of the VEON Ltd. Board of Director owned any ADSs or Common Shares in VEON Ltd.. To our knowledge, as of June 30, 2024, none of the Board of Directors or GEC members of VEON Ltd. held any options to acquire VEON Ltd. common shares.

For more information regarding share ownership, including a description of applicable stock-based plans and options, see *Note 21—Related Parties* to our Audited Consolidated Financial Statements.

# MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

## Major Shareholders

The Company is indirectly (via VEON Amsterdam B.V.) wholly-owned by VEON Ltd., which in turn has one major shareholder, LetterOne Holding S.A. ("LetterOne").

The following table sets forth information with respect to the beneficial ownership of VEON Ltd. as of September 30, 2024, by each person who is known by us to beneficially own 5.0% or more of our issued and outstanding shares. As of September 30, 2024, we had 1,849,190,667 issued and outstanding common shares. None of our major shareholders has different voting rights.

| Name | Number of VEON Ltd. Common Shares | Percent of VEON Ltd. Issued and Outstanding Shares |
|---|---|---|
| L1T VIP Holdings S.à r.l.(1) | 840,625,000 | 45.46% |
| Stichting Administratiekantoor Mobile Telecommunications Investor (2) | 145,947,550 | 7.89% |
| Lingotto Investment Management LLP(3) | 134,689,550 | 7.28% |
| Shah Capital Management, Inc.(4) | 123,750,675 | 6.69% |
| Helikon Investments Limited(5) | 93,584,855 | 5.06% |

*(1) As reported on Schedule 13D, Amendment No. 20, filed on September 13, 2019, by L1T VIP Holdings S.à r.l. ("LetterOne"), LetterOne Core Investments S.à r.l. ("LCIS") and LetterOne Investment Holdings S.A. ("L1") with the SEC, LetterOne is the direct beneficial owner of 840,625,001 common shares. LCIS is the sole shareholder of LetterOne, and L1 is the sole shareholder of LCIS and, in such capacity, each of LetterOne, LCIS and L1 may be deemed to be the beneficial owner of the 840,625,001 common shares held for the account of LetterOne. Each of LetterOne, LCIS and LetterOne is a Luxembourg company, with its principal business to function as a holding company.*

*(2) As reported on Schedule 13G, filed on April 1, 2016, by Stichting Administratiekantoor Mobile Telecommunications Investor (the "Stichting") with the SEC, the Stichting is the direct beneficial owner of 145,947,562 of VEON Ltd.'s common shares. LetterOne is the holder of the depositary receipts issued by Stichting and is therefore entitled to the economic benefits (dividend payments, other distributions and sale proceeds) of such depositary receipts and, indirectly, of the 145,947,562 common shares represented by the depositary receipts. Based on information provided by the Stichting and public filings, (i) the Stichting is a legal foundation established under Dutch law solely for non-for-profit purposes with no beneficial owners in respect of equity held by the Stichting; (ii) the Stichting has no owners/shareholders; (iii) the Stichting holds title in VEON's equity and votes and disposes of it in the sole discretion of its board and is exclusively controlled by its board; and (iv) the articles of association and the Conditions of Administration of the Stichting provide that the board members are fully independent from VEON, and LetterOne, its shareholders and any of their affiliates. Although LetterOne is contractually entitled to the economic benefits of the depositary receipts and, indirectly, of the common shares represented by the depositary receipts held by the Stichting (e.g., dividend payments, other distributions and sale proceeds), LetterOne has no control over voting or disposition of such equity.*

*(3) As reported on Form 13F, filed on August 12, 2024, by Lingotto, Lingotto holds 5,387,582 ADS, representing 134,689,550 common shares. As reported on Schedule 13G, filed with the SEC on February 14, 2024, by Giovanni Agnelli B.V. ("Giovanni"), Exor N.V. ("Exor"), Lingotto Investment Management (UK) Limited ("Lingotto UK") and Lingotto Investment Management LLP ("Lingotto"), Lingotto, is the direct beneficial owner of 132,644,375 common shares. Lingotto, which acquired the aforementioned common shares, is 99.7% owned by Lingotto UK. Lingotto UK is a wholly owned subsidiary of Exor, which in turn is controlled by Giovanni, in such capacity, each of Giovanni, Exor, Lingotto UK and Lingotto may be deemed to be the beneficial owner of the 132,644,375 common shares held for the account of Lingotto.*

*(4) As reported on Form 13F, filed on August 12, 2024, by Shah Capital Management, Inc. ("SCM"), SCM holds 4,950,027 ADS, representing 123,750,675 common shares. As reported on Schedule 13D, filed on October 30, 2023, by SCM, Shah Capital Opportunity Fund LP ("SCOF") and Himanshu H. Shah ("Shah"), Shah may be deemed beneficial owner of 4,646,584 ADS, representing 116,164,600 common shares (of which 41,812 ADS, representing 1,045,300 common shares are held with sole voting power by Shah), of which SCM may be deemed beneficial owner of 4,604,772 ADS, representing 115,119,300 common shares and SCOF may be deemed beneficial owner of 4,317,497 ADS, representing 107,937,425 common shares. The amounts reported in the table above for SCM include the sole voting power shares held by Shah as at October 30, 2023.*

*(5) As reported on Schedule 13G, filed on October 4, 2024, by Helikon Investments Limited ("Helikon") and Mr. Federico Riggio, Helikon and Mr. Federico Riggo are deemed to be the joint beneficial owners of 93,584,855 common shares (including 2,788,955 ADS representing 69,723,875 common shares), which are directly held by Helikon Long Short Equity Fund Master ICAV ("Helikon Fund").*

Based on a review of our register of members maintained in Bermuda, as of September 30, 2024, a total of 1,038,276,403 common shares representing approximately 56.15% of VEON Ltd.'s issued and outstanding shares were held of record by BNY (Nominees) Limited in the United Kingdom as custodian of The Bank of New York Mellon for the purposes of our ADR program and a total of 482,681,592 common shares representing approximately 26.10% of VEON Ltd.'s issued and outstanding shares were held of record by Nederlands Centraal Instituut Voor Giraal Effectenverkeer B.V. and where ING Bank N.V. is acting as custodian of The Bank of New York Mellon, for the purposes of our ADS program, a total of 56,127,210 common shares representing approximately 3.04% of VEON Ltd.'s issued and outstanding shares were held of record by Nederlands Centraal Instituut Voor Giraal Effectenverkeer B.V. for the purposes of our common shares listed and tradable on Euronext Amsterdam, and a total of 190,000,000 common shares representing approximately 10.27% of VEON Ltd.'s issued and outstanding shares were held of record by LetterOne. As of September 30 2024, 43 record holders of VEON Ltd.'s ADRs, holding an aggregate of 229,747,225 common shares (representing approximately 12.42% of VEON Ltd.'s issued and outstanding shares), were listed as having addresses in the United States.

### Changes in Percentage Ownership by Major Shareholders

Lingotto, in accordance with the ownership as set out in the notes to the major shareholders table above, have increased their shareholdings in VEON in the last three years. As reported on Schedule 13G, filed with the SEC on March 14, 2022, these entities held 89,174,902 shares of VEON Ltd. common shares. As per the most recent Schedule 13F, dated August 12, 2024, these holdings have risen to 134,689,550 common shares. This represents an increase of approximately 2.49% of the total outstanding common shares of VEON as at September 30, 2024.

SCM, in accordance with the ownership as set out in the notes to the major shareholders table above, became a major shareholder of VEON in the last three years having not reported holdings above 5% in VEON prior to 2023. As reported on Form 13F, filed on August 12, 2024, SCM holds 4,950,027 ADS, representing 123,750,675 shares of VEON Ltd. common shares, which shareholding represents approximately 6.7% of the total outstanding common shares of VEON as at September 30, 2024.

Helikon, in accordance with the ownership as set out in the notes to the major shareholders table above, became a major shareholder of VEON in the last three years having not reported holdings above 5% in VEON prior to 2024. As reported on Schedule 13G, filed on October 4, 2024, they hold 93,584,855 common shares (including 2,788,955 ADS representing 69,723,875 common shares) in VEON Ltd. common shares, which shareholding represents approximately 5.06% of the total outstanding common shares of VEON Ltd. as at September 30, 2024.

## Related Party Transactions

In addition to the transactions described below, VEON Holdings B.V. has also entered into transactions with related parties as part of its day to day operations. These mainly relate to ordinary course telecommunications operations, such as interconnection, roaming, retail and management advisory services, as well as development of new products and services. Their terms vary according to the nature of the services provided thereunder. VEON Holdings B.V. and certain of its subsidiaries may, from time to time, also enter into general services agreements relating to the conduct of business and financing transactions within the VEON Group.

For more information on our related party transactions, see *Note 21—Related Parties* and *Note 22—Events After the Reporting Period—Agreement with Impact Investments LLC for Strategic Support and Board Advisory Service* to our Audited Consolidated Financial Statements.

**Registration Rights Agreements**

The Registration Rights Agreement, as amended, between VEON Ltd., Telenor East and certain of its affiliates, LetterOne Investment Holdings S.A., a *société anonyme* incorporated under the laws of Luxembourg and LetterOne, a *société à responsibilité limitée* incorporated under the laws of Luxembourg, requires us to use our best efforts to effect a registration under the Securities Act, if requested by one of the shareholders' party to the Registration Rights Agreement, of our securities held by such party in order to facilitate the sale and distribution of such securities. Pursuant to the Registration Rights Agreement, we have filed a registration statement on Form F-3 with the SEC using a "shelf" registration process. However, our shelf registration statement was rendered ineffective as a result of the delay in our filing of this Annual Report on Form 20-F, for which periodic reporting is required under the Exchange Act to be filed on time to utilize a "shelf" registration process. As a result, in the event any of our shareholders under the Registration Rights Agreement elect to exercise their registration rights, we will likely incur additional expense to register such securities until we are able to once again utilize a Form F-3.

We have also agreed to endeavor to include any applicable VEON common shares awarded to Impact Investments that are not freely tradable on any registration statement filed by VEON Ltd. or any of its subsidiaries under the Securities Act during the term of the 2024 Agreement (defined below) and for 12 months following its termination. See *—Impact Investments* below for further information about the 2024 Agreement.

**Board of Directors**

Compensation paid to the Board of Directors is disclosed in *—Compensation*.

During 2023 and through the date of this Annual Report, none of our Board of Directors have been involved in any material related party transactions with us, except as disclosed below in relation to Impact Investments.

***Impact Investments***

Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024 serves as Executive Chairman and a partner of Impact Investments LLC ("Impact Investments"). As a result, we have treated our transactions with Impact Investments as related party transactions. On June 7, 2024, we entered into the 2024 Agreement with Impact Investments, which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON). On June 7, 2024, we also entered into a termination letter with Impact Investments in connection with a letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023, and subsequently awarded shares pursuant to the termination letter. See *Note 22—Events After the Reporting Period—Agreement with Impact Investments LLC for Strategic Support and Board Advisory Service* to our Audited Consolidated Financial Statements for more information about our transactions with Impact Investments

## HOW WE MANAGE RISKS

VEON has adopted the criteria set forth in the Enterprise Risk Management – Integrating with Strategy and Performance – 2017, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as the foundation of our enterprise risk management (ERM) approach. Through VEON's ERM framework, our management aims to identify, assess, adequately manage, monitor and report risks that could jeopardize the achievement of our strategic objectives. The VEON ERM framework is implemented and consistently applied throughout the organization through a well-defined governance structure and a robust ERM process. The ERM framework also supports identifying opportunities that enable us to achieve our strategic objectives and enable sustainable growth.

**Strengthening our risk culture: three lines of defense**

The 'three lines of defense' approach provides a simple and effective way to enhance communications around governance, risk management and control by clarifying roles and responsibilities. VEON has adopted this model to provide reasonable assurance that risks to achieving strategic objectives are identified and mitigated.

**First line of defense**

VEON recognizes that the first line of defense consists of the business, who owns and is responsible and accountable for directly assessing, controlling and mitigating risks. Since 2016, targeted communication campaigns have been launched globally to foster risk and control awareness across the Group.

To embed a culture aligned to our risk appetite and individual responsibilities in relation to risk management we embarked on a program in 2019 which continued through 2023. This program involved an awareness campaign using sport, games and the idea of teamwork to highlight the importance of every individual's contribution to effective risk management and a strong control environment, which was launched to reinforce accountability and ownership for risk management and the internal control environment. During 2022, a Risk Culture survey assessment was performed for the second time since 2021, across our operating companies (OpCos) and our HQ with the help of an external consultancy firm. This exercise was aimed at supporting management in assessing the risk culture within the organization based on eight risk culture dimensions, and to identify potential actions to strengthen or improve VEON's risk culture in comparison with an external benchmark. Based on the results of the survey, all risk culture dimensions at VEON outperformed the external consultant's benchmark with exception of two that were in line with the external consultant's benchmark, which demonstrates a continued very positive outcome. To further improve risk culture and capitalise on survey results, a set of recommendations was provided by the external consultant tailored for each OpCo and HQ based on the assessment of each of the eight risk culture dimensions. The recommendations were not mandatory in nature but were embraced as an opportunity to ensure a continuous improvement in risk culture and served as the basis for action plans development. Status of the action plans and progress of the OpCos was tracked periodically and reported to each OpCos' Business Risk Committees (BRC) until completion. The Risk Culture survey is expected to be conducted again in 2025 with the primary objective of systematically assessing and evaluating the progress and development of our risk culture within each operating company.

**Second line of defense**

The second line of defense monitors and facilitates the implementation of effective risk management practices and internal controls by the first line. The second line comprises Group Internal Control, Group Enterprise Risk Management, Group Ethics and Compliance and Group Legal, amongst other Group functions. The second line supports the business functions in identifying what could go wrong and provides the methods, tools and guidance necessary to support the first line in managing their risks.

Group ERM provides general oversight on ERM activities in the OpCos, such as quarterly risk reporting as well as facilitating the Group functions with the performance of regular deep dives on specific risks, for example, Regulatory and Tax risks, and assessments of Anti-bribery and Corruption (ABC), Anti-money Laundering (AML), and International Sanctions and Export Controls risks. The ERM process is also embedded into the strategy setting and business planning process to ensure consistency and completeness of VEON's risk profile and that informed risk-based decisions are taken. Group ERM also provides guidance on ERM reporting to the OpCo BRCs and leads the annual process of reviewing and revising VEON's Risk Appetite with the VEON Group Executive Committee members, approving it with the Group CEO and presenting the outcome to the ARC. The Risk Appetite is then formally communicated to OpCos for local application in decision making and submission of business decision approvals to their respective OpCo Board.

**Third line of defense**

The Group Internal Audit function comprises the third line of defense and is responsible for providing independent assurance to senior management on the effectiveness of the first and second lines of defense. The function conducts financial, information technology, strategic and operational audits in accordance with its annual plan and special investigations or audits, as and when considered necessary. Throughout, Internal Audit conducts its activities in a manner based on a continuous evaluation of perceived business risks.

### Defining our risk appetite

Defining our risk appetite in line with the COSO Framework, the VEON Enterprise Risk Management (ERM) Framework groups risk into four risk categories: Strategic, Operational, Financial and Compliance.

Our risk appetite is defined for each of the four risk categories by considering our strategic and business objectives, as well as potential threats to achieving these objectives. On an annual basis, the VEON appetite statements for each category of risk are revised and approved by the VEON Group Executive Committee and presented to the ARC. These statements are then integrated into the business through our group policies and procedures and our risk management cycle.

### Risk Appetite Table

| COSO category | Risk appetite statements | Risk mindset to take risks |
|---|---|---|
| Strategic | Risks arising from strategic changes in the business environment and from adverse strategic business decisions impacting prospective earnings and capital. | Averse Avoiding Neutral Seeking |
| Operational | Risks arising from inadequate or failed internal processes, people and systems or external events impacting current operational and financial performance and capital. | Averse Avoiding Neutral Seeking |
| Financial | Risks relating to financial loss arising from uncertainties, decisions impacting the financial structure, cash flows and financial instruments of the business, including capital structure, insurance and fiscal structure, which may impair VEON's ability to provide an adequate return. | Averse Avoiding Neutral Seeking |
| Compliance | Risks resulting from non-compliance with applicable local and/or international laws and regulations, internal policies and procedures, ethical behaviour, compliance culture also including legal and regulatory risks that could result in criminal liability. | Averse Avoiding Neutral Seeking |

Levels of risk appetite: Averse – No appetite; Avoiding – Low appetite; Neutral – Moderate appetite; Seeking – High appetite.

### Risk Management in Execution

Effective risk management requires a continuous and iterative process and involves the following five steps:


**1. Clarify objectives and identify risks:**

VEON's strategy is developed with a comprehensive understanding of the inherent risks involved in doing business. We consider the potential effects of the business context on our risk profile as well as possible ways of mitigating the risks we are exposed to.

**2. Assess and prioritize risks:**

Risks identified as relevant for VEON are assessed in order to understand the severity of each risk on the ability to execute VEON's strategy and business objectives. The severity of risk is assessed at multiple levels of the business as it may vary same across functions and operating companies.

**3. Respond to risk:**

The assessed severity of the risk is utilized by management to determine an appropriate risk response (Take, Treat, Transfer or Terminate) which may include implementing mitigations, taking into account the risk appetite.

**4. Monitor, report and escalate:**

VEON's Group Executive Committee review significant risks assessed and prioritised based on the Group's ERM framework. The top Group risks are also reported to VEON's Board of Directors, in particular to the ARC (at least on a quarterly basis), to evaluate material Group risks. Top Group risks include HQ-specific risks, as well as consolidated assessment of key risks from the OpCos. Local risk assessments are also reviewed by OpCo CEO and senior management and are reported to the BRCs and OpCo Boards.

The Board of Directors, including the ARC as a board committee, OpCo Boards and BRCs each provide independent oversight of the ERM framework and ensure timely follow-up on critical actions based on progress updates provided.

To ensure strong governance and oversight of our risks, we established in each of our OpCos a BRC and an OpCo Board. Each OpCo's BRC, is chaired by either the Group Chief Financial Officer, his nominee or the Head of Internal Audit. The purpose of the OpCo BRCs is to consider the overall risk profile of the OpCo and the Group and ensure risk informed decision making. The OpCo BRC regularly reviews the OpCo's governance and decision-making framework and compliance with VEON Group and OpCo requirements, including those set out in the VEON Group Authority Matrix/Delegation as well as VEON Group policies. Each BRC also receives, reviews and makes recommendations on reports from OpCo management regarding any noncompliance with the VEON Group Authority Matrix/Delegation and VEON Group policies. Each BRC provides active VEON Group-level governance, oversight and policy guidance and aligns the activities of the Group's various assurance functions to coordinate and manage actions efficiently in support of the local OpCo Board and the VEON Ltd. Board of Directors in its oversight role for the VEON Group.

Each of the OpCos are managed by their respective OpCo Board which comprises of the respective OpCo CEO, OpCo CFO (or another senior HQ finance representative designated by the Group CFO), members of Group senior management team and other individuals approved by the VEON Board. Each OpCo's overall risk profile is presented to its OpCo Board regularly (at least once per quarter) and is accompanied by recommendations from its OpCo BRC. This program is continuously monitored by OpCo management as well as the OpCo Boards, and reviewed by both OpCo and Group Internal Audit, with the ARC providing ultimate oversight, with each OpCo BRC providing active monitoring and engagement with the OpCos on all enterprise risks, control, compliance and assurance matters.

**5. Assure:**

On a quarterly basis, through our management certification process, OpCo CEOs and CFOs certify that significant risks have been considered and appropriate measures have been taken to manage the identified risks in accordance with the Group's ERM policies and procedures, including our risk appetite.

**Control framework**

VEON is publicly traded on a U.S. stock exchange and registered with the U.S. Securities and Exchange Commission. Thus, it must comply with the Sarbanes-Oxley Act (SOX). Section 404 of SOX requires that management perform an assessment of the Internal Control over Financial Reporting (ICFR) and disclosures to confirm both the design and operational effectiveness of the controls.

Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of VEON Ltd.'s published consolidated financial statements under generally accepted accounting principles. The VEON ICFR Framework incorporates risk assessment as part of our scoping process, an assessment of the design effectiveness of the required controls, testing of the operating effectiveness of the key control activities and monitoring of our financial reporting at entity-wide and functional levels. VEON has established uniform governance, policies and control standards that apply to controlled subsidiaries. Our ICFR testing results are reported into our OpCo BRCs, OpCo Boards, members of our Group Executive Committee, and the ARC at least on a quarterly basis as part of our assurance model. For a more detailed overview of the governance changes in 2023 see Director's Report section in these Financial statements.

Our Disclosure and Review Committee supports our Group Chief Executive Officer and Group Chief Financial Officer in ensuring that public disclosures made by VEON are accurate and complete, fairly present VEON's financial condition and results of operations in all material respects, and are made on a timely basis, in compliance with applicable laws, stock exchange rules and other regulatory requirements.

Local management is responsible for business operations of our subsidiaries, including risk mitigation as well as compliance with laws, regulations and internal policies and requirements. We have created uniform governance and control standards for all our levels of operations. The standards apply to all our subsidiaries with the same expectation: that they conduct business in accordance with ethical principles, internal policies and procedures, and applicable laws and regulations. The standards are intended to define and guide conduct with respect to relevant compliance and ethics principles and rules, and to create awareness about when and where to ask for advice or report a compliance or ethics concern, which includes the use of VEON's SpeakUp channels. The principles apply to all VEON employees in all operating businesses and headquarters.

Employees receive annual training on the VEON Code of Conduct (Code), which includes certification to comply with the Code. Our group-wide Code applies to all VEON employees, officers and directors, including its Chief Executive Officer and Chief Financial Officer. Our Code is available on our website at http://www.veon.com, under "About Us/Values & Ethics" (information appearing on the website is not incorporated by reference into this Annual Report.

A Group Authority Matrix/Delegation has been established and is regularly reviewed and updated. It provides clarity on the role and focus of VEON's corporate HQ, empowers OpCos to ensure they have the appropriate scope of authority and accountability to operate and manage local businesses, and ensures requisite oversight and control across the Group by VEON's Group Executive Committee, OpCo CEOs and their respective management teams as well as OpCo Boards and the VEON Board of Directors.

We have a Group-wide, quarterly management certification process in place, which requires the Chief Executive Officer and Chief Financial Officer at each of our OpCos, and certain Group functional directors at our HQ, certify compliance with the uniform governance and control standards established in VEON, including:

- compliance with the Code and related Group policies and procedures, including compliance with VEON's principles, procedures and policies on ethics and compliance, fraud prevention and detection, accounting and internal control standards, and disclosure requirements;
- compliance with local laws and regulations;
- compliance with the VEON Accounting Manual;
- Business Partner Code of Conduct;
- internal disclosure obligations; and
- deficiencies, if applicable, in design and operation of internal controls over financial reporting have been reported

**Key risks table for VEON and examples of mitigation and 2023 developments**

Below is a summary of the key risks we face in operating our business and a discussion of certain mitigation efforts associated with these risks. For a more detailed discussion of the risks and uncertainties relating to our business, see the Risk Factors Section of this Annual Report. The risks listed may not be exhaustive, and additional risks and uncertainties not presently known to VEON or that it currently deems immaterial, may also have, or develop a material adverse effect on its business, operations, financial condition or performance, or other interests.

**Prioritization of Strategic, Operational and Financial risks** is based on EBITDA business impact's thresholds and likelihood scales from 1 to 5. Once the identified risks are assessed and prioritized based on the above scales, the risk response strategy (take, treat, terminate, transfer) is decided and mitigating action plans are defined and/or updated, the outcome of the risk assessment information is captured in our Global GRC Tool. The risk response strategy is determined based on the business context, risk appetite, severity and prioritization. Further the risk response must also consider the anticipated costs and benefits commensurate with the severity and prioritization of the risk and address any obligations and expectations (e.g. industry standards, shareholder expectations, etc.).

**Prioritization of some compliance risks such as Non-compliance to Anti-bribery and corruption laws, and Non-compliance to International Sanction and export laws and regulations** is performed qualitatively, due to their nature, based on external factors sourced from independent non-governmental reports (where possible) and Internal factors sourced from VEON's business processes by the Local Ethics and Compliance and Legal teams.

The sequence in which the risks and mitigating actions are presented below are not intended to be in any order of severity, chance or materiality. Legend (qualitatively assessed of net risk i.e. considering mitigating actions):

Risk increased: ↑ Risk decreased: ↓ Risk stable: **=**

| Risk | Examples of how we mitigate | Some examples of 2023 developments |
|---|---|---|
| **1. Market** | | |
| Our business is subject to a variety of market-related risks across our geographies. These include: | | |
| ↑ The ongoing war between Russia and Ukraine and the related responses of the United States, the European Union, the United Kingdom and certain other nations, as well as related responses by our service providers, partners, suppliers and other counterparties, have and will continue to impact our operations in Ukraine and elsewhere, including via reputational harm.<br><br>**=** Foreign exchange-related risks since a significant proportion of our costs, expenditure and liabilities are denominated in U.S. dollars while a proportion of our operating revenue is in a variety of other currencies.<br><br>↑ Unfavorable economic conditions and the impact of geopolitical developments and unexpected global events outside of our control, such as, pandemics, wars, natural disasters, international economic sanctions and export controls, among other factors.<br><br>↑ Emerging markets-related risks given that all of our six of our operating markets are in the developing world and are vulnerable to a varying degree of political, economic and legal and regulatory variability around issues such as capital controls and rules on foreign investment, as well as social instability and military conflicts.<br><br>*Continued next page* | • We closely monitor the developments related to international economic sanctions, which allows us to adapt our services and capital structure accordingly in a timely manner and to ensure the Group acts in accordance with applicable sanctions requirements.<br><br>• We hedge part of our exposure to fluctuations on the translation into U.S. dollars of the revenues and expenditures of its foreign operations by holding borrowings in local currencies.<br><br>• We review and analyze OPEX and CAPEX expenditures on an ongoing basis to optimize the cost structure while maintaining our commitments towards VEON's employees, government and financial institutions and our critical business partners.<br><br>• We manage a diverse portfolio of emerging markets businesses which helps ensure that, in the event of a market underperforming for whatever reason, the impact of such underperformance on the financial and operating performance of the Group as a whole is limited.<br><br>*Continued next page* | • In February 2022 the European Union imposed sanctions on Mikhail Fridman and Petr Aven, and on March 15, 2022, the United Kingdom imposed sanctions on then LetterOne shareholders, Mr. Fridman, Mr. Aven, Alexey Kuzmichev and German Khan. The European Union additionally designated Mr. Khan and Mr. Kuzmichev; and on August 11, 2023, the U.S. designated Mr. Fridman, Mr. Aven, Mr. Khan and Mr. Kuzmichev (collectively, the "Designated Persons"). Mr. Fridman resigned from VEON's board of directors effective February 28, 2022. Since 19 October 2022, Mr. Fridman and Mr. Aven as well as Andriy Kosogov (also a shareholder of LetterOne), were targeted by Ukrainian sanctions. Sanctions were imposed on a 10-year period, apply exclusively to the sanctioned individuals, and are not applicable to the Ukrainian legal entities of the VEON Group. None of the Ukrainian legal entities of the VEON Group have been designated under the Ukrainian sanctions.<br><br>• On October 4, 2023, Ukrainian courts froze all "corporate rights" of Mikhail Fridman, Peter Aven and Andrei Kosogov in 20 Ukrainian companies, in order to preserve evidence while criminal proceedings, unrelated to Kyivstar or VEON, are in progress. We received notification from our local custodian that 47.85% of Kyivstar shares have been frozen, which would prevent any transaction involving this portion of shares. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. have filed two motions with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON, and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected the Company's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts alongside these court actions, however, there can be no assurance that these efforts will be successful.<br><br>*Continued next page* |

| Risk | Examples of how we mitigate | Some examples of 2023 developments |
|---|---|---|
| **1. Market** | | |
| 🡅 Risk related to our ability to continue as a going concern as a result of the effects of the ongoing war between Russia and Ukraine and the uncertainty of further sanctions.<br><br>🡅 Competition since we operate in highly competitive markets which may impact our ability to attract, retain and engage customers and achieve our business and financial targets.<br><br>**=** Keeping pace with technology since our future success will depend on our ability to effectively anticipate and adapt to the changes in the technological landscape and deploying networks and services that these enable. | • We have taken a number of measures to protect our liquidity and cash provision, such as accumulating a significant cash balance at HQ.<br><br>• We develop and offer customers new digital products and services in line with our digital operator strategy, which is focused on delivering high-quality and seamless services to our customers.<br><br>• We are monitoring and responding to technology developments and competitor activity that could have an impact on us achieving our goals | • On October 9, 2023 VEON completed its exit from Russia with the closing of the sale of its Russian operations. Currently, VEON is not subject to any sanctions (including by the U.S., EU or UK) but is subject to the impact of sanctions on its beneficial owners and, overall, there is significant uncertainty regarding the impact of any future sanctions that may or may not be imposed by different jurisdictions.<br><br>• In Q2 2023, VEON announced a US$600 million investment, facilitated through its subsidiary Kyivstar, aimed at supporting Ukraine's recovery over the following three years. This investment will primarily target Kyivstar's infrastructure initiatives to ensure nationwide essential connectivity and 4G services, advance the accessibility of high-quality digital services for all Ukrainians, and fund community support projects.<br><br>• To mitigate the risk of asset loss resulting from the war between Ukraine and Russia, Kyivstar has secured insurance coverage, although receipt of insurance claims cannot be guaranteed.<br><br>• VEON has consistently conducted sensitivity analyses to adapt treasury and operational payment schedules in response to fluctuations in currencies such as PKR, BDT, and UAH, thereby mitigating the adverse effects of currency volatility.<br><br>• Following up on their “Invest in Ukraine, NOW!” campaign, VEON and Kyivstar have also co-hosted “B2U: Business to Ukraine”, a business and investment forum in Kyiv. During the Forum, more than 100 representatives of Ukraine’s leading businesses held discussions on improving the investment climate in the country, which is expected in turn to support the flow of international business to Ukraine, contributing to the country’s economic resilience. Kyivstar, the country’s largest telecommunications company and one of the highest taxpayers, invested roughly US$174 Mln in capex in 2023, and expects to widen the scope of its future investment commitment from $600 Mln in 3 years to US$1 Bln in 5 years, if market conditions permit. |

| Risk | Examples of how we mitigate | Some examples of 2023 developments |
|---|---|---|
| **2. Liquidity and Capital** | | |
| **Our business requires considerable financial capital in order to invest in the growth opportunities we identify. This requires us to manage a number of risks relating to capital and liquidity. These include:** | | |
| ↓ Liquidity risk since as a holding company, VEON Ltd. depends on the performance of its subsidiaries and their ability to pay dividends, and may therefore be affected by changes in exchange controls and dividends or currency restrictions in the countries in which its subsidiaries operate, as well as the ongoing war between Russia and Ukraine, impacting local economies and our operations in those countries.<br><br>↓ Debt service risks given that substantial amounts of indebtedness and higher debt service obligations could materially impact our cash flow and affect our ability to raise additional capital, especially in case of breach of covenants, significant FX volatility or impaired ability to generate revenue due to the ongoing war between Russia and Ukraine.<br><br>↓ Access to capital since VEON's substantial amounts of indebtedness and debt service obligations may not be fully covered by our cash flows, while VEON has re-obtained credit ratings from Fitch and S&P, we may experience difficulty accessing capital markets or may only be able to raise additional capital at significantly increased costs.<br><br>= Banking and Financial Counterparty risk given that the banking systems in many countries in which we operate remain underdeveloped and there are a limited number of creditworthy banks in these countries with which we can conduct business. In addition, restrictions on international transfers, foreign exchange or currency controls and other requirements might restrict our activity in certain markets in which we have operations, including as a result of the ongoing war between Russia and Ukraine.<br><br>↑ The risk for VEON with the recent increase in central bank interest rates primarily revolves around the impact on financial stability and market conditions. As central banks raise rates to combat inflation, this could lead to tighter financial conditions, increased borrowing costs, and heightened economic uncertainty, all of which can affect corporate profitability and operational costs. | • We have a centralized treasury function whose job is to manage liquidity and funding requirements as well as our exposure to financial and market risks.<br><br>• Our policy is to create a balanced debt maturity profile and to use market opportunities if and when available to extend the maturity and reduce the cost of our borrowings.<br><br>• We monitor our risk to a shortage of funds using a recurring liquidity planning tool. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bonds, bank overdrafts, bank loans and lease contracts.<br><br>• The primary objective of our capital management is to ensure that it maintains healthy capital ratios, so as to secure access to debt and capital markets at all times and maximize shareholder value. We manage our capital structure and make adjustments to it in light of changes in economic conditions.<br><br>• We adopt a prudent approach to managing our balance sheet leverage increasing the level of our local currency borrowing and maintain borrowing headroom in our revolving credit facilities.<br><br>• VEON manages its interest rate risk exposure through a portfolio of fixed and variable rate borrowings.<br><br>• The ability to upstream cash to HQ level to meet obligations was impaired in 2023 by currency controls in Ukraine and other geopolitical and FX pressures affecting emerging markets. VEON remains committed to monetizing assets to enhance liquidity at the HQ level and is taking steps to regain access to capital markets. | • On March 28, 2024 VEON repaid the outstanding balance of US$805 Mln (principal, excluding accrued interest) under its revolving credit facility ("RCF") and cancelled the RCF. The repayment of the outstanding amount and the cancellation of the RCF will reduce VEON's interest expenses, in line with our effective cash and balance sheet management practices.<br><br>• VEON Ltd. and its subsidiary, VEON Holdings B.V. redeemed in full its senior notes due in December 2023 and June 2024, outstanding as of the redemption date of September 27, 2023.<br><br>• As part of the Company's execution of its strategy to transform into an asset-light digital operator, in December 2023 its wholly owned subsidiary Banglalink completed the sale of part of its tower portfolio in Bangladesh to Summit Towers Limited for a consideration of approximately BDT 11 Bln (c. US$100 Mln). While the proceeds from the deal provided Banglalink with funds to fulfil financial commitments and freeing up resources for its digital expansion, VEON was able to upstream cash to its HQ to enhance liquidity.<br><br>• VEON's ambition is a leverage ratio of maximum 1.5x. This target should allow VEON sustained access to capital markets as well as allow it to absorb possible sharp increases in (local) borrowing rates.<br><br>• VEON's legal team is monitoring future sanctions and assessing the impact of sanctions on certain beneficial owners to mitigate reputational and operational impacts. |

| Risk | Examples of how we mitigate | Some examples of 2023 developments |
|---|---|---|
| **3. Operational** | | |
| VEON is a complex business operating across six markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks, which include: | | |
| ↑ Cyber-attacks and other cybersecurity threats, to which telecommunications providers are vulnerable given the open nature of their networks and services, could cause financial, reputational and legal harm to our business should these succeed in disrupting our services and result in the leakage of customer data or of our intellectual property.<br><br>↑ Network stability and business continuity risks given that our equipment and systems are subject to damage, disruption and failure for various reasons, including as a result of the ongoing war between Russia and Ukraine.<br><br>↑ Supply chain risks since we depend on third parties for certain services and products important to our business and there may be unexpected disruptions to supply chains due to a variety of factors, including regulatory (e.g. trade and export restrictions including those imposed as a result of the ongoing war between Russia and Ukraine), natural disasters, pandemics and similar unforeseen events.<br><br>= Challenges in local implementation of our strategic initiatives, which could be affected by a variety of unforeseen issues, including (but not limited to) technological limitations, regulatory constraints and insufficient customer engagement.<br><br>= Partnership risks given that we participate in strategic partnerships and joint ventures in a number of countries on the basis of agreements which may affect our ability to execute on our strategic initiatives and, require the consent of our partners to withdraw funds and dividends from these entities. Partnerships could also give rise to reputational and indirect regulatory risks with respect to the behaviors and actions of our partners, as well as risks surrounding losing a partner with important insights in the local market.<br><br>*Continued next page* | • We monitor and log our network and systems, and keep raising our employees' security awareness through training, and operate a structured vulnerability scanning process within our security operations centers.<br><br>• Each OpCo monitors the business continuity risks and ensures appropriate mitigation action plans, activities and systems are put in place to minimize risks of network instability and disruption.<br><br>• We reduce our reliance on single vendors to the extent possible and opt for use of alternative suppliers where possible and ensure compliance with the applicable licensing and approval requirements in case of sanctions and export control restrictions.<br><br>• We conduct risk-based due diligence on our business partners and mitigate apparent risks through contractual requirements, representations, indemnities, warranties, etc.<br><br>• We regularly monitor the media presence and reputations or our partners and respond accordingly.<br><br>• We remain committed to simplifying our business structure, which extends to our local partnerships. | • VEON has a monthly cybersecurity forum to allow for structured and consistent governance throughout the Company, which is used to enforce the implementation of our cybersecurity policy, share best practices, lessons learned, industry developments, and other industries' experiences. We have also established and continue to improve our VEON group-wide horizontal experience exchange mechanism to share best practices in cybersecurity as well as to report and track operational alarms, ongoing attacks and more across operating companies to enable us to respond to cyber threats of global scale.<br><br>• Furthermore, our cybersecurity policy requires each of our operating companies to meet international best practice standards including ISO 27001. In addition to our operating companies in Bangladesh (Banglalink) and Pakistan (Jazz) completing ISO 27001 (Information Security Management System) certification during 2022, our HQ entity in Amsterdam and micro financing subsidiary in Pakistan (Mobilink Microfinance Bank) has launched initiatives in 2023 and with provided solid commitment from management aiming to achieve ISO 27001 certifications in 2024.<br><br>• In 2023, we completed a project to enhance the anti-phishing mechanisms and safeguards for our email systems to provide an additional layer of security against phishing attacks that target our personnel through malicious emails. In 2023, we also replaced our content management system ("CMS") service provider in order to improve the performance and security of the VEON corporate website and the content published there. The vendor selection process for the CMS migration was carried out diligently to avoid service and access disruptions on the VEON website.<br><br>• As part of our initiative to digitize our core telecommunications business, we intend to continue focusing on increasing our capital investment efficiency, including with respect to our IT, network, and distribution costs. We intend to maintain our focus on achieving an asset-light business model in certain markets, where we own only the core assets needed to operate our business.<br><br>*Continued on the next page* |

| Risk | Examples of how we mitigate | Some examples of 2023 developments |
|---|---|---|
| **3. Operational** | | |
| VEON's business model is significantly capital-intensive, primarily due to its reliance on the development and maintenance of extensive telecommunications infrastructure. Ours is a complex business operating across six markets at various levels of development and each with a variety of opportunities and challenges. These give rise to operational risks, which include: | | |
| ↑ Infrastructure risks given that the physical infrastructure in some of our markets is in poor condition and may require significant investment by local governments or additional substantial and ongoing expenditures by us, in order to sustain our operations, in addition to risk of maintaining our infrastructure in Ukraine and responding to the ongoing war as it develops further.<br><br>↑ The ongoing war between Russia and Ukraine and its direct and indirect consequences have impacted and, if the war continues or escalates, may continue to significantly impact VEON's results and aspects of its operations in Ukraine. We may in the future incur substantial impairment charges as a result of the write down of the value of goodwill or from the impact of the ongoing war between Russia and Ukraine. During 2023, we reported impairment charges with respect to assets in Ukraine, which included impairments to property and equipment as a result of physical damages to sites in Ukraine caused by the ongoing war between Russia and Ukraine. Our operations in Ukraine represented approximately 25% of our revenue for the year ended December 31, 2023.<br><br>= Given VEON's structure as a holding company and the ongoing challenges in extracting cash from regions like Ukraine amid wartime conditions, it is crucial to highlight the associated risks to financial stability. The difficulty in repatriating funds due to geopolitical instability, regulatory changes, and disruptions in the financial system directly affects VEON's liquidity and financial operations across its subsidiaries. These challenges can limit the group's overall financial flexibility, impacting its ability to make timely investments and meet debt obligations.<br><br>↑ Risk related to spectrum and license rights, and the potential for increases in the costs of such rights, given that the success of our operations depends on acquiring and maintaining spectrum and licenses in each of our markets, most of which are granted for specified terms with no assurance that they will be renewed once expired, or at what price.<br><br>= Interconnection agreements with other operators upon which the economic viability of our operations depend. A significant rise in these costs, or a decrease in the interconnection rates we earn, could impact the financial performance of our business, as could adverse local regulation of Mobile Termination rates (MTRs), which govern the rates at which carriers compensate each other for carrying calls that originate on one another's networks. | | • Due to the ongoing war between Russia and Ukraine, there is an inherent risk of further damage to our network assets situated within Ukrainian territories not under Russian occupation. While efforts have been made by the Ukrainian OpCo to repair most of the incurred damage, the volatile nature of the war escalation presents uncertainty regarding the resilience of our network in Ukraine to potential additional major damage.<br><br>• On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, has entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2,012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit Towers Limited ("Summit"), for BDT 11 billion (US$97). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023.<br><br>• As part of the execution of our digital operator strategy, in 2023, a special focus was given to the development, improvement and maintenance of our IT and cybersecurity systems all OpCos.<br><br>• VEON Group's Assurance Agreement with Huawei, renegotiated and extended to 2029, provides a mechanism to mitigate operational impacts during sanctions escalation events affecting Huawei, including the exercise of step-in rights by VEON. |

| Risk | Examples of how we mitigate | Some examples of 2023 developments |
|---|---|---|
| **4. Legal** | | |
| Our business is subject to a variety of laws and regulations, including: | | |
| ↑ Regulatory, legal and compliance risks given that the telecommunications industry is highly regulated and we are subject to a large number of laws and regulations (including anti-corruption laws and laws restricting foreign investment which change from time to time, vary between jurisdictions and can attract considerable costs, including fines and penalties, with respect to regulatory compliance.<br><br>↑ Sanction and export controls risks since we are subject to, depending on the transaction or business dealing, laws and regulations prescribed by various jurisdictions, including the United States, the United Kingdom and the European Union and especially in connection with the ongoing war between Russia and Ukraine. Applicable requirements remain subject to change and may impact our ability to conduct business in certain countries and with certain parties with which we have services, supply or other business arrangements. The risk of export restrictions for Chinese vendors has also gained relevance at the end of 2023.<br><br>↑ Unpredictable tax claims, decisions, audits and systems, as well as changes in applicable tax treaties, laws, rules or interpretations give rise to significant uncertainties and risks that could complicate our tax planning and business decisions.<br><br>↑ Unethical or inappropriate behavior, including potentially bribery and corruption, which could result in fraud or a breach of regulation or legislation and could, in turn, expose VEON to significant penalties, criminal prosecution and damage to our brand and reputation.<br><br>**=**As VEON expands into Digital and Mobile Financial Services (DFS and MFS) beyond its traditional telecommunications offerings, the company faces increased regulatory risks associated with Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF). These regulations necessitate the implementation of stringent systems and controls to detect, prevent, and report potential financial abuses. The expansion into DFS and MFS introduces complexities due to the high volume and cross-border nature of digital transactions, requiring VEON to comply with diverse international and local compliance standards. Non-compliance could result in severe penalties, including financial fines, sanctions, and reputational damage, underscoring the need for VEON to continuously invest in robust compliance frameworks and staff training to manage these risks effectively.<br><br>*Continued next page'* | • We maintain good bilateral relationships with the regulatory authorities in our operating markets in order to help us understand and adapt to their concerns with respect to local regulation.<br><br>• We closely monitor the developments related to international economic sanctions and export controls to comply with applicable sanctions and export control requirements and restrictions.<br><br>• We operate a policy of diverse sourcing with respect to equipment suppliers to ensure that we are not overly reliant on any single vendor should a supply disruption arise, including as a consequence of the imposition of sanctions and export controls laws.<br><br>• Developments in tax legislation and requirements as well as tax claims and decisions are monitored by local tax teams with oversight from HQ to ensure compliance with tax reporting and timely mitigation of possible tax disputes and audits.<br><br>• Our Ethics & Compliance and Legal teams maintain oversight and expertise from HQ and rely on dedicated local teams with knowledge of the legal and regulatory requirements of each of our operating markets and supplement with advice from external counsel when required.<br><br>• We maintain an Ethics & Compliance program which includes a comprehensive approach to detecting, investigating, remediating and reporting misconduct, as well as fostering a strong Tone at The Top (TaTT) to encourage discussions about behavior and values and to optimize the cooperation and communication between HQ and OpCos to ensure appropriate standards of behaviors are communicated throughout the Group and enforced locally.<br><br>• We maintain appropriate know-your-customer (KYC) and anti-money laundering (AML) controls across our DFS and MFS products and services as required by local rules and international best practices.<br><br>• We maintain a privacy program that includes data privacy controls such as privacy assessments,<br><br>*Continued next page* | • As of March 31, 2024, the Company continues to conclude that neither VEON Ltd. nor any of its subsidiaries is targeted by sanctions imposed by the United States, European Union (and individual EU member states) and the United Kingdom.<br><br>• Management has actively engaged with sanctions authorities where appropriate. On November 18, 2022, VEON announced that the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") issued General License 54 authorizing all transactions ordinarily incident and necessary to the purchase and receipt of any debt or equity securities of VEON Ltd. that would otherwise be prohibited by section 1(a)(i) of Executive Order (E.O.) 14071. OFAC General License 54 applies to all debt and equity securities of VEON Ltd. that were issued before June 6, 2022, and confirms that the authorization applies not only to the purchase and receipt of debt and equity securities, but also to transactions ordinarily incident and necessary to facilitating, clearing, and settling of such transactions. This General License ensures that all market participants can trade the relevant securities with confidence that such trading is consistent with E.O. 14071, which targeted “new investment” in Russia, and was issued following active engagement with OFAC on the topic. On January 18, 2023, OFAC has replaced the General License 54 originally issued on November 18, 2022 with General License 54A to now include both VEON Ltd. and VEON Holdings B.V.<br><br>• The Italian tax authorities (ITA) conducted a review of Wind Telecom SpA, which has since merged into VEON Holdings B.V., focusing on fiscal years 2015 through 2017. By the second quarter of 2023, the negotiations concluded with a signed settlement agreement for US$18 million.<br><br>*Continued next page* |

| Risk | Examples of how we mitigate | Some examples of 2023 developments |
| --- | --- | --- |
| **4. Legal** | | |
| Our business is subject to a variety of laws and regulations, including: | | |
| to store data and contents of communication for minimum periods.<br><br>🡅 Volatility in the market price of our ADSs may prevent holders of our ADSs from selling their ADSs at or above the price at which they purchased our ADSs. The trading price for our ADSs may be subject to wide price fluctuations in response to many factors, including adverse geopolitical and macroeconomic developments, including caused by the ongoing war between Russia and Ukraine; involuntary deconsolidation of our operations in Ukraine; breach or default of the covenants in our financing agreements; etc.<br><br>🡅 Data privacy risks since we collect and process customer personal data, we are subject to an increasing amount of data privacy laws and regulations. In some cases these laws and regulations also bring restrictions on cross border transfers of personal data and surveillance related requirements | data breach response and individual rights processes, to ensure we comply with EU and local data privacy laws for the collection and processing of personal data for our services, human resource management and compliance processes.<br><br>• OpCo Business Risk Committees (BRCs) are utilized to ensure Group management is in close alignment with local OpCo managers and key risks they face, and that effective, informed and risk-based decision making by the local OpCo Boards and VEON's Board takes place. | • On March 8, 2023, following an a previous announcement and approval by the Board of Directors a change of ratio in the Company's ADR program became effective. The change of ratio comprised a change in the ratio of American Depositary Shares (the "ADSs") to VEON common shares (the "Shares") from one (1) ADS representing one (1) Share, to one (1) ADS representing twenty-five (25) Shares (the "Ratio Change").<br><br>• A Ukraine Defense Group has been created to provide daily updates to the GEC on the progress of mitigation measures and ensure a coordinated approach to addressing legal and sanctions risks in Ukraine.<br><br>• VEON Ltd. and VEON Holdings B.V. have filed two motions with the relevant Kyiv district court, challenging the freezing of corporate rights in Kyivstar. This legal action aims to protect VEON's rights and challenge any actions that violate the rights of VEON and its international debt and equity investors.<br><br>• VEON has engaged external counsel to assess the impact of sanctions on certain beneficial owners and provide legal guidance on mitigating the reputational and operational impacts. This helps VEON stay informed about the potential risks and take appropriate actions to mitigate them. |

## Risk Factors

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

***Risk Factor Summary***

The following summarizes the principal risks that could adversely affect our business, operations and financial results. You should carefully consider all of the information set forth in this Annual Report 2023 including, but not limited to, the risks set forth in this note. In addition to those risk factors, there may be additional risks and uncertainties of which management is not aware or focused on or that management currently deems immaterial. Our business, financial condition or results of operations or prospects could be materially adversely affected by any of these risks, causing the trading price of our securities to decline and you to lose all or part of your investment:

- risks relating to the ongoing war between Russia and Ukraine, such as its adverse impact on the economic conditions and outlook of Ukraine; physical damage to property, infrastructure and assets; the effect of sanctions and export controls on our supply chain, the ability to transact with key counterparties or to effect cash payments through affected clearing systems to bondholders, obtain financing, upstream interest payments and dividends and the ability to operate our business; the resulting volatility in the Ukrainian hryvnia and our other local currencies; our ability to operate and maintain our infrastructure; reputational harm we may suffer as a result of the war, sanctions (including any reputational harm from certain of the beneficial owners of our largest shareholder, L1T VIP Holdings S.à r.l. ("LetterOne"), being subject to sanctions) that could lead to the risk of Kyivstar's nationalization; and its impact on our liquidity, financial condition and our ability to operate as a going concern;
- risks relating to the recognition of impairment charges in respect of our CGUs, some of which could be substantial, including the potential impairment charge for our Bangladesh CGU following recent political unrest, which may cause us to write-down the value of our non-current assets, including property and equipment and intangible assets (e.g., goodwill);
- risks relating to foreign currency exchange loss and other fluctuation and translation-related risks;
- risks associated with cyber-attacks or systems and network disruptions, data protection, data breaches, or the perception of such attacks or failures in each of the countries in which we operate, including the costs associated with such events and the reputational harm that could arise therefrom;
- risks relating to changes in political, economic and social conditions in each of the countries in which we operate and where laws are applicable to us, such as any harm, reputational or otherwise, that may arise due to changing social norms, our business involvement in a particular jurisdiction or an otherwise unforeseen development in science or technology;
- risks related to solvency and other cash flow issues, including our ability to raise the necessary additional capital and raise additional indebtedness, our ability to comply with the covenants in our financing agreements and our ability to develop additional sources of revenue and unforeseen disruptions in our revenue streams;
- risks due to the fact that we are a holding company with a number of operating subsidiaries, including our dependence on our operating subsidiaries for cash dividends, upstreaming cash, distributions, loans and other transfers received from our subsidiaries in order to make dividend payments, make transfers to VEON Ltd., as well as certain intercompany payments and transfers;

risks related to the impact of export controls, international trade regulation, customs and technology regulation on the macroeconomic environment, our operations, our ability, and the ability of key third-party suppliers to procure goods, software or technology necessary to provide services to our customers, particularly services related to the production and delivery of supplies, support services, software, and equipment sourced from these suppliers;

- in each of the countries in which we operate and where laws are applicable to us, risks relating to legislation, regulation, taxation and currency, including costs of compliance, currency and exchange controls, currency fluctuations, and abrupt changes to laws, regulations, decrees and decisions governing the telecommunications industry and taxation, laws on foreign investment, anti-corruption and anti-terror laws, economic sanctions, data privacy, anti-money laundering, antitrust, national security and lawful interception and their official interpretation by governmental and other regulatory bodies and courts;
- risks that the adjudications, administrative or judicial decisions in respect of legal challenges, license and regulatory disputes, tax disputes or appeals may not result in a final resolution in our favor or that we are unsuccessful in our defense of material litigation claims or are unable to settle such claims;
- risks relating to our company and its operations in each of the countries in which we operate and where laws are applicable to us, including regulatory uncertainty regarding our licenses, regulatory uncertainty regarding our product

and service offerings and approvals or consents required from governmental authorities in relation thereto, frequency allocations and numbering capacity, constraints on our spectrum capacity, access to additional bands of spectrum required to meet demand for existing products and service offerings or additional spectrum required from new products and services and new technologies, intellectual property rights protection, labor issues, interconnection agreements, equipment failures and competitive product and pricing pressures;

- risks related to developments from competition, unforeseen or otherwise, in each of the countries in which we operate and where laws are applicable to us, including our ability to keep pace with technological changes and evolving industry standards;
- risks related to the activities of our strategic shareholders, lenders, employees, joint venture partners, representatives, agents, suppliers, customers and other third parties;
- other risks and uncertainties as set forth in this note—*Risk Factors.*

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

## Market Risks

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

**Direct Impact of the War**

The ongoing war between Russia and Ukraine and its direct and indirect consequences have impacted and, if the war continues or escalates, may continue to significantly impact VEON's results and aspects of its operations in Ukraine. Due to the nature of the war, we cannot assess with certainty whether events are likely to occur, and events may occur suddenly and without warning. Specifically, the ongoing war has had a marked impact on the economy of Ukraine and has caused partial damage to our sites in Ukraine. See "*—From time to time, we recognize impairment charges in respect of our CGUs, some of which can be substantial, including the potential impairment charge for our Bangladesh CGU following recent political unrest"* and Note—*Operating and Financial Review and Prospects.* Our operations in Ukraine represented approximately 25% and 22% of our revenue for the year ended December 31, 2023 and the six months ended June 30, 2024, respectively.

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

Customer demand for our services in Ukraine may increase or decrease depending on the fluctuations in the Ukrainian population as a result of Ukrainians relocating in or out of the country due to the ongoing war. For example, as of June 14, 2024, it is estimated by the United Nations High Commissioner of Refugees that approximately 6.5 million people have fled Ukraine and the country has sustained significant damage to infrastructure and assets. If the ongoing war persists and Ukrainian refugees choose to relocate permanently outside of Ukraine and switch to local providers, we estimate that we could lose approximately 1.3 million subscribers (around 5% of our customer base) in Ukraine. This will have a measurable impact on our customer base in Ukraine, as well as their use and spending on our services. We may also experience fluctuations in the demand for our services if our customers experience difficulties in accessing or using our products and services outside of Ukraine, either as a result of roaming arrangements with our network providers or as a result of switching to a different provider on a temporary or permanent basis. We have experienced a decline in revenue generated from international mobile termination rates ("MTRs") charged to Ukrainian customers due to EU policies implemented that regulate roaming charges for Ukrainians. We expect these policies and decrease in rates charged to Ukrainian customers to continue, with Ukraine and the European Union extending, in April 2023, the arrangements for Ukraine's access to free roaming areas (first introduced in April 2022) for 2024. Furthermore, the European Commission has continued its efforts to integrate Ukraine into the EU roaming area, which could eliminate roaming charges for Ukrainian customers indefinitely throughout the European Union if adopted.

We have also incurred additional maintenance capital expenditures to maintain, and repair damage to, our mobile and fixed-line telecommunications infrastructure in Ukraine resulting from the ongoing war. For the year ended December 31, 2023, our costs related to security, fuel for diesel generators, batteries, mitigation measures (which were aimed at protecting the energy independence of our telecom network in the event of further attacks on the energy infrastructure of Ukraine) and other costs in Ukraine were approximately UAH 822.0 million (US$22.5 million). In the prior year these costs were approximately UAH770.55 million (US$19 million). As of June 30, 2024 for the year to date, these costs were approximately UAH 55.2 million (US$1.42 million). We expect these costs will continue, and could increase, while the war in Ukraine persists.

In addition, our ability to provide services in Ukraine may be impaired if we are unable to maintain key personnel within Ukraine, or our infrastructure within Ukraine is significantly damaged, destroyed or occupied. As of December 31, 2023 and June 30, 2024, we have experienced partial destruction of our infrastructure in Ukraine (about 11.3 and 11.1%, respectively, of our telecommunication network has been damaged or destroyed, of which about 41.6% and 40.1%, respectively, has been restored). As of June 30, 2024 approximately 5.7% of our telecommunication network is currently not functional and located in the Russian-occupied territories. While we have thus far managed to repair most of our network assets that incurred damage in Ukrainian territory that is not under Russian occupation, as a result of the ongoing war between Russia and Ukraine there can be no assurance that our Ukrainian network will not sustain additional major damage and that such damage can be repaired in a timely manner as the war continues. In addition, with increased targeting of Ukraine's electrical grid, we have faced challenges ensuring that our network assets in Ukraine have a power source. We have installed additional generators and batteries, 2,191 power conversion systems and 121,188 power conversion systems, respectively, to ensure 72-hour energy backup capacity in order to meet certain regulatory requirements. Furthermore, we have developed and, in some cases, implemented additional contingency plans to relocate work and/or personnel to other geographies and add new locations, as appropriate. Our business continuity plans are designed to address known contingency scenarios to ensure that we have adequate processes and practices in place to protect the safety of our people and to handle potential impacts to our operations. Our crisis management procedures, business continuity plans, and disaster recovery capabilities may not be effective at preventing or mitigating the effects of prolonged or multiple crises, such as civil unrest, military conflict or a pandemic in a concentrated geographic area. In December 2023, the Company's wholly owned subsidiary, Kyivstar, was the target of a widespread cyber-attack that caused technical failure resulting in Kyivstar subscribers being unable to use its communication services. As part of our crisis management procedures and business continuity plans, we worked closely with Ukrainian law enforcement agencies to determine the cause of the attacks; the assessments conducted indicate that Kyivstar likely experienced these attacks as a part of the ongoing war in Ukraine. See *"We have experienced and are continually exposed to cyber-attacks and other cybersecurity threats, both to our own operations or those of our third party providers, that may lead to compromised or inaccessible telecommunications, digital and financial services and/or leaks or unauthorized processing of confidential information, and perceptions of such threats may cause customers to lose confidence in our services"* for more information.

The current events in the regions where we operate in Ukraine and where we derive a significant amount of our business may pose security risks to our people, our facilities, our operations and infrastructure, such as utilities and network services, and the disruption of any or all of them could significantly affect our business, financial conditions and results of operations, and cause volatility in the price of our securities.

**Indirect Impact of the War**

As a leading telecommunications provider in Ukraine, we have been adversely impacted by the ongoing war. We expect to continue to face challenges with our performance in Ukraine, which may be exacerbated as the war continues. Furthermore, if there is an extended continuation or further increase in the ongoing war between Russia and Ukraine, it could result in further instability and/or worsening of the overall political and economic situation in Ukraine, Europe and/or in the global economy and capital markets generally. These are highly uncertain times, and it is not possible to predict with precision how certain developments will indirectly impact our business and results of operations, nor is it possible to execute comprehensive contingency planning in Ukraine due to the ongoing war and inherent danger in the country. The discussion below attempts to surmise how prolongation or escalation of the war, expansion of current sanctions, the imposition of new and broader sanctions, and disruptions in our operations, transactions with key suppliers and counterparties could have an indirect impact on our results and operations. We cannot assure you that risks related to the war are limited to those described in this Annual Report 2023.

On February 24, 2022, Ukraine declared martial law and introduced measures in response to the ongoing war with Russia, which include local banking and capital restrictions that prohibit our Ukrainian subsidiary from making any interest or dividend payments to us, and introduced legal restrictions on making almost any payments abroad, including making payments to foreign suppliers (with a small number of exceptions expressly provided by law, or on the basis of separate government approvals). Currently, it is not possible to predict how long the martial law in Ukraine will last and accordingly how long the above restrictions will last and there can be no assurance that we will be able to obtain any separate government approvals for foreign payments, meaning our ability to make interest or dividend payments from our Ukrainian operations could be restricted for some time.

In October 2022, Ukraine imposed sanctions for a ten-year period against Mikhail Fridman, Petr Aven and Andriy Kosogov, who are some of our beneficial owners due to their ownership in LetterOne. These sanctions apply exclusively to the sanctioned individuals and do not have a direct impact on VEON as these individuals are not part of the Company's corporate governance mechanisms nor are they able to exercise any rights regarding VEON. However, we cannot rule out the potential impact of these sanctions on banks' and other parties' readiness to transfer dividends in the event the above restrictions are lifted, or the nationalization risk such measures pose to Kyivstar. Furthermore, the government of Russia has introduced countermeasure sanctions which have subjected or could subject our legal entities and employees in Ukraine to restrictions or liabilities, including capital controls, international funds transfer restrictions, asset freezes, nationalization measures or other restrictive measures. See "*—Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks"* for a discussion on the introduction of nationalization laws in Ukraine.

Furthermore, while we have not been named as, and have concluded that we are otherwise not, the target of United States, European Union or United Kingdom sanctions as a consequence of LetterOne being a 45.5% shareholder in VEON (as of September 30, 2024) (which has certain ultimate beneficial owners which are subject to sanctions), it cannot be ruled out that VEON or LetterOne could become the target of future sanctions or that certain other beneficial owners of LetterOne may be sanctioned in the future, which could materially adversely affect our operations, access to capital and the price of our securities. Even with the sale of our Russian operating company PJSC VimpelCom and its subsidiaries (collectively, our "Russian

Operations”), the sanctions against certain of our beneficial owners have continued to pose challenges to our business and operations. For example, we have faced challenges and expect we will continue to face challenges in conducting business with persons or entities subject to the jurisdiction of the relevant sanctions regimes, including international financial institutions, rating agencies, independent auditor and international equipment suppliers, which can impact our ability to raise funds from international capital markets, acquire equipment from international suppliers or access assets held abroad. In addition, we may face increased challenges with appointing international financial institutions as a result of the issuance of Executive Order 14114 in December 2023, which amended Executive Order 14024, to authorize the U.S. Secretary of the Treasury to impose sanctions on non-US financial institutions in the event it determines such institutions have conducted or facilitated any significant transaction or transactions, or provided any service, involving companies operating in Russia’s technology sector among others sectors. While we do not believe the nature of any remaining ties that we have with VimpelCom, including our Beeline license, would fall within the scope of such sanctions, international financial institutions could take the position that VimpelCom operates in Russia’s technology sector and therefore decline to process any transactions that we have involving VimpelCom. Financial institutions may also reexamine their relationships with VEON given our prior nexus to VimpelCom. Moreover, if we become the target of US, EU or UK sanctions, investors subject to the jurisdiction of an applicable sanctions regime may become restricted in their ability to sell, transfer or otherwise deal in or receive payments with respect to our securities. For more information, see “—*Violations of and changes to applicable sanctions and embargo laws, including export control restrictions, may harm our business”.*

In addition, certain of our key infrastructure and assets located within Ukraine may be seized or may be subject to appropriation if Russian forces obtain control of the regions within Ukraine where those assets are situated and, therefore, may have an adverse effect on our ability to continue to operate in Ukraine. In May 2023, pursuant to existing Ukrainian nationalization laws (the “Nationalization Laws”), the President of Ukraine signed an initial package of restrictive measures relating to 41 entities, including against Zaporizhstal, one of Ukraine’s largest metallurgical companies, due to Russian ownership in the company’s structure. Furthermore, as part of the measures adopted by Ukraine in response to the ongoing war with Russia, amendments to the Nationalization Laws have been approved by the Ukrainian Parliament and, as of June 30, 2024, are awaiting signing by the President of Ukraine (the “Nationalization Laws Amendments”). Among other things, the Nationalization Laws Amendments extend the definition of “residents” whose property in Ukraine (whether owned directly or indirectly) can be seized under the Nationalization Laws to include property owned by the Russian state, Russian citizens, other nationals with a close relationships to Russia, residing or having a main place of business in Russia, or legal entities operating in Ukraine whose founder or ultimate beneficial owner is the Russian state or are controlled or managed by any of the individuals identified above. It is currently unclear when the President of Ukraine will sign the Nationalization Laws Amendments into law, if at all.

Further, in April 2023, the Ukrainian Parliament approved measures to allow for the nationalization of Sense Bank (previously known as Alfa Bank), one of Ukraine’s largest commercial banks, on the basis that Sense Bank is a systemically important bank in Ukraine and it had shareholders that were sanctioned by Ukraine, including Mikhail Fridman and Petr Aven, who are shareholders in LetterOne.

In November 2022, the Ukrainian government invoked martial law, which allows the Ukrainian government to take control of stakes in strategic companies in Ukraine in order to meet the needs of the defense sector. In February 2024, the Ukrainian government announced the extension of the martial law period to May 14, 2024. In May 2024, the Ukrainian government announced an extension of the period from May 14, 2024 to August 11, 2024. The Ukraine Security Council Secretary indicated that, at the end of the application of martial law, assets which the Ukrainian government has taken control of pursuant to the martial law can be returned to their owners or such owners may be appropriately compensated.

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts froze all “corporate rights” of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings initiated in Ukraine against Mikhail Fridman and which are unrelated to VEON or any of our subsidiaries are in progress. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding. On October 30, 2023, we announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and Ukraine Tower Company and requesting the lifting of the freezing of our corporate rights. In December 2023, the court rejected the appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freezing of corporate rights in Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in our other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. Such action remains pending.

Furthermore, in April 2024, draft amendments to the Law of Ukraine “On Sanctions” of August 14, 2014 were introduced in the Ukrainian Parliament (the “Sanctions Law Amendments”), which could be applicable to our subsidiaries in Ukraine. Under the proposed Sanctions Law Amendments, the Ukrainian government may petition the relevant Ukrainian court to confiscate 100% of the corporate rights in any Ukrainian company if a person sanctioned by Ukraine, directly or indirectly holds a stake in such company, regardless of the percentage of the stake or the manner in which it is held. Following such confiscation, shares in such companies that are attributable to non-sanctioned persons would be held in escrow and would eventually be redistributed to such non-sanctioned persons upon application for redistribution. The voting and dividend rights of non-sanctioned persons would be suspended from the moment the shares are placed into escrow until redistribution. If non-sanctioned persons fail to apply for formalization of their ownership within five years from the confiscation, their shares would be transferred to the state of Ukraine without compensation. In August 2024, the Sanctions Law Amendments were withdrawn but the possibility cannot be excluded that similar proposals may be introduced in the Ukrainian Parliament at a later date.

Finally, according to press reports, on September 25, 2024, the Ministry of Justice of Ukraine filed a suit with the Ukraine High Anti-Corruption Court seeking confiscation of the shares in various companies related to Mikkail Fridman, Petr Aven and Adriy Kosogov and the company Rissa Investments Limited, in which certain of these individuals hold an interest. None of the shares reported to be targeted by such action are related to VEON or any of our subsidiaries.

It is possible that the Ukrainian authorities may continue to propose or implement further measures, including sanctions targeting companies that have Russian shareholders, and any such measures or similar measures, if applied in relation to our Ukrainian subsidiaries, could lead to the involuntary deconsolidation of our Ukrainian subsidiaries, a loss in our assets and/or significant disruption to our operations, which would have a material adverse impact on our business, financial condition, results of operations, cash flows and prospects.

*The consolidated financial statements included in this Annual Report 2023 have been prepared on a going concern basis as a result of the ongoing war between Russia and Ukraine*

The consolidated financial statements included in this Annual Report 2023 have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and satisfaction of liabilities and commitments in the normal course of business. Due to the unknown duration and extent of the ongoing war between Russia and Ukraine and the uncertainty of further sanctions in response to the ongoing war that may be imposed, there are material uncertainties related to events or conditions that may cast significant doubt on our ability to continue as a going concern. These material uncertainties relate to our ability to maintain our financial and non-financial debt covenants and positive equity levels, potential new sanctions and export controls imposed by the United States, European Union, and the United Kingdom that could further impact our liquidity position and ability to attract new financing or our ability to source relevant network equipment from vendors as well as VEON's financial performance as a whole, as a result management has concluded that there is substantial doubt about our ability to continue as a going concern for at least 12 months after the date that the consolidated financial statements included in this Annual Report 2023 have been issued. Although we have taken a number of measures to protect our liquidity and cash provisions, given the uncertainty and exogenous nature of the ongoing war between Russia and Ukraine and potential for further sanctions and counter-sanctions, and future imposition of external administration over our Ukrainian operations in particular, there can be no assurance that we will be successful in implementing these initiatives or that the contingencies outside of our control will not materialize. See *Note 23—Basis of Preparation of the Consolidated Financial Statements* to our Audited Consolidated Financial Statements for further details.

*From time to time, we recognize impairment charges in respect of our CGUs, some of which can be substantial, including the potential impairment charge for our Bangladesh CGU following recent political unrest*

We have incurred, and may in the future incur, substantial impairment charges as a result of significant differences between the actual performance of our operating companies and the forecasted projection for revenue, adjusted EBITDA and/or capital expenditure which could require us to write-down the value of our non-current assets, including property and equipment and intangible assets (e.g., goodwill). The possible consequences of a financial, economic or geopolitical crises, including the ongoing war between Russia and Ukraine and political uncertainty in Bangladesh, and the impact such crises may have on customer behavior, the reactions of our competitors in terms of offers and pricing or their responses to new entrants in the market, regulatory adjustments in relation to changes in consumer prices and our ability to adjust costs and investments in response to changes in revenue, may also adversely affect our forecasts and lead to a write-down of tangible and intangible assets, including goodwill. In addition, significant adverse developments in our share price, and the resulting decrease in our market capitalization may also lead to a write-down of our goodwill balances. A write-down recorded for tangible and intangible assets resulting in a lowering of their book values could impact certain covenants and provisions under our debt agreements, which could result in a deterioration of our financial condition, results of operations or cash flows. In addition, significant adverse developments in our share price, and the resulting decrease in our market capitalization may also lead to a write-down of our goodwill balances. As of December 31, 2023 and June 30, 2024 our consolidated balance sheet had US$349 million and US$345 million, respectively, in goodwill.

We regularly test our property and equipment and intangible assets for impairment by calculating the fair value less cost of disposal ("FVLCD") for our cash generating units ("CGU") to determine whether any adjustments to the carrying value of CGUs are required. Our assessment of the FVLCD of our CGUs involves estimations about the future performance of the CGU, accordingly, our estimate can be quite sensitive to significant assumptions of projected discount rates, EBITDA growth, projected capital expenditures, long term revenue growth rate and related terminal values. The Company assesses, at the end of each reporting period, whether there exists any indicators ("triggers") that indicate an asset may be impaired (e.g, asset becoming idle, damaged or no longer in use). If there are such indicators, the Company estimates the recoverable amount of the asset. Goodwill is tested for impairment annually (at September 30) or when circumstances indicate the carrying value may be impaired. During 2023, we reported US$1 million (US$36 million in 2022) in impairment charges with respect to assets in Ukraine, which included impairments to property and equipment as a result of physical damages to sites in Ukraine caused by the ongoing war between Russia and Ukraine. We determined there were no other impairments for the year ended December 31, 2023.

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations' disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of this Annual Report on Form 20-F, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis are expected to be published in our interim unaudited consolidated condensed financial statements for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See *Note 11—Impairment of Assets* and *Note 13—Intangible Assets* to our Audited Consolidated Financial Statements for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh. See "*Changes in tax treaties, laws, rules or interpretations, including our determination of the recognition and recoverability of deferred tax assets, could harm our business, and the unpredictable tax systems and our performance in the markets in which we operate give rise to significant uncertainties and risks that could complicate our tax and business decisions*" for more information.

For further information on the impairment of tangible and intangible assets and recoverable amounts (particularly key assumptions and sensitivities), see *Note 10—Held for Sale and Discontinued Operations, Note 11—Impairment of Assets* and *Note 13—Intangible Assets* to our Audited Consolidated Financial Statements. For a discussion of the risks associated with the markets where we operate, see *—The international economic environment, inflationary pressures, geopolitical developments and unexpected global events could cause our business to decline, —Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks* and *—The ongoing war between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects.*

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

On February 28, 2022, the European Union imposed sanctions on Mikhail Fridman and Petr Aven; on March 15, 2022, the United Kingdom imposed sanctions on the LetterOne shareholders, Mr. Fridman, Mr. Aven, Alexey Kuzmichev and German Khan, and the European Union additionally designated Mr. Khan and Mr. Kuzmichev; and on August 11, 2023, the United States designated Mr. Fridman, Mr. Aven, Mr. Khan, and Mr. Kuzmichev (collectively, the "Designated Persons"). Mr. Fridman resigned from VEON's board of directors effective February 28, 2022. None of the other Designated Persons were members of the Board of Directors. We understand, based on a letter provided by LetterOne, a 45.5% shareholder in VEON, that Mr. Fridman and Mr. Aven are shareholders in LetterOne (approximately 37.86% and 12.13%, respectively) and that Mr. Khan and Mr. Kuzmichev are no longer shareholders in LetterOne. In October 2022, Ukraine imposed sanctions for a ten-year period against Mikhail Fridman and Petr Aven, as well as Andriy Kosogov, who is also a shareholder in LetterOne (holding approximately 47.24% of LetterOne's shares based on a LetterOne memorandum dated May 24, 2022 and updated February 28, 2023) (Andriy Kosogov, along with the Designated Persons, the "Sanctioned Persons"). On October 6, 2023, the Security Services of Ukraine ("SSU") announced that the Ukrainian courts are seizing all "corporate rights" of Mr. Fridman in 20 Ukrainian companies that he beneficially owns, while criminal proceedings, unrelated to Kyivstar or VEON, are in progress. This announcement was incorrectly characterized by some Ukrainian media as a "seizure" or "freezing" of "Kyivstar's assets". On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly references Kyivstar, that the Ministry of Justice of Ukraine is separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our shares from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. have filed two motions with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON, and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected the Company's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts alongside these court actions, however, there can be no assurance that these efforts will be successful. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON, prohibitions on renting state property and land and prohibitions on participation in public procurement impacting B2G revenue. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on the transfer of technology and intellectual property rights to Kyivstar from VEON would also apply. For further information on the freezing of VEON's corporate rights in Kyivstar and the legal actions the Company is taking to challenge the freeze, see *Note 1— General Information about the Group—Freezing of corporate rights in Kyivstar*.

We have not been named as, and have concluded that we are otherwise not, the target of the United States', United Kingdom's, the European Union's or Ukraine's sanctions, including as a consequence of LetterOne being a 45.5% shareholder in VEON.

However, as a result of the association of Sanctioned Persons with our largest shareholder, even after the sale of our Russian Operations, we have suffered and may continue to suffer reputational harm. Moreover, notwithstanding this sale, many multinational companies and firms, including certain of our service providers, partners and suppliers, have chosen of their own accord to cease transacting with us along with all Russia-based or Russian-affiliated companies or those that they perceive to be affiliated with Russia (i.e. self-imposed sanctions), as a result of the ongoing war between Russia and Ukraine. To the extent that the ongoing war between Russia and Ukraine continues or further escalates, the list of companies and firms refusing to transact with companies they determine or perceive to be Russian or Russian-affiliated, including as a result of ultimate beneficial owners, may continue to grow.

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

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

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

We primarily generate revenue in currencies which have historically experienced greater volatility than the U.S. dollar. As a result, we may be exposed to greater foreign currency exchange losses, fluctuations and translation risks than in prior years when we primarily generated revenue in both Russian ruble and U.S. dollar. The value of the Ukrainian hryvnia experienced significant volatility following the outbreak of the war between Russia and Ukraine, which resulted in the National Bank of Ukraine fixing the Ukrainian hryvnia to a set rate of 29.25 to the U.S. dollar in February 2022. In July 2022, the National Bank of Ukraine devalued the Ukrainian hryvnia to a set rate of 36.57 to the U.S. dollar, representing a devaluation of 25%, which it later removed in October 2023, replacing it with a more flexible exchange rate. The National Bank of Ukraine will continue to significantly limit exchange-rate fluctuations, preventing both a significant weakening and a significant strengthening of the Ukrainian hryvnia and we cannot be certain that the Ukrainian hryvnia will be pegged to the U.S. dollar at a later date. Because of the effects of the ongoing war between Russia and Ukraine, Ukraine’s economy is expected to continue to contract, which could further impact the Ukrainian hryvnia to U.S. dollar rate. Any change to the Ukrainian hryvnia/U.S. dollar exchange rate could cause the Group’s results of operations and financial condition to fluctuate due to currency translation effects. When the Ukrainian hryvnia depreciates against the U.S. dollar in a given period, the results of our Ukrainian business expressed in U.S. dollars will be lower period-on-period, even assuming consistent Ukrainian hryvnia revenue across the periods. Furthermore, we could be materially adversely impacted by a further decline in the value of the Ukrainian hryvnia against the U.S. dollar due to the decline of the general economic performance of Ukraine (including as a result of the continued impact of the war with Russia), investment in Ukraine or trade with Ukrainian companies decreasing substantially, the Ukrainian government experiencing difficulty raising money through the issuance of debt in the global capital markets or as a result of a technical or actual default on Ukrainian sovereign debt. Depreciation of the Ukrainian hryvnia could be sustained over a long period of time due to rising inflation levels in Ukraine as well. However, it may be possible that such depreciation is not reflected in any rate that could be set by the National Bank of Ukraine due to its efforts to control inflation. Although such changes could have a positive impact on our local currency results in Ukraine, such gains could be offset by a corresponding depreciation of the Ukrainian hryvnia in U.S. dollar terms. In addition, a significant depreciation of the Ukrainian hryvnia could also negatively affect our leverage ratio and equity balances, which would have an impact on certain covenants and provisions under our debt agreements. See *—Liquidity and Capital Risks —Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition* for a further discussion on this risk.

In addition to the Ukrainian hryvnia, the values of the Pakistani rupee, Kazakhstani tenge, Kyrgyzstani som and Uzbekistani som have experienced significant volatility in recent years in response to certain political and economic issues, including the recent global inflationary pressure, and such volatility may continue and result in depreciation of these currencies against the U.S. dollar. We have also seen the currencies of the countries in which we operate experience periods of high levels of inflation from high state budget expenditures, the global rise in prices for goods, increased political instability, climate and war-related impacts, and energy grid shortages which all resulted in high inflation rates in 2023 and continued in 2024. While in 2023 inflation levels began to decrease in some of our markets of operation, it is still relatively high compared to previous years, and any increase in inflation or sustained period of high inflation in any of our markets of operation could have a significant impact on our loan portfolio as a result of the impact that inflation can have on the exchange rate of the local currencies of our operations. Inflationary pressures can exacerbate the risks associated with currency fluctuation with respect to a given country. Our profit margins in countries experiencing high inflation could be harmed if we are unable to sufficiently increase our prices to offset any significant future increase in the inflation rate, manifested in inflationary increases in salary, wages, benefits and other administrative, supply and energy costs, and such price increases may be difficult with our mass market and price-sensitive customer base.

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

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

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

Adverse global developments such as wars, terrorist attacks, natural disasters, pandemics and the ongoing war between Russia and Ukraine and Israel and Hamas and the escalation of the conflict between Israel and Iran has impacted and could continue to impact the global economy for the foreseeable future, and the conflicts with Israel are threatening to spread, and may in the future spread, into other Middle Eastern countries. These adverse global developments and any spread or intensification of the forementioned conflicts could negatively impact our business, financial condition, results of operations, cash flows or prospects directly or indirectly. For example, the ongoing war between Russia and Ukraine, and the effect of such developments on the Ukrainian economy (and other economies that are closely tied to the Russian or Ukrainian economies), affected our results of operations and financial condition in 2022, 2023 and in the first half of 2024, and will likely continue to affect our operations and financial condition for the remainder of 2024 and the foreseeable future. In addition, the increasing price of fossil fuels and uncertainty regarding inflation rates are expected to have broader adverse effects on many of the economies in which we operate and may result in recessionary periods and lower corporate investment, which, in turn, could lead to economic strain on our business and on current and potential customers. Outside of the ongoing war between Russia and Ukraine, we are exposed to other geopolitical and diplomatic developments that involve the countries in which we operate, such as the current political uncertainty in Pakistan which has persisted since the no-confidence vote in April 2022 and the recent anti-government protests in Bangladesh during which our subsidiary experienced network outages and blockages that disrupted our operations. We are also impacted by other geopolitical and diplomatic developments in countries in which we do not operate as such developments may have a knock-on effect on our business. For example, heightened tensions between the major economies of the world, such as the United States and China, can have an adverse effect to the economies in which we operate, and therefore an adverse impact on our results of operations, financial condition and business prospects.

Our financial performance has been and may also continue to be affected by macroeconomic issues more broadly, including risks of inflation, deflation, stagflation, recessions, sovereign debt levels and the stability of currencies across our key markets and globally. In particular, global economic markets have seen extensive volatility over the past few years owing to the outbreak of the COVID-19 pandemic, the war between Russia and Ukraine, and the war between Israel and Hamas, the escalation of the conflict between Israel and Iran, the closing of certain financial institutions by regulators from March 2023, and political instability. These events have created, and may continue to create, significant disruption of the global economy, supply chains and distribution channels, and financial and labor markets. If such conditions continue, recur or worsen, this may have a material adverse effect on customer demand, the Company's business, financial condition and results of operations and its ability to access capital on favorable terms, or at all, and we could be negatively impacted as a result of such conditions and consequences. Furthermore, such economic conditions have produced downward pressure on share prices and on the availability of credit for financial institutions and corporations while also driving up interest rates, further complicating borrowing and lending activities. If current levels of market disruption and volatility continue or increase, the Company might continue to experience reductions in business activity, increases in funding costs, decreases in asset values, additional write-downs and impairment charges and lower profitability. In addition, rising energy costs, as a result of, among other things, the ongoing war between Russia and Ukraine, has resulted in many countries across the world experiencing high levels of inflation and lower corporate profits, causing increased uncertainty about the near-term macroeconomic outlook as central bank interest rates are being raised to combat the high inflation. The war between Russia and Ukraine has adversely impacted, and may continue to adversely impact, our customer numbers in Ukraine, and the war and these other pressures could negatively impact customers' discretionary spending, which could, in turn, affect our revenue, ARPU, cash flow and liquidity or our customers' ability to pay for our services.

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

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

The economies of emerging markets are also vulnerable to market downturns and economic slowdowns in the global economy. As has happened in the past, a slowdown in the global economy or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in these markets and materially adversely affect their economies. In addition, turnover of political leaders or parties in emerging markets as a result of a scheduled election upon the end of a term of service or in other circumstances may also affect the legal and regulatory regime in those markets to a greater extent than turnover in developed countries. Any of these developments could severely limit our access to capital and could materially harm the purchasing power of our customers and, consequently, our business. Such events could also create uncertain regulatory environments, which, in turn, could impact our compliance with license obligations and other regulatory approvals. The nature of much of the legislation in emerging markets, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of the legal and regulatory systems in emerging markets place the enforceability and, possibly, the constitutionality of laws and regulations in doubt and result in ambiguities, inconsistencies and anomalies. The legislation often contemplates implementing regulations that have not yet been promulgated, leaving substantial gaps in the regulatory infrastructure. Any of these factors could affect our ability to enforce our rights under our licenses or our contracts, or to defend our company against claims by other parties. See *—Regulatory, Compliance and Legal Risks—The telecommunications industry is a highly regulated industry and we are subject to an extensive variety of laws and operate in uncertain judicial and regulatory environments, which may result in unanticipated outcomes that could harm our business* for a more detailed discussion on our regulatory environment.

Many of the emerging markets in which we operate are susceptible to experiencing significant social unrest or military conflicts. Our ability to provide service in Ukraine following the onset of the war with Russia has been impacted due to power outages and damage to our infrastructure. Similarly, our subsidiary in Pakistan has also been ordered to shut down parts of its mobile network and services from time to time due to the security or political situation in the country (including a four-day blanket data closure in 2023 during the arrest of former Prime Minister Imran Khan). More recently, in July and August 2024, our subsidiary in Bangladesh experienced network outages and blockages during weeks of anti-government protests that toppled long-serving Prime Minister Shiekh Hasina, and the subsequent establishment of an interim government in Bangladesh. To a lesser degree, we continue to be impacted in Bangladesh and Pakistan by severe flooding in the region in 2023 and 2024. Local authorities may also order our subsidiaries to temporarily shut down part or all of our networks due to actions relating to military conflicts or nationwide strikes. See *Market Risks —The ongoing war between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects* for a detailed discussion on the impact that the ongoing war between Russia and Ukraine has had and could have on our business.

Furthermore, governments or other factions, including those asserting authority over specific territories in areas of war, could make inappropriate use of our networks, attempt to compel us to operate our network in war zones or disputed territories and/or force us to broadcast propaganda or illegal instructions to our customers or others (and threaten consequences for failure to do so). Forced shutdowns or broadcasts, inappropriate use of our network or being compelled to operate our network in war zones could materially harm our business, financial condition, results of operations, cash flows or prospects. The spread of violence, or its intensification, could have significant political consequences, including the imposition of a state of emergency, which could materially adversely affect the investment environment in the countries in which we operate. Social instability in the countries in which we operate, coupled with difficult economic conditions, could lead to increased support for centralized authority, a rise in nationalism and potential nationalizations or expropriations by governments. These sentiments and adverse economic conditions could lead to restrictions on foreign ownership of companies in the telecommunications industry or nationalization, expropriation or other seizure of certain assets or businesses. In most of the countries in which we operate, there is relatively little experience in enforcing legislation enacted to protect private property against nationalization or expropriation. As a result, we may not be able to obtain proper redress in the courts, have and may continue to be required to expend resources to seek redress for such measures, and we may not receive adequate compensation if in the future the governments decide to nationalize or expropriate some or all of our assets. In addition, ethnic, religious, historical and other divisions have, on occasion, given rise to tensions and, in certain cases, military war.

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

Our primary source of revenue comes from prepaid mobile customers, who are not required to enter into long-term fixed contracts, and we cannot be certain that these customers will continue to use our services and at the usage levels we expect. Revenue from postpaid mobile customers represents a small percentage of our total operating revenue and such customers can cancel our postpaid contracts with limited advance notice and without significant penalty. For example, as of December 31, 2023, approximately 97% and 80% of our customers in Pakistan and Ukraine respectively and as of June 30, 2024 approximately 98% and 78% of our customers in Pakistan and Ukraine respectively were on prepaid plans. Furthermore, as we incur costs based on our expectations of future revenue, the sudden loss of a large number of customers or a failure to accurately predict revenue in a given market could harm our business, financial condition, results of operations, cash flows or prospects.

For a description of the key trends and developments with respect to our business, including further discussion of the potential for a further loss of customers as a result of impact of the war between Russia and Ukraine and its impact on our operations and financial performance, see —*Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations.*

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

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

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

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

- society - or industry-wide impacts creating fundamental changes to customer behavior or customers' purchasing power, and potential regulatory or competitive practices encouraging price-based competition or price caps may harm our revenue growth potential;
- with the increasing pace of technological developments, including new digital technologies and regulatory changes impacting our industry, we cannot predict future business drivers with certainty and we cannot assure you that we will adapt to these changes at a competitive pace, see —*We may be unable to keep pace with technological changes and evolving industry standards, which could harm our competitive position and, in turn, materially harm our business*;
- we may be forced to utilize more aggressive marketing schemes to retain existing customers and attract new ones that may include lower tariffs, lower fees for digital services, handset subsidies or increased dealer commissions;
- in more mature or saturated markets, the continued growth of our business and results of operations will depend, in part, on our ability to extract greater revenue from our existing customers, including through the expansion of data services and the introduction of next generation technologies, which may prove difficult to accomplish, see —*We may be unable to keep pace with technological changes and evolving industry standards, which could harm our competitive position and, in turn, materially harm our business*;
- we may be unable to deliver better customer experience relative to our competitors or our competitors may reach customers more effectively through better use of digital and physical distribution channels, which may negatively impact our market share;
- as we expand the scope of our services, such as new networks, fixed-line residential and commercial broadband, cloud services, Digital Financial Services ("DFS") offering (which encompasses a variety of financial services), content streaming, digital health and other services, we may encounter a greater number of competitors that provide similar services;
- the liberalization of the regulations in certain markets in which we operate could greatly increase competition;
- competitors may operate more cost-effectively or have other competitive advantages such as greater financial resources, market presence and network coverage, stronger brand name recognition, higher customer loyalty and goodwill, and more control over domestic transmission lines;

- competitors, particularly current and former state-controlled telecommunications service providers, may receive preferential treatment from the regulatory authorities and benefit from the resources of their shareholders;
- current or future relationships among our competitors and third parties may restrict our access to critical systems and resources;
- reduced demand for our traditional voice and, messaging and commoditization of data coupled with the development of services by application developers (commonly referred to as "over-the-top" OTT players) could impact our future profitability;
- competition from OTT players offering similar functionality to us may increase, including digital providers offering VoIP calling, internet messaging and other digital services which compete with our telecommunications services;
- our competitors may partner with such OTT players to provide integrated customer experiences, or may choose to develop their own OTT services, including in bundles, which may increase the customer appeal of their offers and consequently the competition we are facing; and
- our existing service offerings could become disadvantaged as compared to those offered by competitors who can offer bundled combinations of fixed-line, broadband, public Wi-Fi, TV and mobile.

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

4G-based growth in mobile connectivity, digital services and increasing our customers' spend across our services (i.e. our multiplay strategy) is the cornerstone of our growth strategy. This pursuit of growth by cross selling to our customers across our mobile connectivity and digital services has led to higher capital expenditures in some of our markets in 2023, including as a result of investments into our network infrastructure as well as spectrum acquisition and renewals. Our capex intensity was 18% as 4G network roll outs continued in 2023 and in the first half of 2024 and, while we aspire to keep our capex intensity between 18-19% in 2024, we may need to invest more heavily than anticipated to capture the growth opportunities available in some of our markets.

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

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

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

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

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

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

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

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

## Liquidity and Capital Risks

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

We have substantial amounts of indebtedness and debt service obligations. As of December 31, 2023 and June 30, 2024, the outstanding principal amount of our external debt for bonds, bank loans and other borrowings amounted to approximately US$3.7 billion and US$3.0 billion, respectively, excluding bonds held by our subsidiary. In addition to these borrowings, we also have lease liabilities amounting to US$1.0 billion as of December 31, 2023 and June 30, 2024. For more information regarding our outstanding indebtedness and debt agreements, see —*Operating and Financial Review and Prospects —Liquidity and Capital Resources—Indebtedness*.

Some of the agreements under which we borrow funds contain covenants or provisions that impose certain operating and financial restrictions on us, including balance sheet solvency, and may prevent us or our subsidiaries from incurring additional debt. As our earnings are in local currency, while the majority of our debt is denominated in U.S. dollars, devaluations of the currencies of our key markets would make it more difficult to repay our debt. In addition, capital controls and other restrictions, including limitations on payment of interest, dividends or international funds transfers, along with punitive taxes and penalties targeted at foreign entities may also impact our liquidity or ability to comply with certain of the above-mentioned ratios. See *—Market Risks—Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks* for a further discussion of the risk of deconsolidation. Failure to comply with the covenants or provisions of the agreements under which we borrow funds may result in a default, which could increase the cost of securing additional capital, lead to accelerated repayment of our indebtedness or result in the loss of any assets that secure the defaulted indebtedness or to which our creditors otherwise have recourse. A default or acceleration of the obligations under one or more of these agreements (including as a result of cross-default or cross-acceleration) could have a material adverse effect on our business, financial condition, results of operations or prospects, and in particular on our liquidity and our shareholders' equity. In addition, covenants in certain of our debt agreements could restrict our liquidity and our ability to expand or finance our future operations. For a discussion of agreements under which we borrow funds and a description of how that has changed since December 31, 2023, see *Note 16—Investments, Debt and Derivatives* and *Note 23—Events After the Reporting Period* to our Audited Consolidated Financial Statements. Aside from the risk of default, given our substantial amounts of indebtedness and the limits imposed by our debt obligations, our business could suffer significant negative consequences such as the need to dedicate a substantial portion of our cash flows from operations to the repayment of our debt, thereby reducing funds available for paying dividends, working capital, capital expenditures, acquisitions, joint ventures and other purposes necessary for us to maintain our competitive position, flexibility and resiliency in the face of general adverse economic or industry conditions.

Following the onset of the war between Russia and Ukraine, our ability to upstream cash from Ukraine has been materially impaired, due to increased volatility of the Ukrainian hryvnia and tightened currency controls within Ukraine, currently restricting cash upstreaming from this country. In addition, the war between Russia and Ukraine and the developments since with respect to sanctions have limited our access to the debt capital markets in which we have traditionally refinanced maturing debt and has impacted our ability to refinance our indebtedness. As a result of the sanctions and regulations, the international clearing systems have stopped payments in Russian ruble which prevents the repayment of our Russian ruble denominated notes in Russian ruble, as a result of which we anticipate the settlement of the coupon and principal of Russian ruble denominated notes will continue to be in United States Dollars, subject to compliance with sanctions. For more information, please refer *Item 5—Operating and Financial Review and Prospects— Key Developments after the year ended December 31, 2023.*

As of December 31, 2023, and June 30, 2024, we had approximately US$1.9 billion (including US$165 million at Mobilink Microfinance Bank Ltd. ("MMBL")) and US$0.9 billion (including US$140 million MMBL) of cash, respectively, of which US$1.3 billion and US$0.4 billion was held at the HQ-level at these respective dates. Despite our current liquidity levels, there can be no assurance that our existing cash balances will be sufficient over the medium term to service our existing indebtedness, including to address our bond maturities. See *—Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Ltd., as well as the ability to make certain intercompany payments and transfers.* For a discussion of our current liquidity profile in the wake of the ongoing war between Russia and Ukraine, see *—Operating and Financial Review and Prospects—Liquidity and Capital Resources.*

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

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

Our ability to raise additional capital, and the cost of raising additional capital, is affected by the strength of our credit rating by rating agencies. In March 2024, Fitch and S&P each published their assigned credit ratings to VEON, after withdrawing it in 2022 due to our then-significant Russian operations. If VEON's credit ratings were lowered or withdrawn again in the future, it could negatively impact our ability to utilize the capital markets to secure credit or funding.

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

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

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

We have issued bonds and have bank financing at our operating subsidiaries that are based on floating rates, such as the Pakistan based KIBOR. Rising interest rates due to governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control may escalate the interest amounts due on these bonds and may have a negative impact on our financial conditions and results of operations. As of December 31, 2023 and June 30, 2024, we had the following principal amounts outstanding for floating rate interest-bearing loans and bonds: US$1,696 million and US$920 million, respectively. For more information on our indebtedness, see *—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness.*

*A change in control of VEON Ltd. or VEON Holdings B.V. could require us to prepay certain indebtedness.*

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

## Operational Risks

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

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

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

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

Furthermore, due to the ongoing war between Russia and Ukraine, there is an increased risk of cyber-attacks or cybersecurity incidents that could either directly or indirectly impact our operations. While most cyber security attacks have been successfully mitigated, any attempts by cyber-attackers to disrupt our services or systems, if successful, could harm our business, result in the misappropriation of funds, be expensive to remedy and damage our reputation or brands. Following the onset of the ongoing war between Russia and Ukraine, there have been an increasing number of cyber-attacks on our information systems and critical infrastructure, which have caused service disruptions in certain instances. For example, on December 12, 2023, we announced that the network of our Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. Following the cyber-attack, we conducted a high-level risk assessment of our IT infrastructure and identified the following risks associated with our operations: data leakage, compromised user accounts (including due to credential theft and password reuse), ransomware attacks on our various servers and files and malware attacks. While we have worked to remediate these vulnerabilities, we may find other vulnerabilities and we expect to remain subject to continued cyber-attacks in the future.

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

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

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

The ongoing war between Russia and Ukraine has impaired our ability to make cash transfers into and out of Ukraine. In Ukraine, capital controls were introduced by the National Bank of Ukraine on February 24, 2022 in connection with the declaration of martial law which prohibit our Ukrainian subsidiary from making any interest or dividend payments to us and transferring foreign currency to entities outside of Ukraine and are expected to last for the duration of the application of martial law. Currently, it is not possible to predict how long the martial law in Ukraine will last. As a result of the above, we do not expect to receive interest or dividend payments from our Ukrainian operations in the foreseeable future.

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

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

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

Our technological infrastructure and other property are vulnerable to damage or disruptions from numerous events. These include natural disasters, extreme weather and other environmental conditions, military conflicts, power outages, terrorist acts, riots, government shutdown orders, changes in government regulation, equipment or system failures or an inability to access or operate such equipment or systems, human error or intentional wrongdoings, such as breaches of our network, cyber-attacks or any other types of information technology security threats. For example, we may experience network or technology failures, or a leak or unauthorized processing of confidential customer data, if our technology assets are altered, damaged, destroyed or misused by employees, third parties or other users, either intentionally or due to human error. In addition, as we operate in countries that may have an increased threat of terrorism and military conflicts, incidents on or near our premises, equipment or points of sale could result in causalities, property damage, business interruption, legal liability and damage to our brand or reputation. For example, while we have managed thus far to repair most of our network assets that incurred damage in Ukrainian territory not under Russian occupation, as a result of the ongoing war between Russia and Ukraine there can be no assurance that our Ukrainian network will not sustain major damage or that such damage can be repaired in a timely manner as the war continues. In addition, with increased targeting of Ukraine's electrical grid, we have faced challenges ensuring that our network assets have a power source. While we have taken measures to manage this risk, there can be no assurance that we will be able to obtain sufficient power sources in the future. See "*Market Risks--The ongoing war between Russia and Ukraine is having, and will continue to have, an impact on our business financial condition, results of operations, cash flows and prospects" and "Operational Risks-We have experienced and are continually exposed to cyber-attacks and other cybersecurity threats, both to our own operations or those of our third party providers, that may lead to compromised or inaccessible telecommunications, digital and financial services and/or leaks or unauthorized processing of confidential information, and perceptions of such threats may cause customers to lose confidence in our services.*

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

*Our reputation could be adversely impacted by negative developments in respect of the Beeline brand, which remains a trademark of our former subsidiary, VimpelCom (as defined below). If we elect to undertake a rebranding exercise, it may involve substantial costs and may not produce the intended benefits if it is not favorably received by our existing and potential customers, suppliers and other persons with whom we have a business relationship.*

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

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

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

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

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

We rely on third parties to provide services and products important for our operations. For example, we currently purchase the majority of our network-related equipment from a core number of suppliers, such as Ericsson, Huawei, ZTE, and Nokia. The successful build-out and operation of our networks depends heavily on obtaining adequate supplies of core and transmission telecommunications equipment, fiber, switching equipment, radio access network solutions, base stations and other services and products on a timely basis. From time to time, we have experienced delays in receiving equipment, installation of equipment, and maintenance services, due to factors such as new and existing telecommunications regulations, customs regulations and governmental investigations or enforcement actions. If this is the case, we may experience temporary service interruptions or service quality problems. As we seek to execute our “asset-light” business model and dispose of our tower assets, as we have partially done in Bangladesh through a sale completed in January 2024, we will become more exposed to risks associated with our network service partners, including their ability to adequately maintain the tower infrastructure and provide use of it to us through network service agreements.

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

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

We have and may continue to outsource all or a portion of construction, maintenance services, IT infrastructure hosting and network capabilities in certain markets. For example, our digital stacks and data management platforms are dependent on third-parties and we have also entered into outsourcing initiatives in a number of our countries of operation, including Kazakhstan. As a result, our business could be materially harmed if our agreements with third parties were to terminate, if our partners experience certain negative developments (financial, legal, regulatory or otherwise), if they become unwilling or unable to service our businesses in Ukraine or elsewhere, or a dispute between us and such parties occurs, which causes our suppliers to be unable to fulfill their obligations under our agreements with them on a timely basis, or at all. If such events occur, we may attempt to renegotiate the terms of such agreements with the third parties. However, there can be no assurance that the terms of such amended agreements will be more favorable to us than those of the original agreements. For more information, see — *Property, Plants and Equipment.* We also depend on third parties, including software providers and service providers, for our day-to-day business operations.

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

Many of our mobile products and services are sold to customers through third party channels. These third-party retailers, agents and dealers that we use to distribute and sell products are not under our control and may stop distributing or selling our products at any time or may more actively promote the products and services of our competitors. Should this occur with particularly important retailers, agents or dealers, we may face difficulty in finding new retailers, sales agents or dealers that can generate the same level of revenue. In addition, mobile handset providers are at times subject to supply constraints, particularly when there is high demand for a particular handset or when there is a shortage of components.

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

The success of our business depends, to a large extent, on our ability to effectively implement our corporate and operational strategies. We continue to transform our business with the aim of improving our operations across all our markets. Our strategy framework is comprised of three vectors: infrastructure, digital operator 1440 and digital assets. As part of this strategy, we are focusing on growing customer engagement and retention through expanding our growth opportunities beyond traditional voice and access data provision into new digitally-enabled services. We are also developing new IT capabilities, including local platforms that enable our customers to manage their accounts, services and customer relationship independently ("self-care") and consume digital applications (e.g. mobile entertainment, financial services) for personal or business needs, in order to improve customer engagement. We have also been focused on identifying, acquiring and developing "know-how" and technologies that open up adjacent growth opportunities, updating our networks (including through an asset light strategy resulting in the sale or potential sale of some of our tower assets to reputable partners), developing enterprise resource management systems, human capital management systems and enterprise performance management systems, both for our internal usage and as IT products at the service of our enterprise customers. For example, in August 2022, our subsidiary Kyivstar acquired a controlling stake in Helsi Ukraine, one of the country's largest medical information systems and leading digital healthcare providers, which Kyivstar continued to develop further in 2023 as part of the "Digital Ukraine" strategy. In addition, we have been working under a distributed governance model since 2022 that empowers operating companies with the authority and accountability to manage their operations (subject to certain limits) and more efficiently capitalize on local insight, and have also been encouraging our operating companies to create technology subsidiaries that serve a broader scope of customers with innovative products. One such example of this is QazCode in Kazakhstan, which was spun off from Beeline Kazakhstan in 2023. The launch of QazCode, the 4th largest IT company in Kazakhstan, is also part of the digital operator strategy aimed at combining connectivity with a complete digital product and services portfolio that meets local needs, including in mobile financial services, entertainment, health, and education and others.

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

In addition, the onset of the war between Russia and Ukraine disrupted our strategic plans and diverted management's attention from such initiatives while they focused and continue to focus on the impact the war between Russia and Ukraine had and continues to have on our business, including managing the sanctions and liquidity challenges that arise for the Company as a result of the current sanctions regime. In addition, management's attention has been diverted from operations in other countries, as they continue to focus on our operations in Ukraine. The continuation or escalation of the war in Ukraine and its indirect consequences may increase our need for prudent cash management and reduce our appetite for investments in other countries. At the Group-level, we might be unable to implement certain strategic initiatives if such initiatives require cash contributions from our operations in Ukraine, since tightened currency controls within Ukraine currently restrict cash upstreaming and may persist for some time. In addition, we also face some restrictions for cash upstreaming from our operations in Pakistan due to the remittance and dividend restrictions that remain imposed by the State Bank of Pakistan for corporations operating in the country. The diversion of management's attention or funds and the lack of dividend upstreaming, and any resulting disruption to our strategic plans, could adversely affect our business, financial condition, results of operations, cash flows or prospects.

*Our strategic partnerships and relationships carry inherent business risks.*

We participate in strategic partnerships and joint ventures in a number of countries, including telecommunications providers in Kazakstan (i.e. KaR-Tel LLP) and Kyrgyzstan ("Sky Mobile" LLC), a digital health service platform in Ukraine (Helsi Ukraine) and a long-term services agreement (with Summit Towers Limited) in connection with our "asset-light" approach in Bangladesh. We also hold minority investments in e-commerce platforms in Bangladesh (ShopUp) and Pakistan (Dastgyr).

We also hold minority investments in e-commerce platforms in Bangladesh (ShopUp) and Pakistan (Dastgyr). We do not always have a controlling stake in our affiliated companies and even when we do, our actions with respect to these affiliated companies may be restricted by the shareholders' agreements entered into with our strategic partners and our ability to withdraw funds and dividends from or exit our investment in these entities may depend on the consent and cooperation of our partners. If disagreements develop with our partners, or any existing disagreements are exacerbated, our business, financial condition, results of operations, cash flows or prospects may be harmed.

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

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

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

Furthermore, we may not succeed in instilling our corporate culture and values in our personnel, which could delay or hamper the implementation of our strategic priorities, or our compensation schemes may not always be successful in attracting, retaining and motivating our personnel. Our success is also dependent on our personnel's ability to adapt to rapidly changing environments and to perform in line with continuous innovations and industry developments. We also may, from time to time, make adjustments or changes to our operating and governance model and there is a risk in such instances that our personnel may not adapt effectively. For example, in connection with our plan to move the VEON Group headquarters from Amsterdam to the Dubai International Financial Centre (DIFC), although we have offered Amsterdam-based headquarter employees relocation plans to move to Dubai, some have chosen not to. We therefore risk losing valuable institutional knowledge and will incur employee severance costs in connection with our planned HQ move to Dubai. Furthermore, while we devote significant attention to recruiting, training and instilling personnel with our corporate values and culture, there can be no assurance that our existing personnel, including those who have relocated, as well as the new personnel we hire to replace Amsterdam-based employees who have chosen not to, will successfully be able to adapt to and support our strategic objectives.

The loss of any members of our senior management or our key personnel or an inability to attract, train, retain and motivate qualified members of senior management or highly skilled personnel could have an adverse impact on our ability to compete and to implement our business strategy, which could harm our business, financial condition, results of operations, cash flows or prospects.

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

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

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

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

Although we regularly consider and take measures to improve our capital efficiency, including selling capital intensive segments of our business (such as our Bangladesh towers partial portfolio sale which completed in January 2024) and entering into managed services and network sharing agreements with respect to towers and other assets, our levels of capital expenditure will remain significant. If we do not have sufficient resources from our operations or asset sales to finance necessary capital expenditures or we are unable to access funds sufficient to finance necessary capital expenditures, we may be required to raise additional debt or equity financing, which may not be available when needed or on terms favorable to us or at all. See *—Liquidity and Capital Risks—We may not be able to raise additional capital, or we may only be able to raise additional capital at significantly increased costs* for a further discussion. We cannot assure you that we will generate sufficient cash flows in the future to meet our capital expenditure needs, develop or enhance our products, take advantage of future opportunities or respond to competitive pressures, which could have an adverse impact on our business, financial condition, results of operations, cash flows or prospects. For more information on our future liquidity needs, see *—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Future Liquidity and Capital Requirements.*

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

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

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

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

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

From time to time, we may also seek to divest some of our businesses or assets, including divestitures of operations in certain markets, infrastructure or tower assets or business lines. For example, on November 24, 2022, we announced the divestment of our Russian Operations which was completed on October 9, 2023. For more information in relation to the sale of our Russian Operations, see *—Information on the Company* and *Note 10—Held for Sale and Discontinued Operations* of the Audited Consolidated Financial Statements. Such divestitures may take longer than anticipated or may not happen at all. If similar divestitures do not occur, close later than expected or do not deliver expected benefits, this may result in decreased cash proceeds and continued operations of non-core businesses that divert the attention of our management. Our success with any divestiture is dependent on effectively and efficiently separating the divested asset or business and reducing or eliminating associated overhead costs which may prove difficult or costly for us. There could also be transitional or business continuity risks or both associated with these divestitures that may impact our service levels and business targets. Furthermore, in some cases, we may agree to indemnify acquiring parties for certain liabilities arising from our former businesses or assets. Failure to successfully implement or complete a divestiture could also materially harm our business, financial condition, results of operations, cash flows or prospects.

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

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

In the past, we have experienced difficulties in obtaining adequate frequency allocation in some of the markets in which we operate. For example, until March 2021, we held a disproportionately small amount of the available spectrum in Bangladesh given the size of our operations, and in 2022 we were unable to obtain frequency spectrum licenses for 5G in Kazakhstan through the auction process and future auctions or further options to obtain 5G spectrum may not be successful. In addition, we are also vulnerable to government actions, which may be unpredictable, that may impair our frequency allocations and infringe upon our spectrum, including existing spectrum. For example, the government of Uzbekistan ordered the equitable reallocation among all telecommunications providers in the market, which has affected approximately half of the 900 MHz and 1800 MHz radio frequencies of our Uzbek subsidiary, Unitel LLC, which came into effect in 2018. Frequency allocations may also be issued for periods that are shorter than the terms of our licenses to provide telecommunications services in our countries of operation, and such allocations may not be renewed in a timely manner, or at all. In the event that we are unable to acquire or maintain sufficient frequency allocations in each of our countries of operations to support the growth of our customer base and products, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected.

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

Legislation in most of the countries in which we operate, including Pakistan, requires that we make payments for frequency spectrum usage. The fees for all available frequency assignments, as well as allotted frequency bands for different mobile communications technologies, are significant. For example, in Pakistan, the PTA issued a license renewal decision on July 22, 2019 requiring payment of an aggregate price of approximately US$450 million. The license renewal was signed under protest on October 18, 2021 and payments of US$225 million, US$58 million, US$51.5 million, US$49.0 million, US$48.4 million, US$50.0 million were made in September 2019, May 2020, May 2021 and May 2022, January 2023, and May 2024, respectively. We have challenged the PTA license renewal decision before Pakistani courts. However, we await final resolution from the Supreme Court of Pakistan as the review petition against the decision remains pending which has not been fixed yet.

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

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

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

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

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

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

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

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

We are in the process of registering, and maintaining and defending the registration of, the VEON name and logo as trademarks in the jurisdictions in which we operate and other key territories, along with our other key trademarks and trade names, logos and designs. As of June 30, 2024, we have achieved registration of the VEON name in 16 of the 17 jurisdictions sought (although only certain classes were sought in the European Union and the United Kingdom), with Bangladesh pending for all classes, except for class 41 for which we received provisional refusal, and we filed a response against the refusal on February 1, 2024. With respect to the “V” Company logo, we have achieved registration in 17 of the 18 jurisdictions sought (although only certain classes of registrations were  sought in the European Union and Bermuda), with Bangladesh pending for all classes and Egypt pending only for one class. The timeline and process required to obtain trademark registration can vary widely between jurisdictions.

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

Current and new intellectual property laws may affect our ability to protect our innovations and defend against third-party claims of intellectual property rights infringement. The costs of compliance with these laws and regulations are high and are likely to increase in the future. Claims have been, or may be, threatened and/or filed against us for intellectual property infringement based on the nature and content in our products and services, or content generated by our users. Any such claims or lawsuits, whether with or without merit, could result in substantial costs and diversion of resources, could cause us to cease offering or licensing services and products that incorporate the challenged intellectual property, or could require us to develop non-infringing products or services, if feasible, which could divert the attention and resources of our technical and management personnel. We cannot assure you that we would prevail in any litigation related to infringement claims against us. A successful claim of infringement against us could result in us incurring high costs, being required to pay significant damages, cease the development or sale of certain products and services that incorporate the challenged intellectual property, obtain licenses from the holders of such intellectual property which may not be available on commercially reasonable terms, or otherwise redesign those products to avoid infringing upon others’ intellectual property rights, any of which could harm our business and our ability to compete.

## Regulatory, Compliance and Legal Risks

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

Our operations are subject to different and occasionally conflicting laws and regulations in each of and between the jurisdictions in which we operate, which could result in market uncertainty and the lack of clear criteria. Regulatory compliance may be costly and involve a significant expenditure of resources, thus negatively affecting our financial condition. In addition, any significant changes in such laws or regulations or their interpretation, or the introduction of higher standards, additional obligations or more stringent laws or regulations, could result in significant additional costs, including fines and penalties, operational burdens and other difficulties associated with not complying in a timely manner, or at all, with new or existing legislation or the terms of any notices or warnings received from the telecommunications and other regulatory authorities. In addition, the application of the laws and regulations of any particular country is frequently unclear and may result in adverse rulings or audit findings by courts or government authorities resulting from a change in interpretation or inconsistent application of existing law.

Our operations may also be subject to regulatory audits in relation to prior compliance. For example, our operating company in Bangladesh has recently been subject to an extensive audit conducted by the BTRC concerning past compliance with all relevant license terms, laws and regulations for the period covering 1996 (inception of our operating company in Bangladesh) to December 2019. Competitor operators in the Bangladesh telecommunications industry have been subject to similar audits and have been fined. On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US$74 million) which includes BDT 4,307 million (approximately US$39 million) for interest. Currently, the Company is in the process of paying the principal amount in installments and in discussion with BTRC regarding removal of the interest. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable.

As a result of the ongoing war between Russia and Ukraine, these risks are compounded for our Ukrainian operations, as there is a risk that laws and regulations affecting telecommunications companies operating in those jurisdictions may be changed dramatically and in ways that are adverse to our operations and results. For a further discussion on the ongoing war between Russia and Ukraine and its impact on our business, see *—Market Risks—The ongoing war between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects*. For a discussion on the risks associated with operating in emerging markets, see *—Market Risks—Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks.*

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

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

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

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

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

Various governmental authorities have imposed significant penalties on companies that fail to comply with the requirements of applicable sanctions and embargo laws and regulations, as well as export control restrictions. Where applicable to our activities, we must comply with sanctions and embargo laws and regulations and export control restrictions of the United States, the United Nations, the European Union, the United Kingdom and the jurisdictions in which we operate, including those that have been imposed in response to the ongoing war between Russia and Ukraine. Sanctions and embargo and export control laws and regulations generally establish the scope of their own application, which arise for different reasons and can vary greatly by jurisdiction.

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

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

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

*We could be subject to tax claims and repeated tax audits that could harm our business.*

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

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

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

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

*Changes in tax treaties, laws, rules or interpretations, including our determination of the recognition and recoverability of deferred tax assets, could harm our business, and the unpredictable tax systems and our performance in the markets in which we operate give rise to significant uncertainties and risks that could complicate our tax and business decisions.*

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

For example, the OECD Pillar Two ("**Pillar Two**") legislation has been substantively enacted in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning January 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. It is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities of the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

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

These considerations are compounded by the fact that the interpretation and enforcement of tax laws in the emerging markets in which we operate tends to be unpredictable and give rise to significant uncertainties, which could complicate our business decisions. Any additional tax liability imposed on us by tax authorities in this manner, as well as any unforeseen changes in applicable tax laws or changes in the tax authorities' interpretations of the respective double tax treaties in effect, could harm our future results of operations, cash flows or the amounts of dividends available for distribution to shareholders in a particular period. Considerable judgment is therefore required by our management to determine whether it is probable that an uncertain income tax position will not be sustained and to estimate the amounts in the range of most likely outcomes. Judgment is also required by management in determining the degree of probability of an unfavorable outcome for non-income tax claims and to make a reasonable estimate of the amount of loss. Due to these uncertainties and challenges, we may be required to accrue substantial amounts for contingent tax liabilities and the amounts accrued for tax contingencies may not be sufficient to meet any liability we may ultimately face. From time to time, we may also identify tax contingencies for which we have not recorded an accrual. Such unaccrued tax contingencies could materialize and require us to pay additional amounts of tax. See *Note 7—Provisions and Contingent Liabilities* and *Note 8—Income Taxes* to our Audited Consolidated Financial Statements for further detail.

Furthermore, the Company recognizes deferred tax assets based on whether management estimates that it is probable that there will be sufficient taxable profits in the relevant legal entity or tax group to allow the recognized assets to be recovered, which requires significant judgment.

The Company recognized deferred tax assets for losses carried forward for $286 million, of which $134 million relate to deferred tax assets in Bangladesh as of December 31, 2023. The recognition of these deferred tax assets is contingent upon our ability to generate sufficient future taxable income to utilize these temporary differences and carryforwards before they expire. Several factors could adversely affect our ability to realize the benefits of deferred tax assets:

- adverse economic conditions could negatively impact our profitability and, consequently, our ability to generate taxable income, which could hinder our ability to utilize deferred tax assets within the allowable time frame;
- future changes in tax laws or regulations, including changes in tax rates, could impact the value of our deferred tax assets, reducing reduce or eliminating the benefits associated with our deferred tax assets;
- our ability to realize deferred tax assets depends on our operational performance; if we fail to achieve our projected earnings or if our business operations do not perform as expected, we may not generate sufficient taxable income to utilize our deferred tax assets;
- decisions related to mergers, acquisitions, divestitures, or other strategic initiatives could affect our ability to utilize deferred tax assets; for example, changes in our business structure or the sale of certain assets could impact the timing and amount of taxable income;

- we periodically assess the need for valuation allowances against our deferred tax assets. If we determine that it is more likely than not that some or all of these assets will not be realized, we may need to establish or increase valuation allowances, which would result in a charge to our earnings.

Given these uncertainties, there is a risk that we may not be able to fully realize the benefits of our deferred tax assets within the allowable timeframe, which could impact our profitability.

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

*Laws restricting foreign investment could materially harm our business.*

In recent years, an increasing number of jurisdictions have introduced rules restricting foreign investment or have strengthened existing rules, and our business could be materially harmed by such new or existing laws. For example, there is a law restricting foreign investment in Kazakhstan. The national security law of Kazakhstan states that a foreign company or individual cannot directly or indirectly own more than a 49% stake in an entity that carries out long-distance or international telecommunications or owns fixed communication lines, without the consent of the Ministry of Digital Development, Innovation and Aerospace Industry and national security authorities in Kazakhstan. While this regulation does not currently apply to KaR-Tel, our mobile telecommunications subsidiary in Kazakhstan, it did apply to TNS+ (a Kazakh wholesale telecommunications infrastructure services provider) in which the Company held a 49% stake until the closing of the sale of TNS+ to DAR group of companies on September 30, 2024. For more information, see *Exhibit 99.2—Regulation of Telecommunications—Regulation of Telecommunications in Kazakhstan.* The existence of such laws that restrict foreign investment could hinder potential business combinations or transactions resulting in a change of control, or our ability to obtain financing from foreign investors should prior regulatory approval be refused, delayed or require foreign investors to comply with certain conditions, which could materially harm our business, financial condition, results of operations, cash flows or prospects.

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

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

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

In some jurisdictions in which we operate legislation is being implemented to extend data protection laws. For example, in Kazakhstan the government has commenced consultation on data protection measures to increase regulation over the recollection and processing of personal data, with the latest amendment that allows government authorities to inspect the practices of personal data operators being adopted in December 2023. In Pakistan, there is no specific statute in place to regulate the processing and transmitting of personal data and instead, relevant laws are scattered throughout various statutes, rules and regulations, with a bill regarding personal data protection in the consultation stages of Parliament. Should such bill be promulgated into official legislation, additional obligations could be placed on our data management operations in Pakistan. For a discussion of certain regulatory developments and trends and their impact on our business, see *—Regulation of Telecommunications*.

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

We have in the past and may in the future be exposed to fraud or other misconduct committed by our employees, joint venture partners, non-controlled subsidiaries, representatives, agents, suppliers, customers or other third parties undertaking actions on our behalf that could subject us to litigation, financial losses and fines, penalties or criminal charges imposed by governmental authorities, and affect our reputation.

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

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

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

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

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

We operate in countries which pose elevated risks of corruption and are subject to a number of anti-corruption laws, including the FCPA, the UK Bribery Act, the anti-corruption provisions of the Dutch Criminal Code in the Netherlands and local laws in the jurisdictions in which we operate. An investigation into allegations of non-compliance or a finding of non-compliance with anti-corruption laws or other laws governing the conduct of business may subject us to administrative and other financial costs, reputational damage, criminal or civil penalties or other remedial measures, which could harm our business, financial condition, results of operations, cash flows or prospects. Anti-corruption laws generally prohibit companies and their intermediaries from promising, offering or giving a financial or other things of value or advantage to someone for the purpose of improperly influencing a matter or obtaining or retaining business or rewarding improper conduct. The FCPA further requires issuers, including foreign issuers with securities registered on a U.S. stock exchange, to maintain accurate books and records and a system of sufficient internal controls. We regularly review and update our policies and procedures and internal controls to provide reasonable assurance that we and our personnel comply with the applicable anti-corruption laws, although we cannot guarantee that these efforts will be successful.

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

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

*Our DFS offerings may increase our exposure to fraud, money laundering, reputational and regulatory risk.*

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

For example, Mobilink Bank in Pakistan carries on a microfinance banking business and provides certain DFS (some provided in conjunction with Jazz through JazzCash) and traditional banking services in Pakistan under a license that was granted by the State Bank of Pakistan and is subject to regulation by the State Bank of Pakistan. Such regulations and banking laws are subject to change from time to time, including with respect to capitalization requirements and we may be required to increase the capitalization of Mobilink Bank from time to time and may be required to inject funds to cover any losses that the bank suffers. Due to the deteriorating macroeconomic environment in Pakistan (which could adversely impact Mobilink Bank's loan and deposit portfolio), coupled with a stress on capital adequacy ratio rate of 16.2% as of December 31, 2023 and 15.58% as of June 30, 2024, as against the regulatory requirement of 15%, Mobilink may face challenges in meeting its capital adequacy ratio in the coming months. Should Mobilink Bank fail to meet the required capital adequacy ratio, it may need to reduce or halt certain lending activities until it can meet its capital adequacy ratio requirement, which would result in a loss of revenue, and any failure to meet its capital adequacy ratio could lead to reputational damage to Mobilink Bank and loss of customer confidence in it. In addition, Mobilink Bank's activities may expose us to a risk of liability under banking and financial services compliance laws, including, for example, anti-money laundering and counter-terrorist financing regulations.

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

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

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

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

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

Many of the jurisdictions in which we operate have laws that restrict cross border data transfers unless certain criteria are met and/or are developing or implementing data localization laws requiring that certain types of data be stored locally. These laws may restrict our flexibility to leverage our data and build new, or consolidate existing, technologies, databases and IT systems, limit our ability to use and share personal data, cause us to incur costs (including those related to storing data in multiple jurisdictions), require us to change our business practices in a manner adverse to our business or conflict with other laws to which we are subject, thereby exposing us to regulatory risk. The stringent cross-border transfer rules in certain jurisdictions may also prohibit us from disclosing data to foreign authorities upon their request, which may generate a scenario where it is not possible for us to comply with both laws. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business and results of operations.

Furthermore, the laws and regulations regarding data privacy may become more stringent over time. For example, the European Commission has also proposed a draft of the new ePrivacy Regulation on January 10, 2017, which was intended to replace the 2022/58 e-Privacy Directive. As of August 2024, the current draft of the ePrivacy Regulation is still going through the EU legislative process. When it comes into effect, it is expected to regulate the processing of electronic communications data carried out in connection with the provision and the use of publicly available electronic communications services to users in the European Union, regardless of whether the processing itself takes place in the European Union. Unlike the current ePrivacy Directive, the draft ePrivacy Regulation will likely apply to Over the Top ("OTT") service providers as well as traditional telecommunications service providers (including the requirements on data retention and interception and changes to restrictions on the use of traffic and location data). Our entities established in the European Union which process such electronic communications data are likely to be subject to this regime. The current draft of the ePrivacy Regulation also regulates the retention and interception of communications data as well as the use of location and traffic data for value added services, imposes stricter requirements on electronic marketing, and changes to the requirements for use of tracking technologies, such as cookies. This could broaden the exposure of our business lines based in the European Union to data protection liability, restrict our ability to leverage our data and increase the costs of running those businesses. The draft law also significantly increases penalties for non-compliance with fines of up to €20 million or 4% of a company's global annual revenue, whichever is higher, for serious violations under the current draft. For a discussion of other telecommunications related data protection related laws and regulations that affect our business, see *Exhibit 99.2—Regulation of Telecommunications.*

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

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

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

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

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

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

The occurrence of any of these events could materially harm our ability to build out our networks in accordance with our plans, our ability to retain and attract customers, our reputation and our business, financial condition, results of operations, cash flows or prospects. For more information on our licenses and their related requirements, see —*Business Overview.* For a discussion of the risks related to operating in emerging markets, see —*Market Risks—Investing in emerging markets, where our operations are located, is subject to greater risks than investing in more developed markets, including significant political, legal and economic risks.*

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

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

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

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

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

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

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

Our business operations and financial condition are subject to regulatory developments and government action on climate change. Governments across the world are responding to climate change by adopting ambitious climate policies as public awareness of and concern about climate change continues to grow. Government climate policies include the enactment of circular economy regulations, regulating greenhouse gas ("GHG") emissions, carbon pricing and increasing energy and fuel costs. Increased fuel and energy prices and taxes and pricing of GHG emissions could make it more expensive for us to power our networks and operations, and may also result in VEON being subject to carbon emission taxation directly for our limited carbon emissions as a telecommunications operator, which would drive medium-to-long term increases in our operational costs. In addition, there are initial capital costs that we will have to incur as we transition towards the use of renewable energy across our operations.

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

## General Risk Factors

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

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

For more information on the impact of IFRS on our Audited Consolidated Financial Statements and on the implementation of new standards and interpretations issued, see *Note 24—Significant Accounting Policies* to our Audited Consolidated Financial Statements.

*Our business may be adversely impacted by work stoppages and other labor matters* Although we consider our relations with our employees to be generally good, there can be no assurance that our operations will not be impacted by unionization efforts, strikes or other types of labor disputes or disruptions. For instance, employee dissatisfaction or labor disputes could result from the implementation of cost savings initiatives or redundancies in our offices. We could also experience strikes or other labor disputes or disruptions in connection with social unrest or political events. For a discussion of our employees represented by works councils, unions or collective bargaining agreements, see *—Employees*.

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

# OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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

## Overview

VEON is a leading global provider of connectivity and internet services, currently headquartered in Amsterdam. Present in some of the world's most dynamic markets, VEON currently provides more than 160 million customers with voice, fixed broadband, data and digital services. VEON, through its operating companies, offers services to customers in several countries: Pakistan, Ukraine, Kazakhstan, Uzbekistan, Bangladesh and Kyrgyzstan. We provide services under the "Jazz," "Kyivstar," "Banglalink" and "Beeline" brands.

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

## Reportable Segments

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

As of December 31, 2023, our reportable segments consist of the following segments: Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh.

On November 24, 2022, VEON announced the sale of its Russian operations, and the Russian business was, in line with IFRS 5 *(Non-current Assets Held for Sale and Discontinued Operations)* requirements, treated as a discontinued operation and accounted for as an "Asset held for sale." The sale of our Russian operations was completed on October 9, 2023. Our Algerian business, following the exercise of the put option for our stake in Algeria on July 1, 2021 and subsequent completion of sale transaction on August 5, 2022, was disposed of (refer to Note 10 —*Held for Sale and Discontinued Operations* in our Audited Consolidated Financial Statements attached hereto for further details).

We also present our results of operations for "Others" and "HQ" separately, although these are not reportable segments. "Others" represents our operations in Kyrgyzstan and "HQ" represents transactions related to management activities within the group in Amsterdam and Dubai  and costs relating to centrally managed operations, and reconciles the results of our reportable segments and our total revenue and Adjusted EBITDA.

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

## Basis of Presentation of Financial Results

Our Audited Consolidated Financial Statements attached hereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board as adopted by the European Union (E.U.) and the applicable articles of Part 9 of Book 2 of the Dutch Civil Code, effective at the time of preparing the Audited Consolidated Financial Statements and applied by VEON.

## Critical Accounting Estimates

For a discussion of our accounting policies please refer to Note 24—*Significant Accounting Policies* of our Audited Consolidated Financial Statements attached hereto.

## Key Developments

### Key Developments for the year ended December 31, 2023

#### Completion of Sale of Russian operations

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 million equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings B.V. redeemed US$406 million of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings B.V. bonds representing a nominal value of US$1,576 million which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 million on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 million as of December 31, 2023 was offset against VEON Holdings B.V. bonds acquired by VimpelCom representing a nominal value of US$72 million, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 million receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 22 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 million recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 million of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

*Based on the applicable USD / RUB exchange rates at the applicable purchase dates (which took place between February 2023 and September 2023).*

#### Agreement between Banglalink and Summit regarding the sale of its Bangladesh tower assets

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, has entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2,012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97 million). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97 million) net of cost of disposals containing legal, regulatory and investment bankers costs amounting to BDT 855 million (US$8 million). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34 million), right-of-use assets of BDT 550 million (US$5 million) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9 million) and lease liabilities of BDT 6 billion (US$52 million) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40 million) were recognized for total right-of-use assets of BDT 5 billion (US$45 million) and total lease liabilities of BDT 10 billion (US$92 million).

#### Cybersecurity Incident in Ukraine

On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement and government agencies and the Security Service of Ukraine, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, and that mobile voice and internet, fixed connectivity and SMS services as well as the MyKyivstar self-care application were active and available across Ukraine.

After stabilizing the network, although there was no legal obligation to do so, Kyivstar immediately launched offers to thank its customers for their loyalty, initiating a *"Free of Charge"* program offering one month of free services on certain types of contracts. Furthermore, on December 21, 2023, Kyivstar announced a donation of UAH 100 million (US$3 million) would be made towards Ukrainian charity initiatives.

Largely due to the limited period during which the critical services were down, there was no material financial impact on our consolidated results for the year ended December 31, 2023 due to these service disruptions, or due to costs associated with additional IT capabilities required for restoring services, replacing lost equipment or compensating external consultants and partners in 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue in 2024 was US$46 million. VEON expects no further impact on its financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

VEON and Kyivstar conducted a thorough investigation, together with outside cybersecurity firms, to determine the full nature, extent and impact of the incident and to implement additional security measures to protect against any recurrence. The Ukrainian government also conducted an investigation to support the recovery efforts. All investigations were concluded as of June 30, 2024, and has resulted in an in depth analysis into details of how the attack was executed and how this can be prevented in the future.

Kyivstar has initiated remediation and mitigation actions to reduce current risks and establish a robust framework to manage evolving cyber threats, protect business continuity and maintain customer trust by investing in immediate response actions, enhanced security infrastructure, proactive threat management, compliance with cybersecurity regulations and standards, employee awareness, and long-term adaptive measures. Further, VEON Group has executed a group-wide assessment of cybersecurity maturity in alignment with the U.S. National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST2).

**VEON's Scheme of arrangement (the "Scheme")**

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme was approved by 97.59% of the Scheme creditors present and voting.

On January 30, 2023, VEON announced that the Scheme Sanction Hearing had taken place, at which the Court made an order sanctioning the Scheme in respect of VEON Holdings B.V.' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. The amendments to the 2023 Notes were subject to the receipt of relevant licenses to become effective, at which time the maturity dates of the February 2023 and April 2023 notes would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective.

Pursuant to the amendments, Noteholders were entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right was granted requiring VEON Holdings B.V. to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount ("2023 Put Option"), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US$165 million of the October 2023 Notes and holders of US$294 million of the December 2023 Notes exercising the Put Option. The aggregate put option premium paid was US$9 million. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$1 million. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1 million. For further details, refer to further discussion in Note 16-*Investments, Debt and Derivatives*.

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

On April 20, 2023, and May 30, 2023, the outstanding amounts under RCF facility have been rolled-over until October 2023 for US$692 million and November 2023 for US$363 million. Further these outstanding amounts were rolled-over until January 2024 for US$692 million and February 2024 for US$363 million. The RCF has subsequently been repaid and canceled in March 2024.

**Ukraine prepayment**

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

**PMCL syndicated credit facility**

PMCL fully utilized the remaining PKR 10 billion (US$41 million) under its existing PKR 40 billion (US$164 million) facility through drawdowns in January and April 2023.

**BDCL syndicated credit facility**

BDCL utilized BDT 5 billion (US$45 million) out of new syndicate credit facility of BDT 8 billion (US$73 million) during November 2023. The tenor of the facility is five years.

**KaR-Tel Limited Liability Partnership ("KaR-Tel") credit facility**

KaR-Tel utilized KZT 9.8 billion (US$22 million) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

**Repayment of VEON Holdings B.V. 5.95% Senior Notes**

On October 13, 2023 VEON Holdings B.V. repaid its outstanding 5.95% Senior Notes amounting to US$39 million at their maturity date.

**Early redemption of VEON Holdings B.V. 2023 and 2024 Notes**

On September 13, 2023, VEON Holdings B.V. issued two redemption notices for the early repayment of its bonds maturing in December 2023 and June 2024, with a planned redemption date of September 27, 2023. On that date, VEON Holdings B.V. redeemed US$243 million senior notes held by external noteholders, and on October 4, 2023, redeemed US$406 million senior notes held by VimpelCom. Please refer to Note 16-Investments, Debt and Derivatives for further details.

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

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

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

**Freezing of corporate rights in Kyivstar**

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts were seizing all “corporate rights” of Mikhail Fridman, Petr Aven and Andriy Kosogov in 20 Ukrainian companies that these individuals beneficially own, while criminal proceedings, unrelated to Kyivstar or VEON, were in progress. This announcement was incorrectly characterized by some Ukrainian media as a “seizure” or “freezing” of “Kyivstar’s assets” as the assets of Kyivstar had not been seized or frozen and the court’s ruling did not impact the assets of Kyivstar directly. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly targeted Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of M. Fridman. Subsequent clarification by the SSU noted that “The seizure of corporate rights of Ukrainian companies does not affect the protection of the interests of foreign investors and owners of shares of corporate rights, does not hinder their economic activity and the possibility of receiving dividends.” We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our Kyivstar shares, including transfer of such shares, from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. had filed two appeals with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected our appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts to protect our assets in Ukraine. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on renting property and land, on participating in public procurement and on the transfer of technology and intellectual property rights to Kyivstar from VEON impacting B2G revenue would also apply.

Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary (“Kyivstar”) and concluded that, under the requirements of relevant reporting standards (IFRS 10, *Consolidated financial Statements*), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

**VEON Ltd. implements new Clawback Policy**

On November 27, 2023, VEON Ltd. announced governance enhancements to its executive remuneration structure, in line with its commitment to ethical corporate governance practices and financial integrity. The Board of Directors of VEON Ltd. introduced a robust Policy for the Recovery of Erroneously Awarded Compensation (the “Clawback Policy”) to align with Section 10D and Rule 10D-1of the Securities Exchange Act of 1934 and the listing standards adopted by NASDAQ.

Effective October 2, 2023, the Clawback Policy enables VEON Ltd. to recover erroneously awarded incentive-based compensation from current and former Executive Officers (as defined in the Clawback Policy) in the event that it is required to prepare an accounting restatement. This step is crucial in maintaining transparency and accountability, particularly in instances requiring accounting restatements.

In tandem with the adoption of the Clawback Policy, the Board of Directors has also revised existing incentive-based compensation plans to further align executive remuneration with shareholder interests and corporate objectives. Refer to Note 21 *Related Parties* for further details.

**VEON Ltd.'s Management increases ownership**

On February 21, 2023, VEON Ltd. announced the completion of the transfer of 52,550 shares in VEON Ltd. to Joop Brakenhoff. A total of 104,047 common VEON Ltd. shares vested as part of VEON Ltd.’s 2021 Deferred Share Plan in 2022. Of those vested VEON Ltd. shares, 51,500 common shares (the equivalent of 2,060 ADSs) were withheld to cover local withholding taxes and the remaining 52,550 VEON Ltd. shares (the equivalent of 2,102 ADSs) were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd..

In March 2023, equity-settled and liability settled awards in VEON Ltd. were granted to five members of VEON Ltd.’s GEC under the Short-Term Incentive Plan (154,876 ADS) and the Long-Term Incentive Plan (“LTIP”) (643,286 ADS).

On July 1, 2023, 1,395,358 common shares in VEON Ltd. granted to current and former members of VEON Ltd.’s GEC vested as part of the 2021 Deferred Share Plan. Subsequently, VEON Ltd. had initiated the transfer of 34,094 ADSs, representing 852,350 common shares in VEON Ltd., to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares in VEON Ltd., were granted with immediate vesting to members of VEON Ltd.’s GEC and 70,000 ADSs, representing 1,750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.’s Board. Subsequently, VEON Ltd. initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares in VEON Ltd., to the respective VEON Ltd. executives and Board members. Additionally, 30,000 ADSs, representing 750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board.

In July 2023, VEON Ltd. equity-settled awards were granted to one member of VEON Ltd.’s GEC under the LTIP (105,573 ADS).

On September 1, 2023, 146,490 ADSs, representing 3,662,250 common VEON Ltd. shares, granted to VEON Ltd.'s Group CEO, Mr. Kaan Terzioglu, vested as part of VEON Ltd.’s Deferred Share Plan.

In November 2023, VEON Ltd. initiated the transfer of 1,870 ADSs, representing 46,750 common shares in VEON Ltd. to Mr. Brakenhoff for VEON Ltd. equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2023 as well as 6,535 ADSs, representing 163,375 common shares in VEON Ltd., to a former Board member of VEON Ltd. in relation to a grant that vested in July 2023 but for which transfer was delayed.

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

**Changes in VEON Ltd.'s Key Senior Managers**

On March 15, 2023, VEON Ltd. announced the appointment of Joop Brakenhoff as VEON Ltd.'s Group CFO, effective from May 1, 2023. Mr. Brakenhoff replaced Serkan Okandan whose three years contract as Group CFO expired at the end of April 2023. Mr. Okandan continued to serve VEON Ltd. as a special advisor to the VEON Ltd. Group CEO and CFO.

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

On July 19, 2023, VEON Ltd. announced that Group Head of Portfolio Management, Dmitry Shvets, Group Chief People Officer, Michael Schulz and Group Chief Corporate Affairs Officer, Matthieu Galvani will be stepping down from their executive roles  effective October 1, 2023. VEON Ltd.’s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

**BTRC regulatory audit report**

On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US$74 million) which includes BDT 4,307 million (approximately US$39 million) for interest. The Company is currently reviewing the findings and Banglalink may challenge certain proposed penalties and interest which may result in adjustments to the final amount to be paid by Banglalink. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable.

Subsequently, Banglalink had a meeting with BTRC officials and agreed to pay amounts pertaining to 2G matters (already accrued BDT 2,200 million in the financials) in BDT 500 million immediately in July 2023 and 12 equal monthly installments of BDT 146 million (approximately US$1.4 million), accordingly Banglalink has paid BDT 500 million (approximately US$5 million) in July 2023 and all installments until December 2023 as agreed.

Despite having objections to the audit findings, in compliance with the instruction given by the BTRC on November 5, 2023 to pay the principal amount of the BTRC’s audit demand within 10 working days, Banglalink has deposited BDT 1,657 million (US$16 million) to the BTRC on November 19, 2023. The remaining elements of the BTRC’s audit, including the late fee, are not yet resolved.

**Change in Board of Directors of VEON Ltd.**

On June 29, 2023, at VEON Ltd.'s Annual General Meeting, VEON Ltd. shareholders approved the VEON Ltd. Board recommended slate of seven directors, including six directors already serving on the Board at that time – Augie Fabela, Yaroslav Glazunov, Andrei Gusev, Karen Linehan, Morten Lundal and Michiel Soeting – and Kaan Terzioğlu, the Chief Executive Officer (CEO) of the VEON Group.

In July 2023, the VEON Ltd. Board elected Morten Lundal as the Chair in its first meeting following the 2023 VEON Ltd. AGM. The VEON Ltd. Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

**Italy Tax Matter**

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

**Canadian Sanctions**

On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including VimpelCom. As of October 9, 2023, as a result of the completion of the sale of VEON’s Russian operations, VimpelCom is no longer part of the VEON Group and as such, these sanctions have no impact on the remaining group. Please refer to Note 23 for further details.

**Novation of VEON Digital Amsterdam B.V. credit facility**

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

**Amendment of VEON Amsterdam B.V. credit facility**

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

**Increase and amendment of VEON Ltd. credit facility**

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

**Key Developments after the year ended December 31, 2023**

**VEON and Summit complete US$100 million deal for Bangladesh towers portfolio**

On January 31, 2024, VEON announced that, further to the announcement dated November 15, 2023, and the legal transfer of towers in December 2023 following the receipt of all regulatory approvals, its wholly owned subsidiary, Banglalink has obtained the cash consideration for the sale of approximately BDT 11 billion (approximately US$96 million).

**Repayment of the RCF**

For the US$1,055 million RCF, US$250 million of commitments maturing in March 2024 and were repaid during February 2024, and in March the remaining amounts outstanding and commitments of US$805 million, originally due in March 2025, were repaid and the RCF canceled.

**Issuance of PKR bond by PMCL**

In April 2024, PMCL issued a short term PKR bond of PKR 15 billion (US$52 million) with a maturity of six months. The coupon rate is three-month Karachi Interbank Offered Rate (KIBOR) plus 25bps per annum.

**BDCL syndicated credit facility**

BDCL utilized the remaining BDT 3 billion (US$27 million) under its existing syndicated credit facility of BDT 8 billion (US$73 million) during January 2024 and February 2024.

**VEON announces sale of stake in Beeline Kyrgyzstan**

On March 26, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 50.1% indirect stake in Beeline Kyrgyzstan to CG Cell Technologies, which is wholly owned by CG Corp Global for cash consideration of US$32 million. Completion of the sale of VEON’s stake in Beeline Kyrgyzstan, which is held by VIP Kyrgyzstan Holding AG (an indirect subsidiary of the Company), is subject to customary regulatory approvals and preemption right of the Government of Kyrgyzstan in relation to acquisition of the stake. VEON is currently liaising with Kyrgyzstan public authorities regarding the regulatory approvals and the Government’s preemption right.

As a result of this anticipated transaction and assessment that control of the Kyrgyzstan operations will be transferred, as from the date of the SPA signing, the Company classified its Kyrgyzstan operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for Kyrgyzstan operations.

**Appointment of PricewaterhouseCoopers Accountants N.V. ("PwC Netherlands") as 2023 independent auditor**

On March 14, 2024, VEON announced that it appointed PricewaterhouseCoopers Accountants N.V. as the independent external auditor for the audit of the Group’s consolidated financial statements for the year ended December 31, 2023 in accordance with International Standards on Auditing (the “ISA Audit”). The delay in appointment was due to difficulties the Company faced in identifying a suitable independent auditor due to the material changes in the Group’s portfolio of assets which resulted in a delay in filing this Annual Report on Form 20-F with the SEC and filing its annual report with the AFM.

**Announcement of issuance of new shares in VEON Ltd.**

On March 1, 2024, VEON Ltd. announced the issuance of 92,459,532 ordinary shares in VEON Ltd., after approval from the VEON Ltd. Board, to fund VEON Ltd.'s existing and future equity incentive-based compensation plans. As a result of the issuance, VEON Ltd. now has 1,849,190,667 issued and outstanding ordinary shares. The issuance of the ordinary shares represents approximately 4.99% of VEON Ltd.'s authorized ordinary shares. The shares are expected to be allocated to VEON Ltd.'s existing and future equity incentive-based compensation plans, which are designed to align the interests of VEON Ltd.'s senior managers and employees with those of VEON Ltd.'s shareholders and to support the VEON Ltd.'s long-term growth and performance, as well as compensation arrangements for strategic consultants. The shares were initially issued to VEON Holdings and then subsequently allocated to satisfy awards under VEON Ltd.'s existing plans and will also be allocated to future equity incentive-based compensation plans, and such other compensation arrangements, as and when needed, as well as to meet certain employee, consultant and other compensation requirements. As a result, the initial share issuance will have an immediate dilutive impact on existing shareholders of VEON Ltd.. The ordinary shares will be issued at a price of US$0.001 per share, which is equal to the nominal value of VEON Ltd.'s ordinary shares.

**VEON Ltd. increases management's and directors' ownership**

On April 12, 2024, VEON Ltd. announced an increase in VEON Ltd.'s management’s and directors' ownership in VEON Ltd. shares through awards under its existing equity-based compensation plans. VEON Ltd. is utilizing certain of the 92,459,532 common shares issued to VEON Holdings B.V. as disclosed in Note 1 *General Information*, announced on March 1, 2024, to satisfy the awards made. VEON Ltd.’s Group Executive Committee ("GEC") received a total of 2,853,375 VEON Ltd. common shares (equal to 114,135 VEON ADSs) within the scope of the VEON Ltd.’s Deferred Share plans, and a total of 1,839,895 VEON Ltd. common shares (equal to 73,596 ADSs) within the scope of the VEON Ltd.’s STIP. The members of the VEON Ltd. Board of Directors received a total of 1,648,225 VEON Ltd. common shares (equal to 65,929 ADSs) within the scope of their compensation.

**Share-based awards to VEON Ltd.’s GEC and Board of Directors**

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common VEON Ltd. shares (equal to 128,050 ADSs) under VEON Ltd.'s 2021 LTIP. In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common VEON Ltd. shares (equal to 57,249 ADSs) under the 2021 DSP for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common VEON Ltd. shares (equal to 95,731 ADSs) related to 3,662,250 common VEON Ltd. shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,975 common VEON Ltd. shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the VEON Ltd. GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd shares’ relative target shareholder return performance against VEON Ltd.’s peer group which will be assessed at the end of the three-year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled VEON Ltd. common shares (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common VEON Ltd. shares (equal to 19,293 ADSs), while 472,743 common VEON Ltd. shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common VEON Ltd. shares (equal to 2,102 ADSs) related to 104,047 common VEON Ltd. shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,500 common VEON Ltd. shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common VEON Ltd. shares (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common VEON Ltd. shares (equal to 11,548 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common VEON Ltd. shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common VEON Ltd. shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON Ltd. granted a total of 3,369,125 equity-settled awards and 1,547,650 cash-settled awards in common VEON Ltd. shares (equal to 134,765 and 61,906 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors. By June 2024, 1,648,225 of the equity-settled VEON Ltd. common shares (equal to 65,929 ADSs) were vested and transferred to the Board members and 173,250 common VEON Ltd. shares (equal to 6,930 ADSs) were withheld for tax purposes.

**VEON Holdings B.V. consent solicitations to noteholders**

In April 2024, VEON Holdings B.V. launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of VEON Holdings B.V. for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding and were not exchanged.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings B.V. subsequently issued new notes with identical maturities to the April 2025, June 2025, and November 2027 notes (any such new notes, the “New Notes”) to the noteholders who participated in the consent process and tendered the original notes (the “Old Notes”), which were exchanged for the New Notes subsequently (economically) canceled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings B.V. subsequently redeemed these notes in June 2024.

VEON Holdings B.V. has continued and will need to continue to provide the remaining holders of Old Notes maturing in April 2025, June 2025 and November 2027 further opportunities to exchange their Old Notes into corresponding New Notes maturing in April 2025, June 2025 and November 2027, respectively.

As of June 30, 2024, US$1,550 million of New Notes due April 2025, June 2025 and November 2027 were outstanding and there were US$134 million of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in July and August 2024, US$20 million equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of August 28, 2024, the equivalent amount of New Notes outstanding is US$1,565 million and the remaining Old Notes that are subject to potential conversion to New Notes is US$113 million.

VEON Holdings B.V. is not required to make any further principal or coupon payments under the Old Notes.

**Make-whole call**

In June 2024, VEON Holdings B.V. executed an early redemption of its September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$53 million).

**VEON Ltd. Receives Extension from Nasdaq for 20-F Filing**

On May 22, 2024, VEON confirmed that on May 20, 2024 it received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) indicating that, as a result of the VEON Ltd.’s delay in filing its Annual Report on Form 20-F for the year ended December 31, 2023 (the “2023 20-F”), VEON Ltd is not in compliance with the timely filing requirements for continued listing under Nasdaq Listing Rule 5250(c)(1) (the "Listing Rules").

VEON Ltd. had previously shared the expected delay in its 2023 20-F filing with a press release dated March 14, 2024, and subsequently filed its notification of late filing on Form 12b-25 with the SEC on May 1, 2024. As described in these disclosures, the delay in VEON Ltd.’s 2023 20-F filing is due to the continued impact of challenges faced by VEON Ltd. in connection with the timely appointment of an independent auditor that meets the requirements for a Public Company Accounting Oversight Board (“PCAOB”) audit following VEON Ltd.’s exit from Russia.

VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rules and requested an exception of up to 180 calendar days, or until November 11, 2024, to regain compliance. On July 9, 2024, VEON Ltd. announced that NASDAQ granted VEON Ltd. an exception, enabling it to regain compliance with the Listing Rules by filing VEON Ltd.'s 2023 annual report on 20-F on or before November 11, 2024.

On October 17, 2024, VEON Ltd. filed its Annual Report on Form 20-F for the year ended December 31, 2023 (the "2023 Form 20-F") with the U.S. Securities and Exchange Commission following the completion of the audit of its 2023 financial statements by its independent auditor UHY LLP according to PCAOB standards. Following the filing, on October 21, 2024, VEON Ltd. received confirmation from the Nasdaq that VEON Ltd. is now compliant with the Nasdaq listing requirements.

**Sale of TNS+ in Kazakhstan**

On May 28, 2024, VEON announced that it signed share purchase agreement ("SPA") for the sale of its 49% in Kazakh wholesale telecommunications infrastructure services provider, TNS Plus LLP (TNS+), included within the Kazakhstan operating segment, to its joint venture partner, the DAR group of companies for total deferred consideration of US$137.5 million due within six weeks of the transaction completion date. The closing of the transaction was subject to customary regulatory approvals in Kazakhstan which were subsequently obtained. Accordingly, the sale was completed on September 30, 2024. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the SPA signing, the Company classified its TNS+ operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for TNS+ operations. During, November 2024, the Company has received US$37 out of deferred consideration and the remaining is expected to be settled during Q4-2024.

**Appointment of UHY LLP as auditors**

On May 29, 2024, VEON announced the appointment of UHY LLP (UHY) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with the standards established by the Public Company Accounting Oversight Board (United States) (the "PCAOB Audit").

**VEON Ltd. Announces Its New Board**

On May 31, 2024, VEON Ltd. held its Annual General Meeting (AGM), during which the VEON Ltd.'s shareholders approved the recommended slate of seven directors as VEON Ltd.'s new Board. The new members consist of former U.S. Secretary of State Michael R. Pompeo, Sir Brandon Lewis and Duncan Perry, who will serve alongside the incumbent directors Augie K. Fabela II, Andrei Gusev, Michiel Soeting and VEON Ltd. Group CEO Kaan Terzioglu.

Following the AGM, the new Board held its inaugural meeting, and elected VEON's Founder and Chairman Emeritus Augie K Fabela II as the Chairman.

**PMCL syndicated credit facility**

In May 2024, PMCL secured a syndicated credit facility of up to PKR 75 billion (US$270 million) including green shoe option of PKR 15 billion with a tenor of 10 years. PMCL utilized PKR 43 billion (US$154 million) from this facility through drawdowns in May and June 2024 with a further PKR 22 billion (US$78 million) drawn in July 2024.

**PMCL bilateral credit facilities**

In May 2024, PMCL utilized PKR 15 billion (US$54 million) from three bilateral credit facilities of PKR 5 billion (US$18 million) each from different banks. The tenor of each facility is 10 years.

**Sale of Russian operations deferred consideration settlement**

In July 2024, the remaining $72 million equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings, upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for the sale of VimpelCom completed in October 2023.

**VEON Ltd. Announces Intention to Delist from Euronext Amsterdam and Share buyback program**

On August 1, 2024, VEON Ltd. announced its intention to voluntarily delist from Euronext Amsterdam (the "Delisting"). VEON Ltd. expects the Delisting process to take place in the fourth quarter of 2024, following and subject to the filing of this Annual Report on Form 20-F. On October 21, 2024, VEON Ltd. announced that it has commenced the process of the Delisting, following the approval of Euronext Amsterdam. VEON Ltd.'s last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

VEON Ltd. also informed its shareholders that it intends to initiate a buyback program for up to US$100 million of its American ADS following the Delisting. The timing and specifics of the ADS buybacks will be determined by the VEON Ltd.'s management and Board of Directors in due course, and will be subject to liquidity considerations, market conditions, applicable legal requirements, and other factors. Subsequently on October 21, 2024, VEON Ltd. announced that it has commenced the process for the delisting of its common shares from trading on Euronext Amsterdam, following the approval of Euronext Amsterdam. The Company's last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

**Agreement with Impact Investments LLC for Strategic Support and Board Advisory Services**

On June 7, 2024, VEON Ltd. entered into a letter agreement as amended on August 1, 2024 (the "2024 Agreement") with Impact Investments which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON Ltd.). Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024, serves as Executive Chairman of Impact Investments. In exchange for the services provided, VEON Ltd. will pay

Impact Investments US$0.05 million in cash per month on or about the 7th day of each month during the term of the 2024 Agreement. Further, VEON Ltd. has granted to Impact Investments three common share warrants (hereby “Warrant A”, “Warrant B”, and “Warrant C”), with a value of $12 million, $2 million, and $2 million worth of common shares in the capital of VEON Ltd., respectively. Warrant A vest ratably semi-annually over a period of three years subject to achievement of vesting conditions. One half of Warrant B will vest on the date that is six months after the three years anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant B will vest on the four years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. One half of Warrant C will vest on the date that is six months after the four years’ anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant C will vest on the five years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. The number of common VEON Ltd. shares to be transferred will be determined on the vesting date based on the 90-day average trading price. Finally, VEON Ltd., in its sole discretion, may pay Impact Investments an additional fee up to $3 million subject to completion of certain strategic objectives.

On June 7, 2024, VEON Ltd. and Impact Investments also entered into a termination letter in connection with a letter agreement between VEON Ltd. and Impact Investments dated November 16, 2023. Under the terms of the termination letter, VEON Ltd. paid Impact Investments $2 million in common VEON Ltd. shares or 2,066,954 shares (equal to 82,678 ADS), which common shares were determined on the basis of the 90-day average trading price of the VEON Ltd. common shares as of the date of the termination letter. These VEON Ltd common shares were transferred to Impact Investments in August 2024, for strategic support and board advisory services to JSC Kyivstar performed by Impact Investments under the letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023.

**VEON Ltd. Announces Plan to Move its Headquarters to Dubai**

On October 14, 2024, VEON Ltd. announced its plan to move the Group Headquarters from Amsterdam to the DIFC in the United Arab Emirates. VEON Ltd. also plans to update its corporate entity structure to reflect the relocation of the headquarters from  move from the Netherlands to the DIFC, subject to tax and structuring. On November 15, 2024,VEON Ltd. further announced that it has completed the registration of and received the commercial license for its branch office in Dubai International Finance Centre (“DIFC”).

**KaR-Tel Limited Liability Partnership credit facilities**

On September 25, 2024 KaR-Tel Limited Liability Partnership ("KaR-Tel") signed a new bilateral credit facility with JSC Nurbank of KZT 18 billion (US$37) with a maturity of five years carrying fixed interest rate of 15.5%. On October 8, 2024, KaR-Tel utilized KZT 4.5 billion (US$10) from this facility. Subsequently, during October and November 2024, Kar-Tel further utilized KZT 6 billion (US$12).

**2024 Annual Impairment Analysis**

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations’ disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of November 20, 2024, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis will be published in our interim unaudited consolidated condensed financial statement for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See *Note 11*—*Impairment of Assets* to our Audited Consolidated Financial Statements for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh.

**Changes in Directors of VEON Holdings B.V.**

On March 7, 2024, Bruce John Leishman and Maciej Bogdan Wojtaszek were appointed statutory directors of the Company, while on the same date Jochem Benjamin Postma and Paul Klaassen stepped down as statutory directors of the Company.

**Issuance of PKR Sukuk bond by Pakistan Mobile Communication Limited ("PMCL")**

In October 2024, Pakistan Mobile Communication Limited ("PMCL") issued short term PKR sukuk bond of PKR 15 billion (US$54) with a maturity of six months. Coupon rate is 3 months Karachi Interbank Offered Rate (KIBOR) minus 10 bps per annum.

**Unitel LLC credit facility**

On October 7, 2024 Unitel LLC signed a new credit facility agreement with JSC “National Bank for Foreign Economic Activity of the Republic of Uzbekistan” for UZS 191.3 billion (US$14) with a maturity of two years and an interest rate of 22% per annum. During November 2024, Unitel LLC utilized the full amount from this facility.

**VEON appoints UHY LLP as auditors for VEON Group's 2024 PCAOB Audit**

On November 13, 2024, VEON announced that the VEON Board of Directors has re-appointed UHY LLP (“UHY”) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2024 in accordance with the standards established by the Public Company Accounting Oversight Board, United States (the "PCAOB Audit").

## Factors Affecting Comparability and Results of Operations

### *The War Between Russia and Ukraine*

The war between Russia and Ukraine has had a significant impact on our business. As the war commenced in February 2022 and is ongoing, our results for 2022 and 2023 have been impacted and we anticipate that our future results of operations will be adversely impacted and not comparable to past results of operations due to the volatility in foreign currency exchange rates, the potential loss of some customers in Ukraine, the impact of sanctions and export control restrictions and numerous other factors. Since the war began, we have faced and expect to continue to face challenges with our performance in Ukraine, which will be exacerbated as the war continues. Furthermore, if there is an extended continuation or further increase in the severity of the ongoing war between Russia and Ukraine, it could result in further instability and/or worsening of the overall political and economic situation in Ukraine, Europe and/or the global economy and capital markets generally. These are highly uncertain times and it is not possible to predict with precision how certain developments will impact our results and operations, nor is it possible to execute comprehensive contingency planning in Ukraine due to the ongoing war and inherent danger in the country. See *Risk Factors—Market Risks—The ongoing war between Russia and Ukraine is having, and will continue to have, an impact on our business, financial condition, results of operations, cash flows and prospects*.

### Foreign Currency Translation

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

### *Economic Trends*

As a global telecommunications company with operations in a number of markets, we are affected by a broad range of international economic developments. Unfavorable economic conditions may impact a significant number of our customers, which includes their spending patterns, both in terms of the products they subscribe for and usage levels. As a result, it may be more difficult for us to attract new customers, more likely that customers will downgrade or disconnect their services and more difficult for us to maintain mobile ARPUs at existing levels. Therefore, downturns in the economies of markets in which we operate or may operate in the future could also, among other things, increase our costs, prevent us from executing our business strategies, hurt our liquidity or prevent us to meet unexpected financial requirements. The ongoing war between Russia and Ukraine, and the responses of governments and multinational businesses to it, created critical challenges for our business and operations, significantly affected our operations and financial condition in 2023, and will likely continue to have a significant impact for the foreseeable future both in Ukraine and globally.

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

### Acquisitions, Dispositions and Divestitures

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

For example, during 2022, we sold our operating company in Georgia and entered into an agreement to sell our Russian Operations. The sale of our Georgia operating company was completed on June 8, 2022 (see *Note 9—Significant Transactions of our Audited Consolidated Financial Statements*). As a result of the disposal of our Russian Operations, we classified them as held-for-sale and discontinued operations upon the signing of the agreement on November 24, 2022, and the sale transaction completed on October 9, 2023. In 2023, our net loss for the period was primarily a result of the sale of our Russian operations, which resulted in US$3.4 billion cumulative currency translations losses reflected in equity in our other comprehensive income and which impacted our income statement on the completion date of the disposal. See *Note 10—Held for Sale and Discontinued Operations* to our Audited Consolidated Financial Statements for a more detailed discussion.

### *Execution of Business Strategies and Initiatives*

In September 2019, we announced a strategy framework comprising of three vectors: infrastructure, digital operator and ventures (now digital assets). See *—History and Development of the Company* for further information on what this strategic framework entails. In the first quarter of 2021, we initiated a cost efficiency program called Project Optimum to cultivate a mindset of continuous efficiency building and an improvement of actual costs. Since 2021, as part of our "Digital Operator" vector, our operating companies have been executing our "digital operator 1440" model pursuant to which we aim to enrich our connectivity offering with proprietary digital applications and services. With this model, we aspire to grow not only the market share of our operators, but also the relevance and the wallet share of our businesses and industry by delivering value via, for example, mobile entertainment, mobile health, mobile education, and mobile financial services. Major saving initiatives since the launch of Project Optimum include bandwidth cost optimizations, content costs reduction through vendor negotiations and in-house development, network maintenance optimizations and the implementation of smart-metering solutions. In 2023, a total of 167 savings initiatives in Pakistan, Bangladesh, Kazakhstan and Uzbekistan contributed to considerable organic savings. Still, no assurances can be given for the achievement of intended results or further savings within the mentioned timeframes, though the impact of these initiatives are routinely reported in our investor communications.

### *Changes in Tax Regimes*

Changes in tax regimes have the potential to affect our business and results of operations. For example, as a result of the changes in tax legislation in Kazakhstan that became effective on January 1, 2024, the withholding tax rate applicable to profit distributions from Kazakhstan to the Netherlands increased from 0% to 5%, which contributed to restrictions on the distributable profits at VEON Holdings B.V. For a further discussion of the risks relating to VEON Holdings B.V.'s ability to withdraw funds and dividends from our subsidiaries and operating companies, see *Risk Factors—Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Holdings B.V., as well as the ability to make certain intercompany payments and transfers.*

## Certain Performance Indicators

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

For an explanation of how we calculate Adjusted EBITDA, Adjusted EBITDA Margin, capital expenditures (excluding licenses and right-of-use assets), and local currency financial measures, please see *Explanatory Note—Non-IFRS Financial Measures.* For a description of how we define 4G users, digital services monthly active users, doubleplay 4G customers, mobile ARPU, mobile customers, mobile data customers, mobile financial services or digital financial services and multiplay customers, please see the discussion below.

### *4G users*

4G users are mobile customers who have engaged in revenue-generating activity during the three months prior to the measurement date as a result of activities over fourth-generation (4G or LTE – long term evolution) network technologies.

### *Digital services monthly active users*

Digital services monthly active users ("MAUs") is a gross total of monthly active users of all digital products and services offered by an entity or by VEON Group and includes MAUs who are active in more than one application. It is a total cumulative MAU of all VEON digital platforms, services and applications.

### *Doubleplay 4G customers*

Doubleplay 4G customers are mobile customers who engaged in usage of our voice and data services over 4G (LTE) technology at any time during the one month prior to such measurement date.

### Mobile ARPU

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

### Mobile customers

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

### Mobile data customers

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

### *Mobile financial services or digital financial services*

Mobile financial services (MFS) or digital financial services (DFS) is a variety of innovative services, such as mobile commerce that uses a mobile phone as the primary payment user interface and allows mobile customers to conduct money transfers to pay for items such as goods at an online store, utility payments, fines and state fees, loan repayments, domestic and international remittances, mobile insurance and tickets for air and rail travel, all via their mobile phone.

### *Multiplay customers*

Multiplay customers are doubleplay 4G customers who also engaged in usage of one or more of our digital products at any time during the one month prior to such measurement date.

## RESULTS OF OPERATIONS

| *In millions of U.S. dollars* | Year ended December 31, 2023 | 2022 |
|---|---|---|
| **Consolidated income statement data:** | | |
| Service revenues | 3,577 | 3,600 |
| Sale of equipment and accessories | 19 | 28 |
| Other revenues | 98 | 127 |
| **Total operating revenues** | **3,694** | **3,755** |
| **Other operating income** | 2 | 2 |
| Service costs | (422) | (448) |
| Cost of equipment and accessories | (18) | (28) |
| Selling, general and administrative expenses | (1,484) | (1,397) |
| Depreciation | (548) | (564) |
| Amortization | (205) | (218) |
| Impairment reversal | 8 | 115 |
| Gain on disposal of non-current assets | 48 | 3 |
| Gain on disposal of subsidiaries | — | 94 |
| **Operating profit** | **1,075** | **1,314** |
| Finance costs | (567) | (609) |
| Finance income | 146 | 79 |
| Other non-operating gain, net | 14 | 26 |
| Net foreign exchange gain | 81 | 188 |
| **Profit before tax from continuing operations** | **749** | **998** |
| Income taxes | (173) | (67) |
| **Profit from continuing operations** | **576** | **931** |
| Loss after tax from discontinued operations and disposals of discontinued operations | (2,830) | (739) |
| **(Loss) / profit for the period** | **(2,254)** | **192** |
| **Attributable to:** | | |
| The owners of the parent (continuing operations) | 503 | 852 |
| The owners of the parent (discontinued operations) | (2,835) | (814) |
| Non-controlling interest | 78 | 154 |
| | **(2,254)** | **192** |

### Total Operating Revenue

| *In millions of U.S. dollars, includes intersegment revenue* | Year ended December 31, 2023 | 2022 |
|---|---|---|
| Pakistan | 1,119 | 1,285 |
| Ukraine | 919 | 971 |
| Kazakhstan | 774 | 636 |
| Uzbekistan | 268 | 233 |
| Bangladesh | 570 | 576 |
| Others | 55 | 66 |
| HQ and eliminations | (11) | (12) |
| **Total** | **3,694** | **3,755** |

For the year ended December 31, 2023, our consolidated total operating revenue decreased to US$3,694 million as compared to US$3,755 million for the year ended December 31, 2022. This was a decrease of 1.6% primarily due to currency depreciation in countries where we operate. At a constant currency level year on year, there was an increase in service revenue of 18.1% driven by increased 4G penetration, content revenue in Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh operations that was partially offset by the lower usage from the Cybersecurity attack in Ukraine on December 12, 2023. This organic growth was offset by the depreciating currencies in the countries where we operate. For further details, please refer to — *Results of our Reportable Segments* below.

**Operating Profit**

For the year ended December 31, 2023, our consolidated operating profit decreased to US$1,075 million as compared to US$1,314 million for the year ended December 31, 2022. Operating profit decreased primarily as a result of the decrease in operating revenue as well as due to increased one-off expenses at HQ recorded in selling, general and administrative expenses.

## Non-Operating Profits And Losses

Finance Costs

For the year ended December 31, 2023, our consolidated finance costs were US$567 million as compared to US$609 million for the year ended December 31, 2022. This decrease is mainly due to debt reduction, partially offset by higher interest rates of our floating Pakistani rupee and U.S. dollar denominated debt.

Finance Income

For the year ended December 31, 2023, our consolidated finance income was US$146 million as compared to US$79 million for the year ended December 31, 2022. The increase in finance income was primarily due to higher interest rates.

Other Non-Operating Gain / (Loss)

For the year ended December 31, 2023, we recorded other non-operating gains of US$14 million as compared to a non-operating gain of US$26 million for the year ended December 31, 2022. The increase is driven by higher interest income on money market funds, partially offset by losses on other financial assets..

Net Foreign Exchange Gain / (Loss)

For the year ended December 31, 2023, we recorded a net foreign exchange gain of US$81 million as compared to a net foreign exchange gain of US$188 million for the year ended December 31, 2022. The net foreign exchange gain of US$ 81 million in 2023 was due to the impact of the depreciation of Pakistani rupee and Bangladeshi taka against the U.S. dollar that was offset by the appreciation of Russian ruble and corresponding impacts on loans and bonds denominated in Russian rubles. For a discussion of risks related to foreign currency fluctuation and translation, see *Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing war between Russia and Ukraine*.

## Income Tax Expense

For the year ended December 31, 2023, our consolidated income tax expense increased by 158% to US$173 million as compared to US$67 million for the year ended December 31, 2022. For more information regarding the factors affecting our total income tax expenses, please refer to *Note 8—Income Taxes* of our Audited Consolidated Financial Statements attached hereto.

## *Profit / (Loss) after Tax from Discontinued Operations*

For the year ended December 31, 2023, we recorded a loss after tax from discontinued operations of US$2,830 million as compared to a loss after tax from discontinued operations of US$739 million for the year ended December 31, 2022. The year on year change is mainly associated with the loss of US$3,746 million recognized during the year 2023 on sale of our Russian operations and profit after tax on Russian operations of US$916 million, compared to the loss after tax in our Russian and Algeria Operations for the year 2022. Please refer to *Note 9 — Significant Transactions* of our Audited Consolidated Financial Statements attached hereto.

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

For the year ended December 31, 2023, we recorded a profit attributable to the owners of the parent from continuing operations of US$503 million as compared to US$852 million in 2022, that was mainly due to a decrease in operating profit driven by impairment reversal and net foreign exchange gains during 2022 coupled with an increase in consolidated income tax expense.

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

For the year ended December 31, 2023, we recorded a profit attributable to non-controlling interest of US$78 million as compared to a profit of US$154 million for the year ended December 31, 2022, which was mainly driven by a decrease in operating profit.

### Adjusted EBITDA

| *In millions of U.S. dollars* | Year ended December 31, | |
|---|---|---|
| | **2023** | **2022** |
| Pakistan | 502 | 654 |
| Ukraine | 541 | 575 |
| Kazakhstan | 421 | 321 |
| Uzbekistan | 112 | 124 |
| Bangladesh | 214 | 210 |
| Others | 22 | 26 |
| HQ and eliminations | (40) | (26) |
| **Total** | **1,772** | **1,884** |

For the year ended December 31, 2023, our total Adjusted EBITDA was US$1,772 million as compared to US$1,884 million for the year ended December 31, 2022. This was a decrease of (5.9)% that was mainly due to currency depreciation impacts from the Pakistan and Bangladesh operations. At a constant currency level, the organic revenue growth as discussed above was offset by the higher operating costs associated with persistent increase in energy costs in our Pakistan, Ukraine and Bangladesh operations coupled with higher technical support costs, professional consultancy and tax provision costs during the year.

For more information on how we calculate Adjusted EBITDA and for the reconciliation of consolidated profit / (loss) before tax from continuing operations, the most directly comparable IFRS financial measure, to Adjusted EBITDA, for the years ended December 31, 2023 and 2022, please refer to the table below.

| | Year ended December 31, | |
|---|---|---|
| *In millions of U.S. dollars* | **2023** | **2022** |
| **Profit before tax from continuing operations** | **749** | **998** |
| Depreciation | 548 | 564 |
| Amortization | 205 | 218 |
| Impairment reversal | (8) | (115) |
| Loss on disposal of non-current assets | (48) | (3) |
| Gain on disposal of subsidiaries | — | (94) |
| Finance costs | 567 | 609 |
| Finance income | (146) | (79) |
| Other non-operating gain | (14) | (26) |
| Net foreign exchange gain | (81) | (188) |
| **Total Adjusted EBITDA** | **1,772** | **1,884** |

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## Results of our Reportable Segments

### Pakistan

#### Results of Operations in US$

| *In millions of U.S. dollars (except as indicated)* | 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| | Year ended December 31, | | | | |
| **Total operating revenue** | **1,119** | **1,285** | **1,408** | **-12.9 %** | **-8.7 %** |
| Mobile service revenue | 1,021 | 1,169 | 1,285 | -12.7 % | -9.0 % |
| - of which mobile data | 459 | 521 | 534 | -11.9 % | -2.4 % |
| Sales of equipment, accessories and other | 79 | 116 | 123 | -31.9 % | -5.7 % |
| **Operating expenses** | **617** | **631** | **765** | **-2.2 %** | **-17.5 %** |
| **Adjusted EBITDA** | **502** | **654** | **643** | **-23.2 %** | **1.7 %** |
| **Adjusted EBITDA margin** | **44.9%** | **50.9%** | **45.7%** | **-6.0pp** | **5.2pp** |

#### Results of Operations in PKR

| *In millions of PKR (except as indicated)* | 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| | Year ended December 31, | | | | |
| **Total operating revenue** | **313,574** | **261,621** | **228,927** | **19.9 %** | **14.3 %** |
| Mobile service revenue | 286,183 | 238,084 | 208,923 | 20.2 % | 14.0 % |
| - of which mobile data | 128,495 | 105,960 | 86,977 | 21.3 % | 21.8 % |
| Sales of equipment, accessories and other | 21,991 | 23,537 | 20,004 | 14.2 % | 17.7 % |
| **Operating expenses** | **172,884** | **127,574** | **124,360** | **35.5 %** | **2.6 %** |
| **Adjusted EBITDA** | **140,680** | **134,047** | **104,567** | **4.9 %** | **28.2 %** |
| **Adjusted EBITDA margin** | **44.9%** | **51.2%** | **45.7%** | **-6.4pp** | **5.6pp** |

#### Selected Performance Indicators

| | 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| | Year ended December 31, | | | | |
| **Mobile** | | | | | |
| Customers in millions | 70.6 | 73.7 | 72.6 | -4.2% | 1.5% |
| Mobile data customers in millions | 53.0 | 52.8 | 50.9 | 0.4% | 3.7% |
| ARPU in US$ | 1.2 | 1.3 | 1.5 | -7.7% | -13.3% |
| ARPU in PKR | 328.0 | 269.0 | 248.0 | 21.9% | 8.5% |

#### Total Operating Revenue

For the year ended December 31, 2023, our Pakistan total operating revenue decreased by 12.9% (in US$ terms) and increased by 19.9% (in local currency terms), as compared to the year ended December 31, 2022. This change in local currency terms is mainly due to increased 4G penetration, higher service revenue owing to increased usage and pricing in addition to stronger uptake of digital services, as well as higher volume content services relating to application to personal products that generated a growth in mobile data revenue. There was a one-off SIM issuance tax release in 2022 which had an incremental impact in 2022 and is also contributing to variance when compared to this year. This organic local currency increase was offset by the deterioration in Pakistani rupee during the year 2023 in US$ terms.

#### Adjusted EBITDA

For the year ended December 31, 2023, our Pakistan Adjusted EBITDA decreased by 23.2% (in US$ terms) and increase by 4.9% (in local currency terms), as compared to the year ended December 31, 2022. This change is primarily attributable to higher revenues (in local currency terms) as discussed above partially offset by increased operational expenses associated with general and administrative and structural operating costs owing to higher energy prices and increased marketing cost as well as a one off positive impact of Pakistan SIM tax reversals in 2022 contributing to year on year variance this year. The deterioration of Pakistani rupee was the main reason for year-on-year change in US$ terms that offset the positive local currency growth in EBITDA during 2023.

### Number of Mobile Customers

As of December 31, 2023, we had 70.6 million mobile customers in Pakistan, representing a decrease of 4.2% as compared to December 31, 2022. This was driven primarily by higher churn owing to aggressive pricing during the year. There was a growth in mobile data customers that increased by 0.4% over the same period. The increase was mainly due to the continued expansion of our 4G data network in Pakistan.

### Mobile ARPU

For the year ended December 31, 2023, our mobile ARPU in Pakistan was lower as compared to 2022 by 7.7% (in US$ terms) due to devaluation of the PKR against US$, and increased by 21.9% (in local currency terms). These changes in local currency are mainly the result of an increase in mobile data revenues as discussed above.

## Ukraine

### Results of Operations in US$

| In millions of U.S. dollars (except as indicated) | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Total operating revenue** | **919** | **971** | **1055** | **-5.4 %** | **-8.0 %** |
| Mobile service revenue | 859 | 906 | 980 | -5.2 % | -7.6 % |
| - of which mobile data | 507 | 527 | 590 | -3.8 % | -10.7 % |
| Fixed-line service revenue | 53 | 59 | 68 | -10.2 % | -13.2 % |
| Sales of equipment, accessories and other | 7 | 6 | 7 | 16.7 % | -14.3 % |
| **Operating expenses** | **378** | **396** | **351** | **-4.5 %** | **12.8 %** |
| **Adjusted EBITDA** | **541** | **575** | **704** | **-5.9 %** | **-18.3 %** |
| **Adjusted EBITDA margin** | **58.9%** | **59.2%** | **66.7%** | **-0.3pp** | **-7.5pp** |

### Results of Operations in UAH

| In millions of UAH (except as indicated) | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Total operating revenue** | **33,588** | **31,092** | **28,748** | **8.0 %** | **8.2 %** |
| Mobile service revenue | 31,397 | 29,014 | 26,712 | 8.2 % | 8.6 % |
| - of which mobile data | 18,528 | 16,837 | 16,092 | 10.0 % | 4.6 % |
| Fixed-line service revenue | 1,922 | 1,879 | 1,859 | 2.3 % | 1.1 % |
| Sales of equipment, accessories and other | 269 | 198 | 176 | 35.9 % | 12.5 % |
| **Operating expenses** | **13,816** | **12,795** | **9,556** | **8.0 %** | **33.9 %** |
| **Adjusted EBITDA** | **19,775** | **18,301** | **19,196** | **8.1 %** | **-4.7 %** |
| **Adjusted EBITDA margin** | **58.9%** | **58.9%** | **66.8%** | **—pp** | **-7.9pp** |

### Selected Performance Indicators

| | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Mobile** | | | | | |
| Customers in millions | 23.9 | 24.8 | 26.2 | -3.6% | -5.3% |
| Mobile data customers in millions | 17.7 | 17.5 | 18.5 | 1.1% | -5.4% |
| ARPU in US$ | 2.9 | 3.0 | 3.1 | -3.3% | -3.2% |
| ARPU in UAH | 107.0 | 95.0 | 85.0 | 12.6% | 11.8% |

### Total Operating Revenue

For the year ended December 31, 2023, our Ukraine total operating revenue decreased by 5.4% (in US$ terms) and increased by 8.0% (in local currency terms) as compared to the year ended December 31, 2022. The change in local currency terms is primarily due to changes in tariff plans and higher international interconnect usage and roaming traffic which was in turn offset by lower usage due to a cyber security attack in December 2023 (refer to *Note 1- General information* to our Audited Consolidated Financial Statements attached hereto). The US$ change is mainly driven by deterioration of local currency against US$ in 2023.

### Adjusted EBITDA

For the year ended December 31, 2023, our Ukraine Adjusted EBITDA decreased by 5.9% (in US$ terms) and increased by 8.1% (in local currency terms) as compared to the year ended December 31, 2022. This change is primarily due to the increase in our total operating revenue (as discussed above), which was offset by higher energy costs (as a result of a significant increase in prices) and increased network maintenance and higher marketing costs.

### Number of Mobile Customers

As of December 31, 2023, we had 23.9 million mobile customers in Ukraine representing a decrease of 3.6% year-on-year. This change is primarily due to a loss of subscribers as a result of the ongoing war in Ukraine.

### Mobile ARPU

For the year ended December 31, 2023, our mobile ARPU in Ukraine decreased by 3.3% (in US$ terms) and increased by 12.6% (in local currency terms). These changes are primarily due to a growth in mobile data consumption and a loss of subscribers that resulted in a lower baseline for calculation of ARPU during 2023.

## Kazakhstan

### Results of Operations in US$

| *In millions of U.S. dollars (except as indicated)* | 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| | Year ended December 31, | | | | |
| **Total operating revenue** | **774** | **636** | **569** | **21.7 %** | **11.8 %** |
| Mobile service revenue | 603 | 497 | 459 | 21.3 % | 8.3 % |
| - of which mobile data | 380 | 293 | 265 | 29.7 % | 10.6 % |
| Fixed-line service revenue | 146 | 116 | 91 | 25.9 % | 27.5 % |
| Sales of equipment, accessories and other | 25 | 23 | 19 | 8.7 % | 21.1 % |
| **Operating expenses** | **354** | **316** | **262** | **12.0 %** | **20.6 %** |
| **Adjusted EBITDA** | **421** | **322** | **307** | **30.7 %** | **4.9 %** |
| **Adjusted EBITDA margin** | **54.4%** | **50.6%** | **54.0%** | **3.8pp** | **-3.3pp** |

### RESULTS OF OPERATIONS IN KZT

| *In millions of KZT (except as indicated)* | 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| | Year ended December 31, | | | | |
| **Total operating revenue** | **353,562** | **293,057** | **242,509** | **20.6 %** | **20.8 %** |
| Mobile service revenue | 275,226 | 228,084 | 195,583 | 20.7 % | 16.6 % |
| - of which mobile data | 173,232 | 134,484 | 113,045 | 28.8 % | 19.0 % |
| Fixed-line service revenue | 66,630 | 54,312 | 38,676 | 22.7 % | 40.4 % |
| Sales of equipment, accessories and other | 11,706 | 10,661 | 8,250 | 9.8 % | 29.2 % |
| **Operating expenses** | **161,578** | **145,351** | **111,449** | **11.2 %** | **30.4 %** |
| **Adjusted EBITDA** | **192,067** | **147,784** | **131,060** | **30.0 %** | **12.8 %** |
| **Adjusted EBITDA margin** | **54.3%** | **50.4%** | **54.0%** | **3.9pp** | **-3.6pp** |

### Selected Performance Indicators

| | 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| | Year ended December 31, | | | | |
| **Mobile** | | | | | |
| Customers in millions | 11.1 | 10.6 | 9.9 | 4.7% | 7.1% |
| Mobile data customers in millions | 9.4 | 8.6 | 7.9 | 9.3% | 8.9% |
| ARPU in US$ | 4.6 | 4.0 | 3.9 | 15.0% | 2.6% |
| ARPU in KZT | 2,107.0 | 1,844.0 | 1,671.0 | 14.3% | 10.4% |

### Total Operating Revenue

For the year ended December 31, 2023, our Kazakhstan total operating revenue increased by 21.7% (in US$ terms) and increased by 20.6% (in local currency terms) as compared to the year ended December 31, 2022. These changes were primarily driven by higher voice, data usage and 4G subscribers along with higher fixed line services usage and repricing during the year 2023.

### Adjusted EBITDA

For the year ended December 31, 2023, our Kazakhstan Adjusted EBITDA increased by 30.7% (in US$ terms) and increased by 30.0% (in local currency terms) as compared to the year ended December 31, 2022. These changes are primarily due to higher total operating revenue as described above. The increase was partially offset by increased network maintenance and marketing spend.

### Number of Mobile Customers

As of December 31, 2023, we had 11.1 million mobile customers in Kazakhstan representing an increase of 4.7% as compared to December 31, 2022. This increase was driven by growth in mobile data customers which increased by 9.3% over the reporting period as a result of improved mobile data services and the continuous expansion of our 4G network.

*Mobile ARPU*

For the year ended December 31, 2023, our mobile ARPU in Kazakhstan increased by 15.0% (in US$ terms) and increased by 14.3% (in local currency terms) as compared to the year ended December 31, 2022. This increase is primarily due to the rise in the demand for mobile data due to the growth in our 4G customer base and digital services.

## Bangladesh

### Results of Operations in US$

| *In millions of U.S. dollars (except as indicated)* | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Total operating revenue** | **570** | **576** | **564** | **-1.0 %** | **2.1 %** |
| Mobile service revenue | 561 | 566 | 553 | -0.9 % | 2.4 % |
| - of which mobile data | 201 | 184 | 160 | 9.2 % | 15.0 % |
| Sales of equipment, accessories and other | 9 | 10 | 11 | -10.0 % | -9.1 % |
| **Operating expenses** | **356** | **366** | **329** | **-2.7 %** | **11.2 %** |
| **Adjusted EBITDA** | **214** | **210** | **235** | **1.9 %** | **-10.6 %** |
| **Adjusted EBITDA margin** | **37.5%** | **36.5%** | **41.7%** | **1.1pp** | **-5.2pp** |

### Results of Operations in BDT

| *In millions of BDT (except as indicated)* | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Total operating revenue** | **61,490** | **53,742** | **47,941** | **14.4 %** | **12.1 %** |
| Mobile service revenue | 60,546 | 52,819 | 47,050 | 14.6 % | 12.3 % |
| - of which mobile data | 21,713 | 17,277 | 13,647 | 25.7 % | 26.6 % |
| Sales of equipment, accessories and other | 944 | 923 | 891 | 2.3 % | 3.6 % |
| **Operating expenses** | **38,377** | **34,188** | **27,975** | **12.3 %** | **22.2 %** |
| **Adjusted EBITDA** | **23,113** | **19,554** | **19,966** | **18.2 %** | **-2.1 %** |
| **Adjusted EBITDA margin** | **37.6%** | **36.4%** | **41.6%** | **1.2pp** | **-5.3pp** |

### Selected Performance Indicators

| | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Mobile** | | | | | |
| Customers in millions | 40.4 | 37.6 | 35.1 | 7.4% | 7.1% |
| Mobile data customers in millions | 26.8 | 24.4 | 22.1 | 9.8% | 10.4% |
| ARPU in US$ | 1.2 | 1.3 | 1.3 | -7.7% | 0.0% |
| ARPU in BDT | 129.3 | 119.7 | 115.0 | 8.0% | 4.1% |

### Total Operating Revenue

For the year ended December 31, 2023, our Bangladesh total operating revenue decreased by 1.0% (in US$ terms) and increased by 14.4% (in local currency terms) as compared to the year ended December 31, 2022. This change in local currency terms was primarily due to an increase in mobile data revenue which is attributed to personalized data offers that increased our 4G user base and the demand for data, as well as an increase in voice revenue. The US$ change is due to the deterioration of the Bangladesh taka.

### Adjusted EBITDA

For the year ended December 31, 2023, our Bangladesh Adjusted EBITDA increased by 1.9% (in US$ terms) and increased by 18.2% (in local currency terms) as compared to the year ended December 31, 2022. This increase was mainly due to higher revenues as stated above that was offset by the increased energy costs along with higher technology and other general and administration costs.

### Number of Mobile Customers

As of December 31, 2023, the number of mobile customers in Bangladesh increased by 7.4% to 40.4 million as compared to December 31, 2022. This was primarily driven by growth in mobile data customers, which increased by 9.8% as compared to 2022, which was primarily due to our continued investment in the 4G network and focus on growing our 4G user base.

### Mobile ARPU

For the year ended December 31, 2023, our mobile ARPU in Bangladesh decreased by 7.7% in US$ terms and increased by 8.0% in local currency terms as compared to December 31, 2022. This increase in local currency terms was primarily driven by growth in mobile data and voice revenue and as described above.

## Uzbekistan

### Results of Operations in US$

| *In millions of U.S. dollars (except as indicated)* | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Total operating revenue** | **268** | **233** | **194** | **15.0 %** | **20.1 %** |
| Mobile service revenue | 267 | 232 | 193 | 15.1 % | 20.2 % |
| - of which mobile data | 186 | 159 | 122 | 17.0 % | 30.3 % |
| Fixed-line service revenue | — | 1 | 1 | -100.0 % | -16.9 % |
| Sales of equipment, accessories and other | 1 | — | — | 0.0 % | 0.0 % |
| **Operating expenses** | **157** | **109** | **105** | **44.0 %** | **3.8 %** |
| **Adjusted EBITDA** | **112** | **124** | **89** | **-9.7 %** | **39.3 %** |
| **Adjusted EBITDA margin** | **41.8%** | **53.2%** | **45.9%** | **-11.4pp** | **7.3pp** |

### Results of Operations in UZS

| *In millions of UZS (except as indicated)* | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Total operating revenue** | **3,158,369** | **2,575,184** | **2,056,545** | **22.6 %** | **25.2 %** |
| Mobile service revenue | 3,144,698 | 2,563,793 | 2,043,366 | 22.7 % | 25.5 % |
| - of which mobile data | 2,182,824 | 1,762,342 | 1,298,999 | 23.9 % | 35.7 % |
| Fixed-line service revenue | 1,186 | 8,169 | 9,404 | -85.5 % | -13.1 % |
| Sales of equipment, accessories and other | 12,485 | 3,223 | 3,774 | 287.4 % | -14.6 % |
| **Operating expenses** | **1,846,729** | **1,210,233** | **1,112,252** | **52.6 %** | **8.8 %** |
| **Adjusted EBITDA** | **1,319,354** | **1,371,642** | **944,432** | **-3.8 %** | **45.2 %** |
| **Adjusted EBITDA margin** | **41.8%** | **53.3%** | **45.9%** | **-11.5pp** | **7.3pp** |

### Selected Performance Indicators

| | Year ended December 31, 2023 | 2022 | 2021 | '22-23 % change | '21-22 % change |
|---|---|---|---|---|---|
| **Mobile** | | | | | |
| Customers in millions | 8.4 | 8.4 | 7.1 | 0.0% | 18.3% |
| Mobile data customers in millions | 7.6 | 7.2 | 5.7 | 5.6% | 26.3% |
| ARPU in US$ | 2.6 | 2.5 | 2.3 | 4.0% | 8.7% |
| ARPU in UZS | 30,762 | 27,228 | 24,217 | 13.0% | 12.4% |

### Total Operating Revenue

For the year ended December 31,2023, our Uzbekistan total operating revenue increased by 15.0% (in US$ terms) and increased by 22.6% (in local currency terms) as compared to the year ended December 31, 2022. These increases are primarily due to higher data revenues in addition to higher digital revenues during the year.

### Adjusted EBITDA

For the year ended December 31, 2023, our Adjusted EBITDA in Uzbekistan decreased by 9.7% (in US$ terms) and decreased by 3.8% (in local currency terms) as compared to the year ended December 31, 2022. These decreases are due to higher operational costs associated with license fees, energy prices and higher IT support costs during the year that was partially offset by the increased revenues during the year as stated above.

### Number of Mobile Customers

As of December 31,2023, the number of mobile customers in Uzbekistan remained 8.4 million compared to 2022, although the mobile data customers increased by 5.6% as compared to December 31, 2022 (mainly due to the continued expansion of our 4G network in Uzbekistan).

### Mobile ARPU

For the year ended December 31, 2023, our mobile ARPU in Uzbekistan increased by 4.0% (in US$ terms) and increased by 13.0% (in local currency terms) as compared to December 31, 2022. These increases are primarily attributable to focus on high value customers.

## Liquidity and Capital Resources

### Working Capital

As of December 31, 2023, we had negative working capital of US$414 million, compared to negative working capital of US$664 million as of December 31, 2022. Working capital is defined as current assets less current liabilities. The change was primarily due to a decrease in cash and cash equivalents as compared to 2022 mainly as a result of proceeds from sale of Algeria operations, which was partially offset by the decrease in trade and other receivables when compared to 2022.

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

The consolidated financial statements included in this Annual Report have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and satisfaction of liabilities and commitments in the normal course of business. As such, the consolidated financial statements included in this Annual Report do not include any adjustments that might result from an inability to continue as a going concern. If we cannot continue as a going concern, adjustments to the carrying values and classification of our assets and liabilities and the reported amounts of income and expenses could be required and could be material. See Note 23—*Basis of Preparation of the Consolidated Financial Statements* of our Audited Consolidated Financial Statements for a further discussion on our going concern disclosure.

### Consolidated Cash Flow Summary

| *(In millions of U.S. dollars)* | 2023 | 2022 |
|---|---|---|
| **Net cash flows from operating activities from continuing operations** | **1,264** | **1,075** |
| **Net cash flows from operating activities from discontinued operations** | **948** | **1,625** |
| **Net cash flows (used in) investing activities from continuing operations** | **(1,078)** | **(1,179)** |
| **Net cash flows (used in) investing activities from discontinued operations** | **(1,217)** | **(599)** |
| **Net cash flows (used in) / from financing activities from continuing operations** | **(963)** | **485** |
| **Net cash flows (used in) financing activities from discontinued operations** | **(226)** | **(340)** |
| Net (decrease) / increase in cash and cash equivalents | (1,272) | 1,067 |
| Net foreign exchange difference related to continuing operations | (31) | (92) |
| Net foreign exchange difference related to discontinued operations | (44) | (22) |
| Cash and cash equivalent classified as held for sale | 146 | (33) |
| Cash and cash equivalent at beginning of period | 3,077 | 2,157 |
| **Cash and cash equivalents at end of period, net of overdraft** | **1,876** | **3,077** |

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

*Operating Activities*

For the year ended December 31, 2023, net cash flows from operating activities from continuing operations increased to US$1,264 million from US$1,075 million for the year ended December 31, 2022. The increase was primarily attributable to lower income taxes paid and higher interest received as well as an improvement in working capital as compared to 2022.

*Investing Activities*

For the year ended December 31, 2023, net cash outflow from investing activities was US$1,078 million compared to net cash outflow of US$1,179 million for the year ended December 31, 2022. This slight decrease was primarily relating to lower capex activity during the year 2023. Our total payments for the purchase of property, equipment and intangible assets amounted to US$511 million in 2023 compared to US$616 million in 2022.

*Financing Activities*

For the year ended December 31, 2023, net cash outflow from financing activities from continuing operations was US$(963) million compared to net cash inflow of US$485 million for the year ended December 31, 2022. The net cash outflow from financing activities in 2023 was due to significant repayments combined with limited inflows from bank loans and bonds.

### Indebtedness

As of December 31, 2023, the principal amounts of our external indebtedness represented by bank loans and bonds amounted to US$3,707 million, compared to US$6,670 million as of December 31, 2022. As of December 31, 2023, our debt does not include any overdrawn bank accounts related to our cash-pooling program.

As of December 31, 2023, VEON had the following principal amounts outstanding for interest-bearing loans and bonds as well as cash-pool overdrawn bank accounts:

| Entity | Type of debt/ original lenders | Interest rate | Debt currency | Outstanding debt (mln) | Outstanding debt (US$ mln) | Maturity date |
|---|---|---|---|---|---|---|
| VEON Holdings B.V. | Revolving Credit Facility | SOFR + 1.5% | US$ | 692 | 692 | 01.22.2024 |
| VEON Holdings B.V. | Revolving Credit Facility | SOFR + 1.5% | US$ | 363 | 363 | 02.29.2024 |
| VEON Holdings B.V. | Notes | 4.00% | US$ | 556 | 556 | 04.09.2025 |
| VEON Holdings B.V. | Notes | 6.30% | RUB | 9,187 | 102 | 06.18.2025 |
| VEON Holdings B.V. | Notes | 6.50% | RUB | 3,274 | 37 | 09.11.2025 |
| VEON Holdings B.V. | Notes | 8.13% | RUB | 1,357 | 15 | 09.16.2026 |
| VEON Holdings B.V. | Notes | 3.38% | US$ | 1,093 | 1,093 | 11.25.2027 |
| **VEON Holdings B.V. Total** | | | | | **2,858** | |
| PMCL | Syndicated Loan Facility | 6M KIBOR + 0.55% | PKR | 25,386 | 90 | 09.02.2026 |
| PMCL | Loan from Habib Bank Limited | 6M KIBOR + 0.55% | PKR | 10,777 | 38 | 09.02.2026 |
| PMCL | Syndicated Loan Facility | 6M KIBOR + 0.55% | PKR | 15,000 | 53 | 05.18.2028 |
| PMCL | Syndicated Loan Facility | 3M KIBOR + 0.60% | PKR | 50,000 | 178 | 07.05.2031 |
| PMCL | Syndicated Loan Facility | 6M KIBOR + 0.60% | PKR | 40,000 | 142 | 04.19.2032 |
| PMCL | Other | | | | 55 | |
| **Pakistan Mobile Communications Limited Total** | | | | | **556** | |
| Banglalink | Syndicated Loan Facility | Average bank deposit rate + 4.25% | BDT | 8,850 | 81 | 04.26.2027 |
| Banglalink | Syndicated Loan Facility | 7% to 12% | BDT | 5,000 | 46 | 11.25.2028 |
| Other | | | | | 61 | |
| **Banglalink Digital Communications Ltd. Total** | | | | | **188** | |
| KaR-Tel | Loan from Forte Bank | 17.7500% - 18.5000 % | KZT | 9,800 | 22 | 11.13.2026 |
| | Other | | | | 22 | |
| **TOTAL KaR-Tel Limited Liability Partnership.** | | | | | **44** | |
| Unitel LLC | National Bank for Foreign Economic Activity | 20.00% | UZS | 150,000 | 12 | 11.07.2025 |
| | Other | | | | 36 | |
| **TOTAL Unitel LLC.** | | | | | **48** | |
| **Other entities** | **Overdrawn accounts and other** | | | | **13** | |
| **Total VEON** | | | | | **3,707** | |

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

The following table reflects our financial liabilities, net of derivative assets, classified further by maturity date, as of December 31, 2023.

| (In millions of U.S. dollars) | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Bank loans and bonds | 1,433 | 1,392 | 1,415 | 237 | 4,477 |
| Lease liabilities | 289 | 471 | 356 | 508 | 1,624 |
| Purchase obligations | 148 | — | — | — | 148 |
| Derivative financial instruments-liabilities | | | | | |
| - Gross cash inflows | (14) | | | | (14) |
| - Gross cash outflows | 16 | | | | 16 |
| **Total financial liabilities, net of derivative assets** | **1,872** | **1,863** | **1,771** | **745** | **6,251** |

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

For additional information on our outstanding indebtedness, please refer to *Note 16—Investments, Debt and Derivatives* of our Audited Consolidated Financial Statements attached hereto and *—Key Developments after the year ended December 31, 2023*. For a description of some of the risks associated with certain of our indebtedness, see *Risk Factors—Liquidity and Capital Risks—Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition.*

*Cash Subject to Currency and Contractual Restrictions*

As a result of the war between Russia and Ukraine, clearing systems are no longer accepting payments in Russian rubles on ruble denominated notes and we have been paying any Russian ruble denominated coupons in U.S. dollars. In addition, the Company faces currency controls in Ukraine, which impact Kyivstar's ability to upstream cash, including as dividends*.* For more information on these risks, see *—Risk Factors—Operational Risks—As a holding company with a number of operating subsidiaries, we depend on the performance of our subsidiaries and their ability to pay dividends or make other transfers to VEON Holdings B.V., as well as the ability to make certain intercompany payments and transfers*.

## Future Liquidity and Capital Requirements

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

In 2023, our capital expenditures (excluding licenses and right-of-use assets) were US$631 million compared to US$836 million in 2022. These investments related to upgrades and expansions of high-speed data networks across all our countries of operations.

While our medium-term plan for capital expenditures (excluding licenses and right-of-use assets) is to invest in high-speed data networks to continue to capture mobile data growth, including the continued roll-out of 4G/LTE networks in Pakistan, Ukraine and Bangladesh, and upgrade of our 3G networks in Bangladesh, the ongoing war in Russia and Ukraine has caused us to reconsider our capital outlay to ensure we have sufficient liquidity for maintenance capital expenditures and other key operational spend while at the same time servicing our indebtedness. As a result, capital expenditures that are more discretionary in nature have been put on hold since 2022 from time to time and may continue to be put on hold until the impact of the ongoing war between Russia and Ukraine, and particularly its effects on our liquidity and financial profile, becomes more certain.

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

- cash we currently hold;
- operating cash flows;
- proceeds of assets classified as held for sale;
- borrowings under syndicated bank financings, including credit lines currently available to us, and private credit financings; and

- issuances of debt securities on local and international capital markets.

Following the onset of the war between Russia and Ukraine, our ability to generate cash to service our indebtedness has been materially impaired, due to restrictive currency controls in Ukraine, and sanctions in relation to the war. The availability of external financing depends on many factors, including, but not limited to, the success of our operations, contractual restrictions, the financial position of international and local banks, the willingness of international and local banks or private credit funds to lend to our companies (including as a result of any sanctions concerns) and the liquidity and strength of international and local capital markets. Due to the adverse impact the ongoing war between Russia and Ukraine has had on us, the terms of such external financing may be less favorable than our existing financing, including due to the reputational harm we have suffered. See *Risk Factors—Market Risks—We have suffered reputational harm as a result of the ongoing war between Russia and Ukraine*.

As of December 31, 2023, we had an undrawn amount of US$38 million under the existing Bangladesh and Kazakhstan term facilities. For additional information on our outstanding indebtedness, please refer to *Note 18 — Financial Risk Management* of our Audited Consolidated Financial Statements attached hereto. On December 31, 2023, VEON had approximately US$1.3 billion of cash held at the level of its headquarters ("HQ"), which was deposited with international banks and invested in money market funds and which is fully accessible at HQ. In addition, VEON's operating companies had a total cash position equivalent to US$0.6 billion. However, there can be no assurance that our existing cash balances and available credit lines will be sufficient over time to service our existing indebtedness, including to address our upcoming bond maturities. See *—Risk Factors—Liquidity and Capital Risks—Our substantial amounts of indebtedness and debt service obligations could materially decrease our cash flow, which could adversely affect our business and financial condition.*

While we currently have sufficient liquidity to satisfy our current obligations at least over the next 12 months, management identified material uncertainties as a result of the war. See *—Risk Factors—Market Risk—The consolidated financial statements included in this Annual Report 2023 have been prepared on a going concern basis as a result of the ongoing war between Russia and Ukraine*and Note 23—*Basis of Preparation of the Consolidated Financial Statements* of our Audited Consolidated Financial Statements for our going concern disclosure.

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

| (In millions of U.S. dollars) | **2023** | **2022** |
|---|---|---|
| Capital expenditures (excluding licenses and right-of-use assets) * | 631 | 836 |
| *Adjusted for:* | | |
| Additions of licenses | 4 | 525 |
| Difference in timing between accrual and payment for capital expenditures (excluding licenses and right-of-use assets) | 108 | (371) |
| **Purchase of property, plant and equipment and intangible assets** | **743** | **990** |

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

**Quantitative And Qualitative Disclosures About Market Risk**

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

## Research and Development

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

## Related Party Transactions

We have entered into transactions with related parties and affiliates. See -—*Related Party Transactions and Note 21—Related Parties* and *Note 22—Events After the Reporting Period—Agreement with Impact Investments LLC for Strategic Support and Board Advisory Service* to our Audited Consolidated Financial Statements.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from adverse movements in foreign currency exchange rates and changes in interest rates on our obligations.

As of December 31, 2023, the largest currency exposure risks for our group were in relation to the Pakistani rupee, the Bangladeshi taka, the Ukrainian hryvnia, the Kazakhstani tenge and the Uzbekistani som, because the majority of our cash flows from operating activities in Pakistan, Bangladesh, Ukraine, Kazakhstan and Uzbekistan are denominated in each of these local currencies, respectively, while our debt, if not incurred in or hedged to the aforementioned currencies, is primarily denominated in U.S. dollars.

We hold approximately 72% of our cash and bank deposits in U.S. dollars in order to hedge against the risk of local currency devaluation.

To reduce balance sheet currency mismatches, we hold part of our debt in Pakistani rupee, Bangladeshi taka and other currencies, as well as selectively enter into foreign exchange derivatives. Nonetheless, if the U.S. dollar value of the Pakistani rupee, the Bangladeshi taka, the Uzbekistani som, the Kazakhstani tenge were to dramatically decline, it could negatively impact our ability to repay or refinance our U.S. dollar denominated indebtedness as well as could adversely affect our financial condition and results of operations.

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

For more information regarding our translation of foreign currency-denominated amounts into U.S. dollars and our exposure to adverse movements in foreign currency exchange rates, see *—Operating and Financial Review and Prospects—Factors Affecting Comparability and Results of Operations—Foreign Currency Translation* and *Note 18—Financial Risk Management* to our Audited Consolidated Financial Statements.

Our treasury function has developed risk management policies that establish guidelines for limiting foreign currency exchange rate risk. For more information on risks associated with currency exchange rates, including those associated with the ongoing war between Russia and Ukraine, see — *Risk Factors—Market Risks—We are exposed to foreign currency exchange loss, fluctuation and translation risks, including as a result of the ongoing war between Russia and Ukraine*.

The following table summarizes information, as of December 31, 2023, regarding the maturity of the part of our bank loans and bonds for which the foreign exchange revaluation directly affects our reported profit or loss:

| | Aggregate nominal amount of bank loans and bonds denominated in foreign currency outstanding as of December 31, | | | Fair Value as of December 31, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2023** |
| Total debt: | | | | |
| Fixed Rate (in US$ millions) | 209 | 209 | 15 | 246 |
| Average interest rate | 6% | 6% | 8% | — |
| **TOTAL** | 209 | 209 | 15 | 246 |

As of December 31, 2023, the variable interest rate risk on the financing of our group was significant as 54% of the group's bank loans and bonds portfolio was fixed rate debt.

For more information on our market risks and financial risk management for derivatives and other financial instruments, see *Note 16—Investments, Debt and Derivatives* and *Note 18—Financial Risk Management* to our Audited Consolidated Financial Statements.

# Consolidated Financial Statements

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## CONSOLIDATED INCOME STATEMENT

for the years ended December 31

| | Note | 2023 | 2022 |
|---|---|---|---|
| *(In millions of U.S. dollars)* | | | |
| Service revenues | | 3,577 | 3,600 |
| Sale of equipment and accessories | | 19 | 28 |
| Other revenues | | 98 | 127 |
| **Total operating revenues** | 3 | **3,694** | **3,755** |
| **Other operating income** | | 2 | 2 |
| Service costs | | (422) | (448) |
| Cost of equipment and accessories | | (18) | (28) |
| Selling, general and administrative expenses | 4 | (1,484) | (1,397) |
| Depreciation | 12 | (548) | (564) |
| Amortization | 13 | (205) | (218) |
| Impairment reversal | 11 | 8 | 115 |
| Gain on disposal of non-current assets | | 48 | 3 |
| Gain on disposal of subsidiaries | 9 | 0 | 94 |
| **Operating profit** | | **1,075** | **1,314** |
| Finance costs | | (567) | (609) |
| Finance income | | 146 | 79 |
| Other non-operating gain, net | 15 | 14 | 26 |
| Net foreign exchange gain | | 81 | 188 |
| **Profit before tax from continuing operations** | | **749** | **998** |
| Income taxes | 8 | (173) | (67) |
| **Profit from continuing operations** | | **576** | **931** |
| Loss after tax from discontinued operations and disposals of discontinued operations | 10 | (2,830) | (739) |
| **(Loss) / profit for the period** | | **(2,254)** | **192** |
| **Attributable to:** | | | |
| The owners of the parent (continuing operations) | | 503 | 852 |
| The owners of the parent (discontinued operations) | | (2,835) | (814) |
| Non-controlling interest | | 78 | 154 |
| | | **(2,254)** | **192** |

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended December 31

| *(In millions of U.S. dollars)* | Note | 2023 | 2022* |
|---|---|---|---|
| **Profit / (loss) for the period** | | **(2,254)** | **192** |
| *Items that may be reclassified to profit or loss* | | | |
| Foreign currency translation | | (595) | (486) |
| Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation | 10 | 3,414 | 558 |
| Other | | (10) | — |
| *Items that will not be reclassified to profit or loss* | | | |
| Other | | (4) | 6 |
| **Other comprehensive income / (loss) for the period, net of tax** | | **2,805** | **78** |
| **Total comprehensive income / (loss) for the period, net of tax** | | **551** | **270** |
| **Attributable to:** | | | |
| The owners of the parent | | 475 | 160 |
| Non-controlling interests | | 76 | 110 |
| | | **551** | **270** |
| Total comprehensive income / (loss) for the period, net of tax from: | | | |
| Continuing operations | | 392 | 404 |
| Discontinued operations | | 159 | (134) |
| | | **551** | **270** |

**Other comprehensive income for the year-ended December 31, 2022 has been restated. Refer to Note 23 for further details with respect to the restatement.*

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31

| *(In millions of U.S. dollars)* | Note | 2023 | 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property and equipment | 12 | 2,949 | 2,892 |
| Intangible assets | 13 | 1,612 | 1,953 |
| Investments and derivatives | 16 | 1,790 | 1,431 |
| Deferred tax assets | 8 | 311 | 273 |
| Other assets | 6 | 179 | 157 |
| **Total non-current assets** | | **6,841** | **6,706** |
| **Current assets** | | | |
| Inventories | | 23 | 18 |
| Trade and other receivables | 5 | 646 | 561 |
| Investments and derivatives | 16 | 429 | 592 |
| Current income tax assets | 8 | 58 | 70 |
| Other assets | 6 | 191 | 200 |
| Cash and cash equivalents | 17 | 1,876 | 3,077 |
| **Total current assets** | | **3,223** | **4,518** |
| **Assets classified as held for sale** | 10 | **—** | **5,796** |
| **Total assets** | | **10,064** | **17,020** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity attributable to equity owners of the parent | 19 | 2,584 | 2,109 |
| Non-controlling interests | | 213 | 198 |
| **Total equity** | | **2,797** | **2,307** |
| **Non-current liabilities** | | | |
| Debt and derivatives | 16 | 3,535 | 5,382 |
| Provisions | 7 | 44 | 47 |
| Deferred tax liabilities | 8 | 26 | 36 |
| Other liabilities | 6 | 25 | 20 |
| **Total non-current liabilities** | | **3,630** | **5,485** |
| **Current liabilities** | | | |
| Trade and other payables | | 1,270 | 1,126 |
| Debt and derivatives | 16 | 1,722 | 3,171 |
| Provisions | 7 | 50 | 50 |
| Current income tax payables | 8 | 151 | 179 |
| Other liabilities | 6 | 444 | 453 |
| **Total current liabilities** | | **3,637** | **4,979** |
| **Liabilities associated with assets held for sale** | 10 | **—** | **4,249** |
| **Total equity and liabilities** | | **10,064** | **17,020** |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2023

| *(In millions of U.S. dollars, except for share amounts)* | Note | Number of shares outstanding | Attributable to equity owners of the parent | | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Issued capital | Capital Surplus | Other capital reserves | Accumulated deficit * | Foreign currency translation | Total | | |
| **As of January 1, 2023** | | **30,099,998** | **39** | **13,028** | **(2,654)** | **(1,694)** | **(6,610)** | **2,109** | **198** | **2,307** |
| (Loss) / profit for the period | | — | — | — | — | (2,332) | — | (2,332) | 78 | (2,254) |
| Transfer from OCI to income statement on disposal of subsidiary | | — | — | — | — | — | 3,414 | 3,414 | — | 3,414 |
| Other comprehensive (loss) | | — | — | — | (10) | (4) | (593) | (607) | (2) | (609) |
| **Total comprehensive income / (loss)** | | **—** | **—** | **—** | **(10)** | **(2,336)** | **2,821** | **475** | **76** | **551** |
| Dividends declared | 20 | — | — | — | — | — | — | — | (45) | (45) |
| Disposal of subsidiaries with non-controlling interests | | — | — | — | — | — | — | — | (16) | (16) |
| Other | | — | — | — | 2 | (2) | — | — | — | — |
| **As of December 31, 2023** | | **30,099,998** | **39** | **13,028** | **(2,662)** | **(4,032)** | **(3,789)** | **2,584** | **213** | **2,797** |

for the year ended December 31, 2022**

| *(In millions of U.S. dollars, except for share amounts)* | Note | Number of shares outstanding | Attributable to equity owners of the parent | | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Issued capital | Capital Surplus | Other capital reserves | Accumulated deficit * | Foreign currency translation | Total | | |
| **As of January 1, 2022** | | **30,099,998** | **39** | **13,028** | **(2,626)** | **(1,729)** | **(6,731)** | **1,981** | **913** | **2,894** |
| Profit for the period | | — | — | — | — | 38 | — | 38 | 154 | 192 |
| Transfer from OCI to income statement on disposal of subsidiary (reclassification adjustments) | | — | — | — | — | — | 558 | 558 | — | 558 |
| Other comprehensive income / (loss) (excluding reclassification adjustments) | | — | — | — | 6 | — | (442) | (436) | (44) | (480) |
| **Total comprehensive income / (loss)** | | **—** | **—** | **—** | **6** | **38** | **116** | **160** | **110** | **270** |
| Dividends declared | 20 | — | — | — | — | — | — | — | (14) | (14) |
| Disposal of subsidiaries with non-controlling interests | | — | — | — | — | — | — | — | (824) | (824) |
| Acquisition of non-controlling interest | | — | — | — | — | — | 5 | 5 | 4 | 9 |
| Other | | — | — | — | (34) | (3) | — | (37) | 9 | (28) |
| **As of December 31, 2022** | | **30,099,998** | **39** | **13,028** | **(2,654)** | **(1,694)** | **(6,610)** | **2,109** | **198** | **2,307** |

** Certain of the consolidated entities of VEON Holdings are restricted from remitting funds in the form of cash dividends or loans by a variety of regulations, contractual or local statutory requirements.*

*** Equity as of December 31, 2022 has been restated. Refer to Note 23 for further details with respect to the restatement*

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the years ended December 31

| *(In millions of U.S. dollars)* | Note | 2023 | 2022 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit before tax | | 749 | 998 |
| *Non-cash adjustments to reconcile profit before tax to net cash flows* | | | |
| Depreciation, amortization and impairment loss | | 745 | 667 |
| Gain on disposal of non-current assets | | (48) | (3) |
| Gain on disposal of subsidiaries | | — | (94) |
| Finance costs | | 567 | 609 |
| Finance income | | (146) | (79) |
| Other non-operating gain | | (14) | (26) |
| Net foreign exchange gain | | (81) | (188) |
| Changes in trade and other receivables and prepayments | | (52) | (164) |
| Changes in inventories | | (19) | (12) |
| Changes in trade and other payables | | 151 | 61 |
| Changes in provisions, pensions and other | | 103 | 49 |
| Interest paid | 16 | (494) | (499) |
| Interest received | | 65 | 40 |
| Income tax paid | | (262) | (284) |
| **Net cash flows from operating activities from continuing operations** | | **1,264** | **1,075** |
| **Net cash flows from operating activities from discontinued operations** | | **948** | **1,625** |
| **Investing activities** | | | |
| Purchase of property, plant and equipment | | (511) | (616) |
| Purchase of intangible assets | | (232) | (374) |
| Payments on deposits | | (53) | (54) |
| Outflows on loans granted | | (227) | (152) |
| Inflows on loans granted | | 90 | 1 |
| Acquisition of a subsidiary, net of cash acquired | | — | (16) |
| Proceeds from sales of share in subsidiaries, net of cash | | (1) | 40 |
| Investment in financial assets | | (150) | (22) |
| Other proceeds from investing activities, net | | 6 | 14 |
| **Net cash flows used in investing activities from continuing operations** | | **(1,078)** | **(1,179)** |
| **Net cash flows used in investing activities from discontinued operations** | | **(1,217)** | **(599)** |
| **Financing activities** | | | |
| Proceeds from borrowings, net of fees paid * | 16 | 194 | 2,087 |
| Repayment of debt | 16 | (1,142) | (1,591) |
| Dividends paid to non-controlling interests | | (15) | (11) |
| **Net cash flows (used in) / from financing activities from continuing operations** | | **(963)** | **485** |
| **Net cash flows used in financing activities from discontinued operations** | | **(226)** | **(340)** |
| Net (decrease) / increase in cash and cash equivalents | | (1,272) | 1,067 |
| Net foreign exchange difference related to continued operations | | (31) | (92) |
| Net foreign exchange difference related to discontinued operations | | (44) | (22) |
| Cash and cash equivalents classified as discontinued operations/held for sale at the beginning of the period | | 146 | 113 |
| Cash and cash equivalents classified as discontinued operations/held for sale at the end of the period | | — | (146) |
| Cash and cash equivalents at beginning of period | | 3,077 | 2,157 |
| **Cash and cash equivalents at end of period, net of overdraft** | 17 | **1,876** | **3,077** |

** Fees paid in 2023 for borrowings were US$18 (2022: US$11)*

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

# GENERAL INFORMATION ABOUT THE GROUP

## 1 GENERAL INFORMATION

VEON Holdings B.V. (**"VEON"**, the **"Company"**, and together with its consolidated subsidiaries, the **"Group"** or **"we"**) was established as a private company with limited liability under the laws of the Netherlands on June 29, 2009. The registered office and principal place of business of VEON is located at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands. The Company is an indirectly wholly-owned subsidiary of VEON Ltd.

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

The consolidated financial statements were authorized by the Board of Directors for issuance on November 20, 2024.

The consolidated financial statements prepared for Dutch statutory purposes for the year ended December 31, 2022 were authorized by the Board of Directors for issuance on June 29, 2023. After the issuance of those financial statements, the Company discovered an error in the consolidated statement of comprehensive income with respect to the de-recognition of non-controlling interest for the sale of its Algerian operations (refer to Note 10 for further details) which was corrected in the financial statements for the year ended December 31, 2022. Refer to Note 24 for further details.

The consolidated financial statements are presented in United States dollars (**"U.S. dollar"** or **"US$"**). In these Notes, U.S. dollar amounts are presented in millions, except for share amounts and as otherwise indicated.

Due to the ongoing war between Russia and Ukraine, material uncertainties have been identified that may cast significant doubt on the Company's ability to continue as a going concern which are discussed in detail in Note 23 of these consolidated financial statements.

**Major developments during the year ended December 31, 2023**

**Completion of Sale of Russian operations**

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings redeemed US$406 of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings bonds representing a nominal value of US$1,576 which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 as of December 31, 2023 was offset against VEON Holdings bonds acquired by VimpelCom representing a nominal value of US$72, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 23 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

**Agreement between Banglalink and Summit Towers Limited ("Summit") regarding the sale of its Bangladesh tower assets**

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97) net of cost of disposals containing legal, regulatory and investment bankers costs amounting BDT 855 million (US$8). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34), right-of-use assets of BDT 550 million (US$5) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9) and lease liabilities of BDT 6 billion (US$52) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40) were recognized for total right-of-use assets of BDT 5 billion (US$45) and total lease liabilities of BDT 10 billion (US$92). Refer to Note 9 for further details.

**Cybersecurity Incident in Ukraine**

On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement and government agencies and the Security Service of Ukraine, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, and that mobile voice and internet, fixed connectivity and SMS services as well as the MyKyivstar self-care application were active and available across Ukraine.

After stabilizing the network, although there was no legal obligation to do so, Kyivstar immediately launched offers to thank its customers for their loyalty, initiating a *"Free of Charge"* program offering one month of free services on certain types of contracts. Furthermore, on December 21, 2023, Kyivstar announced a donation of UAH 100 million (US$3) would be made towards Ukrainian charity initiatives.

Largely due to the limited period during which the critical services were down, there was no material financial impact on our consolidated results for the year ended December 31, 2023 due to these service disruptions, or due to costs associated with additional IT capabilities required for restoring services, replacing lost equipment or compensating external consultants and partners in 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue in 2024 was US$46. VEON expects no further impact on its financial results arising from the customer loyalty measures under the retention programs, which ended during the first half of 2024.

VEON and Kyivstar conducted a thorough investigation, together with outside cybersecurity firms, to determine the full nature, extent and impact of the incident and to implement additional security measures to protect against any recurrence. The Ukrainian government also conducted an investigation to support the recovery efforts. All investigations were concluded as of June 30, 2024, and has resulted in an in depth analysis into details of how the attack was executed and how this can be prevented in the future.

Kyivstar has initiated remediation and mitigation actions to reduce current risks and establish a robust framework to manage evolving cyber threats, protect business continuity and maintain customer trust by investing in immediate response actions, enhanced security infrastructure, proactive threat management, compliance with cybersecurity regulations and standards, employee awareness, and long-term adaptive measures. Further, VEON Group has executed a group-wide assessment of cybersecurity maturity in alignment with the U.S. National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST2).

**VEON's Scheme of arrangement**

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme was approved by 97.59% of the Scheme creditors present and voting.

On January 30, 2023, VEON announced that the Scheme Sanction Hearing had taken place, at which the Court made an order sanctioning the Scheme in respect of VEON Holdings' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. The amendments to the 2023 Notes were subject to the receipt of relevant licenses to become effective, at which time the maturity dates of the February 2023 and April 2023 notes would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective.

Pursuant to the amendments, Noteholders were entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right was granted requiring VEON Holdings to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount ("2023 Put Option"), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US$165 of the October 2023 Notes and holders of US$294 of the December 2023 Notes exercising the 2023 Put Option. The aggregate put option premium paid was US$9. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$ 1. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1. For further details, refer to further discussion in Note 16.

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

On April 20, 2023, and May 30, 2023, the outstanding amounts under our RCF facility were rolled over until October 2023 for US$692 and November 2023 for US$363. These outstanding amounts were further rolled over until January 2024 for US$692 and February 2024 for US$363. We subsequently repaid and canceled our RCF facility in March 2024.

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

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

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

**Freezing of corporate rights in Kyivstar**

On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts were seizing all "corporate rights" of Mikhail Fridman, Petr Aven and Andriy Kosogov in 20 Ukrainian companies that these individuals beneficially own, while criminal proceedings, unrelated to Kyivstar or VEON, were in progress. This announcement was incorrectly characterized by some Ukrainian media as a "seizure" or "freezing" of "Kyivstar's assets" as the assets of Kyivstar had not been seized or frozen and the court's ruling did not impact the assets of Kyivstar directly. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly targeted Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of M. Fridman. Subsequent clarification by the SSU noted that "The seizure of corporate rights of Ukrainian companies does not affect the protection of the interests of foreign investors and owners of shares of corporate rights, does not hinder their economic activity and the possibility of receiving dividends." We have received notification from our local custodian that 47.85% of Kyivstar shares have been blocked, which will prevent any transaction involving our Kyivstar shares, including transfer of such shares, from proceeding. On October 30, 2023 VEON announced that VEON Ltd. and VEON Holdings B.V. had filed two appeals with the relevant Kyiv court of appeals, challenging the freezing of the corporate rights in Kyivstar, noting that corporate rights in Kyivstar belong exclusively to VEON and that their full or partial seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar. In December 2023, the court rejected our appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkiv District Court of Kyiv requesting cancellation of the seizure of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the seizure of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi. VEON is continuing significant government affairs efforts to protect our assets in Ukraine. Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on renting property and land, on participating in public procurement and on the transfer of technology and intellectual property rights to Kyivstar from VEON impacting B2G revenue would also apply.

Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary ("Kyivstar") and concluded that, under the requirements of relevant reporting standards (IFRS 10, *Consolidated financial Statements*), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

**Share-based payment awards in VEON Ltd.**

On February 21, 2023, VEON Ltd. announced the completion of the transfer of 52,550 shares in VEON Ltd. to Joop Brakenhoff. A total of 104,047 common VEON Ltd. shares vested as part of VEON Ltd.'s 2021 Deferred Share Plan in 2022. Of those vested VEON Ltd. shares, 51,500 common shares (the equivalent of 2,060 ADSs) were withheld to cover local withholding taxes and the remaining 52,550 VEON Ltd. shares (the equivalent of 2,102 ADSs) were transferred to Mr. Brakenhoff from shares held by a subsidiary of VEON Ltd.

In March 2023, equity-settled and liability settled awards in VEON Ltd. were granted to five members of VEON Ltd.'s GEC under the Short-Term Incentive Plan (154,876 ADS) and the Long-Term Incentive Plan ("LTIP") (643,286 ADS).

On July 1, 2023, 1,395,358 common shares in VEON Ltd. granted to current and former members of VEON Ltd.'s GEC vested as part of the 2021 Deferred Share Plan. Subsequently, VEON Ltd. had initiated the transfer of 34,094 ADSs, representing 852,350 common shares in VEON Ltd., to the respective executives.

On July 19, 2023, 10,444 ADSs, representing 261,100 common shares in VEON Ltd., were granted with immediate vesting to members of VEON Ltd.'s GEC and 70,000 ADSs, representing 1,750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board. Subsequently, VEON Ltd. initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares in VEON Ltd., to the respective VEON Ltd. executives and Board members. Additionally, 30,000 ADSs, representing 750,000 common shares in VEON Ltd., were granted with immediate vesting to current and former members of VEON Ltd.'s Board.

In July 2023, VEON Ltd. equity-settled awards were granted to one member of VEON Ltd.'s GEC under the LTIP (105,573 ADS).

On September 1, 2023, 146,490 ADSs, representing 3,662,250 common VEON Ltd. shares, granted to VEON Ltd.'s Group CEO, Mr. Kaan Terzioglu, vested as part of VEON Ltd.'s Deferred Share Plan.

In November 2023, VEON Ltd. initiated the transfer of 1,870 ADSs, representing 46,750 common shares in VEON Ltd. to Mr. Brakenhoff for VEON Ltd. equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2023 as well as 6,535 ADSs, representing 163,375 common shares in VEON Ltd., to a former Board member of VEON Ltd. in relation to a grant that vested in July 2023 but for which transfer was delayed.

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

For further details on share-based payment awards, refer to Note 21.

**Changes in Key Senior Managers of VEON Ltd.**

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

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

On July 19, 2023, VEON announced that Group Head of Portfolio Management, Dmitry Shvets, Group Chief People Officer, Michael Schulz and Group Chief Corporate Affairs Officer, Matthieu Galvani will be stepping down from their executive roles within VEON Ltd. effective October 1, 2023. VEON Ltd.'s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

**Change in Board of Directors of VEON Ltd.**

On June 29, 2023, at its Annual General Meeting, VEON Ltd. shareholders approved the Board recommended slate of seven directors, including six directors already serving on the Board at that time – Augie Fabela, Yaroslav Glazunov, Andrei Gusev, Karen Linehan, Morten Lundal and Michiel Soeting – and Kaan Terzioğlu, the Chief Executive Officer (CEO) of the VEON Group.

In July 2023, the Board elected Morten Lundal as the Chair in its first meeting following the 2023 AGM. The Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

**Italy Tax Matter**

On July 17, 2023, VEON signed an agreement with the Italy Tax Authorities for the settlement of an ongoing tax claim dispute which was fully provided for as of June 30, 2023. Subsequently, during July 2023 the agreed amount of settlement was paid and settled.

**Canadian Sanctions**

On July 20, 2023, Canada imposed sanctions on a number of Russian mobile operators, including VimpelCom. As of October 9, 2023, as a result of the completion of the sale of VEON's Russian operations, Vimpelcom is no longer part of the VEON Group and as such, these sanctions have no impact on the remaining group. Refer to Note 23 *Basis of Preparation of the Consolidated Financial Statements* for further details.

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

On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US$74) which includes BDT 4,307 million (approximately US$39) for interest. The Company is currently reviewing the findings and Banglalink may challenge certain proposed penalties and interest which may result in adjustments to the final amount to be paid by Banglalink. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the audit findings, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable.

Subsequently, Banglalink had a meeting with BTRC officials and agreed to pay amounts pertaining to 2G matters (already accrued BDT 2,200 million in the financials) in BDT 500 million immediately in July 2023 and 12 equal monthly installments of BDT 146 million (approximately US$1.4), accordingly Banglalink has paid BDT 500 million (approximately US$5) in July 2023 and all installments until December 2023 as agreed.

Despite having objections to the audit findings, in compliance with the instruction given by the BTRC on November 5, 2023 to pay the principal amount of the BTRC's audit demand within 10 working days, Banglalink deposited BDT 1,657 million (US$16 million) to the BTRC on November 19, 2023. The remaining elements of the BTRC's audit, including the late fee, are not yet resolved. Refer to Note 7.

**Ukraine prepayment**

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

**Pakistan Mobile Communication Limited ("PMCL") syndicated credit facility**

PMCL fully utilized the remaining PKR 10 billion (US$41) under its existing PKR 40 billion (US$164) facility through drawdowns in January and April 2023.

**Banglalink Digital Communications Ltd. ("BDCL") syndicated credit facility**

BDCL utilized BDT 5 billion (US$ 45) out of new syndicated credit facility of BDT 8 billion (US$ 73) during November 2023. The tenor of the facility is 5 years.

**KaR-Tel Limited Liability Partnership credit facility**

KaR-Tel Limited Liability Partnership ("KaR-Tel") utilized KZT 9.8 billion (US$22) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

**Repayment of VEON Holdings 5.95% Senior Notes**

On October 13, 2023 VEON Holdings repaid its outstanding 5.95% Senior Notes amounting to US$39 at their maturity date.

**Early redemption of VEON Holdings 2023 and 2024 Notes**

On September 13, 2023, VEON issued two redemption notices for the early repayment of VEON Holdings B.V.'s bonds maturing in December 2023 and June 2024. On September 27, 2023 VEON redeemed US$243 senior notes held by external noteholders and on October 04, 2023 redeemed US$406 senior notes held by VimpelCom. Please refer to Note 16-*Investments, Debt and Derivatives* for further details.

**Novation of VEON Digital Amsterdam B.V. credit facility**

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

**Amendment of VEON Amsterdam B.V. credit facility**

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

**Increase and amendment of VEON Ltd. credit facility**

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

# OPERATING ACTIVITIES OF THE GROUP

## 2 SEGMENT INFORMATION

Management analyzes the Company's operating segments separately because of different economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies.

Management evaluates the performance of the Company's segments on a regular basis, primarily based on earnings before interest, tax, depreciation, amortization, impairment, gain / loss on disposals of non-current assets, other non-operating gains / losses and share of profit / loss of joint ventures and associates (**"Adjusted EBITDA"**) along with assessing the capital expenditures excluding certain costs such as those for telecommunication licenses and right-of-use assets (**"CAPEX excl. licenses and ROU"**). Management does not analyze assets or liabilities by reportable segments.

Reportable segments consist of Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh for 2023 and 2022 (in 2021, Russia was also considered a reportable segment). Following the announcement to sell the Russian operations on November 24, 2022, the Russian operations were classified as discontinued operations and accounted for as an "Asset held for sale" in line with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, requirements. The sale of our Russian operations was completed on October 9, 2023. Additionally, following the exercise of the related put option on July 1, 2021, the Algerian operations were classified as a discontinued operation and accounted for as an "Asset held for sale" in line with the IFRS 5 requirements. The sale of our stake in the Algerian operations was completed on August 5, 2022. Refer to Note 10 for further details on both transactions.

We also present our results of operations for "Others" and "HQ and eliminations" separately, although these are not reportable segments. "Others" represents our operations in Kyrgyzstan and Georgia and "HQ and eliminations" represents transactions related to management activities within the Group. See Note 9 - *Significant Transactions* for details on the sale of our former Georgia operations in 2022.

Financial information by reportable segment for the periods ended December 31 is presented in the following tables. Inter-segment transactions are not material and are made on terms which are comparable to transactions with third parties.

| | Total revenue | | Adjusted EBITDA | | CAPEX excl licenses and ROU | |
|---|---|---|---|---|---|---|
| | **2023** | **2022*** | **2023** | **2022*** | **2023** | **2022*** |
| Pakistan | 1,119 | 1,285 | 502 | 654 | 130 | 258 |
| Ukraine | 919 | 971 | 541 | 575 | 155 | 177 |
| Kazakhstan | 774 | 636 | 421 | 321 | 165 | 122 |
| Bangladesh | 570 | 576 | 214 | 210 | 105 | 199 |
| Uzbekistan | 268 | 233 | 112 | 124 | 65 | 64 |
| Others | 55 | 66 | 22 | 26 | 10 | 16 |
| HQ and eliminations | (11) | (12) | (40) | (26) | 1 | — |
| **Total** | **3,694** | **3,755** | **1,772** | **1,884** | **631** | **836** |

**In 2022, Pakistan Adjusted EBITDA includes the impact of SIM tax reversal. For further details refer to Note 3 and Note 4.*

The following table provides the reconciliation of consolidated Profit / (loss) before tax from continuing operations to Adjusted EBITDA for the years ended December 31:

| | **2023** | **2022** |
|---|---|---|
| **Profit before tax from continuing operations** | **749** | **998** |
| Depreciation | 548 | 564 |
| Amortization | 205 | 218 |
| Impairment reversal | (8) | (115) |
| Loss on disposal of non-current assets | (48) | (3) |
| Gain on disposal of subsidiaries | — | (94) |
| Finance costs | 567 | 609 |
| Finance income | (146) | (79) |
| Other non-operating gain | (14) | (26) |
| Net foreign exchange gain | (81) | (188) |
| **Total Adjusted EBITDA** | **1,772** | **1,884** |

## 3 OPERATING REVENUE

VEON generates revenue from the provision of voice, data and other telecommunication services through a range of wireless, fixed and broadband Internet services, as well as selling equipment and accessories. Products and services may be sold separately or in bundled packages.

**Revenue from contracts with customers**

The table below provides a breakdown of revenue from contracts with customers for the years ended December 31:

| | Service revenue | | | | Sale of Equipment and accessories | | Other revenue * | | Total revenue | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Mobile | | Fixed | | | | | | | |
| | 2023 | 2022* | 2023 | 2022* | 2023 | 2022* | 2023 | 2022* | 2023 | 2022* |
| Pakistan** | 1,021 | 1,169 | 19 | — | 6 | 14 | 73 | 102 | 1,119 | 1,285 |
| Ukraine | 859 | 906 | 53 | 59 | — | 1 | 7 | 5 | 919 | 971 |
| Kazakhstan | 603 | 497 | 146 | 116 | 12 | 13 | 13 | 10 | 774 | 636 |
| Bangladesh | 561 | 566 | — | — | — | — | 9 | 10 | 570 | 576 |
| Uzbekistan | 267 | 232 | — | 1 | — | — | 1 | — | 268 | 233 |
| Others | 55 | 66 | — | — | — | — | — | — | 55 | 66 |
| HQ and eliminations | (4) | (8) | (3) | (4) | 1 | — | (5) | — | (11) | (12) |
| **Total** | **3,362** | **3,428** | **215** | **172** | **19** | **28** | **98** | **127** | **3,694** | **3,755** |

**Other revenue primarily includes revenue from our banking operations in Pakistan.*

*** In 2022, Pakistan service revenue includes the impact of US$29 relating to the reversal of a provision following a favorable decision from the Islamabad High Court on pending litigation.*

**Assets and liabilities arising from contracts with customers**

The following table provides a breakdown of contract balances and capitalized customer acquisition costs as of.

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Contract balances | | |
| Receivables (billed) | 479 | 494 |
| Receivables (unbilled) | 40 | 37 |
| Contract liabilities | (157) | (169) |
| Capitalized costs | | |
| Customer acquisition costs | 98 | 126 |

## ACCOUNTING POLICIES

**Revenue from contracts with customers**

Service revenue

Service revenue includes revenue from airtime charges from contract and prepaid customers, monthly contract fees, interconnect revenue, roaming charges and charges for value added services (**"VAS"**). VAS includes short messages, multimedia messages, caller number identification, call waiting, data transmission, mobile internet, downloadable content, mobile finance services, machine-to-machine and other services. The content revenue relating to VAS is presented net of related costs when VEON's performance obligation is to arrange the provision of the services by another party (VEON acts as an agent), and gross when VEON is primarily responsible for fulfilling the obligation to provide such services to the customer.

Revenue for services with a fixed term, including fixed-term tariff plans and monthly subscriptions, is recognized on a straight-line basis over time. For pay-as-you-use plans, in which the customer is charged based on actual usage, revenue is recognized on a usage basis. Some tariff plans allow customers to rollover unused services to the following period. For such tariff plans, revenue is generally recognized on a usage basis.

For contracts which include multiple service components (such as voice, text, data), revenue is allocated based on stand-alone selling price of each performance obligation. The stand-alone selling price for these services is usually determined with reference to the price charged per service under a pay-as-you-use plan to similar customers.

Upfront fees, including activation or connection fees, are recognized on a straight-line basis over the contract term. For contracts with an indefinite term (for example, prepaid contracts), revenue from upfront fees is recognized over the average customer life.

Revenue from other operators, including interconnect and roaming charges, is recognized based on the price specified in the contract, net of any estimated retrospective volume discounts. Accumulated experience is used to estimate and provide for the discounts.

All service revenue is recognized over time as services are rendered.

Sale of equipment and accessories

Equipment and accessories are usually sold to customers on a stand-alone basis, or together with service bundles. Where sold together with service bundles, revenue is allocated pro-rata, based on the stand-alone selling price of the equipment and the service bundle.

The vast majority of equipment and accessories sales pertain to mobile handsets and accessories. Revenue for mobile handsets and accessories is recognized when the equipment is sold to a customer, or, if sold via an intermediary, when the intermediary has taken control of the device and the intermediary has no remaining right of return. Revenue for fixed-line equipment is not recognized until installation and testing of such equipment are completed and the equipment is accepted by the customer.

All revenue from sale of equipment and accessories is recognized at a point in time.

**Contract balances**

Receivables and unbilled receivables mostly relate to amounts due from other operators and postpaid customers. Unbilled receivables are transferred to Receivables when the Group issues an invoice to the customer.

Contract liabilities, often referred to as 'Deferred revenue', relate primarily to non-refundable cash received from prepaid customers for fixed-term tariff plans or pay-as-you-use tariff plans. Contract liabilities are presented as 'Long-term deferred revenue', 'Short-term deferred revenue' and 'Customer advances' in Note 6. All current contract liabilities outstanding at the beginning of the year are recognized as revenue during the year.

**Customer acquisition costs**

Certain incremental costs that are incurred in acquiring a contract with a customer (**"customer acquisition costs"**) and are considered recoverable are deferred in the consolidated statement of financial position, within 'Other assets' (see Note 6). Such costs generally relate to commissions paid to third-party dealers and are amortized on a straight-line basis over the average customer life within 'Selling, general and administrative expenses'.

The Group applies the practical expedient available for customer acquisition costs for which the amortization would have been shorter than 12 months. Such costs relate primarily to commissions paid to third parties upon top-up of prepaid credit by customers and sale of top-up cards.

## SOURCE OF ESTIMATION UNCERTAINTY

**Average customer life**

Management estimates the average customer life for revenue (such as upfront fees) from contracts with an indefinite term and for customer acquisition costs. The average customer life is calculated based on historical data, specifically churn rates which are impacted by relevant country or market characteristics, customer demographic and the nature and terms of the product (such as mobile and fixed line, prepaid and postpaid).

## 4 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses consisted of the following items for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| Network and IT costs | 487 | 490 |
| Personnel costs | 348 | 339 |
| Customer associated costs | 386 | 347 |
| Losses on receivables | 14 | 27 |
| Taxes, other than income taxes | 60 | 29 |
| Other | 189 | 165 |
| **Total selling, general and administrative expenses** | **1,484** | **1,397** |

In 2022, our subsidiary in Pakistan recorded a reversal of PKR 13.8 billion (US$63 million) in customer associated costs, relating to the reversal of a provision following a favorable decision from the Islamabad High Court on pending litigation.

## LEASES

Short-term leases and leases for low value items are immediately expensed as incurred.

## ACCOUNTING POLICIES

**Customer associated costs**

Customer associated costs relate primarily to commissions paid to third-party dealers and marketing expenses. Certain dealer commissions are initially capitalized within 'Other Assets' in the consolidated statement of financial position and subsequently amortized within "Customer associated costs". Refer to Note 3 for further details.

## 5 TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of the following items as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Trade receivables (gross)* | 519 | 531 |
| Expected credit losses | (96) | (84) |
| **Trade receivables (net)** | **423** | **447** |
| Other receivables, net of expected credit losses allowance** | 223 | 114 |
| **Total trade and other receivables***** | **646** | **561** |

** Includes contract assets (unbilled receivables), see Note 3 for further details*

*** Other receivables as of December 31, 2023, includes consideration receivable for tower sale in Bangladesh , refer Note 9 for further details.*

**** Total trade and other receivables includes balances of US$259 million (2022: US$254 million) relating to banking operations in Pakistan.*

The following table summarizes the movement in the allowance for expected credit losses for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| **Balance as of January 1** | **84** | **159** |
| Accruals for expected credit losses | 35 | 44 |
| Recoveries | (8) | (6) |
| Accounts receivable written off | (6) | (64) |
| Reclassifications | — | (4) |
| Reclassification as held for sale | — | (28) |
| Foreign currency translation adjustment | (9) | (15) |
| Other movements | — | (2) |
| **Balance as of December 31** | **96** | **84** |

Set out below is the information about the Group's trade receivables (including contract assets) using a provision matrix:

| | | | Days past due | | | |
|---|---|---|---|---|---|---|
| | Unbilled Receivables | Current | < 30 days | Between 31 and 120 days | > 120 days | Total |
| **December 31, 2023** | | | | | | |
| Expected loss rate, % | 0.0% | 1.8% | 10.9% | 50.0% | 98.5% | |
| Trade receivables | 40 | 329 | 46 | 36 | 68 | **519** |
| Expected credit losses | — | (6) | (5) | (18) | (67) | **(96)** |
| **Trade receivables, net** | **40** | **323** | **41** | **18** | **1** | **423** |
| **December 31, 2022** | | | | | | |
| Expected loss rate, % | 0.0% | 0.6% | 15.4% | 27.6% | 97.1% | |
| Trade receivables | 37 | 356 | 39 | 29 | 70 | **531** |
| Expected credit losses | — | (2) | (6) | (8) | (68) | **(84)** |
| **Trade receivables, net** | **37** | **354** | **33** | **21** | **2** | **447** |

## ACCOUNTING POLICIES

**Trade and other receivables**

Trade and other receivables are measured at amortized cost and include invoiced/contractual amounts less expected credit losses.

**Expected credit losses**

The expected credit loss allowance (**"ECL"**) is recognized for all receivables measured at amortized cost at each reporting date. This means that an ECL is recognized for all receivables even though there may not be objective evidence that the trade receivable has been impaired.

VEON applies the simplified approach (i.e. provision matrix) for calculating a lifetime ECL for its trade and other receivables, including unbilled receivables (contract assets). The provision matrix is based on the historical credit loss experience over the life of the trade receivables and is adjusted for forward-looking estimates if relevant. The provision matrix is reviewed on a quarterly basis. Refer to Note 18 for our credit risk management policy.

## 6 OTHER ASSETS AND LIABILITIES

Other assets consisted of the following items as of December 31:

| | 2023 | 2022 |
|---|---|---|
| **Other non-current assets** | | |
| Customer acquisition costs (see Note 3) | 98 | 126 |
| Tax advances (non-income tax) | 6 | 7 |
| Other non-financial assets | 75 | 24 |
| **Total other non-current assets** | **179** | **157** |
| **Other current assets** | | |
| Advances to suppliers | 41 | 51 |
| Input value added tax | 40 | 45 |
| Prepaid taxes | 51 | 50 |
| Other assets | 59 | 54 |
| **Total other current assets** | **191** | **200** |

Other liabilities consisted of the following items as of December 31:

| | 2023 | 2022 |
|---|---|---|
| **Other non-current liabilities** | | |
| Long-term deferred revenue (see Note 3) | 13 | 10 |
| Other liabilities | 12 | 10 |
| **Total other non-current liabilities** | **25** | **20** |
| **Other current liabilities** | | |
| Taxes payable (non-income tax) | 121 | 134 |
| Short-term deferred revenue (see Note 3) | 109 | 121 |
| Customer advances (see Note 3) | 35 | 38 |
| Other payments to authorities | 66 | 60 |
| Due to employees | 73 | 60 |
| Other liabilities | 40 | 40 |
| **Total other current liabilities** | **444** | **453** |

## 7 PROVISIONS AND CONTINGENT LIABILITIES

### PROVISIONS

The following table summarizes the movement in provisions for the years ended December 31:

| | Non-income tax provisions | Decommi-ssioning provision | Legal provision | Other provisions | Total |
|---|---|---|---|---|---|
| **As of January 1, 2022** | **88** | **85** | **6** | **6** | **185** |
| Arising during the year | 4 | 1 | — | 1 | **6** |
| Utilized | — | (2) | — | — | **(2)** |
| Unused amounts reversed | (20) | (6) | — | — | **(26)** |
| Reclassification as held for sale | (11) | (30) | (4) | — | **(45)** |
| Discount rate adjustment and imputed interest | — | 4 | — | — | **4** |
| Translation adjustments and other | (8) | (9) | — | (3) | **(20)** |
| Transfer and reclassification | (4) | — | — | (1) | (5) |
| **As of December 31, 2022** | **49** | **43** | **2** | **3** | **97** |
| Non-current | 4 | 43 | — | — | **47** |
| Current | 45 | — | 2 | 3 | **50** |
| **As of January 1, 2023** | **49** | **43** | **2** | **3** | **97** |
| Arising during the year | 3 | 3 | — | — | **6** |
| Utilized | — | (1) | — | — | **(1)** |
| Unused amounts reversed | (2) | (4) | — | — | **(6)** |
| Reclassification as held for sale | — | — | — | — | **—** |
| Transfer and reclassification | 7 | — | — | — | **7** |
| Discount rate adjustment and imputed interest (change in estimate) | — | 3 | — | — | **3** |
| Translation adjustments and other | (7) | (4) | — | (1) | **(12)** |
| **As of December 31, 2023** | **50** | **40** | **2** | **2** | **94** |
| Non-current | 5 | 40 | — | (1) | **44** |
| Current | 45 | — | 2 | 3 | **50** |

The timing of payments in respect of provisions is, with some exceptions, not contractually fixed and cannot be estimated with certainty. In addition, with respect to legal proceedings, given inherent uncertainties, the ultimate outcome may differ from VEON's current expectations.

See 'Source of estimation uncertainty' below in this Note 7 for further details regarding assumptions and sources of uncertainty. For further details regarding risks associated with income tax and non-income tax positions, please refer to 'Source of estimation uncertainty' in Note 8.

The Group has recognized a provision for decommissioning obligations associated with future dismantling of its towers in various jurisdictions.

### CONTINGENT LIABILITIES

The Group had contingent liabilities as of December 31, 2023 as set out below.

**VAT on Replacement SIMs**

SIM Cards Issued June 2009 to December 2011

On April 1, 2012, the National Board of Revenue (**"NBR"**) issued a demand to Banglalink Digital Communications Limited (**"Banglalink"**) for BDT 7.74 billion (US$70) for unpaid SIM tax (VAT and supplementary duty). The NBR alleged that Banglalink evaded SIM tax on new SIM cards by issuing them as replacements. On the basis of 5 random SIM card purchases made by the NBR, the NBR concluded that all SIM card replacements issued by Banglalink between June 2009 and December 2011 (7,021,834 in total) were new SIM connections and subject to tax. Similar notices were sent to three other operators in Bangladesh. Banglalink and the other operators filed separate petitions in the High Court, which stayed enforcement of the demands.

In an attempt to assist the NBR in resolving the dispute, the Government ordered the NBR to form a Review Committee comprised of the NBR, the Commissioner of Taxes (**"LTU"**), BTRC, Association of Mobile Telecom Operators of Bangladesh and the operators (including Banglalink). The Review Committee identified a methodology to determine the amount of unpaid SIM tax and, after analyzing 1,200 randomly selected SIM cards issued by Banglalink, determined that only 4.83% were incorrectly registered as replacements. The Review Committee's interim report was signed off by all the parties, however, the Convenor of the Review Committee reneged on the interim report and unilaterally published a final report that was not based on the interim report or the findings of the Review Committee. The operators objected to the final report.

The NBR Chairman and operators' representative agreed that the BTRC would prepare further guidelines for verification of SIM users. Although the BTRC submitted its guidelines (under which Banglalink's exposure was determined to be 8.5% of the original demand), the Convenor of the Review Committee submitted a supplementary report which disregarded the BTRC's guidelines and assessed Banglalink's liability for SIM tax to be BDT 7.62 billion (US$69). The operators refused to sign the supplementary report.

On May 18, 2015, Banglalink received an updated demand from the LTU claiming Banglalink had incorrectly issued 6,887,633 SIM cards as replacement SIM cards between June 2009 and December 2011 and required Banglalink to pay BDT 5.32 billion (US$48) in SIM tax. The demand also stated that interest may be payable. Similar demands were sent to the other operators.

On June 25, 2015, Banglalink filed an application to the High Court to stay the updated demand, and a stay was granted. On August 13, 2015, Banglalink filed its appeal against the demand before the Appellate Tribunal and deposited 10% of the amount demanded in order to proceed. The other operators also appealed their demands. On May 26, 2016, Banglalink presented its legal arguments and on September 28, 2016, the appeals of all the operators were heard together.

The Appellate Tribunal rejected the appeal of Banglalink and all other operators on June 22, 2017. On July 11, 2017, Banglalink filed an appeal of the Appellate Tribunal's judgement with the High Court Division of the Supreme Court of Bangladesh. The appeal is pending.

<u>SIM Cards Issued July 2012 to June 2015</u>

On November 20, 2017, the LTU issued a final demand to Banglalink for BDT 1.69 billion (US$15) for unpaid tax on SIM card replacements issued by Banglalink between July 2012 and June 2015. On February 20, 2018, Banglalink filed its appeal against this demand before the Appellate Tribunal and deposited 10% of the amount demanded in order to proceed. By its judgement dated February 10, 2020, the Appellate Tribunal rejected Banglalink's appeal.  Banglalink appealed to the High Court Division. Before hearing the appeal, the Court *suo moto* took up as a preliminary question whether, based on new law, the matter is subject to an appeal or an application for revision. On March 2, 2021, the Court determined that an application for revision is the correct procedure and dismissed the appeal. Banglalink filed an appeal before the Appellate Division and the appeal is pending for hearing. If the Appellate Division rejects the appeal, then Banglalink will be obligated to deposit 10% of the disputed amount in order to continue its challenge.

As of December 31, 2023, the Company has recorded a provision, for the cases discussed above of, US$8 (2022: US$8).

**Other contingencies and uncertainties**

In addition to the individual matters mentioned above, the Company is involved in other disputes, litigation and regulatory inquiries and both internal and external investigations, both pending and threatened, in the ordinary course of its business. For example, our operating company in Bangladesh has recently been subject to an extensive audit conducted by the BTRC concerning past compliance with all relevant license terms, laws and regulations for the period covering 1996 (inception of our operating company in Bangladesh) to December 2019. On June 26, 2023, the BTRC released its audit findings and issued a claim of BDT 8,231 million (approximately US$74) which includes BDT 4,307 million (approximately US$39) for interest. The Company has paid the principal amount and is currently having discussions with government stakeholders, including the BTRC for removal of the interest amount. Should Banglalink and the BTRC not be able to reach a mutually agreed position concerning the removal of the interest amount, protracted litigation may result. The Company has accrued for amounts of the claim where it considers a cash outflow to be probable.  The total value of all other individual contingencies that are able to be quantified and are above US$5, other than disclosed above and in Note 8, amounts to US$205 (2022: US$289). Due to the high level of estimation uncertainty, as described in 'Source of estimation uncertainty' in this Note 7 and in Note 8, it is not practicable for the Company to reliably estimate the financial effect for certain contingencies and uncertainties and therefore no financial effect has been included within the preceding disclosure. The Company does not expect any liability or other financial impact (e.g. regarding recoverability of certain receivables) arising from these contingencies and uncertainties to have a material effect on the results of operations, liquidity, capital resources or financial position of the Company. Furthermore, the Company believes it has provided for all probable liabilities.

For the ongoing matters described above, where the Company has concluded that the potential loss arising from a negative outcome in the matter cannot be reliably estimated, the Company has not recorded an accrual for the potential loss. However, in the event a loss is incurred, it may have an adverse effect on the results of operations, liquidity, capital resources, or financial position of the Company.

## ACCOUNTING POLICIES

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted using a current pre-tax rate if the time value of money is significant. Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

## SOURCE OF ESTIMATION UNCERTAINTY

The Group is involved in various legal proceedings, internal and external investigations, disputes and claims, including regulatory discussions related to the Group's business, licenses, tax positions and investments, and the outcomes of these are subject to significant uncertainty. Management evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require the Group to increase or decrease the amount recorded for a matter that has not been previously recorded because it was not considered probable and /or the impact could not be estimated (no reasonable estimate could be made).

In the ordinary course of business, VEON may be party to various legal and tax proceedings, including as it relates to compliance with the rules of the telecom regulators in the countries in which VEON operates, competition law and anti-bribery and corruption laws, including the U.S. Foreign Corrupt Practices Act (**"FCPA"**). Non-compliance with such rules and laws may cause VEON to be subject to claims, some of which may relate to the developing markets and evolving fiscal and regulatory environments in which VEON operates. In the opinion of management, VEON's liability, if any, in all pending litigation, other legal proceeding or other matters, other than what is discussed in this Note, will not have a material effect upon the financial condition, results of operations or liquidity of VEON.

## 8 INCOME TAXES

Current income tax is the expected tax expense, payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years.

**Income tax payable**

Current income tax payable consisted of the following items as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Current tax payable | 58 | 46 |
| Uncertain tax provisions | 93 | 133 |
| **Total income tax payable** | **151** | **179** |

In addition to the above balance of uncertain tax provisions we have also recognized uncertain tax provisions which have been directly offset with available losses.

VEON is involved in a number of disputes, litigation and regulatory proceedings in the ordinary course of its business, pertaining to income tax claims. The total value of these individual contingencies that are able to be quantified amounts to US$216 (2022: US$124). Due to the high level of estimation uncertainty, as described in 'Source of estimation uncertainty' disclosed below in this Note 8, it is not practicable for the Company to reliably estimate the financial effect for certain contingencies and therefore no financial effect has been included within the preceding disclosure. The Company does not expect any liability arising from these contingencies to have a material effect on the results of operations, liquidity, capital resources or financial position of the Company, however we note that an unfavorable outcome of some or all of the specific matters could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on our current understanding of relevant facts and circumstances. As such, our view of these matters is subject to inherent uncertainties and may change in the future. For further details with respect to VEON's uncertain tax provisions and tax risks, please refer to the 'Accounting policies' and 'Source of estimation uncertainty' disclosed below.

**Income tax assets**

The Company reported current income tax assets of US$58 (2022: US$70).

These tax assets mainly relate to advance tax payments in our operating companies which can only be offset against income tax liabilities in that relevant jurisdiction, in fiscal periods subsequent to the balance sheet date.

**Income tax expense**

Income tax expense consisted of the following for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| **Current income taxes** | | |
| Current year | 241 | 268 |
| Adjustments in respect of previous years | 14 | 10 |
| **Total current income taxes** | **255** | **278** |
| **Deferred income taxes** | | |
| Movement of temporary differences and losses | (58) | (8) |
| Changes in tax rates | (4) | (4) |
| Changes in recognized deferred tax assets* | (20) | (162) |
| Adjustments in respect of previous years | 1 | (5) |
| Other | (1) | (32) |
| **Total deferred tax benefit** | **(82)** | **(211)** |
| **Income tax expense** | **173** | **67** |

****In 2022, the increase of deferred tax assets is mainly driven by recognition of previously unrecognized historic losses due to positive outlook and business developments in our Bangladesh operations.***

### Effective tax rate

The table below outlines the reconciliation between the statutory tax rate in the Netherlands of (25.8%) (2022 the statutory rate was 25.8%) and the effective income tax rates for the Group, together with the corresponding amounts, for the years ended December 31:

| | 2023 | 2022 | Explanatory notes |
|---|---|---|---|
| Profit before tax from continuing operations | 749 | 998 | |
| **Income tax expense at statutory tax rate (25.8%)** | **(193)** | **(257)** | |
| Difference due to the effects of: | | | |
| Different tax rates in different jurisdictions | 62 | 47 | Certain jurisdictions in which VEON operates have income tax rates which are different to the Dutch statutory tax rate of 25.8% (25.8% in 2022). Profitability in countries with lower tax rates (i.e. Kazakhstan, Ukraine) has a positive impact on the effective tax rate, partially offset with profitability in countries with higher rate (i.e. Pakistan, Bangladesh). |
| Non-deductible expenses | (45) | (35) | The Group incurs certain expenses which are non-deductible in the relevant jurisdictions. In 2023 and 2022, such expenses mainly include intra-group expenses (i.e. interest on internal loans), certain non-income tax charges (i.e. minimum tax regimes) and other. |
| Non-taxable income | 28 | 9 | In 2023, the non-taxable income is mainly driven by the non-taxable FOREX gains incurred by Dutch Holdings on sale of subsidiaries of US$25. In 2022, non-taxable income is mainly driven by reversal of previously unrecognized management fees in Uzbekistan. |
| Adjustments in respect of previous years | (15) | (9) | In 2023, the effect of prior year adjustments mainly relates to tax return true-ups and the effects of 6% Super tax in Pakistan introduced in 2023 which had a retrospective impact on 2022. In 2022, the effect of prior year adjustments mainly relates to tax return true-ups and the effects of 4% Super tax in Pakistan introduced in 2022 which had a retrospective impact on 2021. |
| Movements in (un)recognized deferred tax assets | 20 | 162 | In 2023, the movements in (un)recognized deferred tax assets are primarily caused by tax losses and other credits mainly in the Netherlands and Luxembourg, for which no deferred tax asset has been recognized. In 2022, the movements primarily relates to holding entities in the Netherlands and deferred tax asset recognition on previously unrecognized losses in Bangladesh of US$108. The increase of deferred tax assets in Bangladesh is mainly driven by recognition of previously unrecognized historic losses due to positive outlook and business developments in our Bangladesh operations. |
| Withholding taxes | (31) | 39 | Withholding taxes are recognized to the extent that dividends from foreign operations are expected to be paid in the foreseeable future. In 2023, the net WHT of US$(31) mainly comprised of WHT on interest from Russia of US$(16) and US$(15) of WHT provided for as a deferred tax on outside basis during 2023 on the dividends planned to be paid out in 2024 mainly from Pakistan, Kazakhstan and Uzbekistan. In 2022, the net WHT benefit of US$39 comprising of reversal of WHT provision related to Russia, Ukraine and Pakistan. |
| Uncertain tax positions | 2 | (25) | The tax legislation in the markets in which VEON operates is unpredictable and gives rise to significant uncertainties (see 'Source of estimation uncertainty' below). During 2022, provisions were made for a dispute in Italy. The impact of movements in uncertain tax positions is presented net of any corresponding deferred tax assets recognized. |
| Change in income tax rate | 4 | 4 | Changes in tax rates impact the valuation of existing deferred tax assets and liabilities on temporary differences. In 2023, the statutory tax rate in Pakistan increased by 6% resulting in the total tax charge of 39%. In 2022, the statutory tax rate in Pakistan increased by 4% resulting in the total tax charge of 33%. |
| Other | (5) | (2) | In 2023, others is impacted mainly by a CFC charge for US$(6). In 2022, US$2 relates to various other permanent differences. |
| **Income tax expense** | **(173)** | **(67)** | |
| Effective tax rate | **23.1 %** | **6.8 %** | |

### Deferred taxes

The Group reported the following deferred tax assets and liabilities in the statement of financial position as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Deferred tax assets | 311 | 273 |
| Deferred tax liabilities | (26) | (36) |
| **Net deferred tax position** | 285 | 237 |

The following table shows the movements of net deferred tax positions in 2023:

| | | Movement in deferred taxes | | | |
|---|---|---|---|---|---|
| | Opening balance | Net income statement movement | Held for sale | Other movements | Closing balance |
| Property and equipment | (84) | 23 | — | 11 | (50) |
| Intangible assets | 59 | 14 | — | (8) | 65 |
| Trade receivables | 22 | 5 | — | (3) | 24 |
| Provisions | 15 | (2) | — | (1) | 12 |
| Accounts payable | 36 | 25 | — | (8) | 53 |
| Withholding tax on undistributed earnings | (29) | 8 | — | 2 | (19) |
| Tax losses and other balances carried forwards | 2,024 | 94 | — | (290) | 1,828 |
| Non-recognized deferred tax assets | (1,819) | (92) | — | 265 | (1,646) |
| Other | 13 | 7 | — | (2) | 18 |
| **Net deferred tax positions** | 237 | 82 | — | (34) | 285 |

The following table shows the movements of net deferred tax positions in 2022:

| | | Movement in deferred taxes | | | |
|---|---|---|---|---|---|
| | Opening balance | Net income statement movement | Held for sale | Other movements | Closing balance |
| Property and equipment | (100) | (46) | 35 | 27 | (84) |
| Intangible assets | 36 | 59 | (13) | (23) | 59 |
| Trade receivables | 32 | (19) | 7 | 2 | 22 |
| Provisions | 16 | 7 | (7) | (1) | 15 |
| Accounts payable | 90 | 32 | (65) | (21) | 36 |
| Withholding tax on undistributed earnings | (98) | 69 | — | — | (29) |
| Tax losses and other balances carried forwards | 2,093 | 31 | (3) | (97) | 2,024 |
| Non-recognized deferred tax assets | (1,965) | 68 | — | 78 | (1,819) |
| Other | 8 | 10 | — | (5) | 13 |
| **Net deferred tax positions** | 112 | 211 | (46) | (40) | 237 |

### Unused tax losses and other credits carried forwards

VEON recognizes a deferred tax asset for unused tax losses and other credits carried forwards, to the extent that it is probable that the deferred tax asset will be utilized. The amount and expiry date of unused tax losses and other carry forwards for which no deferred tax asset is recognized are as follows:

| As of December 31, 2023 | 0-5 years | 6-10 years | More than 10 years | Indefinite | Total |
|---|---|---|---|---|---|
| **Tax losses expiry** | | | | | |
| Recognized losses | — | — | — | (387) | (387) |
| Recognized DTA | — | — | — | 146 | 146 |
| Non-recognized losses | — | — | (1,204) | (5,313) | (6,517) |
| Non-recognized DTA | — | — | 300 | 1,324 | 1,624 |
| **Other credits carried forwards expiry** | | | | | |
| Recognized credits | — | (36) | — | — | (36) |
| Recognized DTA | — | 36 | — | — | 36 |
| Non-recognized credits | — | — | — | (86) | (86) |
| Non-recognized DTA | — | — | — | 22 | 22 |

| As of December 31, 2022 | 0-5 years | 6-10 years | More than 10 years | Indefinite | Total |
|---|---|---|---|---|---|
| **Tax losses expiry** | | | | | |
| Recognized losses | — | — | — | (410) | (410) |
| Recognized DTA | — | — | — | 159 | 159 |
| Non-recognized losses | — | — | (853) | (6,296) | (7,149) |
| Non-recognized DTA | — | — | 213 | 1,570 | 1,783 |
| **Other credits carried forwards expiry** | | | | | |
| Recognized credits | (1) | (45) | — | — | (46) |
| Recognized DTA | 1 | 45 | — | — | 46 |
| Non-recognized credits | — | — | — | (141) | (141) |
| Non-recognized DTA | — | — | — | 36 | 36 |

Losses mainly relate to our holding entities in Luxembourg (2023: US$6,232; 2022: US$6,776) and the Netherlands (2023: US$229; 2022: US$199).

VEON reports the tax effect of the existence of undistributed profits that will be distributed in the foreseeable future. The Company has a deferred tax liability of US$19 (2022: US$29), relating to the tax effect of the undistributed profits that will be distributed in the foreseeable future, primarily in its Pakistan, Uzbekistan and Kazakhstan operations.

As of December 31, 2023, undistributed earnings of VEON's foreign subsidiaries (outside the Netherlands) which are indefinitely invested and will not be distributed in the foreseeable future, amounted to US$6,241 (2022: US$6,105). Accordingly, no deferred tax liability is recognized for this amount of undistributed profits.

## ACCOUNTING POLICIES

### Income taxes

Income tax expense represents the aggregate amount determined on the profit for the period based on current tax and deferred tax. In cases where the tax relates to items that are charged to other comprehensive income or directly to equity, the tax is also charged respectively to other comprehensive income or directly to equity.

### Uncertain tax positions

The Group's policy is to comply with the applicable tax regulations in the jurisdictions in which its operations are subject to income taxes. The Group's estimates of current income tax expense and liabilities are calculated assuming that all tax computations filed by the Company's subsidiaries will be subject to a review or audit by the relevant tax authorities. Uncertain tax positions are generally assessed individually, using the most likely outcome method. The Company and the relevant tax authorities may have different interpretations of how regulations should be applied to actual transactions (refer below for details regarding risks and uncertainties).

**Deferred taxation**

Deferred taxes are recognized using the liability method and thus are computed as the taxes recoverable or payable in future periods in respect of deductible or taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements.

## SOURCE OF ESTIMATION UNCERTAINTY

**Tax risks**

The tax legislation in the markets in which VEON operates is unpredictable and gives rise to significant uncertainties, which could complicate our tax planning and business decisions. Tax laws in many of the emerging markets in which we operate have been in force for a relatively short period of time as compared to tax laws in more developed market economies. Tax authorities in our markets are often less advanced in their interpretation of tax laws, as well as in their enforcement and tax collection methods.

Any sudden and unforeseen amendments of tax laws or changes in the tax authorities' interpretations of the respective tax laws and/or double tax treaties, could have a material adverse effect on our future results of operations, cash flows or the amounts of dividends available for distribution to shareholders in a particular period (e.g. introduction of transfer pricing rules, Controlled Foreign Operation ("CFC") legislation and more strict tax residency rules).

Management believes that VEON has paid or accrued all taxes that are applicable. Where uncertainty exists, VEON has accrued tax liabilities based on management's best estimate. From time to time, we may also identify tax contingencies for which we have not recorded an accrual. Such unaccrued tax contingencies could materialize and require us to pay additional amounts of tax. The potential financial effect of such tax contingencies are disclosed in Note 7 and above in this Note 8, unless not practicable to do so.

**Uncertain tax positions**

Uncertain tax positions are recognized when it is probable that a tax position will not be sustained. The expected resolution of uncertain tax positions is based upon management's judgement of the likelihood of sustaining a position taken through tax audits, tax courts and/or arbitration, if necessary. Circumstances and interpretations of the amount or likelihood of sustaining a position may change through the settlement process. Furthermore, the resolution of uncertain tax positions is not always within the control of the Group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve.

**Recoverability of deferred tax assets**

Deferred tax assets are recognized to the extent that it is probable that the assets will be realized. Significant judgement is required to determine the amount that can be recognized and depends foremost on the expected timing, level of taxable profits, tax planning strategies and the existence of taxable temporary differences. Estimates made relate primarily to losses carried forward in some of the Group's foreign operations. When an entity has a history of recent losses, the deferred tax asset arising from unused tax losses is recognized only to the extent that there is convincing evidence that sufficient future taxable profit will be generated. Estimated future taxable profit is not considered such evidence unless that entity has demonstrated the ability by generating significant taxable profit for the current year or there are certain other events providing sufficient evidence of future taxable profit. New transactions and the introduction of new tax rules may also affect judgements due to uncertainty concerning the interpretation of the rules and any transitional rules.

**Future legislative changes**

Pillar Two legislation has been substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning January 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The Group has applied the temporary mandatory exception to the requirement to recognize deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has accumulated US$6,904 of tax losses and US$122 of other tax attributes in various jurisdictions which can be carried-forward and taken into account for Pillar Two purposes.

## 9 SIGNIFICANT TRANSACTIONS

### SIGNIFICANT TRANSACTIONS IN 2023

**Completion of Sale of Russian operations**

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022.

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 equivalent of VEON Holdings bonds (based on applicable foreign exchange rates on the relevant purchase dates) in order to satisfy certain Russian regulatory obligations. VEON Holdings redeemed US$406 of these notes from VimpelCom following their maturity in September 2023.

Upon the completion of the sale of our Russian Operations, VEON Holdings bonds representing a nominal value of US$1,576 which were acquired by VimpelCom were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023) on a non cash basis resulting in no impact on our cash flows.

The remaining deferred consideration of US$72 as of December 31, 2023 was offset against VEON Holdings bonds acquired by VimpelCom representing a nominal value of US$72, in July 2024, in compliance with applicable regulatory licensing after receiving the relevant regulatory approvals. In addition, there was a US$11 receivable against the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction. Refer to Note 22 for further details.

The financial impact of the sale of our Russian operations is a loss of US$3,746 recorded within (Loss) / Profit after Tax from Discontinued Operations" in the Consolidated Income Statement, primarily due to US$3,414 of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Overall, the sale of the Russian Operations resulted in significant deleveraging of VEON's balance sheet. For further details, refer to Note 10.

**Agreement between Banglalink and Summit regarding the sale of its Bangladesh tower assets**

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit, for BDT 11 billion (US$97). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of 12 years, with up to seven optional renewal periods of 10 years each. The lease agreement became effective upon the closing of the sale.

As of November 15, 2023, the Bangladesh towers were classified as assets held for sale. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of the Bangladesh tower assets. As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97) net of cost of disposals containing legal, regulatory and investment bankers costs amounting BDT 855 million (US$8). The consideration was receivable as of December 31, 2023, and payment was subsequently received in January 2024 upon the final completion date under the terms of the APA. As a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34), right-of-use assets of BDT 550 million (US$5) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9) and lease liabilities of BDT 6 billion (US$52) based on a 12 year lease term, which are at market rates. Additional right-of-use assets and lease liabilities of BDT 4 billion (US$40) were recognized for total right-of-use assets of BDT 5 billion (US$45) and total lease liabilities of BDT 10 billion (US$92).

**Significant movements in exchange rates**

An increase in demand for hard currencies, in part due to the ongoing war in Ukraine (refer to Note 23) and other macroeconomic conditions, resulted in the devaluation of exchange rates in the countries in which VEON operates, particularly in Pakistan and Russia. While the UAH to USD foreign exchange rate have been relatively stable during 2023 given the ongoing circumstances in Ukraine, there is a continued risk of a significant Ukrainian hryvnia ("UAH") to USD depreciation. This risk has been partially mitigated by investment of excess cash in USD denominated domestic Ukrainian sovereign bonds. Refer to Note 18 for further details on foreign currency risk and Note 16 for further details on the Ukrainian sovereign bonds. As such, in the twelve-months ended December 31, 2023, the book value of assets and liabilities of our foreign operations, in U.S. dollar terms, decreased significantly, with a corresponding loss of US$598 (2022:US$480) recorded against the foreign currency translation reserve in the consolidated statement of comprehensive income.

### SIGNIFICANT TRANSACTIONS IN 2022

**Announced sale of Russia operations**On November 24, 2022, VEON entered into an agreement to sell VEON's Russian operations to certain senior members of the management team of VimpelCom, led by the CEO at the time, Aleksander Torbakhov. Under the agreement, VEON will receive consideration of RUB 130 billion (approximately US$1,294). The SPA contains provisions amongst others that in the event Vimpelcom acquires VEON Holdings B.V.'s debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction is subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (the United States, the United Kingdom, the European Union, and Bermuda) for the proposed structure of the sale. As of July 24, 2023, Russian regulatory approvals have been obtained as well as the OFAC license and required authorizations from the United Kingdom and Bermudan authorities. The remaining closing conditions to be satisfied include any required license from the European Union or any required consent from VEON creditors in order to cancel the debt provided as consideration and/or complete the sale. The transaction is expected to be completed in 2023.

As a result of the expected disposal, VEON has classified its Russian operations as held-for-sale and discontinued operations upon the signing of the agreement on November 24, 2022. In connection with this classification, the Company no longer accounts for depreciation and amortization expenses of the assets of its Russian operations. The results for Russian operations in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 were presented separately. For further details of the transaction, refer to Note 10.

**Sale of Algeria operations**

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algerie SpA (Algeria) to the Fonds National d'Investissement (FNI). Omnium owns Algerian mobile network operator, Djezzy. Under the terms of the shareholders' agreement, the transaction was completed on August 5, 2022 for a sales price of US$682 in cash. For further details of the transaction, refer to Note 10.

**Sale of Georgia operations**

On March 31, 2022, VEON Georgia Holdings B.V. entered into a non-binding share purchase agreement with Miren Invest LLC ("Miren"), VEON's former local partner, for the sale of VEON Georgia LLC ("VEON Georgia"), our operating company in Georgia, for a sales price of US$45 in cash, subject to VEON corporate approvals and regulatory approvals. The required approvals were subsequently obtained and the sale was completed on June 8, 2022.

On June 8, 2022, upon completion of the sale to Miren, control of VEON Georgia was transferred to Miren and VEON recognized a US$94 gain on disposal of VEON Georgia, which includes the recycling of currency translation reserve in the amount of US$78.

### Significant movements in exchange rates

An increase in demand for hard currencies, in part due to the ongoing war in Ukraine as well as macroeconomic conditions in Pakistan and Bangladesh, resulted in the devaluation of exchange rates in the countries in which VEON operates. As such, in 2022, the book value of assets and liabilities of our foreign operations, in U.S. dollar terms, decreased significantly, with a corresponding loss of US$486 recorded against the foreign currency translation reserve in the Statement of Comprehensive Income.

## 10 HELD FOR SALE AND DISCONTINUED OPERATIONS

The following table provides the details of assets and liabilities classified as held-for-sale as of December 31, 2023 and 2022:

| | Assets held-for-sale | | Liabilities held-for-sale | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Russia | — | 5,793 | — | 4,249 |
| Ukraine towers | — | 3 | — | — |
| **Total assets and liabilities held for sale** | — | **5,796** | — | **4,249** |

The following table provides the details of loss after tax from discontinued operations and disposals of discontinued operations for the periods ended December 31:

| | 2023 | 2022 |
|---|---|---|
| Russia | | |
| Profit / (loss) after tax for the period | 916 | (161) |
| Loss on disposal | (3,746) | — |
| Algeria | | |
| Profit after tax for the period | — | 144 |
| Loss on disposal | — | (722) |
| **Total loss after tax from discontinued operations and disposals of discontinued operations** | **(2,830)** | **(739)** |

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**Sale of Russia operations**

On November 24, 2022, VEON entered into the Share Purchase Agreement ("SPA") to sell VEON's Russian operations to certain senior members of the management team of VimpelCom, led by the CEO at the time, Aleksander Torbakhov. Under the agreement, the purchase price consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023), was expected to be settled primarily by VimpelCom taking on and discharging certain VEON Holdings B.V.'s debt, thus significantly deleveraging VEON's balance sheet. The SPA contained provisions amongst others that in the event Vimpelcom acquires VEON Holdings B.V.'s debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction was subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (the United States, the United Kingdom, the European Union, and Bermuda) for the proposed structure of the sale.

On November 24, 2022, the signing date of the SPA, the Company classified its Russian operations as a disposal group held-for-sale and discontinued operations. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of Russia's assets.

On September 13, 2023, VEON agreed with the buyer, owned by certain senior members of VimpelCom's management team, amendments to the SPA, which had no material impact on the economic terms of the original transaction announced on November 24, 2022. With the amendments to the sale agreement, the entire consideration for the sale was agreed to be satisfied by transferring the agreed value of VEON Holdings bonds acquired by VimpelCom to a wholly owned subsidiary of VEON Holdings (Unitel LLC) on or prior to the closing of the sale, which will hold such notes until their cancellation or maturity. U.S. and other regulatory approvals were received for the transfer of approximately 95% of such VEON Holdings bonds.

During the year ended 31 December 2023, VimpelCom independently purchased US$2,140 equivalent of the Issuer's debt securities in order to satisfy certain Russian regulatory obligations.

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. Upon completion of the sale, control of VimpelCom was transferred to the buyer, and accordingly, a loss of US$3.7 billion recorded within "Profit / (loss) after Tax from Discontinued Operations" in the Consolidated Income Statement was recognized, primarily due to US$3.4 billion of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. VEON Holdings redeemed US$406 of these debt securities from VimpelCom following their maturity. Upon the completion of the sale, the agreed amount of the bonds of VEON Holdings B.V., a wholly owned subsidiary of the Company, ("VEON Holdings"), acquired by VimpelCom representing a nominal value of US$1,576 were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023) on a non cash basis resulting in no impact on the cash flows. The remaining deferred consideration of US$72 as of December 31, 2023 was offset against VEON Holdings bonds acquired by VimpelCom representing a nominal value of US$72, in July 2024 after receiving the relevant regulatory approval.

The following table shows the assets and liabilities disposed in 2023 and classified as held-for-sale relating to Russia operations as of:

| | October 9, 2023 | December 31, 2022 |
|---|---|---|
| Property and equipment | 3,216 | 3,941 |
| Intangible assets excl. goodwill | 386 | 356 |
| Goodwill | 155 | 617 |
| Deferred tax assets | 72 | 78 |
| Other non-current assets | 1,328 | 50 |
| | | |
| Inventories | 53 | 113 |
| Trade and other receivables | 287 | 368 |
| Other current assets | 839 | 270 |
| **Total assets disposed / held for sale** | **6,336** | **5,793** |
| | | |
| Non-current liabilities | | |
| Debt and Derivatives – NCL | 3,641 | 2,888 |
| Other non-current liabilities | 26 | 64 |
| | | |
| Current liabilities | | |
| Trade and other payables | 494 | 708 |
| Debt & Derivatives – CL | 233 | 306 |
| Other non-financial liabilities | 300 | 283 |
| **Total liabilities disposed / held for sale** | **4,694** | **4,249** |

The following table shows the profit / (loss) and other comprehensive income relating to Russia operations for the periods ended December 31 and as of date of disposal:

| **Income statement and statement of comprehensive income** | **October 9, 2023** | **2022** |
|---|---|---|
| Operating revenue | 2,780 | 4,263 |
| Operating expenses ** | (1,865) | (3,976) |
| Other expenses | 42 | (424) |
| Profit / (loss) before tax for the period | 957 | (137) |
| Income tax expense | (41) | (24) |
| Profit / (loss) after tax for the period | 916 | (161) |
| | | |
| Other comprehensive loss* | (421) | (29) |
| Total comprehensive income / (loss) | 495 | (190) |

**Other comprehensive loss relates to the foreign currency translation of discontinued operations.*

*** In 2023, operating expenses includes an impairment of US$281 (2022:US$446) against the carrying value of goodwill in Russia.*

The following table shows the results for the disposal of the Russia operations that are accounted for in these financials as of December 31, 2023:

| | 2023 |
|---|---|
| Sale consideration * | 1,294 |
| Carrying amount of net assets at disposal ** | (1,642) |
| De-recognition of non-controlling interest | 16 |
| **Loss on sale before reclassification of foreign currency translation reserve** | **(332)** |
| Reclassifications of: | |
| foreign currency translation reserve | (3,384) |
| net investment hedge reserves | (30) |
| | **(3,414)** |
| **Net loss on disposal of Russia operations** | **(3,746)** |

*As discussed above, the sale consideration was settled in a non-cash transaction via the transfer of bonds held by Vimpelcom to VEON Holdings' subsidiary.

** Net assets include US$715 relating to cash and cash equivalents at disposal.

**Russia impairment losses 2023**

As of June 30, 2023, assets and liabilities held-for-sale were assessed for impairment in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and valued at the lower of their carrying value and fair value less costs to sell. VEON recorded an impairment of US$281 against the carrying value of goodwill in Russia, resulting in a reduced carrying value of US$168 at the reporting date of which the VEON share amounts to US$152, excluding non-controlling interest.

The recoverable amount of the net assets held for sale of US$152 as of June 30, 2023 was determined based on the fair value less costs of disposal and represents the remaining portion of the sales proceeds as per SPA (Level 2 in the fair value hierarchy). This equates to the value of the VEON bonds remaining to be purchased by VimpelCom to reach the sales consideration of RUB 130 billion.

As of September 30, 2023, the carrying value of Russian net assets amounted to US$(165) due to increased external debt. The VEON share of net assets amounted to US$(179), excluding non-controlling interest. The sales proceeds as per the SPA of RUB 130 billion was fully settled upon closing against the receivable held by Vimpelcom for the VEON bonds acquired by VimpelCom and subsequently transferred to Unitel LLC. Therefore, the recoverable amount of the net assets, being the remaining portion of the sales proceeds as per SPA (Level 2 in the fair value hierarchy) to be settled against the net assets, amounted to nil. No further impairment or reversal was recorded.

**Russia impairment losses 2022**

The war between Russia and Ukraine started on February 24, 2022 and has impacted our operations in Russia.

In response to the events in Ukraine, wide-ranging economic sanctions and trade restrictions were imposed on Russia by the United States, the European Union (and individual EU member states), the United Kingdom, as well as other countries which have targeted individuals and entities as well as large aspects of the Russian economy, including freezing the assets of Russia's central bank, other Russian financial institutions, and individuals, removing selected Russian banks from the Swift banking system, and curbing certain products exported to Russia. Furthermore, as a response to the imposed sanctions, Russia introduced a number of counter-sanctions aimed at stabilizing domestic financial markets. These, among other things, include restrictions related to capital and foreign exchange controls, restrictions on lending to foreign (non-Russian) persons, restrictions on foreign persons' transactions with Russian securities and real estate and limitations on export and import of certain goods into and outside Russia.

The above factors indicated a trigger that carrying value might be impaired and resulted in an impairment of US$446 against the carrying value of goodwill in Russia as of March 31, 2022, of which, the recoverable amount of the CGU was US$1,886. This was determined based on fair value less costs of disposal calculations (Level 3 in the fair value hierarchy) using a discounted cash flow model, based on cash flow projections from business plans prepared by management.

| Key assumptions – Russia CGU | March 31, 2022 ***<br>Explicit forecast period | <br>Terminal period | <br>Combined average * | September 30, 2021<br>Explicit forecast period | <br>Terminal period | <br>Combined average * |
|---|---|---|---|---|---|---|
| Discount rate | — % | — % | 20.5 % | — % | — % | 9.3 % |
| Average annual revenue growth rate | 6.2 % | 1.6 % | 5.5 % | 5.0 % | 1.6 % | 4.4 % |
| Average operating margin | 32.4 % | 35.0 % | 32.8 % | 33.2 % | 35.5 % | 33.6 % |
| Average CAPEX / revenue ** | 20.3 % | 18.0 % | 19.9 % | 25.4 % | 21.0 % | 24.7 % |

** Combined average for 2022 is based on an explicit forecast period consisting of five years forecast plus the latest estimate for 2022 (2022-2027), and terminal period in 2028 (for 2020 being 2021-2025 with terminal period 2026); for comparative period 2021 the rates were revised to conform the calculation being 2022-2026 and terminal period in 2027.*

*** CAPEX excludes licenses and ROU assets.*

**** The growth rates as of March 31, 2022, in the explicit forecast period and the combined average, were revised to conform the growth rates applied in the calculation of the recoverable amount in the first quarter of 2022.*

The fair value less cost of disposal for Russian operations as of September 30, 2022 (date of the annual impairment test) was based on the expected sales proceeds from third party bids which have been substantiated by the share price consideration of RUB 130 billion (approximately US$1,294 million) reflected in the SPA signed on November 24, 2022 (Level 2 in the fair value hierarchy). The fair value represented by the SPA exceeded the carrying value of the Russia CGU as of September 30, 2022, therefore no impairment was recorded. There were no triggering events indicating any impairment or decline in the fair value of Russian operations subsequent to its measurement as held for sale and discontinued operations.

**Exercised Put option to sell entirety stake in Omnium Telecom Algerie SpA**

On July 1, 2021, VEON exercised its put option to sell the entirety of its 45.57% stake in its Algerian subsidiary, Omnium Telecom Algerie SpA (Algeria) to the Fonds National d'Investissement (FNI). Omnium owns Algerian mobile network operator, Djezzy. Under the terms of the Shareholders' Agreement, the transaction was completed on August 5, 2022 for a cash sale price of US$682 and control of Algeria was transferred to FNI. Refer to the table below for the results of the transaction.

On July 1, 2021, the Company classified its operations in Algeria as held-for-sale and discontinued operations. Following the classification as a disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of Algeria assets. On August 5, 2022, the sale was completed and the net assets were disposed. The results for Algeria in the consolidated income statements and the consolidated statements of cash flows for 2022, 2021 and 2020 have been presented separately.

The following table shows the assets and liabilities disposed in 2022 and classified as held-for-sale relating to Algeria as of:

| | **August 5, 2022** | **December 31, 2021** |
|---|---|---|
| Property and equipment | 555 | 527 |
| Intangible assets excl. goodwill | 120 | 111 |
| Goodwill | 953 | 1,001 |
| Deferred tax assets | 35 | 35 |
| Other current assets | 234 | 172 |
| Total assets disposed / held for sale | 1,897 | 1,846 |
| Non-current liabilities | 91 | 106 |
| Current liabilities | 276 | 286 |
| Total liabilities disposed / held for sale | 367 | 392 |

The following table shows the profit and other comprehensive income relating to Algeria operations for the periods ended:

| Income statement and statement of comprehensive income | August 5, 2022 | December 31, 2021 |
|---|---|---|
| Operating revenue | 378 | 659 |
| Operating expenses | (212) | (470) |
| Other expenses | (7) | (17) |
| Profit / (loss) before tax for the period | 159 | 172 |
| Income tax benefit / (expense) | (15) | (21) |
| Profit / (loss) after tax for the period | 144 | 151 |
| | | |
| Other comprehensive income / (loss)* | (65) | (68) |
| Total comprehensive income / (loss) | 79 | 83 |

**Other comprehensive income is relating to the foreign currency translation of discontinued operations.*

The following table shows the results for the disposal of the Algeria operations that are accounted for in these financials as of December 31, 2022:

| | 2022 |
|---|---|
| Consideration received in cash | 682 |
| Carrying amount of net assets at disposal * | (1,530) |
| De-recognition of non-controlling interest | 823 |
| Loss on sale before reclassification of foreign currency translation reserve | (25) |
| Reclassification of foreign currency translation reserve | (697) |
| **Net loss on disposal of Algeria operations** | **(722)** |

*Net assets include US$175 relating to cash and cash equivalents at disposal

## ACCOUNTING POLICIES

Non-current assets (or disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction or loss of control rather than through continuing use, and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Assets and liabilities of a disposal group classified as held-for-sale are presented separately from the other assets and liabilities in the statement of financial position without restating the prior period comparatives.

A discontinued operation is a component that is classified as held-for-sale and that represents a separate major line of business or geographical area of operations. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in the income statement and cash flow statement within operating, investing and financing activities in the current period and comparative periods. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

## 11 IMPAIRMENT OF ASSETS

Property and equipment and intangible assets are tested regularly for impairment. The Company assesses, at the end of each reporting period, whether there exists any indicators that an asset may be impaired (i.e., asset becoming idle, damaged or no longer in use). If there are such indicators, the Company estimates the recoverable amount of the asset. Impairment losses of continuing operations are recognized in the income statement in a separate line item.

Goodwill is tested for impairment annually (at September 30) or when circumstances indicate the carrying value may be impaired. Refer to Note 13 for an overview of the carrying value of goodwill per cash-generating unit ("CGU"). The Company's impairment test is primarily based on fair value less cost of disposal calculations (Level 3 in the fair value hierarchy) using a discounted cash flow model, based on cash flow projections from business plans prepared by management. The Company considers the relationship between its market capitalization and its book value, as well as its weighted average cost of capital and the quarterly financial performances of each CGU when reviewing for indicators of impairment in interim periods.

The CGUs classified as Assets Held for Sale and Discontinued Operation during 2023 are disclosed in Note 10, including any current or past impairment charges recorded for these CGUs.

**Impairment losses / (reversals) in 2023**

| | Property and equipment | Total impairment |
|---|---|---|
| **2023** | | |
| Ukraine | 1 | 1 |
| Other* | (9) | (9) |
| | **(8)** | **(8)** |

** This includes net impairment reversals on telecommunication equipment in Kazakhstan.*

The Company performed annual impairment testing of goodwill and for non-goodwill CGUs also tested assets for impairment as of September 30, 2023 and subsequently assessed for indicators of impairment or reversal of impairment as of December 31, 2023. CGU Bangladesh has limited headroom following the reversal of impairment in 2022 and is continuously monitored. Our assessment also considered the impact of the cyber-attack in December 2023 on our Ukrainian subsidiary, Kyivstar and the sale of the Bangladesh towers also in December 2023 and concluded that no impairment nor reversal of impairment was identified for any CGU. For further details of the Ukraine cyber-attack, refer to Note 1 and for details of the Bangladesh tower sale, refer to Note 9.

For details regarding the assessment of Russia and impairment of assets held for sale, refer to Note 10.

**Impairment losses / (reversals) in 2022**

| | Property and equipment | Intangible assets | Goodwill | Other | Total |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Bangladesh | (32) | (68) | — | — | (100) |
| Kyrgyzstan | (29) | (9) | — | (11) | (49) |
| Ukraine * | 31 | 1 | — | — | 32 |
| Other | 3 | (1) | — | — | 2 |
| | **(27)** | **(77)** | **—** | **(11)** | **(115)** |

**This includes net impairment to property and equipment as a result of physical damage to sites in Ukraine caused by the ongoing war between Russia and Ukraine.*

**Bangladesh CGU**

Bangladesh is a non-goodwill CGU, and therefore not subject to the mandatory annual impairment testing. However, in 2018 an impairment loss of US$451 was recognized against the value of the licenses and the network assets. The Company assessed if any indicators ("triggers") existed of an additional impairment or of a decrease of previous impairments and performed valuation tests to check if a further impairment or reversal of impairment was required.

The current business strategy focused on nation-wide expansion and the significant acquisition of the 4G license showed a continued revenue growth and balanced expansion of the subscriber base that were taken into account by management for business plans of the Bangladesh CGU.

Based on these revisions, the recoverable amount of US$474 was determined, establishing a headroom of US$119 above carrying value (US$355), of which an amount of US$100 was booked as a reversal of the impairment loss as per September 30, 2022.

The US$100 was reversed against intangible assets (US$68) and property and equipment (US$32). The remaining difference between the headroom and the amount of reversal of US$19 represents impairment related to assets that have been fully depreciated in the period since the impairment was recognized until September 30, 2022.

Bangladesh CGU is disclosed as Bangladesh reportable segment (refer to Note 2).

**Kyrgyzstan CGU**

Kyrgyzstan CGU, has no goodwill and is therefore not subject to the mandatory annual goodwill impairment testing. However, during 2020 as a consequence of the unstable political environment and uncertainties arising with respect to the recoverability of our operating assets in Kyrgyzstan, VEON fully impaired the carrying value of all operating assets of Kyrgyzstan. As a result, the Company recorded a total impairment loss of US$64.

As of September 30, 2022 the Company assessed triggers and performed valuation tests to check if a further impairment or reversal of impairment was required.

Based on this assessment, which reflected that the previous uncertainties were resolved through the acquisition of licenses and settlement of tax litigation, as of September 30, 2022 the recoverable amount of US$25 indicated a headroom of US$51. This has led to reversal of impairment loss as of September 30, 2022 for US$49 against property and equipment (US$29), intangible assets (US$9) and other assets (US$11). The remaining US$2 represents impairment related to assets that have been fully depreciated in the period since the impairment was recognized until September 30, 2022.

Kyrgyzstan CGU is disclosed within "Others" reportable segment (refer to Note 2).

## KEY ASSUMPTIONS

The recoverable amounts of CGUs have been determined based on fair value less costs of disposal calculations, using cash flow projections from business plans prepared by management.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGUs. These budgets and forecast calculations are prepared for a period of five years. A long-term growth rate is applied to projected future cash flows after the fifth year.

The tables below show key assumptions used in fair value less costs of disposal calculations for CGUs with material goodwill or those CGUs for which an impairment loss or an impairment reversal has been recorded.

### Discount rates

Discount rates are initially determined in U.S. dollars based on the risk-free rate for 20-year maturity bonds of the United States Treasury, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific CGU relative to the market as a whole.

The equity market risk premium is sourced from independent market analysts. The systematic risk, beta, represents the median of the raw betas of the entities comparable in size and geographic footprint with the ones of the Company (**"Peer Group"**). The country risk premium is based on an average default spread derived from sovereign credit ratings published by main credit rating agencies for a given CGU. The debt risk premium is based on the median of Standard & Poor's long-term credit rating of the Peer Group. The weighted average cost of capital is determined based on target debt-to-equity ratios representing the median historical five year capital structure for each entity from the Peer Group.

The discount rate in functional currency of a CGU is adjusted for the long-term inflation forecast of the respective country in which the business operates, as well as the applicable country's risk premium.

| | Discount rate (local currency) | |
|---|---|---|
| | **2023** | **2022** |
| Pakistan | 19.6 % | 19.5 % |
| Bangladesh | 13.9 % | 14.6 % |
| Kazakhstan | 12.9 % | 13.8 % |
| Kyrgyzstan | 17.0 % | 19.0 % |
| Uzbekistan | 14.7 % | 15.8 % |
| Ukraine | 20.8 % | 21.7 % |

### Revenue growth rates

The revenue growth rates during the forecast period vary based on numerous factors, including size of market, GDP (Gross Domestic Product), foreign currency projections, traffic growth, market share and others. A long-term growth rate in perpetuity is estimated based on a percentage that is lower than or equal to the country long-term inflation forecast, depending on the CGU.

| | Average annual revenue growth rate during forecast period[1] | | Terminal growth rate | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Pakistan | 16.5 % | 12.0 % | 4.0 % | 4.0 % |
| Bangladesh | 12.9 % | 12.6 % | 3.5 % | 3.5 % |
| Kazakhstan | 13.2 % | 12.3 % | 1.0 % | 1.0 % |
| Kyrgyzstan | 11.8 % | 11.4 % | 3.0 % | 3.0 % |
| Uzbekistan | 22.3 % | 19.3 % | 2.5 % | 2.5 % |
| Ukraine | 8.8 % | 8.6 % | 1.0 % | 1.0 % |

*[1]The forecast period is the explicit forecast period of five years: for 2023 being 2024-2028 with terminal period in 2029; for comparative period 2022 being 2023-2027 with terminal period in 2028.*

### Operating margin

The Company estimates operating margin on a pre-IFRS 16 basis (including lease expenses/payments), divided by Total Operating Revenue for each CGU and each future year. The forecasted operating margin is based on the budget and forecast calculations and assumes cost optimization initiatives which are part of on-going operations, as well as regulatory and technological changes known to date, such as telecommunication license issues and price regulation among others. Segment information in Note 2 is post-IFRS 16.

| | Average operating margin during the forecast period [1] | | Terminal period operating margin | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Pakistan | 43.6 % | 40.9 % | 40.0 % | 40.0 % |
| Bangladesh | 30.7 % | 32.6 % | 33.5 % | 36.3 % |
| Kazakhstan | 49.5 % | 49.2 % | 45.0 % | 45.0 % |
| Kyrgyzstan | 36.2 % | 36.7 % | 33.5 % | 33.7 % |
| Uzbekistan | 40.0 % | 43.6 % | 40.0 % | 41.0 % |
| Ukraine | 51.8 % | 51.2 % | 50.0 % | 50.0 % |

*[1]The forecast period is the explicit forecast period of five years: for 2023 being 2024-2028 with terminal period in 2029; for comparative period 2022 being 2023-2027 with terminal period in 2028.*

### CAPEX

CAPEX is defined as purchases of property and equipment and intangible assets excluding licenses, goodwill and right-of-use assets. The cash flow forecasts for capital expenditures are based on the budget and forecast calculations and include the network roll-outs plans and license requirements.

The cash flow forecasts for license and spectrum payments for each operating company for the initial five years include amounts for expected renewals and newly available spectrum. Beyond that period, a long-run cost related to spectrum and license payments is assumed. Payments for right-of-use assets are considered in the operating margin as described above.

| | Average CAPEX as a percentage of revenue during the forecast period[1] | | Terminal period1 CAPEX as a percentage of revenue | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Pakistan | 11.3 % | 15.8 % | 14.0 % | 16.0 % |
| Bangladesh | 17.6 % | 18.0 % | 17.0 % | 17.0 % |
| Kazakhstan | 16.0 % | 18.6 % | 17.5 % | 18.5 % |
| Kyrgyzstan | 17.7 % | 20.1 % | 21.0 % | 23.0 % |
| Uzbekistan | 22.1 % | 18.0 % | 20.0 % | 20.0 % |
| Ukraine | 19.1 % | 18.9 % | 20.0 % | 20.0 % |

[11]The forecast period is the explicit forecast period of five years: for 2023 being 2024-2028 with terminal period in 2029; for comparative period 2022 being 2023-2027 with terminal period in 2028.

## SENSITIVITY TO CHANGES IN ASSUMPTIONS

The following table pertains to the reversals of impairment recognized in 2022 and illustrates the potential change in reversal of impairment for the Bangladesh and Kyrgyzstan CGUs if certain key parameters would adversely change by one percentage point within both the explicit forecast and terminal periods ('+/- 1.0 pp').

Any additional adverse changes in the key parameters by more than one percentage point would change the amount of impairment reversal approximately proportionally.

| | Bangladesh | | Kyrgyzstan | |
|---|---|---|---|---|
| **Sensitivity analysis** | **Assumption used *** | **+/- 1.0 pp** | **Assumption used *** | **+/- 1.0 pp** |
| **Discount rate** | **14.6 %** | **15.6 %** | **19.0 %** | **20.0 %** |
| Change in key assumption | — p.p | 1.0 p.p | — p.p | 1.0 p.p |
| *Decrease in headroom* | — | *(42)* | — | — |
| **Average annual revenue growth rate** | **11.1 %** | **10.1 %** | **10.0 %** | **9.0 %** |
| Change in key assumption | — pp | (1.0) pp | — pp | (1.0) pp |
| *Decrease in headroom* | — | *(26)* | — | *(1)* |
| **Average operating margin** | **33.2 %** | **32.2 %** | **36.2 %** | **35.2 %** |
| Change in key assumption | — pp | (1.0) pp | — pp | (1.0) pp |
| *Decrease in headroom* | — | *(40)* | — | *(4)* |
| **Average CAPEX / revenue**** | **17.8 %** | **18.8 %** | **20.6 %** | **21.6 %** |
| Change in key assumption | — pp | 1.0 pp | — pp | 1.0 pp |
| *Decrease in headroom* | — | *(52)* | — | *(4)* |

** Combined average based on explicit forecast period of five years (2023-2027) and terminal period in 2028.*

*** CAPEX excludes licenses and ROU assets.*

## SOURCE OF ESTIMATION UNCERTAINTY

The Group has significant investments in property and equipment, intangible assets, and goodwill.

Estimating recoverable amounts of assets and CGUs must, in part, be based on management's evaluations, including the determination of the appropriate CGUs, the relevant discount rate, estimation of future performance, the revenue-generating capacity of assets, timing and amount of future purchases of property, equipment, licenses and spectrum, assumptions of future market conditions and the long-term growth rate into perpetuity (terminal value). In doing this, management needs to assume a market participant perspective. Changing the assumptions selected by management, in particular, the discount rate, capex intensity, operating margin and growth rate assumptions used to estimate the recoverable amounts of assets, could significantly impact the Group's impairment evaluation and hence results.

A significant part of the Group's operations is in countries with emerging markets. The political and economic situation in these countries may change rapidly and recession may potentially have a significant impact on these countries. On-going recessionary effects in the world economy, including geopolitical situations and increased macroeconomic risks impact our assessment of cash flow forecasts and the discount rates applied.

There are significant variations between different markets with respect to growth, mobile penetration, ARPU, market share and similar parameters, resulting in differences in operating margins. The future development of operating margins is important in the Group's impairment assessments.

## 12 PROPERTY AND EQUIPMENT

The following table summarizes the movement in the net book value of property and equipment for the years ended December 31:

| Net book value | Telecommunications equipment | Land, buildings and constructions | Office and other equipment | Equipment not installed and assets under construction | Right-of-use assets | Total |
|---|---|---|---|---|---|---|
| **As of January 1, 2022** | **3,827** | **149** | **407** | **451** | **1,871** | **6,705** |
| Additions | 67 | 7 | 23 | 659 | 585 | **1,341** |
| Disposals | (41) | (1) | (4) | (10) | (15) | **(71)** |
| Depreciation charge for the year | (378) | (6) | (29) | — | (151) | **(564)** |
| Divestment and reclassification as held for sale * | (1,987) | (80) | (314) | (235) | (1,393) | **(4,009)** |
| Impairment | (35) | (2) | — | (2) | (4) | **(43)** |
| Impairment reversal | 56 | 1 | 3 | 6 | 4 | **70** |
| Transfers | 522 | 5 | 14 | (542) | (5) | **(6)** |
| Modifications of right-of-use assets | — | — | — | — | 26 | **26** |
| Translation adjustment | (355) | (13) | (15) | (42) | (132) | **(557)** |
| **As of December 31, 2022** | **1,676** | **60** | **85** | **285** | **786** | **2,892** |
| Additions | 78 | 2 | 31 | 424 | 359 | **894** |
| Disposals | (1) | — | — | 4 | (28) | **(25)** |
| Depreciation charge for the year | (346) | (5) | (25) | (1) | (171) | **(548)** |
| Divestment and reclassification as held for sale * | (13) | — | (1) | — | — | **(14)** |
| Impairment | (3) | — | — | (2) | — | **(5)** |
| Impairment reversal | 2 | — | — | 10 | 1 | **13** |
| Transfers | 445 | 7 | 12 | (479) | — | **(15)** |
| Modifications of right-of-use assets | — | — | — | — | 29 | **29** |
| Translation adjustment | (180) | (4) | (5) | (19) | (64) | **(272)** |
| **As of December 31, 2023** | **1,658** | **60** | **97** | **222** | **912** | **2,949** |
| Cost | 4,391 | 136 | 375 | 238 | 1,361 | **6,501** |
| Accumulated depreciation and impairment | (2,733) | (76) | (278) | (16) | (449) | **(3,552)** |

** This relates to the classification of Russia as held-for-sale and discontinued operations as explained in Note 10.*

There were no material changes in estimates related to property and equipment in 2023. During 2022, there were impairment reversals for Bangladesh US$(32) and Kyrgyzstan of US$(29) and impairment of equipment as a result of physical damages to sites in Ukraine (US$35) caused by the ongoing war between Russia and Ukraine (refer to Note 11).

During 2023, VEON acquired property and equipment in the amount of US$291 (2022: US$306), which were not paid for as of year-end.

Property and equipment pledged as security for bank borrowings amounts to US$575 as of December 31, 2023 (2022: US$688), and primarily relate to liens securing borrowings of PMCL.

The following table summarizes the movement in the net book value of right-of-use assets (**"ROU"**) for the year ended December 31:

| **Net book value** | **ROU - Telecommunicatio ns Equipment** | **ROU - Land, Buildings and Constructions** | **ROU - Office and Other Equipment** | **Total** |
|---|---|---|---|---|
| **As of January 1, 2022** | **1,608** | **257** | **6** | **1,871** |
| Additions | 573 | 12 | — | 585 |
| Disposals | (12) | (3) | — | (15) |
| Depreciation charge for the year | (137) | (12) | (2) | (151) |
| Divestment and reclassification as held for sale | (1,175) | (216) | (2) | (1,393) |
| Impairment | (4) | — | — | (4) |
| Impairment reversal | — | 4 | — | 4 |
| Transfers | (4) | (1) | — | (5) |
| Modifications and reassessments | 20 | 6 | — | 26 |
| Translation adjustment | (126) | (6) | — | (132) |
| **As of December 31, 2022** | **743** | **41** | **2** | **786** |
| Additions | 311 | 33 | 15 | 359 |
| Disposals | (25) | (3) | — | (28) |
| Depreciation charge for the year | (156) | (13) | (2) | (171) |
| Impairment reversal | 1 | — | — | 1 |
| Transfers | 1 | (1) | — | — |
| Modifications and reassessments | 27 | 5 | (3) | 29 |
| Translation adjustment | (61) | (3) | — | (64) |
| **As of December 31, 2023** | **841** | **59** | **12** | **912** |
| Cost | 1,246 | 98 | 17 | 1,361 |
| Accumulated depreciation and impairment | (405) | (39) | (5) | (449) |

## COMMITMENTS

Capital commitments for the future purchase of equipment are as follows as of December 31:

| | **2023** | **2022** |
|---|---|---|
| Less than 1 year | 139 | 272 |
| **Total commitments** | **139** | **272** |

**Capital commitments arising from telecommunications licenses**

VEON’s ability to generate revenue in the countries it operates is dependent upon the operation of the wireless telecommunications networks authorized under its various licenses for GSM-900/1800, “3G” (UMTS / WCDMA) mobile radiotelephone communications services and “4G” (LTE).

Under the license agreements, operating companies are subject to certain commitments, such as territory or population coverage, level of capital expenditures and number of base stations to be fulfilled within a certain timeframe. If we are found to be involved in practices that do not comply with applicable laws or regulations, we may be exposed to significant fines, the risk of prosecution or the suspension or loss of our licenses, frequency allocations, authorizations or various permissions, any of which could harm our business, financial condition, results of operations or cash flows.

After expiration of the license, our operating companies might be subject to additional payments for renewals, as well as new license capital and other commitments.

## ACCOUNTING POLICIES

Property and equipment is stated at cost, net of any accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The useful life of VEON's assets generally fall within the following ranges:

| Class of property and equipment | Useful life |
|---|---|
| Telecommunication equipment | 3 – 30 years |
| Buildings and constructions | 10 – 50 years |
| Office and other equipment | 2 – 10 years |
| Right-of-use assets | Equivalent lease term |

Each asset's residual value, useful life and method of depreciation is reviewed at the end of each financial year and adjusted prospectively, if necessary.

Where applicable, the Company has applied sale and leaseback accounting principles, whereas the right-of-use asset arising from the leaseback is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by VEON. Accordingly, VEON recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

## SOURCE OF ESTIMATION UNCERTAINTY

**Depreciation and amortization of non-current assets**

Depreciation and amortization expenses are based on management estimates of useful life, residual value and amortization method of property and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortization or depreciation charges. Technological developments are difficult to predict and our views on the trends and pace of developments may change over time. Some of the assets and technologies in which the Group invested several years ago are still in use and provide the basis for new technologies.

The useful lives of property and equipment and intangible assets are reviewed at least annually, taking into consideration the factors mentioned above and all other relevant factors. Estimated useful lives for similar types of assets may vary between different entities in the Group due to local factors such as growth rate, maturity of the market, historical and expected replacements or transfer of assets and quality of components used. Estimated useful life for right-of-use assets is directly impacted by the equivalent lease term, refer to Note 16 for more information regarding Source of estimation uncertainty for lease terms.

## 13 INTANGIBLE ASSETS

The following table summarizes the movement in the net book value of intangible assets for the years ended December 31:

| Net book value | Telecommunication licenses, frequencies & permissions | Software | Brands and trademarks | Customer relationships | Other intangible assets | Goodwill | Total |
|---|---|---|---|---|---|---|---|
| **As of January 1, 2022** | **1,202** | **342** | **14** | **98** | **22** | **1,542** | **3,220** |
| Additions | 525 | 73 | 1 | 2 | 19 | 10 | **630** |
| Disposals | (5) | (3) | — | — | — | — | **(8)** |
| Amortization charge for the year | (139) | (68) | (3) | (8) | — | — | **(218)** |
| Reclassification as held for sale | (84) | (150) | (2) | (21) | (21) | (1,084) | **(1,362)** |
| Transfer | — | 3 | — | — | (3) | — | **—** |
| Translation adjustment | (241) | (37) | (3) | (17) | (14) | (74) | **(386)** |
| Impairment reversal | 75 | 2 | — | — | — | — | **77** |
| **As of December 31, 2022** | **1,333** | **162** | **7** | **54** | **3** | **394** | **1,953** |
| Additions | 4 | 89 | — | — | 5 | — | **98** |
| Amortization charge for the year | (131) | (64) | (3) | (6) | (1) | — | **(205)** |
| Transfer | (1) | 7 | — | — | (1) | — | **5** |
| Translation adjustment | (180) | (8) | — | (6) | — | (45) | **(239)** |
| **As of December 31, 2023** | **1,025** | **186** | **4** | **42** | **6** | **349** | **1,612** |
| *Cost* | *1,915* | *526* | *165* | *278* | *7* | *1,298* | ***4,189*** |
| *Accumulated amortization and impairment* | *(890)* | *(340)* | *(161)* | *(236)* | *(1)* | *(949)* | ***(2,577)*** |

During 2023, there were no material changes in estimates related to intangible assets. During 2022 a reversal of impairment as described in Note 11 of US$(77) was recognized.

During 2023, VEON acquired intangible assets in the amount of US$33 (2022: US$266), which were not yet paid for as of year-end.

### GOODWILL

During the year, the movement in goodwill for the Group, per CGU**,** consisted of the following:

| CGU* | December 31, 2023 | Translation adjustment | January 1, 2023 |
|---|---|---|---|
| Pakistan | 179 | (44) | 223 |
| Kazakhstan | 129 | 2 | 127 |
| Ukraine | 10 | — | 10 |
| Uzbekistan | 31 | (3) | 34 |
| **Total** | **349** | **(45)** | **394** |

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

| CGU* | December 31, 2022 | Translation adjustment | Addition | Reclassification as held for sale | January 1, 2022 |
|---|---|---|---|---|---|
| Russia | — | — | — | (1,084) | 1,084 |
| Pakistan | 223 | (64) | — | — | 287 |
| Kazakhstan | 127 | (9) | — | — | 136 |
| Ukraine | 10 | — | 10 | — | — |
| Uzbekistan | 34 | (1) | — | — | 35 |
| **Total** | **394** | **(74)** | **10** | **(1,084)** | **1,542** |

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

## COMMITMENTS

Capital commitments for the future purchase of intangible assets are as follows as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Less than 1 year | 9 | 13 |
| **Total commitments** | **9** | **13** |

## ACCOUNTING POLICIES

Intangible assets acquired separately are carried at cost less accumulated amortization and impairment losses.

Intangible assets with a finite useful life are generally amortized with the straight-line method over the estimated useful life of the intangible asset. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least annually and fall within the following ranges:

| Class of intangible asset | Useful life |
|---|---|
| Telecommunications licenses, frequencies and permissions | 3 - 20 years |
| Software | 3 - 10 years |
| Brands and trademarks | 3 - 15 years |
| Customer relationships | 10 - 21 years |
| Other intangible assets | 4 - 10 years |

Goodwill is recognized for the future economic benefits arising from net assets acquired that are not individually identified and separately recognized. Goodwill is not amortized but is tested for impairment annually and as necessary when circumstances indicate that the carrying value may be impaired. See Note 11 for further details.

## SOURCE OF ESTIMATION UNCERTAINTY

Refer also to Note 12 for further details regarding source of estimation uncertainty.

**Depreciation and amortization of non-current assets**

Estimates in the evaluation of useful lives for intangible assets include, but are not limited to, the estimated average customer relationship based on churn, the remaining license or concession period and the expected developments in technology and markets.

The actual economic lives of intangible assets may be different than estimated useful lives, thereby resulting in a different carrying value of intangible assets with finite lives. We continue to evaluate the amortization period for intangible assets with finite lives to determine whether events or circumstances warrant revised amortization periods. A change in estimated useful lives is a change in accounting estimate, and depreciation and amortization charges are adjusted prospectively.

## 14 INVESTMENTS IN SUBSIDIARIES

The Company held investments in material subsidiaries as of December 31 as detailed in the table below. The equity interest presented represents the economic rights available to the Company.

| Name of significant subsidiary | Country of incorporation | Nature of subsidiary | Equity interest held by the Group 2023 | Equity interest held by the Group 2022 |
|---|---|---|---|---|
| PJSC VimpelCom* | Russia | Operating | — % | 100.0 % |
| JSC "Kyivstar"** | Ukraine | Operating | 100.0 % | 100.0 % |
| LLP "KaR-Tel" | Kazakhstan | Operating | 75.0 % | 75.0 % |
| LLC "Unitel" | Uzbekistan | Operating | 100.0 % | 100.0 % |
| VEON Finance Ireland Designated Activity Company | Ireland | Holding | 100.0 % | 100.0 % |
| LLC "Sky Mobile" | Kyrgyzstan | Operating | 50.1 % | 50.1 % |
| VEON Luxembourg Holdings S.à r.l. | Luxembourg | Holding | 100.0 % | 100.0 % |
| VEON Luxembourg Finance Holdings S.à r.l. | Luxembourg | Holding | 100.0 % | 100.0 % |
| VEON Luxembourg Finance S.A. | Luxembourg | Holding | 100.0 % | 100.0 % |
| Global Telecom Holding S.A.E | Egypt | Holding | 99.6 % | 99.6 % |
| Pakistan Mobile Communications Limited | Pakistan | Operating | 100.0 % | 100.0 % |
| Banglalink Digital Communications Limited | Bangladesh | Operating | 100.0 % | 100.0 % |

* Until the date of sale of Russia on October 9, 2023, the Group had concluded that it controls VimpelCom, see 'Significant accounting judgements' below for further details.

** Based on the development with respect to the freezing of VEON's corporate rights in Kyivstar as discussed in Note 1, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over Kyivstar and concluded that, under the requirements of relevant reporting standards, VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.

Certain of the Group's subsidiaries are subject to restrictions that impact their ability to distribute dividends. For example, the Group faces certain restrictions from paying dividends where it is subject to withholding tax, primarily in Pakistan, Kazakhstan and Uzbekistan. The total amount of dividend restrictions amounts to US$254 (2022: US$229).

### MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests (**"NCIs"**) is provided below:

| Name of significant subsidiary | Equity interest held by NCIs 2023 | Equity interest held by NCIs 2022 | Book values of material NCIs 2023 | Book values of material NCIs 2022 | Profit attributable to material NCIs 2023 | Profit attributable to material NCIs 2022 |
|---|---|---|---|---|---|---|
| LLP "KaR-Tel" ("Kar-Tel") | 25.0 % | 25.0 % | 94 | 85 | 50 | 31 |
| Omnium Telecom Algérie S.p.A. ("OTA") | — % | — % | — | — | — | 21 |

The summarized financial information of these subsidiaries before intercompany eliminations for the years ended December 31 is detailed below.

### Summarized income statement

| | Kar-Tel 2023 | Kar-Tel 2022 |
|---|---|---|
| Operating revenue | 692 | 571 |
| Operating expenses | (423) | (403) |
| Other expenses | (11) | (12) |
| **Profit before tax** | 258 | 156 |
| Income tax expense | (57) | (33) |
| **Profit for the year** | 201 | 123 |
| **Total comprehensive income** | 201 | 123 |
| Attributed to NCIs | 50 | 31 |

### Summarized statement of financial position

| | Kar-Tel | |
|---|---|---|
| | 2023 | 2022 |
| Property and equipment | 455 | 327 |
| Intangible assets | 188 | 178 |
| Other non-current assets | 37 | 39 |
| Trade and other receivables | 39 | 34 |
| Cash and cash equivalents | 68 | 43 |
| Other current assets | 24 | 27 |
| Debt and derivatives | (210) | (97) |
| Provisions | (10) | (9) |
| Other liabilities | (216) | (204) |
| **Total equity** | 375 | 338 |
| **Attributed to:** | | |
| Equity holders of the parent | 281 | 253 |
| Non-controlling interests | 94 | 85 |

**Summarized statement of cash flows**

| | Kar-Tel | |
|---|---|---|
| | 2023 | 2022 |
| Net operating cash flows | 308 | 243 |
| Net investing cash flows | (117) | (127) |
| Net financing cash flows | (166) | (117) |
| Net foreign exchange difference | — | (3) |
| **Net increase / (decrease) in cash equivalents** | 25 | (4) |

## SIGNIFICANT ACCOUNTING JUDGEMENTS

### Control over subsidiaries

Subsidiaries, which are those entities over which the Company is deemed to have control, are consolidated. In certain circumstances, significant judgement is required to assess if the Company is deemed to have control over entities where the Company's ownership interest does not exceed 50%.

## 15 OTHER NON-OPERATING GAIN, NET

Other non-operating gains, net consisted of the following for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| Change of fair value of other derivatives | (1) | 10 |
| Gain from money market funds | 75 | 29 |
| Loss from other financial assets | (48) | — |
| Other losses | (12) | (13) |
| **Other non-operating gain, net** | **14** | **26** |

The Loss from other financial assets relates to impairment of receivable with respect to repurchase of VEON Holdings debt. Refer to Note 16.

## 16 INVESTMENTS, DEBT AND DERIVATIVES

## INVESTMENTS AND DERIVATIVES

The Company holds the following investments and derivatives assets as of December 31:

| | Carrying value | |
|---|---|---|
| | **2023** | **2022** |
| **At fair value** | | |
| Other investments | 11 | 21 |
| | **11** | **21.00** |
| **At amortized cost** | | |
| Loans granted to (subsidiaries of) the ultimate parent | 1,770 | 1,876 |
| Security deposits and cash collateral | 103 | 63 |
| Bank deposits | 2 | — |
| Other investments | 333 | 63 |
| | **2,208** | **2,002** |
| **Total investments and derivatives** | **2,219** | **2,023** |
| Non-current | 1,790 | 1,431 |
| Current | 429 | 592 |

### Security deposits and cash collateral

Security deposits and cash collateral at amortized cost mainly consist of restricted bank deposits of US$39 (2022: US$49) and restricted cash of US$57 (2022: US$7) at our banking operations in Pakistan and our operating company in Ukraine, respectively.

### Other Investments

Other investments at fair value are measured at fair value through other comprehensive income and relate to investments held in Pakistan US$11 (2022: US$21).

Other investments at amortized cost include a US$64 (2022: US$54) loan granted by VIP Kazakhstan Holdings to minority shareholder Crowell Investments Limited, US$150 (2022: Nil) sovereign bonds held by our operating company in Ukraine, US$72 (2022: Nil) deferred receivable from sale of Russia and US$26 (2022: Nil) short term lending at our banking operations in Pakistan.

Loans granted to subsidiaries of the ultimate parent include Loans to VEON Amsterdam B.V. amounting US$1,604 (including principal and interest) at December 31, 2023 and are callable on demand. As of December 31, 2023, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date. In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

## DEBT AND DERIVATIVES

The Company holds the following outstanding debt and derivatives liabilities as of December 31:

| | Carrying value | |
|---|---|---|
| | **2023** | **2022** |
| **At fair value** | | |
| Derivatives not designated as hedges | 1 | — |
| | **1** | **0** |
| **At amortized cost** | | |
| Borrowing, of which | 3,707 | 6,670 |
| i) Principal amount outstanding | 3,559 | 6,670 |
| ii) Other Borrowings | 148 | — |
| Interest accrued | 84 | 102 |
| Discounts, unamortized fees, hedge basis adjustment | (6) | (8) |
| Bank loans and bonds | 3,785 | 6,764 |
| Loans received from subsidiaries of the ultimate parent | — | 305 |
| Lease liabilities | 1,078 | 875 |
| Other financial liabilities | 393 | 609 |
| | **5,256** | **8,553** |
| **Total debt and derivatives** | **5,257** | **8,553** |
| Non-current | 3,535 | 5,382 |
| Current | 1,722 | 3,171 |

Other borrowings includes long-term capex accounts payables US$88 (2022: Nil), deferred consideration of US$72 (2022: Nil) related to the sale of Russian operations and its related foreign currency exchange gain of US$12 (2022: Nil).

### Bank loans and bonds

The Company had the following principal amounts outstanding for interest-bearing loans and bonds at December 31:

| Borrower | Type of | Guarantor | Currency | Interest rate | Maturity | Principal amount outstanding 2023 | 2022 |
|---|---|---|---|---|---|---|---|
| VEON Holdings B.V. | Notes | None | USD | 5.95% | 2023 | — | 529 |
| VEON Holdings B.V. | Revolving Credit Facility | None | USD | SOFR + 1.50% | 2024 | 692 | 692 |
| VEON Holdings B.V. | Notes | None | USD | 7.25% | 2023 | — | 700 |
| VEON Holdings B.V. | Revolving Credit Facility | None | USD | SOFR + 1.50% | 2024 | 363 | 363 |
| VEON Holdings B.V. | Notes | None | USD | 4.95% | 2024 | — | 533 |
| VEON Holdings B.V. | Notes | None | USD | 4.00% | 2025 | 556 | 1,000 |
| VEON Holdings B.V. | Notes | None | RUB | 6.30% | 2025 | 102 | 284 |
| VEON Holdings B.V. | Notes | None | RUB | 6.50% | 2025 | 37 | 143 |
| VEON Holdings B.V. | Notes | None | RUB | 8.13% | 2026 | 15 | 284 |
| VEON Holdings B.V. | Notes | None | USD | 3.38% | 2027 | 1,093 | 1,250 |
| PMCL | Loan | None | PKR | 6M KIBOR + 0.55% | 2026 | 128 | 212 |
| PMCL | Loan | None | PKR | 6M KIBOR + 0.55% | 2028 | 53 | 66 |
| PMCL | Loan | None | PKR | 3M KIBOR + 0.55% | 2028 | | 22 |
| PMCL | Loan | None | PKR | 3M KIBOR + 0.60% | 2031 | 178 | 221 |
| PMCL | Loan | None | PKR | 6M KIBOR + 0.60% | 2032 | 142 | 132 |
| PJSC Kyivstar | Loan | None | UAH | 10.15% to 11.00% | 2023-2025 | — | 59 |
| Banglalink | Loan | None | BDT | Average bank deposit rate + 4.25% | 2027 | 81 | 110 |
| Banglalink | Loan | None | BDT | 7.00% to 12.00% | 2028 | 46 | — |
| KaR-Tel | Loan | None | KZT | 17.75% - 18.50 % | 2026 | 22 | — |
| Unitel LLC | Loan | None | UZS | 20% | 2025 | 12 | — |
| | Other bank loans and bonds | | | | | 187 | 70 |
| | **Total bank loans and bonds** | | | | | **3,707** | **6,670** |

## SIGNIFICANT CHANGES IN DEBT AND DERIVATIVES

**Reconciliation of cash flows from financing activities**

| | Bank loans and bonds | Lease liabilities | Total |
|---|---|---|---|
| **Balance as of January 1, 2022** | **7,641** | **2,691** | **10,332** |
| Cash flows | | | |
| Proceeds from borrowings, net of fees paid | 2,087 | — | **2,087** |
| Repayment of debt | (1,455) | (136) | **(1,591)** |
| Interest paid | (417) | (66) | **(483)** |
| Non-cash movements | | | |
| Interest and fee accruals | 399 | 60 | **459** |
| Lease additions, disposals, impairment and modifications | — | 628 | **628** |
| Held for sale - Note 10 | (10) | (2,134) | **(2,144)** |
| Foreign currency translation | (415) | (161) | **(576)** |
| Reclassification related to bank loans and bonds | (1,064) | — | (1,064) |
| Other non-cash movements | (2) | (7) | **(9)** |
| **Balance as of December 31, 2022** | **6,764** | **875** | **7,639** |
| Cash flows | | | |
| Proceeds from borrowings, net of fees paid | 194 | — | **194** |
| Repayment of debt | (1,014) | (141) | **(1,155)** |
| Interest paid | (383) | (111) | **(494)** |
| Non-cash movements | | | |
| Interest and fee accruals | 534 | 107 | **641** |
| Lease additions, disposals, impairment and modifications | — | 459 | **459** |
| Foreign currency translation | (276) | (82) | **(358)** |
| Reclassification related to bank loans and bonds* | (2,009) | — | **(2,009)** |
| Other non-cash movements | (25) | (29) | **(54)** |
| **Balance as of December 31, 2023** | **3,785** | **1,078** | **4,863** |

**This primarily relates to the purchase of VEON group debt, refer to discussion below.*

### FINANCING ACTIVITIES 2023

**VEON's Scheme of arrangement**

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes (the 5.95% notes due February 2023 and 7.25% notes due April 2023), the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme was approved by 97.59% of the Scheme creditors present and voting.

On January 30, 2023, VEON announced that the Scheme Sanction Hearing had taken place, at which the Court made an order sanctioning the Scheme in respect of VEON Holdings' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies. The amendments to the 2023 Notes were subject to the receipt of relevant licenses to become effective, at which time the maturity dates of the February 2023 and April 2023 notes would be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions had been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective.

Pursuant to the amendments, Noteholders were entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right was granted requiring VEON Holdings to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount ("2023 Put Option"), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US$165 of the October 2023 Notes and holders of US$294 of the December 2023 Notes exercising the 2023 Put Option. The aggregate put option premium paid was US$9. The 2023 Put Option was settled on April 26, 2023. The remaining October 2023 notes were repaid at maturity including an amendment fee of US$ 1. The notes maturing in December 2023 were called earlier and repaid on September 27, 2023, including an amendment fee of US$1.For further details, refer to further discussion in Note 16.

**Purchase of VEON Group Debt**

During the year ended December 31, 2023, VimpelCom independently purchased US$2,140 equivalent of VEON Holdings B.V. Notes in order to satisfy certain Russian regulatory obligations. Upon such purchase by VimpelCom, these Notes were reclassified to intercompany debt with an equivalent reduction in gross debt for VEON Group. Out of these Notes, US$1,576 equivalent Notes were offset against the purchase price and any notes outstanding at closing were transferred to a wholly owned subsidiary of VEON Holdings B.V. and US$406 equivalent Notes were settled at maturity, while US$72 equivalent of VEON Holding B.V. Notes were held by VimpelCom as deferred consideration pending the receipt of an amended OFAC license. Upon receipt of the license, these remaining US$72 equivalent Notes were transferred to the wholly owned subsidiary of VEON Holdings B.V. to offset the remaining deferred purchase price for VimpelCom. This was completed early July 2024. As of December 31, 2023, US$1,005 of the notes transferred to Unitel LLC (wholly owned subsidiary) remained outstanding.

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

On April 20, 2023, and May 30, 2023, the outstanding amounts under our RCF facility were rolled over until October 2023 for US$692 and November 2023 for US$363. These outstanding amounts were further rolled over until January 2024 for US$692 and February 2024 for US$363. We subsequently repaid and canceled our RCF facility in March 2024.

**Ukraine prepayment**

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

**Pakistan Mobile Communication Limited ("PMCL") syndicated credit facility**

PMCL fully utilized the remaining PKR 10 billion (US$41) under its existing PKR 40 billion (US$164) facility through drawdowns in January and April 2023.

**Banglalink Digital Communications Ltd. ("BDCL") syndicated credit facility**

BDCL utilized BDT 5 billion (US$45) out of new syndicated credit facility of BDT 8 billion (US$73) during November 2023. The tenor of the facility is five years.

**KaR-Tel Limited Liability Partnership credit facility**

KaR-Tel Limited Liability Partnership ("KaR-Tel") utilized KZT 9.8 billion (US$22) from the bilateral credit facility with ForteBank JSC during the period of September to December 2023. Through a deed of amendment signed in February 2024, the maturity of the facility was extended to November 2026 and facility amount enhanced to KZT 15 billion from KZT 10 billion.

**Repayment of VEON Holdings 5.95% Senior Notes**

On October 13, 2023 VEON Holdings repaid its outstanding 5.95% Senior Notes amounting to US$39 at their maturity date.

**Early redemption of VEON Holdings 2023 and 2024 Notes**

On September 13, 2023, VEON issued two redemption notices for the early repayment of VEON Holdings B.V.'s bonds maturing in December 2023 and June 2024. On September 27, 2023 VEON redeemed US$243 senior notes held by external noteholders and on October 04, 2023 redeemed US$406 senior notes held by VimpelCom.

**Novation of VEON Digital Amsterdam B.V. credit facility**

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. After this novation the facility fell within the consolidation scope of the company.

**Amendment of VEON Amsterdam B.V. credit facility**

In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%.

**Increase and amendment of VEON Ltd. credit facility**

During 2023, the Company granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025.

**FINANCING ACTIVITIES 2022**

**VEON US$ bond repayment**

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

**VTB Bank loan**

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

In February 2022, VEON Finance Ireland DAC signed a RUB 30 billion (US$400) Term Facility Agreement with VTB Bank with a floating rate. This facility was guaranteed by VEON Holding B.V. and had a maturity of February 2029. The proceeds from this facility were used for general corporate purposes, including the financing of intercompany loans to VimpelCom. In March 2022, VEON Finance Ireland DAC prepaid its RUB 30 billion (US$259) term loan facility with VTB Bank in accordance with its terms, and the facility was canceled.

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

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

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

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

In April and May 2022, VEON Holdings B.V. received US$610 following a utilization under the RCF. The remaining US$82 was received in November. The RCF was fully drawn at year-end with US$1,055 outstanding. The outstanding amounts have been rolled-over until April, US$692, and May, US$363, 2023. Subject to the terms set out in the RCF, these amounts can be rolled until the respective final maturities.

**PMCL syndicated credit facility**

In March 2022, PMCL fully utilized the remaining PKR 40 billion (US$222) available under its existing credit line. In April 2022, PMCL signed a PKR 40 billion (US$217) syndicated loan with a 10 year maturity. The drawn amount under the facility is PKR 30 billion (US$156).

**VEON Finance Ireland DAC Rub debt novation to VimpelCom**

In April 2022, VEON Finance Ireland novated two bank loans, with Sberbank (RUB 45 billion (US$556)) and Alfa Bank (RUB 45 billion (US$556)) totaling RUB 90 billion (US$1,112), to VimpelCom, resulting in the former borrower, VEON Finance Ireland DAC, and the former guarantor, VEON Holdings B.V., having been released from their obligations. VEON recorded the interest expense related to these loans prior to the novation in VEON Finance Ireland DAC which is included within continuing operations. Given that the novation of these loans predated and was independent of the sale of our Russian discontinued operations, VEON deemed it appropriate not to reclassify the interest on these loans prior to the novation date to discontinued operations.

**Banglalink secures syndicated credit facility**

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

In July, August and September 2022, Banglalink fully utilized the remaining BDT 3 billion (US$32) under its BDT syndicated loan facility.

**Kyivstar prepays debt**

In March, April, May and June 2022, Kyivstar fully prepaid a UAH 1,350 million (US$46) loan with JSC CitiBank, a UAH1,275 (US$44) million loan with JSC Credit Agricole and a UAH 1,677 million (US$57) loan with Alfa Bank, and also prepaid a portion of a UAH 1,250 million loan with OTP Bank (UAH490 million (US$17)).

**PMCL Bank Guarantee**

In March 2022, PMCL issued a bank guarantee of US$30 in favor of Pakistan Telecommunication Authority related to late payment of Warid license fee.

## FAIR VALUES

As of December 31, 2023, the carrying amounts of all financial assets and liabilities are equal to or approximate their respective fair values as shown in the table at the beginning of this note, with the exception of:

- 'Bank loans and bonds, including interest accrued', for which fair value is equal to US$3,333 (2022: US$6,142); and
- 'Lease liabilities', for which fair value has not been determined.

As of December 31, 2023 and December 31, 2022, all of the Group's financial instruments carried at fair value in the statement of financial position were measured based on Level 2 inputs, except for the Contingent consideration, for which fair value is classified as Level 3.

All movements in Contingent consideration in the years ended December 31, 2023 and 2022 relate to changes in fair value, which are unrealized, and are recorded in “Other non-operating gain / (loss), net” within the consolidated income statement.

Fair values are estimated based on quoted market prices for our bonds, derived from market prices or by discounting contractual cash flows at the rate applicable for the instruments with similar maturity and risk profile. Observable inputs (Level 2) used in valuation techniques include interbank interest rates, bond yields, swap curves, basis swap spreads, foreign exchange rates and credit default spreads.

On a quarterly basis, the Company reviews if there are any indicators for a possible transfer between fair value hierarchy levels. This depends on how the Company is able to obtain the underlying input parameters when assessing the fair valuations. During the years ended December 31, 2023 and 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements with the exception in 2022 of our RUB denominated bonds for which quoted market prices were not available due to the ongoing war between Russia and Ukraine.

**Impact of hedge accounting on equity**

The below table sets out the reconciliation of each component of equity and the analysis of other comprehensive income (all of which are attributable to the equity owners of the parent):

| | **Foreign currency translation reserve** |
|---|---|
| **As of January 1, 2022** | **(6,731)** |
| Foreign currency revaluation of the foreign operations | 121 |
| **As of December 31, 2022** | **(6,610)** |
| Transfer from OCI to income statement on disposal of subsidiary | 3,384 |
| Reclassification of net investment hedge | 30 |
| Other comprehensive loss | (593) |
| **As of December 31, 2023** | **(3,789)** |

## ACCOUNTING POLICIES AND SOURCES OF ESTIMATION UNCERTAINTY

**Put options over non-controlling interest**

Put options over non-controlling interest of a subsidiary are accounted for as financial liabilities in the Company’s consolidated financial statements. The put-option redemption liability is measured at the discounted redemption amount. Interest over the put-option redemption liability will accrue in line with the effective interest rate method, until the options have been exercised or are expired.

**Derivative contracts**

VEON enters into derivative contracts, including swaps and forward contracts, to manage certain foreign currency and interest rate exposures when necessary and available. Any derivative instruments for which no hedge accounting is applied are recorded at fair value with any fair value changes recognized directly in profit or loss. Although some of the derivatives entered into by the Company have not been designated in hedge accounting relationships, they act as economic hedges and offset the underlying transactions when they occur. There have been no derivatives in hedge accounting relationships during 2023.

**Hedges of a net investment**

The Company applies net investment hedge accounting to mitigate foreign currency translation risk related to the Company’s investments in foreign operations. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income within the “Foreign currency translation” line item. Where the hedging instrument’s foreign currency retranslation is greater (in absolute terms) than that of the hedged item, the excess amount is recorded in profit or loss as ineffectiveness. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation. Cash flows arising from derivative instruments for which hedge accounting is applied are reported in the statement of cash flows within the line item where the underlying cash flows of the hedged item are recorded.

**Fair value of financial instruments**

All financial assets and liabilities are measured at amortized cost, except those which are measured at fair value as presented within this *Note 16*.

Where the fair value of financial assets and liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques, including discounted cash flows models. The inputs to these models are taken from observable markets, but when this is not possible, a degree of judgement is required in establishing fair values. The judgements include considerations regarding inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Measurement of lease liabilities**

Lease liabilities are measured upon initial recognition at the present value of the future lease and related fixed services payments over the lease term, discounted with the country specific incremental borrowing rate as the rate implicit in the lease is generally not available. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

A significant portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between VEON and the lessor, or lease contracts which are cancellable by the Company immediately or on short notice. The Company includes these cancellable future lease periods within the assessed lease term, which increases the future lease payments used in determining the lease liability upon initial recognition, except when it is not reasonably certain at the commencement of the lease that these will be exercised.

The Company continuously assesses whether a revision of lease terms is required due to a change in management judgement regarding, for example, the exercise of extension and/or termination options. When determining whether an extension option is not reasonably certain to be exercised, VEON considers all relevant facts and circumstances that creates an economic incentive to exercise the extension option, or not to exercise a termination option, such as strategic plans, future technology changes, and various economic costs and penalties.

## 17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are comprised of cash at bank and on hand and highly liquid investments that are readily convertible to known amounts of cash, are subject to only an insignificant risk of changes in value and have an original maturity of less than three months.

Cash and cash equivalents consisted of the following items as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents at banks and on hand | 423 | 898 |
| Cash equivalents with original maturity of less than three months | 1,453 | 2,179 |
| **Cash and cash equivalents, as presented in the consolidated statement of cash flows*** | **1,876** | **3,077** |

* Cash and cash equivalents include an amount of US$165 relating to banking operations in Pakistan, which does not include customer deposits that are part of 'Trade and other payables' of US$426.

Cash at banks earns interest based on bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The imposition of currency exchange controls or other similar restrictions on currency convertibility in the countries in which VEON operates could limit VEON's ability to convert local currencies or repatriate local cash in a timely manner or at all, as well as remit dividends from the respective countries. As of December 31, 2023, US$151 (2022: US$122) of cash at the level of Ukraine was subject to currency restrictions that limited ability to upstream the cash or make certain payments outside the country, but these balances are otherwise freely available to the Ukrainian operations.

Cash balances include investments in money market funds of US$1,175 (2022: US$1,950), which are carried at fair value through profit or loss with gains presented within 'Other non-operating gain / (loss)' within the consolidated income statement.

The overdrawn accounts are presented as debt and derivatives within the statement of financial position. At the same time, because the overdrawn accounts are part of the Company's cash management, they were included as cash and cash equivalents within the statement of cash flows. Refer to Note 23 for further discussion on the Company's liquidity position.

## 18 FINANCIAL RISK MANAGEMENT

The Group’s principal financial liabilities consist of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group has trade and other receivables, cash and short-term deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Company’s Board of Directors manages these risks with support of the treasury function, who proposes the appropriate financial risk governance framework for the Group, identifies and measures financial risks and suggests mitigating actions. The Company’s Board of Directors, approves the financial risk management framework and oversees its enforcement.

### INTEREST RATE RISK

The Company is exposed to the risk of changes in market interest rates primarily due to its long-term debt obligations. The Company manages its interest rate risk exposure through a portfolio of fixed and variable rate borrowings.

As of December 31, 2023, approximately 54% of the Company’s borrowings are at a fixed rate of interest (2022: 69%).

The Group is exposed to possible changes in interest rates on variable interest loans and borrowings, partially mitigated through cash and cash equivalents and current deposits. With all other variables held constant, the Company’s profit before tax is affected through changes in the floating rate of borrowings while the Company’s equity is affected through the impact of a parallel shift of the yield curve on the fair value of hedging derivatives. An increase or decrease of 100 basis points in interest rates would have an immaterial impact on the Company’s income statement and other comprehensive income.

### FOREIGN CURRENCY RISK

The Company’s exposure to the risk of changes in foreign exchange rates relates primarily to the debt denominated in currencies other than the functional currency of the relevant entity, the Company’s operating activities (predominantly capital expenditures at subsidiary level denominated in a different currency from the subsidiary’s functional currency) and the Company’s net investments in foreign subsidiaries.

The Company manages its foreign currency risk by selectively hedging committed exposures.

The Company hedges part of its exposure to fluctuations on the translation into U.S. dollars of its foreign operations by holding the borrowings in foreign currencies or by foreign exchange swaps and forwards. During the periods covered by these financial statements, the Company used foreign exchange forwards to mitigate foreign currency risk.

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a possible change in exchange rates against the U.S. dollar with all other variables held constant. Additional sensitivity changes to the indicated currencies are expected to be approximately proportionate. The table shows the effect on the Company’s profit before tax (due to changes in the value of monetary assets and liabilities, including foreign currency derivatives). The Company’s exposure to foreign currency changes for all other currencies is not material.

| | **Effect on profit / (loss) before tax** | |
|---|---|---|
| Change in foreign exchange rate against US$ | 10% depreciation | 10% appreciation |
| **2023** | | |
| Russian Ruble | 14 | (16) |
| Bangladeshi Taka | (30) | 33 |
| Pakistani Rupee | (13) | 15 |
| Ukrainian Hryvnia | (2) | 2 |
| Other currencies (net) | (2) | 2 |
| **2022** | | |
| Russian Ruble | (5) | 6 |
| Bangladeshi Taka | (34) | 37 |
| Pakistani Rupee | (15) | 17 |
| Ukrainian Hryvnia | (1) | 1 |
| Other currencies (net) | — | (1) |

## CREDIT RISK

The Company is exposed to credit risk from its operating activities (primarily from trade receivables), and from its treasury activities, including deposits with banks and financial institutions, derivative financial instruments and other financial instruments. See Note 17 for further information on restrictions on cash balances.

Trade receivables consist of amounts due from customers for airtime usage and amounts due from dealers and customers for equipment sales. VEON's credit risk arising from the services the Company provides to customers is mitigated to a large extent due to the majority of its active customers being subscribed to a prepaid service as of December 31, 2023 and 2022, and accordingly not giving rise to credit risk. For postpaid services, in certain circumstances, VEON requires deposits as collateral for airtime usage. Equipment sales are typically paid in advance of delivery, except for equipment sold to dealers on credit terms.

VEON's credit risk arising from its trade receivables from dealers is mitigated due to the risk being spread across a large number of dealers. Management periodically reviews the history of payments and credit worthiness of the dealers. The Company also has receivables from other local and international operators from interconnect and roaming services provided to their customers, as well as receivables from customers using fixed-line services, such as business services, wholesale services and services to residents. Receivables from other operators for roaming services are settled through clearing houses, which helps to mitigate credit risk in this regard.

VEON holds available cash in bank accounts, as well as other financial assets with financial institutions in countries where it operates. To manage credit risk associated with such asset holdings, VEON allocates its available cash to a variety of local banks and local affiliates of international banks within the limits set forth by its treasury policy. Management periodically reviews the creditworthiness of the banks with which it holds assets. In respect of financial instruments used by the Company's treasury function, the aggregate credit risk the Group may have with one counterparty is managed by reference to, amongst others, the long-term credit ratings assigned for that counterparty by Moody's, Fitch Ratings and Standard & Poor's and CDS spreads of that counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. Refer to Note 23 for further details on the Company's liquidity position.

Value Added Tax (**"VAT"**) is recoverable from tax authorities by offsetting it against VAT payable to the tax authorities on VEON's revenue or direct cash receipts from the tax authorities. Management periodically reviews the recoverability of the balance of input value added tax and believes it is fully recoverable.

VEON issues advances to a variety of its vendors of property and equipment for its network development. The contractual arrangements with the most significant vendors provide for equipment financing in respect of certain deliveries of equipment. VEON periodically reviews the financial position of vendors and their compliance with the contract terms.

VEON's credit risk arising from its receivables from related parties is in some instances partly offset by having payables to the same related parties. Management periodically reviews the related party positions and sees no material credit risk.

The Company's maximum exposure to credit risk for the components of the statement of financial position at December 31, 2023 and 2022 is the carrying amount as illustrated in Note 5, Note 16, Note 17 and within this Note 18.

## LIQUIDITY RISK

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bonds, bank overdrafts, bank loans and lease contracts. The Company's policy is to create a balanced debt maturity profile. As of December 31, 2023, 32% of the Company's debt (2022: 39%) will mature in less than one year based on the carrying value of bank loans, bonds and other borrowings reflected in the financial statements. The Company has sufficient HQ liquidity to meets its HQ maturities and local market access to address local maturities and on that basis. The Company has taken this into considerations when it assessed the concentration of risk with respect to refinancing its debt and concluded it to be low except for the additional risks identified in Note 23

**Available facilities**

The Company had the following available facilities as of December 31:

| | Amounts in millions of transactional currency | | | | US$ equivalent amounts | | |
|---|---|---|---|---|---|---|---|
| | Final availability period | Facility amount | Utilized | Available | Facility amount | Utilized | Available |
| **2023** | | | | | | | |
| KaR-Tel LLP - Term Facility | Nov 2026 | KZT15,000 | KZT9,800 | KZT5,200 | 33 | 22 | 11 |
| Banglalink Digital Communications Ltd - Term Facility | May 2024 | BDT 8,000 | BDT 5,000 | BDT 3,000 | 73 | 46 | 27 |

| | Amounts in millions of transactional currency | | | | US$ equivalent amounts | | |
|---|---|---|---|---|---|---|---|
| | Final availability period | Facility amount | Utilized | Available | Facility amount | Utilized | Available |
| **2022** | | | | | | | |
| PMCL - Term Facility | Apr 2023 | PKR 40,000 | PKR 30,000 | PKR 10,000 | 176 | 132 | 44 |

### Maturity profile

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. Payments related to variable interest rate financial liabilities and derivatives are included based on the interest rates and foreign currency exchange rates applicable as of December 31, 2023 and 2022, respectively. The total amounts in the table differ from the carrying amounts as stated in Note 16 as the below table includes both undiscounted principal amounts and interest while the carrying amounts are measured using the effective interest rate method.

| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **As of December 31, 2023** | | | | | |
| Bank loans and bonds | 1,433 | 1,392 | 1,415 | 237 | 4,477 |
| Lease liabilities | 289 | 471 | 356 | 508 | 1,624 |
| Derivative financial liabilities | | | | | |
| Gross cash inflows | (14) | — | — | — | (14) |
| Gross cash outflows | 16 | — | — | — | 16 |
| Trade and other payables | 1,270 | — | — | — | 1,270 |
| Other financial liabilities | 137 | 202 | 86 | 66 | 491 |
| **Total financial liabilities** | **3,131** | **2,065** | **1,857** | **811** | **7,864** |

| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **As of December 31, 2022** | | | | | |
| Bank loans and bonds | 2,796 | 2,671 | 2,013 | 351 | 7,831 |
| Loans from related parties | 312 | — | — | — | 312 |
| Lease liabilities | 235 | 396 | 306 | 390 | 1,327 |
| Trade and other payables | 1,126 | — | — | — | 1,126 |
| Other financial liabilities | 176 | 322 | 142 | 52 | 692 |
| **Total financial liabilities** | **4,645** | **3,389** | **2,461** | **793** | **11,288** |

## CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios, so as to help facilitate access to debt and capital markets and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic or political conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. In September 2019, VEON Ltd. announced a dividend policy that targets paying at least 50% of prior year Equity Free Cash Flow after licenses so long as VEON Ltd.'s Net Debt to Adjusted EBITDA ratio would remain below 2.4x. See the paragraph below for more information on how VEON Ltd.'s Net Debt to Adjusted EBITDA ratio is calculated. Dividend payments remain subject to the review by VEON Ltd.'s Board of Directors of medium-term investment opportunities and VEON Ltd.'s capital structure. For the years ended December 31, 2023, 2022 and 2021, VEON Ltd. did not pay a dividend. There were no changes made in VEON Ltd.'s objectives, policies or processes for managing capital during 2023, however as a result of the unstable environment we put more emphasis on safeguarding liquidity and also counterparty risk management in light of the high cash balances. Despite the resilient performance of its underlying operating companies, the Company's ability to upstream cash for debt service has been impaired by currency and capital controls in its major markets, and due to other geopolitical and foreign exchange pressures effecting emerging markets more generally. Furthermore, the ongoing war between Russia and Ukraine and the developments since February 2022 with respect to sanctions laws and regulations have resulted in unprecedented challenges for the Company, limiting access to the international debt capital markets in which the Company has traditionally refinanced maturing debt, which has hampered its ability to refinance its indebtedness. The Company has sold its Russian Operations and implemented the Scheme to manage certain of its indebtedness and to help address the unprecedented challenges the Group faced.in relation to its capital management.

The Net Debt to Adjusted EBITDA ratio is an important measure used by the Company to assess its capital structure. Net Debt represents the principal amount of interest-bearing debt less cash and cash equivalents and bank deposits. Adjusted EBITDA is defined as last twelve months earnings before interest, tax, depreciation, amortization and impairment, loss on disposals of non-current assets, other non-operating losses and share of profit / (loss) of joint ventures. For reconciliation of 'Profit / (loss) before tax from continuing operations' to 'Adjusted EBITDA,' refer to Note 2.

Further, this ratio is included as a financial covenant in certain credit facilities of the Company. Under these credit facilities, the Company is required to maintain the Net Debt to Adjusted EBITDA ratio at or below the level agreed in such facility. The Company has not breached any financial or non-financial covenants during the period covered by these financial statements.

## 19 ISSUED CAPITAL AND RESERVES

The following table details the common shares of the Company as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Authorized common shares (nominal value of EUR 1 per share) | 70,000,000 | 70,000,000 |
| Issued and outstanding shares | 30,099,998 | 30,099,998 |

As of December 31, 2023, the Company had 70,000,000 authorized common shares (2022: 70,000,000) with a nominal value of EUR 1 per share, of which 30,099,998 shares were issued, outstanding and are fully paid-up (2022: 30,099,998).

**Nature and purpose of reserves**

Other capital reserves are mainly used to recognize the results of transactions that do not result in a change of control with non-controlling interest (see Note 14). The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries, net of any related hedging activities (see Note 16).

## 20 DIVIDENDS PAID AND PROPOSED

There were no dividends declared by the Company in respect of the year 2023.

### DIVIDENDS DECLARED TO NON-CONTROLLING INTERESTS

During 2023 and 2022, certain subsidiaries of the Company declared dividends, of which a portion was paid or payable to non-controlling interests as shown in the table below:

| Name of subsidiary | 2023 | 2022 |
| --- | --- | --- |
| VIP Kazakhstan Holding AG | 30 | — |
| TNS Plus LLP | 15 | 11 |
| Other | — | 3 |
| **Total dividends declared to non-controlling interests** | **45** | **14** |

## ADDITIONAL INFORMATION

### 21 RELATED PARTIES

The immediate parent and ultimate controlling shareholder of the Company are, respectively, VEON Amsterdam B.V. and VEON Ltd.

The following table provides the total amount of transactions that have been entered into with related parties and their affiliates for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| Finance income | 86 | 48 |
| Net gain on transfer of towers to Ukraine Tower Company | — | 4 |
| | 86 | 52 |
| Finance cost | (8) | (34) |
| | (8) | (34) |

The following table provides the total balance of accounts with related parties and their affiliates at the end of the relevant period:

| | 2023 | 2022 |
|---|---|---|
| Accounts receivable due from | | |
| VEON Ltd. | 78 | 84 |
| VEON Amsterdam B.V. | 22 | 18 |
| VEON Digital Amsterdam B.V. | 13 | — |
| Others | 11 | 9 |
| Financial asset receivable from | | |
| VEON Ltd. | 160 | 60 |
| VEON Amsterdam B.V. | 1,462 | 1,401 |
| VEON Digital Amsterdam B.V. | — | 300 |
| Ukraine Tower Company | — | 13 |
| VEON Digital limited | — | 26 |
| Interest accrued | 149 | 76 |
| | 1,895 | 1,987 |
| Accounts payable to related parties | | |
| VEON Ltd. | 55 | 41 |
| VEON Wholesale Services BV | 25 | 4 |
| Others | 31 | 35 |
| Financial liabilities to related parties | | |
| VEON Digital Amsterdam B.V. | — | 300 |
| Ukraine Tower Company | 155 | 125 |
| Interest accrued | — | 5 |
| | 266 | 510 |

### COMPENSATION TO DIRECTORS AND SENIOR MANAGERS OF THE COMPANY

VEON Holdings B.V, and its consolidated subsidiaries are part of the VEON Group and their operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company, Group Chief Executive Officer, Group Chief Financial Officer and Group General Counsel to be the key management personnel, as defined by IAS 24, Related Party Disclosures and finds it appropriate to disclose the compensation of the key management of the VEON Group. The statutory directors of VEON Holdings B.V. are Kaan Terzioğlu, Jochem Benjamin Postma and Paulus (Paul) Klaassen.

The following table sets forth the total compensation to our directors and senior managers, who are considered to be key management of the company:

| | 2023 | 2022 |
|---|---|---|
| Short-term employee benefits | 11 | 23 |
| Share-based payment* | 11 | 9 |
| Termination benefits | — | — |
| **Total compensation to the Board of Directors and senior management**** | **22** | **32** |

**Share-based payment represents the expense under the Deferred Share Plan, Short-Term Incentive Plan and Long Term Incentive Plans, see further details below.*

*** The number of directors and senior managers vary from year to year. The group of individuals we consider to be senior managers has changed in recent years, including in 2022, a determination that the chief executive officers of our operating companies should no longer be classified as senior managers and in 2023 the reduction in the Group Executive Committee. As a result, for 2023 reporting, we have changed the total compensation perimeter for the Board of Directors and senior* *managers to reflect this internal view. Total compensation paid to the Board of Directors and senior management approximates the amount charged in the consolidated income statement for that year with the exception of the share-based payment in 2023, 2022 and 2021.*

Under VEON Ltd.'s bye-laws, the Board of Directors of VEON Ltd. established a Remuneration and Governance Committee, which has the overall responsibility for approving and evaluating the compensation and benefit plans, policies and programs of the VEON's directors, officers and employees and for supervising the administration of the VEON 's equity incentive plans and other compensation and incentive programs.

**Compensation of VEON Ltd. Group Executive Committee**

The following table sets forth the total remuneration expense to the Group Executive Committee for the periods indicated (gross amounts in whole euro and whole US$ equivalents). For further details on compensation and changes to the VEON Ltd. Board of Directors and Group Executive Committee, please refer to the Explanatory notes below.

| | **Kaan Terzioglu** | **Serkan Okandan** | **Joop Brakenhoff** | **Omiyinka Doris** | **Victor Biryukov** | **Michael Schulz** | **Dmitry Shvets** | **Matthieu Galvani** | **Alex Bolis** |
|---|---|---|---|---|---|---|---|---|---|
| *In whole euros* | Group CEO | Group CFO* | Group Chief Internal Audit & Compliance Officer*** | Group General Counsel** | Group Head of Corporate Development** | Former Group Chief People Officer **** | Former Group Head of Portfolio Management **** | Former Chief Corporate Affairs Officer **** | Former Group Head of Corporate Development, Communications and Investor Relations **** |
| **2023** | | | | | | | | | |
| Short-term employee benefits | | | | | | | | | |
| Base salary | 1,323,000 | 432,000 | 684,000 | 606,667 | — | — | — | — | — |
| Annual incentive | 1,082,977 | 489,995 | 393,867 | 368,318 | — | — | — | — | — |
| Other | 205,350 | 406,458 | 211,263 | 105,885 | — | — | — | — | — |
| Long-term employee benefits | — | — | — | — | — | — | — | — | — |
| Share-based payments | 4,644,506 | 1,440,358 | 1,282,110 | 662,974 | — | — | — | — | — |
| Termination benefits | — | — | — | — | — | — | — | — | — |
| **Total remuneration expense** | **7,255,833** | **2,768,811** | **2,571,240** | **1,743,844** | — | — | — | — | — |
| **2022** | | | | | | | | | |
| Short-term employee benefits | | | | | | | | | |
| Base salary | 1,323,000 | 1,296,000 | 540,000 | 77,583 | 645,865 | 565,000 | 647,070 | 150,000 | 187,500 |
| Annual incentive | 1,035,891 | 712,800 | 297,000 | 52,644 | 343,556 | 310,750 | 350,585 | 83,178 | 204,555 |
| Other | 205,350 | 1,806,342 | 542,362 | 11,550 | 814,770 | 500,205 | 693,232 | — | 366,168 |
| Long-term employee benefits | — | — | — | — | — | — | — | — | — |
| Share-based payments | 3,392,793 | 981,490 | 654,502 | — | 105,710 | 482,768 | 436,981 | 36,434 | 187,704 |
| Termination benefits | — | — | — | — | — | — | — | — | — |
| **Total remuneration expense** | **5,957,034** | **4,796,632** | **2,033,864** | **141,777** | **1,909,901** | **1,858,723** | **2,127,868** | **269,612** | **945,927** |

** Mr. Okandan remained a VEON Ltd. GEC member until April 30, 2023.*

*** Ms. Doris was appointed as Group General Counsel of VEON Ltd. on June 1, 2023.*

**** Mr. Brakenhoff was appointed as Group Chief Financial Officer of VEON Ltd. on May 1, 2023.*

***** Refer to Changes to VEON Ltd. Group Executive Committee for further details.*

| In whole US dollars | Kaan Terzioglu<br>Group CEO | Serkan Okandan<br>Group CFO* | Joop Brakenhoff<br>Group Chief Internal Audit & Compliance Officer*** | Omiyinka Doris<br>Group General Counsel** | Victor Biryukov<br>Group Head of Corporate Development** | Michael Schulz<br>Former Group Chief People Officer **** | Dmitry Shvets<br>Former Group Head of Portfolio Management **** | Matthieu Galvani<br>Former Chief Corporate Affairs Officer **** | Alex Bolis<br>Former Group Head of Corporate Development, Communications and Investor Relations **** |
|---|---|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | | | |
| Short-term employee benefits | | | | | | | | | |
| Base salary | 1,430,580 | 467,128 | 739,619 | 655,998 | — | — | — | — | — |
| Annual incentive | 1,171,039 | 529,839 | 425,894 | 398,268 | — | — | — | — | — |
| Other | 222,048 | 439,509 | 228,442 | 114,495 | — | — | — | — | — |
| Long-term employee benefits | — | — | — | — | — | — | — | — | — |
| Share-based payments | 5,022,173 | 1,557,481 | 1,386,365 | 716,884 | — | — | — | — | — |
| Termination benefits | — | — | — | — | — | — | — | — | — |
| **Total remuneration expense** | **7,845,840** | **2,993,957** | **2,780,320** | **1,885,645** | **—** | **—** | **—** | **—** | **—** |
| **2022** | | | | | | | | | |
| Short-term employee benefits | | | | | | | | | |
| Base salary | 1,390,582 | 1,362,203 | 567,585 | 81,546 | 678,869 | 593,862 | 680,135 | 157,662 | 197,078 |
| Annual incentive | 1,088,807 | 749,212 | 312,172 | 55,333 | 361,112 | 326,624 | 368,500 | 87,427 | 215,004 |
| Other | 215,840 | 1,898,615 | 570,067 | 12,140 | 856,404 | 525,757 | 728,656 | — | 384,873 |
| Long-term employee benefits | — | — | — | — | — | — | — | — | — |
| Share-based payments | 3,566,105 | 1,031,627 | 687,936 | — | 111,111 | 507,429 | 459,310 | 38,296 | 197,292 |
| Termination benefits | — | — | — | — | — | — | — | — | — |
| **Total remuneration expense** | **6,261,334** | **5,041,657** | **2,137,760** | **149,019** | **2,007,496** | **1,953,672** | **2,236,601** | **283,385** | **994,247** |

** Mr. Okandan remained a VEON Ltd. GEC member until April 30, 2023.*

*** Ms. Doris was appointed as Group General Counsel of VEON Ltd. on June 1, 2023.*

**** Mr. Brakenhoff was appointed as Group Chief Financial Officer of VEON Ltd. on May 1, 2023.*

***** Refer to Changes to VEON Ltd. Group Executive Committee for further details.*

## Explanatory notes

Base salary includes any holiday allowances and acting allowances in cash pursuant to the terms of an individual's employment agreement. Annual incentive expense includes amounts accrued under the cash portion of the short-term incentive in respect of performance during the current year, as well as any special recognition, performance and/or transaction bonuses. Other short-term employee benefits include certain allowances (for example, pension allowance, car allowance, etc.), special awards, and support (for example, relocation support).

Share-based payment expense relates to amounts related to the share portion of the short-term incentive plan, long-term incentive plan and the deferred share plan.

### Changes in VEON Ltd. Group Executive Committee

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

On June 30, 2022, Alex Bolis stepped down from the role of Group Head of Corporate Development, Communications and Investor Relations.

On October 1, 2022, Matthieu Galvani was appointed Chief Corporate Affairs Officer.

On November 1, 2022, Omiyinka Doris was appointed Acting Group General Counsel.of VEON Ltd.

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

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

On July 19, 2023, VEON Ltd. announced that Group Head of Portfolio Management, Dmitry Shvets, Group Chief People Officer, Michael Schulz and Group Chief Corporate Affairs Officer, Matthieu Galvani will be stepping down from their executive roles effective October 1, 2023. VEON Ltd.'s GEC will comprise 3 members: Kaan Terzioglu as Group Chief Executive Officer; Joop Brakenhoff as Group Chief Financial Officer; and A. Omiyinka Doris as Group General Counsel, with a flatter Group leadership team structure.

**Compensation of VEON Ltd. Board of Directors**

The following table sets forth the total remuneration expense to the members of the Board of Directors for the periods indicated (gross amounts in whole euro and whole U.S. dollar equivalents). For details on changes in Board of Directors, please refer to explanations below:

| | Retainer | | Committees | | Other compensation | | Total | |
|---|---|---|---|---|---|---|---|---|
| *In whole euros* | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Hans-Holger Albrecht | 175,000 | 483,078 | 95,000 | 190,558 | 177,194 | 1,184,142 | 447,194 | 1,857,778 |
| Yaroslav Glazunov | 350,000 | 281,250 | 47,500 | 80,000 | 177,194 | — | 574,694 | 361,250 |
| Andrei Gusev | 350,000 | 281,250 | 30,000 | 52,500 | 177,194 | 500,000 | 557,194 | 833,750 |
| Gunnar Holt | 450,000 | 625,000 | — | 68,750 | 577,194 | — | 1,027,194 | 693,750 |
| Irene Shvakman | 175,000 | 350,000 | 35,000 | 55,000 | 177,194 | — | 387,194 | 405,000 |
| Vasily Sidorov | 175,000 | 350,000 | 35,000 | 123,750 | 177,194 | — | 387,194 | 473,750 |
| Michiel Soeting | 350,000 | 277,083 | 79,138 | 57,083 | 177,194 | — | 606,332 | 334,166 |
| Karen Linehan | 350,000 | 342,289 | 35,000 | 53,899 | — | — | 385,000 | 396,188 |
| Augie Fabela | 350,000 | 175,000 | 52,500 | 57,500 | 177,194 | — | 579,694 | 232,500 |
| Morten Lundal | 525,000 | 175,000 | 41,638 | 42,500 | 177,194 | — | 743,832 | 217,500 |
| Stan Miller | 175,000 | 175,000 | 35,000 | 30,000 | 177,194 | — | 387,194 | 205,000 |
| Mikhail Fridman | — | 12,500 | — | — | — | — | — | 12,500 |
| Leonid Boguslavsky | — | 175,000 | — | 12,500 | — | — | — | 187,500 |
| Gennady Gazin | — | 387,500 | — | 62,500 | — | 1,566,303 | — | 2,016,303 |
| Sergi Herrero | — | 175,000 | — | 12,500 | — | — | — | 187,500 |
| Robert Jan van de Kraats | — | 65,860 | — | 23,522 | — | — | — | 89,382 |
| **Total compensation** | **3,425,000** | **4,330,810** | **485,776** | **922,562** | **2,171,940** | **3,250,445** | **6,082,716** | **8,503,817** |

| | Retainer | | Committees | | Other compensation | | Total | |
|---|---|---|---|---|---|---|---|---|
| *In whole US dollars* | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Hans-Holger Albrecht | 189,228 | 507,763 | 102,723 | 200,296 | 191,600 | 1,244,652 | 483,551 | 1,952,711 |
| Yaroslav Glazunov | 378,455 | 295,622 | 51,362 | 84,088 | 191,600 | — | 621,417 | 379,710 |
| Andrei Gusev | 378,455 | 295,622 | 32,439 | 55,183 | 191,600 | 525,550 | 602,494 | 876,355 |
| Gunnar Holt | 486,585 | 656,938 | — | 72,263 | 624,120 | — | 1,110,705 | 729,201 |
| Irene Shvakman | 189,228 | 367,885 | 37,846 | 57,810 | 191,600 | — | 418,674 | 425,695 |
| Vasily Sidorov | 189,228 | 367,885 | 37,846 | 130,074 | 191,600 | — | 418,674 | 497,959 |
| Michiel Soeting | 378,455 | 291,242 | 85,572 | 60,000 | 191,600 | — | 655,627 | 351,242 |
| Karen Linehan | 378,455 | 359,780 | 37,846 | 56,653 | — | — | 416,301 | 416,433 |
| Augie Fabela | 378,455 | 183,943 | 56,768 | 60,438 | 191,600 | — | 626,823 | 244,381 |
| Morten Lundal | 567,683 | 183,943 | 45,023 | 44,672 | 191,600 | — | 804,306 | 228,615 |
| Stan Miller | 189,228 | 183,943 | 37,846 | 31,533 | 191,600 | — | 418,674 | 215,476 |
| Mikhail Fridman | — | 13,139 | — | — | — | — | — | 13,139 |
| Leonid Boguslavsky | — | 183,943 | — | 13,139 | — | — | — | 197,082 |
| Gennady Gazin | — | 407,301 | — | 65,694 | — | 1,646,342 | — | 2,119,337 |
| Sergi Herrero | — | 183,943 | — | 13,139 | — | — | — | 197,082 |
| Robert Jan van de Kraats | — | 69,226 | — | 24,723 | — | — | — | 93,949 |
| **Total compensation** | **3,703,455** | **4,552,118** | **525,271** | **969,705** | **2,348,520** | **3,416,544** | **6,577,246** | **8,938,367** |

**Explanatory notes**

In 2023, a one-off discretionary equity based award was awarded to the members of the Board of Directors of VEON Ltd. This grant aims to align the interests of the Board members with the long-term success and growth of the company, encouraging their active participation in driving shareholder value and recognizing their extraordinary efforts in supporting the VEON success during a challenging year.

**Changes in VEON Ltd. Board of Directors**

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

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

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

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

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

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

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

In July 2023, the Board elected Morten Lundal as the Chair in its first meeting following the 2023 AGM. The Board also changed its committee structure, with the current committees established by the Board of directors being the Audit and Risk Committee and the Remuneration and Governance Committee.

**Directors of VEON Holdings B.V.**

On June 30, 2021 and September 30, 2021, Jochem Benjamin Postma and Paul Klaassen were appointed statutory directors of the Company, respectively. Sergi Herrero and Murat Kirkgoz stepped down as statutory directors of the Company on June 30, 2021 and September 30, 2021, respectively. During the year 2023, there was no further change in directors of the Company.

The total remuneration expense for the Company's statutory directors for the year ended December 31, 2023 was US$1 (2022: US$0.8).

## ACCOUNTING POLICIES

Equity-settled share-based payments are measured at the grant date fair value, which includes the impact of any market performance conditions. The grant date fair value is expensed over the vesting period, taking into account expected forfeitures and non-market performance conditions, if any, with a corresponding increase in equity. This is based upon the Company's estimate of the shares or share options that will eventually vest which takes account of all service and non-market performance conditions, if applicable, with adjustments being made where new information indicate the number of shares or share options expected to vest differs from previous estimates.

Cash-settled share-based payments are measured at the grant date fair value and recorded as a liability. The Company remeasures the fair value of the liability at the end of each reporting period until the date of settlement, with any changes in fair value recognized as selling, general and administrative expenses within the income statement. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transaction.

Other short-term benefits not related to share-based payments are expensed in the period when services are received.

## 22 EVENTS AFTER THE REPORTING PERIOD

**VEON and Summit complete US$100 deal for Bangladesh towers portfolio**

On January 31, 2024, VEON announced that, further to the announcement dated November 15, 2023, and the legal transfer of towers in December 2023 following the receipt of all regulatory approvals, its wholly owned subsidiary, Banglalink has obtained the cash consideration for the sale of approximately BDT 11 billion (approximately US$96).

**Repayment of the RCF**

In February 2024, we repaid US$250 of drawn commitments maturing in March 2024 under our US$1,055 RCF, and in March 2024, we repaid the remaining amounts outstanding of US$805 under our RCF, originally due in March 2025, and canceled the RCF.

**Issuance of PKR bond by PMCL**

In April 2024, PMCL issued a short term PKR bond of PKR 15 billion (US$52) with a maturity of six months. The coupon rate is three-month Karachi Interbank Offered Rate (KIBOR) plus 25bps per annum.

**BDCL syndicated credit facility**

BDCL utilized the remaining BDT 3 billion (US$27) under its existing syndicated credit facility of BDT 8 billion (US$73) during January 2024 and February 2024.

**Announcement of issuance of new shares in VEON Ltd.**

On March 1, 2024, VEON announced the issuance of 92,459,532 ordinary shares, after approval from the Board, to fund its existing and future equity incentive-based compensation plans. As a result of the issuance, VEON now has 1,849,190,667 issued and outstanding ordinary shares. The issuance of the ordinary shares represents approximately 4.99% of VEON's authorized ordinary shares. The shares are expected to be allocated to the company's existing and future equity incentive-based compensation plans, which are designed to align the interests of VEON's senior managers and employees with those of its shareholders and to support the company's long-term growth and performance, as well as compensation arrangements for strategic consultants. The shares were initially issued to VEON Holdings and then subsequently allocated to satisfy awards under VEON Ltd.'s existing incentive plans and will also be allocated to future equity incentive-based compensation plans, and such other compensation arrangements, as and when needed, as well as to meet certain employee, consultant and other compensation requirements. As a result, the initial share issuance will have an immediate dilutive impact on existing shareholders. The ordinary shares will be issued at a price of US$0.001 per share, which is equal to the nominal value of VEON's ordinary shares.

**Appointment of PricewaterhouseCoopers Accountants N.V. ("PwC Netherlands") as 2023 independent auditor**

On March 14, 2024, VEON announced that it appointed PricewaterhouseCoopers Accountants N.V. as the independent external auditor for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with International Standards on Auditing (the "ISA Audit"). The delay in appointment was due to difficulties the Company faced in identifying a suitable independent auditor due to the material changes in the Group's portfolio of assets which resulted in a delay in filing this Annual Report on Form 20-F with the SEC and filing its annual report with the AFM.

**VEON announces sale of stake in Beeline Kyrgyzstan**

On March 26, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 50.1% indirect stake in Beeline Kyrgyzstan to CG Cell Technologies, which is wholly owned by CG Corp Global for cash consideration of US$32. Completion of the sale of VEON's stake in Beeline Kyrgyzstan, which is held by VIP Kyrgyzstan Holding AG (an indirect subsidiary of the Company), is subject to customary regulatory approvals and preemption right of the Government of Kyrgyzstan in relation to acquisition of the stake. VEON is currently liaising with Kyrgyzstan public authorities regarding the regulatory approvals and the Government's preemption right.

As a result of this anticipated transaction and assessment that control of the Kyrgyzstan operations will be transferred, as from the date of the SPA signing, the Company classified its Kyrgyzstan operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for Kyrgyzstan operations.

**VEON Ltd. increases management's and directors' ownership**

On April 12, 2024, VEON announced an increase in management's and directors' ownership in VEON Ltd. shares through awards under its existing equity-based compensation plans. VEON Ltd. is utilizing certain of the 92,459,532 common shares issued to VEON Holdings B.V. as disclosed in Note 1-*General Information*, announced on March 1, 2024, to satisfy the awards made. VEON Ltd.'s Group Executive Committee ("GEC") received a total of 2,853,375 VEON Ltd. common shares (equal to 114,135 VEON ADSs) within the scope of the VEON Ltd.'s Deferred Share Plans, and a total of 1,839,895 VEON Ltd. common shares (equal to 73,596 ADSs) within the scope of the VEON Ltd.'s STIP. The members of the VEON Ltd. Board of Directors received a total of 1,648,225 VEON Ltd. common shares (equal to 65,929 ADSs) within the scope of their compensation.

**Share-based awards to VEON Ltd.'s GEC and Board of Directors**

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common VEON Ltd. shares (equal to 128,050 ADSs) under VEON Ltd.'s 2021 LTIP. In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common VEON Ltd. shares (equal to 57,249 ADSs) under the 2021 Deferred Share Plan ("2021 DSP") for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common VEON Ltd. shares (equal to 95,731 ADSs) related to 3,662,250 common VEON Ltd. shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,965 common VEON Ltd. shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the VEON Ltd. GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd. shares' relative TSR performance against VEON Ltd.'s peer group which will be assessed at the end of the three-year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled common VEON Ltd. shares (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common VEON Ltd. shares (equal to 19,293 ADSs), while 472,743 common VEON Ltd. shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common VEON Ltd. shares (equal to 2,102 ADSs) related to 104,047 common VEON Ltd. shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,500 common VEON Ltd. shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common VEON Ltd. shares (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common VEON Ltd. shares (equal to 11,548 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common VEON Ltd. shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common VEON Ltd. shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON Ltd. granted a total of 3,369,125 equity-settled awards and 1,547,650 cash-settled awards in common VEON Ltd. shares (equal to 134,765 and 61,906 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors of VEON Ltd.. By June 2024, 1,648,225 of the equity-settled common VEON Ltd. shares (equal to 65,929 ADSs) were vested and transferred to the VEON Ltd. Board members and 173,250 common VEON Ltd. shares (equal to 6,930 ADSs) were withheld for tax purposes.

**VEON Holdings consent solicitations to noteholders**

In April 2024, VEON Holdings launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of VEON Holdings for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding and were not exchanged.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings subsequently issued new notes with identical maturities to the April 2025, June 2025, and November 2027 notes (any such new notes, the “New Notes”) to the noteholders who participated in the consent process and tendered the original notes (the “Old Notes”), which were exchanged for the New Notes subsequently (economically) canceled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings subsequently redeemed these notes in June 2024.

VEON Holdings has continued and will need to continue to provide the remaining holders of Old Notes maturing in April 2025, June 2025 and November 2027 further opportunities to exchange their Old Notes into corresponding New Notes maturing in April 2025, June 2025 and November 2027, respectively.

As of June 30, 2024, US$1,550 of New Notes due April 2025, June 2025 and November 2027 were outstanding and there were US$134 of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in July and August 2024, US$20 million equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of August 28, 2024, the equivalent amount of New Notes outstanding is US$1,565 and the remaining Old Notes that are subject to potential conversion to New Notes is US$113.

VEON Holdings is not required to make any further principal or coupon payments under the Old Notes.

**Make-whole call**

In June 2024, VEON Holdings executed an early redemption of its September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$ 53).

**VEON Ltd. Receives Extension from Nasdaq for 20-F Filing**

On May 22, 2024, VEON confirmed that on May 20, 2024 it received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) indicating that, as a result of the Company’s delay in filing its Annual Report on Form 20-F for the year ended December 31, 2023 (the “2023 20-F”), VEON Ltd. was not in compliance with the timely filing requirements for continued listing under Nasdaq Listing Rule 5250(c)(1) (the "Listing Rules").

VEON Ltd. had previously shared the expected delay in its 2023 20-F filing with a press release dated March 14, 2024, and subsequently filed its Notification of Late Filing on Form 12b-25 with the SEC on May 1, 2024. As described in these disclosures, the delay in VEON Ltd.'s 2023 20-F filing is due to the continued impact of challenges faced by the Company in connection with the timely appointment of an independent auditor that meets the requirements for a Public Company Accounting Oversight Board ("PCAOB") audit following VEON's exit from Russia..

VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rules and requested an exception of up to 180 calendar days, or until November 11, 2024, to regain compliance. On July 9, 2024, the Company announced that NASDAQ granted VEON Ltd. an exception, enabling it to regain compliance with the Listing Rules by filing its 2023 annual report on 20-F on or before November 11, 2024.

On October 17, 2024, VEON Ltd. filed its Annual Report on Form 20-F for the year ended December 31, 2023 (the "2023 Form 20-F") with the U.S. Securities and Exchange Commission following the completion of the audit of its 2023 financial statements by its independent auditor UHY LLP according to PCAOB standards. Following the filing, on October 21, 2024, VEON Ltd. received confirmation from the Nasdaq that VEON Ltd. is now compliant with the Nasdaq listing requirements.

**Sale of TNS+ in Kazakhstan**

On May 28, 2024, VEON announced that it signed share purchase agreement ("SPA") for the sale of its 49% in Kazakh wholesale telecommunications infrastructure services provider, TNS Plus LLP (TNS+), included within the Kazakhstan operating segment, to its joint venture partner, the DAR group of companies for total deferred consideration of US$137.5 due within six weeks of the transaction completion date. The closing of the transaction was subject to customary regulatory approvals in Kazakhstan which were subsequently obtained. Accordingly, the sale was completed on September 30, 2024. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the SPA signing, the Company classified its TNS+ operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for TNS+ operations. During, November 2024, the Company has received US$37 out of deferred consideration and the remaining is expected to be settled during Q4-2024.

**Appointment of UHY LLP as auditors**

On May 29, 2024, VEON Ltd. announced the appointment of UHY LLP (UHY) as the independent registered public accounting firm for the audit of the VEON Ltd.'s consolidated financial statements for the year ended December 31, 2023 in accordance with the standards established by the Public Company Accounting Oversight Board (United States) (the "PCAOB Audit").

**VEON Ltd. Announces Its New Board**

On May 31, 2024, VEON held its Annual General Meeting (AGM), during which the Company's shareholders approved the recommended slate of seven directors as VEON's new Board. The new members consist of former U.S. Secretary of State Michael R. Pompeo, Sir Brandon Lewis and Duncan Perry, who will serve alongside the incumbent directors Augie K. Fabela II, Andrei Gusev, Michiel Soeting and VEON Group CEO Kaan Terzioglu.

Following the AGM, the new Board held its inaugural meeting, and elected VEON's Founder and Chairman Emeritus Augie K Fabela II as the Chairman.

**PMCL syndicated credit facility**

In May 2024, PMCL secured a syndicated credit facility of up to PKR 75 billion (US$270) including green shoe option of PKR 15 billion with a tenor of 10 years. PMCL utilized PKR 43 billion (US$154) from this facility through drawdowns in May and June 2024 with a further PKR 22 billion (US$78) drawn in July 2024.

**PMCL bilateral credit facilities**

In May 2024, PMCL utilized PKR 15 billion (US$54) from three bilateral credit facilities of PKR 5 billion (US$18) each from different banks. The tenor of each facility is 10 years.

**Sale of Russian operations deferred consideration settlement**

In July 2024, the remaining US$72 equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings, upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for the sale of VimpelCom completed in October 2023.

**VEON Ltd. Announces Intention to Delist from Euronext Amsterdam and Share buyback program**

On August 1, 2024, VEON Ltd. announced its intention to voluntarily delist from Euronext Amsterdam (the "Delisting"). VEON expects the Delisting process to take place in the fourth quarter of 2024, following and subject to the filing of this annual report on Form 20-F. On October 21, 2024, VEON Ltd. announced that it has commenced the process of the Delisting, following the approval of Euronext Amsterdam. VEON Ltd.'s last day of trading on Euronext Amsterdam will be November 22, 2024 (the "Last Trading Date") and the delisting will be effective from November 25, 2024.

VEON Ltd. also informed its shareholders that it intends to initiate a buyback program for up to US$100 of its American ADS following the Delisting. The timing and specifics of the ADS buybacks will be determined by the VEON Ltd.'s management and Board of Directors in due course, and will be subject to liquidity considerations, market conditions, applicable legal requirements, and other factors. Subsequently on October 21, 2024, VEON Ltd. announced that it has commenced the process for the delisting of its common shares from trading on Euronext Amsterdam, following the approval of Euronext Amsterdam. The Company's last day of trading on Euronext Amsterdam will be November 22, 2024 (the “Last Trading Date”) and the delisting will be effective from November 25, 2024.

**Agreement with Impact Investments LLC for Strategic Support and Board Advisory Services**

On June 7, 2024, VEON Ltd. entered into a letter agreement as amended on August 1, 2024 (the “2024 Agreement”) with Impact Investments which will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar (a wholly owned indirect subsidiary of VEON Ltd.). Michael Pompeo, who was appointed to the Board of Directors of VEON Ltd. on May 31, 2024, serves as Executive Chairman of Impact Investments. In exchange for the services provided, VEON Ltd. will pay Impact Investments US$0.05 in cash per month on or about the 7th day of each month during the term of the 2024 Agreement. Further, VEON Ltd. has granted to Impact Investments three VEON Ltd. common share warrants (hereby “Warrant A”, “Warrant B”, and “Warrant C”), with a value of $12, $2, and $2 worth of common shares in the capital of VEON Ltd., respectively. Warrant A vest ratably semi-annually over a period of three years subject to achievement of vesting conditions. One half of Warrant B will vest on the date that is six months after the three years anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant B will vest on the four years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. One half of Warrant C will vest on the date that is six months after the four years’ anniversary of the 2024 Agreement, subject to Impact Investments’ initial term being extended for a fourth year and the satisfaction of the other vesting conditions. The remainder of Warrant C will vest on the five years’ anniversary of the 2024 Agreement, subject to the achievement of the vesting conditions. The number of common VEON Ltd. shares to be transferred will be determined on the vesting date based on the 90-day average trading price. Finally, VEON Ltd., in its sole discretion, may pay Impact Investments an additional fee up to $3 subject to completion of certain strategic objectives.

On June 7, 2024, VEON Ltd. and Impact Investments also entered into a termination letter in connection with a letter agreement between VEON Ltd. and Impact Investments dated November 16, 2023. Under the terms of the termination letter, VEON Ltd. paid Impact Investments $2 in common VEON Ltd. shares or 2,066,954 shares (equal to 82,678 ADS), which common VEON Ltd. shares were determined on the basis of the 90-day average trading price of the VEON Ltd. common shares as of the date of the termination letter. These common shares were transferred to Impact Investments in August 2024, for strategic support and board advisory services to JSC Kyivstar performed by Impact Investments under the letter agreement between VEON Ltd., JSC Kyivstar and Impact Investments dated November 16, 2023.

**VEON Ltd. Announces Plan to Move its Headquarters to Dubai**

On October 14, 2024, VEON Ltd. announced its plan to move the Group Headquarters from Amsterdam to the DIFC in the United Arab Emirates. VEON Ltd. also plans to update its corporate entity structure to reflect the relocation of the headquarters from move from the Netherlands to the DIFC, subject to tax and structuring analyses. On November 15, 2024, VEON Ltd. further announced that it has completed the registration of and received the commercial license for its branch office in Dubai International Finance Centre (“DIFC”).

**KaR-Tel Limited Liability Partnership credit facilities**

On September 25, 2024 KaR-Tel Limited Liability Partnership ("KaR-Tel") signed a new bilateral credit facility with JSC Nurbank of KZT 18 billion (US$37) with a maturity of five years carrying fixed interest rate of 15.5%. On October 8, 2024, KaR-Tel utilized KZT 4.5 billion (US$10) from this facility. Subsequently, during October and November 2024, Kar-Tel further utilized KZT 6 billion (US$12).

**2024 Annual Impairment Analysis**

During July and August 2024 there was increased political uncertainty in Bangladesh culminating in network outages and blockages experienced by our Bangladesh subsidiary in connection with mass protests, civil unrest and riots that resulted in the fall of the government of Prime Minister Shiekh Hasina and the establishment of an interim government. These events and the political unrest have negatively impacted the populations’ disposable income and influenced telecom spending patterns, while increased operation costs for the business unit identified indicators of an impairment event with respect to our Bangladesh CGU in the third quarter of 2024. Management has not yet finalized the quantitative and qualitative assessments and valuation tests required to determine the estimated financial impact of such triggers in Bangladesh during the third quarter of 2024. Preliminary analysis suggests that we may incur a substantial impairment charge to the carrying value of the Bangladesh CGU for the period ended September 30, 2024. As of the date of November 20, 2024, we do not have enough certainty to provide an estimate of the charge or range of potential outcomes, but initial results of quantitative and qualitative assessments and valuation tests indicate that an impairment charge is likely to be material. We, however, cannot rule out the possibility that the final results of our impairment analysis may deviate significantly from our preliminary assessment. Final results of the analysis will be published in our interim unaudited consolidated condensed financial statement for the period ended September 30, 2024. Following the annual impairment goodwill test as at September 30, 2023 and the subsequent triggering event analysis as at December 31, 2023, no impairments were found at our Bangladesh CGU as, amongst other factors, it was operating in a revenue growth period (which period lasted through our second quarter of 2024), however, the Bangladesh CGU did have limited headroom in its carrying value; as a result, the impairment charge is expected to have a direct impact on our operating profit. See Note 11 for further detail. The circumstances in Bangladesh could also impact our assessment relating to the recognition and recoverability of our deferred tax assets in Bangladesh.

**Changes in Directors of VEON Holdings B.V.**

On March 7, 2024, Bruce John Leishman and Maciej Bogdan Wojtaszek were appointed statutory directors of the Company, while on the same date Jochem Benjamin Postma and Paul Klaassen stepped down as statutory directors of the Company.

**Issuance of PKR Sukuk bond by Pakistan Mobile Communication Limited ("PMCL")**

In October 2024, Pakistan Mobile Communication Limited ("PMCL") issued short term PKR sukuk bond of PKR 15 billion (US$54) with a maturity of six months. Coupon rate is 3 months Karachi Interbank Offered Rate (KIBOR) minus 10 bps per annum.

**Unitel LLC credit facility**

On October 7, 2024 Unitel LLC signed a new credit facility agreement with JSC “National Bank for Foreign Economic Activity of the Republic of Uzbekistan” for UZS 191.3 billion (US$14) with a maturity of two years and an interest rate of 22% per annum. During November 2024, Unitel LLC utilized the full amount from this facility.

**VEON appoints UHY LLP as auditors for VEON Group's 2024 PCAOB Audit**

On November 13, 2024, VEON announced that the VEON Board of Directors has re-appointed UHY LLP (“UHY”) as the independent registered public accounting firm for the audit of the Group's consolidated financial statements for the year ended December 31, 2024 in accordance with the standards established by the Public Company Accounting Oversight Board, United States (the "PCAOB Audit").

## 23 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board and adopted by the European Union and the applicable articles of Part 9 of Book 2 of the Dutch Civil Code, effective at the time of preparing the consolidated financial statements and applied by VEON.

The consolidated income statement has been presented based on the nature of the expense, other than 'Selling, general and administrative expenses', which has been presented based on the function of the expense.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise disclosed.

### BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Company has control. Please refer to Note 14 for a list of significant subsidiaries.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

When the Group ceases to consolidate a subsidiary due to loss of control, the related subsidiary's assets (including goodwill), liabilities, non-controlling interest and other components of equity are de-recognized. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. Any consideration received is recognized at fair value, and any investment retained is re-measured to its fair value, and this fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest. Any resultant gain or loss is recognized in the income statement.

### FOREIGN CURRENCY TRANSLATION

The consolidated financial statements of the Group are presented in U.S. dollars. Each entity in the Group determines its own functional currency and amounts included in the financial statements of each entity are measured using that functional currency.

Upon consolidation, the assets and liabilities measured in the functional currency are translated into U.S. dollars at exchange rates prevailing on the balance sheet date; whereas income and expenses are generally translated into U.S. dollars at historical monthly average exchange rates. Foreign currency translation adjustments resulting from the process of translating financial statements into U.S. dollars are reported in other comprehensive income and accumulated within a separate component of equity.

### RESTATEMENT OF 2022 CONSOLIDATED FINANCIAL STATEMENTS

After the issuance of VEON Holdings B.V.'s Dutch statutory financial statements for the year ended December 31, 2022 authorized by the Board of Directors on June 29, 2023, the Company discovered an error in the consolidated statement of comprehensive income with respect to the de-recognition of non-controlling interest for the sale of its Algerian operations (refer to Note 10 for further details) which was corrected. Under Dutch law, the Company determined the error does not result in financial statements that are seriously defective in providing a view that enables a sound judgement to be formed on assets, liabilities, equity and results of the Company and, insofar as the nature of financial statements permit, of its solvency and liquidity. In accordance with IFRS and Dutch law, the Company has corrected and disclosed the error retrospectively in its statutory accounts in its Q3 2023 financial statements and in the full year 2023 Dutch annual report.

The non-controlling interest was incorrectly de-recognized in other comprehensive income (OCI), a component within equity, while it should have been de-recognized directly in equity without an impact in OCI. With respect to the consolidated statement of changes in equity, the amount was previously presented in the Dutch statutory financial statements as a line item within OCI and is now presented as a separate line item on the statement with no impact to OCI in the 2022 Annual Report. Refer to the impact on the consolidated statement of comprehensive income below. Thus, the error correction resulted in an adjustment in the consolidated statement of changes in equity which has no impact on total consolidated equity as well as an adjustment in the consolidated statement of comprehensive income.

Further, the error had no impact on the result on the sale of Algeria (refer to Note 10) as presented on the consolidated income statement and no impact on the consolidated income statement as a whole. Additionally, the error had no impact on the consolidated statement of financial position, consolidated statement of cash flows, basic or diluted earnings per share, adjusted EBITDA, nor on VEON's financial covenants for its lenders.

Statement of Comprehensive Income

| For the year ended December 31, 2022 | Impact of correction of the error | | |
|---|---|---|---|
| (In millions of U.S. dollars) | VEON Holdings B.V. Dutch Statutory Financial Statements as previously reported | Adjustment | VEON Holdings B.V. Dutch Statutory Financial Statements as restated |
| Profit / (loss) for the period | 192 | — | 192 |
| *Items that may be reclassified to profit or loss* | | | |
| Foreign currency translation | (486) | — | (486) |
| Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation | (266) | 824 | 558 |
| *Items that will not to be reclassified to profit or loss* | | | |
| Other | 6 | — | 6 |
| **Other comprehensive income / (loss) for the period, net of tax** | **(746)** | **824** | **78** |
| **Total comprehensive income / (loss) for the period, net of tax** | **(554)** | **824** | **270** |
| **Attributable to:** | | | |
| The owners of the parent | 160 | — | 160 |
| Non-controlling interests | (714) | 824 | 110 |
| | (554) | 824 | **270** |
| **Total comprehensive income / (loss) for the period, net of tax** | | | |
| Continuing operations | 404 | — | 404 |
| Discontinued operations | (958) | 824 | (134) |
| | (554) | 824 | **270** |

## GOING CONCERN

As of November 20, 2024, hostilities continue in Ukraine. Currently, we have 24 million subscribers in Ukraine, where they are supported by 4,000 employees. VEON's priority is to protect the safety and well-being of our employees and their families. We have developed and, in some cases, implemented additional contingency plans to relocate work and/or personnel to other geographies and add new locations, as appropriate. As of November 20, 2024, most of our Ukraine subsidiary's employees remain in the country. As of November 20, 2024, millions of people have fled Ukraine and the country has sustained significant damage to infrastructure and assets.

As the war persists, we could lose a greater percentage of our customer base in Ukraine. If Ukrainian refugees choose to relocate permanently outside of Ukraine and switch to local providers, this could have a significant impact on their use and spending on our services. Due to the efforts of our Ukrainian team as well as collaboration with other telecommunications operators in the region, network capacity has remained stable with minimal disruptions since the beginning of the war. On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack, causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement agencies, the Security Service of Ukraine and government agencies, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, with mobile voice and internet, fixed connectivity, SMS and MyKyivstar self-care application active and available across Ukraine. Refer to Note 1 for further details. We have incurred and will continue to incur additional expenditures to maintain and repair our mobile and fixed-line telecommunications infrastructure in Ukraine as a result of any damage inflicted on our infrastructure due to the ongoing war, as well as for security, increased energy costs, and related operational and capital expenditures. In addition, our ability to provide services in Ukraine may be impaired if we are unable to maintain key personnel within Ukraine and/or our infrastructure within Ukraine is significantly damaged or destroyed.

In response to the events in Ukraine, the United States, European Union (and individual EU member states) and, the United Kingdom, as well as other countries have imposed wide-ranging economic sanctions and trade restrictions which have targeted individuals and entities as well as large aspects of the Russian economy, including freezing the assets of Russia's central bank, other Russian financial institutions, and individuals, removing selected Russian banks from the Swift banking system, and curbing certain products exported to Russia.

Effective October 9, 2023, VimpelCom was deconsolidated from the VEON Group and, as such, the VEON Group no longer has operations in Russia. The risks related to sanctions, trade restrictions, and export bans targeting the Russian Federation and VimpelCom itself as well as risks related to counter-sanctions imposed by Russia, including the potential risk of imposing administration over Russian assets, have been sufficiently mitigated. As a result of the VimpelCom disposal, cybersecurity risk has been significantly reduced.

Ukraine has also implemented and may implement further sanctions or measures on individuals or entities with close ties to Russia, which may negatively impact Kyivstar if VEON is considered by local Ukrainian authorities as being a company controlled by sanctioned persons. For example, in October 2022, Ukraine imposed sanctions for a ten-year period against Mikhail Fridman, Petr Aven and Andriy Kosogov, who are some of the beneficial owners of LetterOne, which, in turn, is one of VEON's shareholders. These Ukrainian sanctions apply exclusively to the sanctioned individuals and do not have a direct impact on the Company, however, the Company cannot rule out their impact on banks' and other parties readiness to engage in transactions involving the Company. Furthermore, these sanctions may make it difficult for the Company to obtain local financing in Ukrainian hryvnia, which could make it more difficult for us to naturally hedge any debt required for our Ukrainian operations moving forward to the currency in which we generate revenue. On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts froze all "corporate rights" of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings against Mikhail Fridman and which are unrelated to VEON or any of our subsidiaries are in progress. This announcement was incorrectly characterized by some Ukrainian media as a "seizure" or "freezing" of "Kyivstar's assets". On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly identified Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding. On October 30, 2023 VEON announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and Ukraine Tower Company, noting that corporate rights in Kyivstar and Ukraine Tower Company belong exclusively to VEON, and that their full or partial freezing or seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar and Ukraine Tower Company. In December 2023, the court rejected the Company's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freezing of corporate rights in Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. VEON is continuing significant government affairs efforts to protect our assets in Ukraine.

Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on (i) the transfer of technology and intellectual rights to Kyivstar from VEON, renting of state property and land, and (ii) prohibitions on participation in public procurement impacting B2G revenue would apply.

The ongoing war in Ukraine, and the sanctions imposed by the various jurisdictions, counter sanctions and other legal and regulatory measures, as well as responses by our service providers, partners, suppliers and other counterparties, including certain professional service providers we rely on, and the consequences of all the foregoing, have negatively impacted and, if the war, sanctions and such responses continue or escalate, will continue to negatively impact aspects of our operations and results in Ukraine, and may affect aspects of our operations and results in the other countries in which we operate.

The war has directly and indirectly resulted in the following events and conditions that may cast significant doubt on the Company's ability to continue as a going concern:

- The current events in the regions where we operate in Ukraine and where we derive a significant amount of our business may pose security risks to our people, our facilities, our operations, and infrastructure, such as utilities and network services, and the disruption of any or all of them could significantly affect our business, financial conditions and results of operations in Ukraine, and cause volatility in the value of our securities. The war has also had a marked impact on the economy of Ukraine. However, since the beginning of the war, a significant majority of Ukraine's network infrastructure has been operating effectively and disruptions in service have been limited to specific areas where the war is most intense. As mentioned above, in December 2023, Kyivstar was the target of a widespread external cyber-attack, causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad, which were subsequently restored. It cannot be ruled out that the war and related damage could escalate within Ukraine.

- We may need to record future impairment charges in Ukraine or CGUs, which could be material, if the war continues or escalates and/or due to macroeconomic conditions.

- As of October 31, 2024, the Company continues to conclude that neither VEON Ltd. nor any of its subsidiaries is targeted by sanctions imposed by any of the United States, European Union (and individual EU member states) and the United Kingdom. However, the interpretation and enforcement of these new sanctions and counter-sanctions may result in unanticipated outcomes and could give rise to material uncertainties, which could complicate our business decisions. For example, to protect U.S. foreign policy and national security interests, the U.S. government has broad discretion to at times impose a broad range of extraterritorial "secondary" sanctions under which non-U.S. persons carrying out certain activities may be penalized or designated as sanctioned parties, even if the activities have no ties, contact with, or nexus to the United States or the U.S. financial system at all. These secondary sanctions could be imposed on the Company or any of the Company's subsidiaries if they were to engage in activity that the U.S. government determined was undertaken knowingly and rose to the level of material or significant support to, for, or on behalf of certain sanctioned parties.
- Based on the current state of affairs, the Company currently has sufficient liquidity to satisfy our current obligations at least over the next twelve months from the issuance of the financial statements without the need of additional financing assuming no early repayments of our long-term debt. In addition, cash on hand was US$963 as of September 30, 2024 after the full repayment of the RCF (refer to details in Note 1). As a result of the full repayment and cancellation of the RCF, the Company no longer has any financial covenants. However, these continue to be uncertain times and it is not possible to predict with certainty how certain developments will impact our liquidity position, non-financial provisions in our debt agreements, and our equity levels on a regular and continuous basis both at the group and operating company levels. We may also be impacted by conditions or local legal requirements in international markets that could make it more difficult to service our existing debt obligations or refinance existing debt. If the assumptions behind our liquidity forecast are not correct, we may not have sufficient liquidity to continue to operate as outlined above. If we are unable to raise additional capital in the markets in which we seek to raise it, or at all, or if the cost of raising additional capital significantly increases, which has been the case since the onset of the ongoing war due to monetary policy in response to global inflationary pressures and a number of other factors, we may be unable to make necessary or desired capital expenditures, take advantage of investment opportunities, refinance existing indebtedness or meet unexpected financial requirements, and our growth strategy and liquidity may be negatively affected. This could cause us to be unable to repay indebtedness as it comes due, to delay or abandon anticipated expenditures and investments or otherwise limit operations. For example, the ongoing war in Ukraine has caused us to reconsider our capital outlay to ensure we have sufficient liquidity for maintenance capital expenditures and other key operational spend while at the same time servicing our indebtedness. As a result, capital expenditures that are more discretionary in nature may be put on hold until the impact of the ongoing war in Ukraine, and particularly its effects on our liquidity and financial profile, becomes more certain.
- In response to the geopolitical and economic situation in Ukraine, there is a risk of the country imposing external administration over foreign companies or assets or nationalizing them. For example, as part of the measures that the Ukrainian government has adopted in response to the ongoing war with Russia, several Nationalization Laws Amendments have been passed by the Ukrainian Parliament and, as of June 26, 2024, are awaiting signature by the President of Ukraine. Among other things, the Nationalization Laws Amendments extend the definition of "residents" whose property in Ukraine (whether owned directly or indirectly) can be seized under the Nationalization Laws to include property owned by the Russian state, Russian citizens, other nationals with close relationships to Russia, residing or having a main place of business in Russia, or legal entities operating in Ukraine whose founder or ultimate beneficial owner is the Russian state or are controlled or managed by any of the individuals identified above. Pursuant to the Nationalization Laws, in May 2023, President Zelensky signed an initial package of restrictive measures relating to 41 entities, including against Zaporizhstal, one of Ukraine's largest metallurgical companies, due to Russian ownership in the company's structure. In April 2023, the Ukrainian Parliament voted for similar measures to allow for the nationalization of Sense Bank, one of Ukraine's largest commercial banks.
- Furthermore, in November 2022, the Ukrainian government invoked martial law, which allows the Ukrainian government to take control of stakes in strategic companies in Ukraine in order to meet the needs of the defense sector. The Security Council Secretary indicated that at the end of the application of martial law, the assets can be returned or their owners can be appropriately compensated.
- As noted above, on October 6, 2023, the Security Service of Ukraine (SSU) announced that the Ukrainian courts froze all "corporate rights" of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings against Mikhail Fridman and, which are unrelated to Kyivstar or VEON, are in progress. This announcement was incorrectly characterized by some Ukrainian media as a "seizure" or "freezing" of "Kyivstar's assets". On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly identified Kyivstar, that the Ministry of Justice of Ukraine is separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding.
- If further measures are adopted and applied in relation to our Ukrainian subsidiary, this could lead to the involuntary deconsolidation of our Ukrainian operations, and could trigger certain financial covenants or non-financial provisions in

our debt agreements, requiring accelerated repayment, potentially triggering a cross-default across other debt agreements and the revolving credit facility and negatively impact our liquidity.

Management's actions to address these events and conditions are as follows:

- As mentioned above, on October 9, 2023, the sale of our Russian operations was completed and VimpelCom was deconsolidated from the VEON Group. The sale of VimpelCom has sufficiently mitigated risks related to sanctions, trade restrictions, and export bans imposed against Russia as well as risks related to counter-sanctions imposed by Russia including Decree 302 and Decree 430. The sale of VimpelCom has also significantly reduced the VEON Group's exposure to cybersecurity attacks.
- We have implemented business continuity plans to address known contingency scenarios to ensure that we have adequate processes and practices in place to protect the safety of our people and to handle potential impacts to our operations in Ukraine.
- The Company has performed sensitivity analyses on the volatility of the Pakistani Rupee as well as other currencies in our operating markets with respect to the impact on our financial results and does not expect currency fluctuations to have a significant impact. In the normal course of business, the Company manages its foreign currency risk by selectively hedging committed exposures and hedges part of its exposure to fluctuations on the translation into U.S. dollars of its foreign operations by holding the borrowings in foreign currencies or by foreign exchange swaps and forwards.
- Management is actively monitoring any new developments in applicable sanctions to ensure that we continue to be in compliance and to evaluate any potential impact on the Company's financial performance, operations, and governance. Management has actively engaged with sanctions authorities where appropriate. Management is engaging with authorities in Ukraine to address any concerns they have about the ownership and management of Kyivstar and to provide all necessary assurances to confirm that Russian nationals, including any beneficial owners of LetterOne, do not participate in the management of Kyivstar nor are they able to derive any benefits from VEON's assets in Ukraine.
- On October 30, 2023, we announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and our subsidiary Ukraine Tower. Noting that corporate rights in Kyivstar and Ukraine Tower Company belong exclusively to VEON, and that their full or partial freezing or seizure directly violates the rights of VEON and its international debt and equity investors, VEON requested the lifting of the freezing of its corporate rights in Kyivstar and Ukraine Tower Company. In its filings, the Company also reiterated that any action aimed at the rights, benefits or funds of sanctioned individuals - the alleged reason for freezing of corporate rights as per the SSU statement - cannot legitimately be directed toward VEON or its subsidiaries. Sanctioned individuals do not own any shares in VEON or its subsidiaries; they cannot exercise any rights regarding VEON or any of its subsidiaries; are not a part of any VEON group company governance mechanisms, including boards; do not have the ability to control or influence decisions made by VEON or any of its subsidiaries; and do not derive any economic benefits from VEON or any of its operating companies. In December 2023, the court of appeals rejected VEON's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freeze of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. VEON is continuing significant government affairs efforts to protest our assets in Ukraine. Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary ("Kyivstar") and concluded that, under the requirements of relevant reporting standards (IFRS 10, Consolidated financial Statements), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.
- Management actively monitors the Company's liquidity position, our non-financial provisions in our debt agreements, and our equity levels on a regular and continuous basis both at the group and operating company levels and should they reach a level considered at-risk, management will take actions to ensure our liquidity position is sufficient and our non-financial provisions in our debt agreements are met.
- On March 28, 2024, VEON announced that it repaid in full the outstanding balance of US$805 (principal, excluding accrued interest) and cancelled its RCF, after paying the matured portion of US$250 in February 2024.
- As of March 14, 2024 and May 29, 2024, VEON Ltd. appointed PwC Netherlands and UHY, respectively, for the audits of the Group's consolidated financial statements for the year ended December 31, 2023 for the ISA Audit and PCAOB Audit, respectively. As a result of the delay in appointing an external independent auditor, VEON Ltd. was delayed in producing its audited consolidated financial statements for the year ended December 31, 2023, filing its annual report on Form 20-F with the SEC and filing its annual report with the Dutch Authority for the Financial Markets ("AFM") in connection with its Euronext listing. As a result of these expected delayed filings, VEON Ltd. was not in compliance with its listing requirements after the applicable deadlines passed. VEON Ltd. submitted a plan to regain compliance under Nasdaq Listing Rule 5250(c)(1) (the "Listing Rules") and on July 9, 2024, VEON Ltd. announced that Nasdaq granted the Company an exception, enabling it to regain compliance with the Listing Rules by filing its 2023 annual report on Form 20-F on or before November 11, 2024. VEON Ltd. filed its 2023 annual report on Form 20-F on October 17, 2024 and has regained compliance under the Listing Rules and filed its 2023 AFM Annual Report on October 31, 2024. Further, as a result of the consent solicitation, consent was obtained to extend the deadline for the provision of audited

financial statements for the years ended 2023 and 2024 for both VEON Ltd. and its subsidiary, VEON Holdings B.V., to the holders of the outstanding notes of VEON Holdings B.V. Refer to Note 22 for further developments and details.

The accompanying consolidated financial statements have been prepared on a going concern basis. In accordance with International Accounting Standards ("IAS") 1, Presentation of Financial Statements, the Company has determined that the aforementioned conditions and events, considered in the aggregate, may cast significant doubt about the Company's ability to continue as a going concern for at least 12 months after the date these interim consolidated financial statements were authorized for issuance. Management expects the actions it has taken or will take will mitigate the risk associated with the identified events and conditions. However, given the uncertainty and exogenous nature of the ongoing war and potential future imposed sanctions as well as potential new counter-sanctions, and given the possible future imposition of external administration over our Ukrainian operations in particular, management concluded that a material uncertainty remains related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, such that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

## 24 SIGNIFICANT ACCOUNTING POLICIES

## SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements has required management to apply accounting policies and methodologies based on complex and subjective judgements, as well as estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The use of these judgments, estimates and assumptions affects the amounts reported in these consolidated financial statements. The final amounts for items for which estimates and assumptions were made in the consolidated financial statements may differ from those reported in these statements due to the uncertainties that characterize the assumptions and conditions on which the estimates are based.

The sources of uncertainty identified by the Group are described together with the applicable Note, as follows:

| Significant accounting judgment / source of estimation uncertainty | Described in |
|---|---|
| Revenue recognition | Note 3 |
| Deferred tax assets and uncertain tax positions | Note 8 |
| Provisions and contingent liabilities | Note 7 |
| Impairment of non-current assets | Note 11 |
| Control over subsidiaries | Note 14 |
| Depreciation and amortization of non-current assets | Note 12 and Note 13 |
| Fair value of financial instruments | Note 16 |
| Sale and lease back transactions | Note 12 |
| Measurement of lease liabilities | Note 16 |

## NEW STANDARDS AND INTERPRETATIONS

**Adopted in 2023**

A number of amended standards became effective as of January 1, 2023, which did not have a material impact on VEON financial statements. The Group has not early adopted any other standards, interpretations or amendments that have been issued but have not yet become effective.

**Not yet adopted by the Group**

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on VEON financial statements in current or future reporting periods or on foreseeable future transactions.

Amsterdam,

November 20, 2024

VEON Holdings B.V.

# Company financial statements

## COMPANY STATEMENT OF FINANCIAL POSITION

Before appropriation of profit

as of December 31

| *(In millions of U.S. dollars)* | **Note** | **2023** | **2022** |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Financial fixed assets | 1 | 5,906 | 6,611 |
| **Total non-current assets** | | **5,906** | **6,611** |
| **Current assets** | | | |
| Receivables | 2 | 251 | 1,523 |
| Cash and cash equivalents | 3 | 1,294 | 2,462 |
| **Total current assets** | | **1,545** | **3,985** |
| **Total assets** | | **7,451** | **10,596** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Issued capital | | 33 | 32 |
| Capital surplus | | 10,294 | 10,294 |
| Reserve results of subsidiaries | | 255 | 229 |
| Foreign currency translation reserve | | (3,794) | (6,611) |
| Retained earnings / (accumulated deficit) | | (1,872) | (1,873) |
| Result for the year | | (2,332) | 38 |
| **Total equity** | 4 | **2,584** | **2,109** |
| **Provisions** | 5 | **162** | **14** |
| **Non-current liabilities** | 6 | **2,557** | **4,426** |
| **Current liabilities** | 7 | **2,148** | **4,047** |
| **Total equity and liabilities** | | **7,451** | **10,596** |

## COMPANY INCOME STATEMENT

for the year ended December 31

| *(In millions of U.S. dollars)* | Note | 2023 | 2022 |
|---|---|---|---|
| General and administrative expenses | 11 | (35) | (13) |
| Recharged expenses to group companies | | 2 | 1 |
| **Operating loss** | | **(33)** | **(12)** |
| Finance income | 12 | 706 | 491 |
| Finance expenses | 12 | (211) | (307) |
| **Profit before tax** | | **462** | **172** |
| Income tax | 13 | (9) | 12 |
| Share in results of subsidiaries after tax and result on sale of subsidiary | | (2,785) | (146) |
| **Net result** | | **(2,332)** | **38** |

## COMPANY AND GROUP ACTIVITIES

VEON Holdings B.V. ("**VEON**" or the "**Company**"), was incorporated on June 29, 2009. The Company has its statutory seat and its principal place of Business at Claude Debussylaan 88 in Amsterdam.

The Company is registered at the Trade Register of the Chamber of Commerce in Amsterdam under number 34345993.

For details of the Company's and its group of companies ("**VEON Group**") principal activities, reference is made to Note 1 (General information) to the Consolidated Financial Statements.

## ACCOUNTING POLICIES

### General

The Company financial statements have been prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code. In accordance with the provisions of Article 362, paragraph 8, Title 9 of Book 2 of the Dutch Civil Code, the accounting policies used are the same as those explained in the Notes to the Consolidated Financial Statements, prepared under IFRS as endorsed by the European Union, except for the accounting policies disclosed below. For an appropriate interpretation, the Company financial statements should be read in conjunction with the consolidated financial statements.

The Company financial statements are presented in United States dollars ("U.S. dollar" or "US$"). In these financial statements, U.S. dollar amounts are presented in millions, except as otherwise indicated.

### Comparison with previous year

The valuation principles and method of determining the results are the same as those used in the previous year.

### Subsidiaries

Subsidiaries are all entities (including intermediate subsidiaries) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognized from the date on which control is transferred to the Company or its intermediate holding entities. They are derecognized from the date that control ceases.

Investments in subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements.

If the valuation of a subsidiary based on the net asset value is negative, it will be stated at nil. If and insofar as the Company can be held fully or partially liable for the debts of the subsidiary or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

Newly acquired subsidiaries are initially recognized on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used.

The amount by which the carrying amount of the subsidiary has changed since the previous financial statements as a result of the net result achieved by the subsidiary is recognized in the income statement.

Amounts due from investments in subsidiaries are stated initially at fair value and subsequently at amortized cost. Amortized cost is determined using the effective interest rate

### Business combinations under common control

Business combinations under common control are accounted for using the carry-over accounting method. Accordingly, all assets and liabilities of the business acquired are recognized at the carrying value of those assets and liabilities as identified and measured in the consolidated financial statements of the Company. The resulting net assets from the business combination are recognized as an investment in subsidiary in the financial statements of the Company on the date of the business combination under common control. The difference between the net book value of the net asset acquired and the purchase consideration paid is recognized directly in Equity as a contribution in kind from or a dividend to the parent company, and it is recorded as a capital surplus. No goodwill or bargain purchase is recognized. The results of operations of acquired businesses are included in the company financial statements from the date of acquisition (i.e. no retrospective restatements in the company income statement).

### Equity interests

For a full list of equity interests, reference is made to the list including entity details filed in accordance with Articles 379 and 414, Title 9 of Book 2 of the Dutch Civil Code at the Dutch Chamber of Commerce.

### Going Concern

Material uncertainties have been identified that may cast significant doubt on the Company's ability to continue as a going concern which are discussed in detail in Note 23 of the Consolidated Financial Statements.

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

## NOTES TO THE COMPANY FINANCIAL

## 1. FINANCIAL FIXED ASSETS

| | 2023 | 2022 |
|---|---|---|
| Investment in subsidiaries | 3,259 | 4,408 |
| Long-term loans to group companies | 872 | 782 |
| Long-term loans to (subsidiaries of) the ultimate parent | 1,770 | 1,401 |
| Other financial assets | 5 | 20 |
| **Balance as at December 31** | **5,906** | **6,611** |

The fair value of the loans disclosed above including the short-term portion was US$1,806. Refer to Note 16 of consolidated financial statements above for further insight into fair value hierarchy and other details.

**Investment in subsidiaries**

Movements in investments in consolidated subsidiaries were as follows:

| | 2023 | 2022 |
|---|---|---|
| **Balance as at January 1** | **4,408** | **3,687** |
| Capital contribution | 145 | 450 |
| Acquisition of / investment in subsidiaries | — | 445 |
| Result of participating interests after tax | (2,785) | (146) |
| Share premium distributions | — | (26) |
| Disposal of subsidiaries | 2,124 | — |
| Deemed distributions due to loan novation/loan forgiveness | — | 9 |
| Dividend received from subsidiaries | (168) | (114) |
| Net increase in provision for negative asset entities | 147 | 13 |
| Currency translation adjustments | (601) | 116 |
| Other equity movements related to subsidiaries | (11) | (26) |
| **Balance as at December 31** | **3,259** | **4,408** |

*Significant activities in 2023*

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. On September 13, 2023, VEON and the buyer agreed on certain amendments to the Share Purchase Agreement ("SPA") which had no material impact on the economic terms of the original transaction announced on November 24, 2022. For further details of this transaction please refer to Note 9 (Significant Transactions) of the Consolidated Financial Statements.

In December 2023, the Company purchased all of the shares VEON Bangladesh Holdings B.V. from its indirectly (via VEON Luxembourg Holdings S.à r.l") wholly-owned subsidiary, VEON Luxemburg Finance S.A., for US$1 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of VEON Bangladesh Holdings B.V. of -/-US$140. Subsequently, the Company did a capital contribution of US$141 in its wholly-owned subsidiary, VEON Bangladesh Holdings B.V.. This capital contribution was done via offsetting a loan receivable (US$137) and the related accrued interest (US$4).

*Significant activities in 2022*

In March 2022, the Company purchased all of the shares held (50.1%) in VIP Kyrgyzstan Holding AG (**"VIP Kyrgyzstan"**) from its indirectly (via PJSC "Vimpel-Communications") wholly-owned subsidiary, VEON Eurasia S.à r.l. (**"Eurasia"**), for US$12 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of Kyrgyzstan of US$12.

In December 2022, the Company purchased all of the shares held (75%) in VIP Kazakhstan Holding AG (**"VIP Kazakhstan"**) from its indirectly (via PJSC "Vimpel-Communications") wholly-owned subsidiary, VEON Eurasia S.à r.l. (**"Eurasia"**), for US$868 and carry over accounting was applied. The investment in subsidiary was initially recognized based on the net asset value of Kazakhstan of US$445, presented within "Acquisition of / investment in subsidiaries", while the excess in consideration paid to Eurasia over the net asset value, resulted in an increase in the book value of Investment in PJSC "Vimpel-Communications" of US$423, presented as "Capital contribution/(distribution)".

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

**Long-term loans to group companies**

| | 2023 | 2022 |
|---|---|---|
| **Balance as at January 1** | **782** | **2,129** |
| New loans granted and advances | — | 295 |
| Receipts during the year | — | (455) |
| Reclassification to short term | (247) | (1,324) |
| Reclassification from short term | 337 | 331 |
| Foreign exchange gain | — | 206 |
| Offset of loans | — | (400) |
| **Balance as at December 31** | **872** | **782** |

*Significant activities in 2023*

In February 2023, the maturity of the short-term loan between the Company and Bangladesh Holdings B.V. of US$137 was extended till February 2026 and was reclassified from short-term loans to group companies to long-term loans to group companies. The loan carries a fixed interest rate of 3.5%. Subsequently in November 2023, the loan was reclassified from long-term loans to short-term loans to group companies.

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. From the total of US$250 facility an amount of US$50 was classified as a short-term loan to group companies and US$200 was classified as a long-term loan to group companies.  in July (US$12.5) and October (US$12.5) an additional US$ 25 million was reclassified to short term loan to group companies.

In November 2023, US$84 of the loan due from VEON Luxembourg Finance S.A. was reclassified to short-term loans to group companies.

*Significant activities in 2022*

In February 2022, the Company received US$396 as a repayment on the loan due from PJSC “Vimpel-Communications".

In February 2022, the Company granted intercompany loan of RUB 3 billion (US$35) to PJSC “Vimpel-Communications" under existing facility agreement. The loan has a maturity date of December 2024 with a fixed interest rate of 8.75%.

In March 2022, the Company granted a loan of RUB 30 billion (US$259) to VEON Finance Ireland DAC. The loan has a maturity date of February 2029 with a floating interest rate of CBR key rate + 2.05%.

In July 2022, the Company offset US$350 of its long-term loan receivable due from PJSC “Vimpel-Communications", with its long-term loans payable US$350 due to PJSC “Vimpel-Communications"

In October 2022, the Company offset US$50 of its long-term loan receivable due from VEON Algeria Holdings B.V., with its long-term loans payable US$50 due to VEON Algeria Holdings B.V.

In December 2022, the Company received US$59 as a repayment on the loan due from VEON Luxembourg Finance S.A.

**Long-term loans to (subsidiaries of) the ultimate parent**

| | 2023 | 2022 |
|---|---|---|
| **Balance as at January 1** | **1,401** | **1,361** |
| New loans granted and advances | 60 | 40 |
| Reclassification from short term (refer note 2) | 309 | — |
| **Balance as at December 31** | **1,770** | **1,401** |

Loans granted to subsidiaries of the ultimate parent include Loans to VEON Amsterdam B.V. amounting US$1,604 (including principal and interest) at December 31, 2023 and are callable on demand. As of December 31, 2023, the Company did not expect to call the loan or collect repayments within 12 months following the balance sheet date. In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%

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

## 2. RECEIVABLES

| | 2023 | 2022 |
|---|---|---|
| Loans to subsidiaries of the ultimate parent | — | 386 |
| Loans to group companies | 52 | 859 |
| Amounts due from group companies | 106 | 94 |
| Accrued interest* | 6 | 138 |
| Other receivables and prepayments | 87 | 47 |
| **Balance as at December 31** | **251** | **1,523** |

*During the year accrued interest relating to VEON Amsterdam and VEON Ltd. were classified as long term. fir further details refer to Note 1 and details below.

The fair value of the receivables approximates the book value, due to their short-term character.

**Loans to subsidiaries of the ultimate parent**

The following table shows the movements in loan to subsidiaries of the ultimate parent during the year:

| | 2023 | 2022 |
|---|---|---|
| **Balance as at January 1** | **386** | **316** |
| New loans | 100 | 70 |
| Receipts during the year | (76) | — |
| Reclassification to Loans to group companies | (50) | — |
| Reclassification to long term | (360) | — |
| **Balance as at December 31** | **—** | **386** |

During 2023, the Company additionally granted a term loan of US$100 to its ultimate parent VEON Ltd. The loan had a maturity date of June 2024 with a fixed interest rate of 6%. In June 2024, the maturity date of this loan was extended until June 2025. Subsequently the loan US$166 (including principal and interest) was reclassified to long-term loans to (subsidiaries of) the ultimate parent.

In May 2023, the company received US$26 against the loan receivable from VEON Digital Limited which makes balance zero.

In June 2023, through a tripartite agreement, the original facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. The remaining US$50 of original loan was received by the company. US$50 of the loan due from Banglalink Digital Communications Ltd. was reclassified to short-term loans to group companies and US$200 to long-term loans to group companies.

**Loans to group companies**

The following table shows the movements in loan to group companies during the year:

| | 2023 | 2022 |
|---|---|---|
| **Balance as at January 1** | **859** | **347** |
| New loans | 2 | 24 |
| Offset of loans | (691) | (376) |
| Repayment of loans | (112) | (148) |
| Reclassification from long term | 247 | 1,324 |
| Reclassifications to long term | (137) | (330) |
| Reclassification from Loans to subsidiaries of the ultimate parent | 50 | — |
| Novation of loan to investment in subsidiaries | (137) | — |
| Foreign exchange result | (29) | 18 |
| **Balance as at December 31** | **52** | **859** |

In February 2023, a short-term loan between the Company and Bangladesh Holdings B.V. of US$137 was reclassified from short-term loans to group companies to Long-term loans to group companies.

In November 2023, a long-term loan between the Company and Bangladesh Holdings B.V. of US$137 was reclassified from long-term loans to group companies to short-term loans to group companies and subsequently in December 2023 off-set against a capital contribution to the Company's' subsidiary VEON Bangladesh Holdings B.V.

In June 2023, through a tripartite agreement, the original short-term loan facility between the company and VEON Digital Amsterdam B.V of US$ 300 was off-set by the novation of loan between VEON Digital Amsterdam B.V (existing lender) and Banglalink Digital Communications Limited (borrower) to VEON Holdings B.V (new lender). Under such amendment the facility amount has been reduced to US$250. Of this facility US$200 was classified as a long term loan to group companies and US$50 as short term loan to group companies. The interest rate applicable on loans was 9.3% and received in July, November and December 2024. In July (US$12.5) and October (US$12.5) 2023 a total of US$25 of the loan due from Banglalink Digital Communications Ltd. was reclassified from long-term to short-term loans to group companies and subsequently repaid.

In November 2023, US$84 of the loan due from VEON Luxembourg Finance S.A. was reclassified to short-term loans to group companies and subsequently in December this amount was received.

On February 15, 2023, PJSC VimpelCom and VEON Holdings signed a deed of set-off, to settle the receivable of RUB 54 billion (US$768 as of December 31, 2022) due from VEON Holdings, with loan balances between the two entities in which PJSC VimpelCom was the borrower. of which US$ 680 was offset against these short-term loans to group companies. With this set-off the internal transfer of VIP Kazakhstan Holding AG from December 2022 was completed.

Subsequently in October 2023 with the exit from Russia, with the closing of the sale of the Russian operations another US$11 was offset against these short-term loans to group companies.

**Year 2022**

In March 2022, the Company granted a loan of US$18 to VEON Finance Ireland DAC.The loan has a maturity date of March 2023 with a fixed interest rate of 0.1%.

In September 2022, the Company granted a loan of US$6 to VEON Bangladesh Holdings B.V. under its existing facility. The facility has a maturity date of February 2023 with a fixed interest rate of 3.5%.

In January 2022 (US$17), June 2022 (US$29) and November 2022 (US$2), the Company received US$48 as a repayment on the loan due from VEON Finance Ireland DAC. Original maturity of loan is January 2022 and April 2023 respectively. The interest rate applicable on loans was 0.1%.

In May 2022, the Company received US$100 as a repayment on the loan due from VEON Pakistan Holdings B.V. originally maturing in February 2023. The applicable interest rate on loan was 3.5%.

In May 2022, the Company offset US$114 of its loans receivable to its subsidiary VEON Bangladesh Holdings B.V., with its loans payable US$114 due to its subsidiary VEON Bangladesh Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In July 2022, the Company offset US$260 of its loan receivable due from VEON Pakistan Holdings B.V., with its short-term loans payable US$260 due to VEON Pakistan Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

## 3. CASH AND CASH EQUIVALENTS

All cash at bank and in hand is at the Company's free disposal.

The overdrawn accounts are presented as financial liabilities within the statement of financial position.

## 4. EQUITY

for the year ended December 31, 2023

| *(In millions of U.S. dollars)* | Issued capital | Capital Surplus | Reserve Results of Subsidiaries | Foreign currency translation | Retained Earnings / (accumulated deficit) | Result for the year | Total equity |
|---|---|---|---|---|---|---|---|
| **As at January 1, 2023** | **32** | **10,294** | **229** | **(6,611)** | **(1,873)** | **38** | **2,109** |
| Loss for the period | — | — | — | — | — | (2,332) | (2,332) |
| Other comprehensive income | — | — | — | 2,818 | (11) | — | 2,807 |
| **Total comprehensive income** | **—** | **—** | **—** | **2,818** | **(11)** | **(2,332)** | **475** |
| Result appropriation | — | — | — | — | 38 | (38) | — |
| Movement in legal reserve due to currency restrictions | — | — | 26 | — | (26) | — | — |
| Revaluation of issued capital | 1 | — | — | (1) | — | — | — |
| **As at December 31, 2023** | **33** | **10,294** | **255** | **(3,794)** | **(1,872)** | **(2,332)** | **2,584** |

for the year ended December 31, 2022

| *(In millions of U.S. dollars)* | Issued capital | Capital Surplus | Reserve Results of Subsidiaries | Foreign currency translation | Retained Earnings / (accumulated deficit) | Result for the year | Total equity |
|---|---|---|---|---|---|---|---|
| **As at January 1, 2022** | **34** | **10,294** | **1,033** | **(6,729)** | **(3,459)** | **809** | **1,982** |
| Profit for the period | — | — | — | — | — | 38 | 38 |
| Other comprehensive income | — | — | — | 116 | — | — | 116 |
| **Total comprehensive income** | — | — | — | 116 | — | 38 | 154 |
| Result appropriation | — | — | — | — | 809 | (809) | — |
| Movement in legal reserve due to currency restrictions | — | — | (804) | — | 804 | — | — |
| Transactions with non-controlling interest partners | — | — | — | — | (19) | — | (19) |
| Revaluation of issued capital | (2) | — | — | 2 | — | — | — |
| Other | — | — | — | — | (8) | — | (8) |
| **As at December 31, 2022** | **32** | **10,294** | **229** | **(6,611)** | **(1,873)** | **38** | **2,109** |

### Issued capital

Reference is made to Note 19 (Issued capital and reserves) to the Consolidated Financial Statements. The issued capital is nominated in EUR. In accordance with Article 373, paragraph 5, Title 9 of Book 2 of Dutch Civil Code the issued capital is translated into U.S. Dollars at the rate of exchange ruling at the balance sheet date EUR 1 = US$ 1.1039 (2022: EUR 1 = US$ 1.0705).

### Capital surplus

Capital surplus represents primarily contributions into the Company from the shareholders.

### Results of subsidiaries

The reserve Results of subsidiaries comprises the amount of profits that cannot be repatriated from subsidiaries due the restrictions on dividend distributions relating to withholding tax in respect of dividends mainly from Kazakhstan and Uzbekistan. Also Certain of our subsidiaries are subject to legal restrictions that prevent the distribution of profit or dividends particularly Ukraine has introduced measures in response to the ongoing conflict with Russia, which include local banking and capital restrictions that prohibit our Ukrainian subsidiary from making any interest or dividend payments.

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

**Appropriation of result**

The Board of Directors proposes to add the loss for the year of US$2,332 to the retained earnings / accumulated deficit. This has not been reflected in these financial statements.

**Equity reconciliation between consolidated financial statements and the company financial statements**

| | 2023 | 2022 |
|---|---|---|
| Consolidated equity | 2,584 | 2,109 |
| Company - only equity | 2,584 | 2,109 |
| **Difference** | **—** | **—** |

## 5. PROVISIONS

| | 2023 | 2022 |
|---|---|---|
| Restructuring provision | 1 | — |
| Provision for the net liability balances of its loss-making subsidiaries | 161 | 14 |
| **Balance as at December 31** | **162** | **14** |

If the (partly) settlement of a provision is expected to take place within one year, the provision will be (partly) classified as current.

The deferred tax liability relates to the withholding tax on undistributed earnings from subsidiaries. The movements in deferred tax liability were as follows:

| | 2023 | 2022 |
|---|---|---|
| Balance as at January 1 | — | 41 |
| Decrease tax liability | — | (41) |
| **Balance as at December 31** | **—** | **0** |

The Company has determined that it has a constructive obligation with respect to the liabilities of its subsidiaries. As such, the Company has recorded a provision for the net liability balances of its loss-making subsidiaries. The movements in the provision were as follows:

| | 2023 | 2022 |
|---|---|---|
| Balance as at January 1 | 14 | 1 |
| Net increase during the year | 147 | 13 |
| **Balance as at December 31** | **161** | **14** |

## 6. NON-CURRENT LIABILITIES

| | 2023 | 2022 |
|---|---|---|
| Bonds, net of discounts and unamortized fees | 1,732 | 3,491 |
| Long- term loans due to group companies | 824 | 934 |
| Accrued interest loans due to group companies | 1 | 1 |
| **Balance as at December 31** | **2,557** | **4,426** |

### Bonds, net of deferred expenses and amortization adjustments

The movements in bonds were as follows:

| | 2023 | 2022 |
|---|---|---|
| Balance as at January 1 | 3,491 | 4,682 |
| Reclassification to short-term loan payable to group companies | (1,076) | — |
| Reclassification to short-term bonds | (532) | (1,229) |
| Amortization | 3 | — |
| Foreign exchange result | (154) | 38 |
| **Balance as at December 31** | **1,732** | **3,491** |

The fair value of the Bonds disclosed above including the short-term portion was US$1,446. Refer to Note 16 of consolidated financial statements above for further insight into fair value hierarchy and other details.

*Significant activities in 2023*

Under the agreement ("SPA") to sell VEON's Russian operations to certain senior members of the management team of PJSC VimpelCom, it was agreed that the sales consideration would be primarily paid by PJSC VimpelCom taking on and discharging certain VEON Holdings B.V.'s debt. US$1,076 of longterm bonds were reclassified to Short term loans payable to group company. For further details of this transaction please refer to Note 9 (Significant Transactions) of the Consolidated Financial Statements.

As of December 31, 2023, one tranche of the bonds US$532(June 2024) became due within one year and was therefore reclassified from non-current to current liabilities.

*Significant activities in 2022*

As of December 31, 2022, two tranches of the bonds US$529 (March 2023) and US$700 (April 2023) became due within one year and were therefore reclassified from non-current to current liabilities.

**Notes outstanding as at December 31, 2023**

| | | | | Principal amount outstanding | |
|---|---|---|---|---|---|
| **Notes** | **Due date** | **Currency** | **Interest rate** | **2023** | **2022** |
| Notes | February 2023 | USD | 5.95% | — | 529 |
| Notes | April 2023 | USD | 7.25% | — | 700 |
| Notes | September 2026 | RUB | 8.13% | 15 | 284 |
| Notes | June 2024 | USD | 4.95% | — | 533 |
| Notes | June 2025 | RUB | 6.30% | 102 | 284 |
| Notes | September 2025 | RUB | 6.50% | 37 | 142 |
| Notes | April 2025 | USD | 4.00% | 556 | 1,000 |
| Notes | November 2027 | USD | 3.375% | 1,093 | 1,250 |
| **Total notes non-current** | | | | **1,803** | **4,722** |

*Significant activities in 2023*

During the year ended December 31, 2023, PJSC VimpelCom independently purchased US$2,140 equivalent of VEON Holdings B.V. Notes in order to satisfy certain Russian regulatory obligations. Upon such purchase by PJSC VimpelCom, these Notes were reclassified to intercompany debt with an equivalent reduction in gross debt for VEON Group. Out of these Notes, US$1,576 equivalent Notes were offset against the purchase price and any notes outstanding at closing were transferred to a wholly owned subsidiary of VEON Holdings B.V. and US$406 equivalent Notes were settled at maturity, while US$72 equivalent of VEON Holding B.V. Notes were held by PJSC VimpelCom.

On October 13, 2023 VEON Holding repaid its 5.95% Senior Notes amounting to US$39 million due in October 2023.

On September 13, 2023, VEON issued two redemption notices for the early repayment of VEON Holdings B.V.'s bonds maturing in December 2023 and June 2024. On September 27, 2023 VEON redeemed US$243 million senior notes held by external noteholders.

*Significant activities in 2022*

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

**Bank loans**

The Company had the following principal amounts outstanding for interest-bearing bank loans at December 31:

| | | | | | | Principal amount outstanding | |
|---|---|---|---|---|---|---|---|
| **Lender** | **Type of debt** | **Guarantor** | **Currency** | **Interest rate** | **Maturity** | **2023** | **2022** |
| VTB Bank | Loan | None | RUB | 4.00% | 2025 | — | — |
| **Total bank loans** | | | | | | **—** | **—** |

*Significant activities in 2022*

In February 2022, VEON Holdings B.V. repaid RUB 30 billion (US$396) of outstanding loans to VTB Bank, comprising of a RUB 30 billion loan (US$400) originally maturing in 2025.

**Long- term loans due to group companies**

The movements in long-term loans due to group companies were as follows:

| | **2023** | **2022** |
|---|---|---|
| Balance as at January 1 | 934 | 405 |
| Additions | 25 | 819 |
| Offset of loans | — | (410) |
| Reclassification (from) / to long term-term | (101) | 167 |
| Repayments | (8) | (47) |
| Settlement of dividend receivable | (26) | — |
| **Balance as at December 31** | **824** | **934** |

The fair value of the loans disclosed above was US$716. Refer to Note 16 of consolidated financial statements above for further insight into fair value hierarchy and other details.

*Significant activities in 2023*

During 2023 an amount of US$5 related to interest accrued was added to the loan principal due to Global Telecom Holding SAE. The maturity date of loan is September 2025 and applicable interest rate is 3.5%.

During October 2023, the Company obtained a loan of US$5 from its subsidiary VEON Algeria Holdings B.V. under facility agreement, The final maturity of facility is August 2025 and the applicable interest rate is 3.5%. Subsequently during November US$89 was reclassified to short-term loan payable to group companies.

In July 2023, the Company obtained a loan of US$14.5 from its indirect subsidiary Silkway Holding B.V. under credit facility. The facility has a maturity date of November 2025 with a fixed interest rate of 3.5%.

In March 2023, the Company paid US$8 as a repayment on the loan due to VEON Micro Holding B.V. in July US$26 of this loan was settled against a dividend receivable and subsequently in October 2023, the entire remaining loan balance of US$11 was reclassified to short-term loan payable to group companies.

*Significant activities in 2022*

In March 2022, the Company obtained a loan of US$68 from its indirect subsidiary, Global Telecom Netherlands B.V. The loan will reach its final maturity in August 2025, with an associated interest rate of 2.5%.

In August 2022, the Company obtained a loan of US$695 from its subsidiary under facility agreement, VEON Algeria Holdings B.V. The final maturity of facility is August 2025 and the applicable interest rate is 3.5%.

In November 2022 (US$47) and December 2022 (US$8.5), the Company obtained a loan of US$56 from its indirect subsidiary Silkway Holding B.V. under credit facility. The Facility has a maturity date of November 2025 with a fixed interest rate of 3.5%.

In July 2022, the Company offset US$360 of its long-term loans payable due to PJSC “Vimpel-Communications", with its long-term loan receivable (US$350) and its short term receivable (US$10) due from PJSC “Vimpel-Communications".

In October 2022, the Company offset US$50 of its long-term loans payable due to its subsidiary VEON Algeria Holdings B.V originally maturing in November 2025., with its long-term loan receivable US$50 due from VEON Algeria Holdings B.V. orignally maturing in October 2024.

In June 2022, the Company paid US$2 as a repayment on the loan due to Global Telecom Netherlands B.V. The Facility has a maturity date of February 2025 with a fixed interest rate of .5%.

In December 2022, the Company prepaid US$45 as a repayment on the loan due to VEON Algeria Holdings B.V. The final maturity of facility is  August 2025 and the applicable interest rate is 3.5%.

In September 2022, the Company extended maturity of loan for further three year and reclassified the loan due to Global Telecom Holding SAE of US$167 from a short term loan to a long term loan, as repayment is not expected within one year. The amended maturity date of loan is September 2025 and applicable interest rate is 3.5%.

## 7. CURRENT LIABILITIES

| | 2023 | 2022 |
|---|---|---|
| Short-term loan payable to group companies | 192 | 147 |
| Short-term bonds payable | 60 | 1,229 |
| Accrued interest | 22 | 16 |
| Short-term portion of bank loans | 1,055 | 1,055 |
| Interest payable bondholders | 11 | 46 |
| Short-term payable to group companies | 789 | 1,525 |
| Bank overdraft | 1 | 1 |
| Current income tax liabilities | — | 24 |
| Accrued expenses and other payables | 18 | 4 |
| **Balance as at December 31** | **2,148** | **4,047** |

During 2023, the Company drew down US$1,055 under the revolving credit facility (RCF), Which was fully repaid during February and March 2024. Refer to Note 22 of the VEON Holdings B.V. consolidated financial statements for further developments on these Notes after the reporting period.

**Short-term payable to group companies**

*Significant activities in 2023*

On February 15, 2023, PJSC VimpelCom and VEON Holdings signed a deed of set-off, to settle the receivable of RUB 54 billion due from VEON Holdings, with loan balances between the two entities in which PJSC VimpelCom was the borrower, of which US$742 was offset against these short-term payable to group companies. With this set-off the internal transfer of VIP Kazakhstan Holding AG from December 2022 was completed.

*Significant activities in 2022*

In March 2022, the Company obtained a loan of US$12 from its indirect subsidiary, VEON Eurasia Sarl, related to the transfer of the shares of VIP Kyrgyzstan Holding AG.

In December 2022, the Company obtained a loan of US$868 from its indirect subsidiary, VEON Eurasia Sarl, related to the transfer of the shares of VIP Kazakhstan Holding AG.

In May 2022, the Company offset US$114 of its short-term payable due to VEON Bangladesh Holdings B.V., with its loans receivable US$114 from its subsidiary VEON Bangladesh Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In May 2022, the Company offset US$263 of its short-term payable due to VEON Pakistan Holdings B.V., with its long-term loans receivable of US$260 along with interest receivable from its subsidiary VEON Pakistan Holdings B.V. maturing in February 2023. The interest rate applicable on loans was 3.5%.

In March 2022, the Company repaid a loan of US$18 to its indirect subsidiary, VEON Bangladesh Holdings B.V.

In March 2022, the Company repaid a loan of US$12 to its indirect subsidiary, VEON Eurasia Sarl.

The fair value of the current liabilities approximates the book value, due to their short-term character. All current liabilities fall due within one year.

Movements in short-term loans payable to group companies were as follows:

| | 2023 | 2022 |
|---|---|---|
| **Balance as at January 1** | 147 | 268 |
| Additions | 152 | 64 |
| Repayments | (514) | (24) |
| Reclassification from / (to) long term loans to group companies | 101 | (167) |
| Reclassification from Bonds, net of discounts and unamortized fees | 1,076 | — |
| Reclassification from short-term bonds payable | 660 | — |
| Offset of intercompany loans | (1,067) | — |
| Reclassifications | — | 6 |
| Settlement of dividend receivable | (83) | — |
| Foreign exchange result | (280) | — |
| **Balance as at December 31** | **192** | **147** |

Under the agreement ("SPA") to sell VEON's Russian operations to certain senior members of the management team of PJSC VimpelCom, it was agreed that the sales consideration would be primarily paid by PJSC VimpelCom taking on and discharging certain VEON Holdings B.V.'s debt.Long term bonds US$1,076 were reclassified to Short term loans payable to group company. There was an offset of US$1,067 intercompany loan which was part sale of Russia transaction. For further details of this transaction please refer to Note 9 (Significant Transactions) of the Consolidated Financial Statements.

In October US$11 of the loan with VEON Micro Holding B.V. was reclassified from long-term loans due to group companies.

During November US$89 under the facility agreement with VEON Algeria Holdings B.V. was reclassified from long-term loans due to group companies and was subsequently paid by the company in December.

During the year, the Company repaid US$ 406 of the notes, 7.25% and 4.95% held by PJSC VimpelCom.

During 2023 the Company obtained a loan of US$117 from its subsidiary, VEON Kazakhstan Holding AG,  The interest rate applicable on loans was 6 month term SOFR + 1.25% and maturing in November 2024. In June 2023 US$83 was settled against receivable on account of dividend declared.

During the year the Company obtained a loan of US$18 from its subsidiary, VEON Eurasia Sarl. During November the entire loan of US$18 was repaid by the Company.

## 8. WORKFORCE

The staff employed by the Company have administrative functions in the headquarters of the Group which is located in the Netherlands. The average number of staff employed by the Company in 2023 was 13 (2022: 13). These employees are located in the Netherlands.

## 9. COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

**Fiscal unity**

The Company, together with its Dutch group companies VEON Amsterdam B.V., VEON Wholesale Services B.V., VEON Georgia Holdings B.V., VEON Micro Holdings B.V., VEON Armenia Holding B.V., VEON Global Services B.V., VEON Digital Amsterdam B.V., VEON Central Procurement B.V., VimpelCom Amsterdam Finance B.V., VEON Pakistan Holdings B.V., VEON Bangladesh Holdings B.V., VEON Algeria Holdings B.V., VEON Microfinance Holdings, International Wireless Communications Pakistan Limited, Telecom Management Group Limited, Telecom Ventures Ltd., VEON Pakistan Tower Holdings B.V., VEON Global Tower Holdings 2 B.V., Global Telecom Holding S.A.E. and Global Telecom Netherlands B.V. constitutes a fiscal unity for Corporate Income Tax purposes. Current taxes are settled and accounted for within this fiscal unity as if each company were an independent taxable entity.

The Company forms part of a fiscal unity for value added tax purposes with VEON Ltd., VEON Amsterdam B.V., VEON Digital Amsterdam B.V. and Global Telecom Holding S.A.E..

The fiscal unities make these companies jointly and severally liable for tax liabilities of the fiscal unity.

## 10. FINANCIAL INSTRUMENTS

The Company’s principal financial liabilities comprise of loans and borrowings. The main purpose of these financial liabilities is to finance the Group’s operations. The Company's financial assets are primarily comprised of loans receivable from group companies and subsidiaries of the ultimate parent, as well as trade and other receivables, cash and short-term deposits that are derived directly from its operations.

For information regarding market risks on the Group's financial instruments, refer Note 18 (Financial Risk Management) to the Consolidated Financial Statements. In addition to these, the Company is exposed to credit risk with respect to loans to group companies, and foreign currency risk on foreign currency denominated loans to group companies.

## 11. GENERAL AND ADMINISTRATIVE EXPENSES

| | 2023 | 2022 |
|---|---|---|
| Salaries and wages | 5 | 4 |
| Social premiums | 1 | 1 |
| Other general and administrative expenses | 29 | 8 |
| **Total general and administrative expenses** | **35** | **13** |

## 12. FINANCE INCOME AND EXPENSES

| | 2023 | 2022 |
|---|---|---|
| **Finance income** | | |
| Interest income loans group companies | 174 | 151 |
| Interest income banks and others | 23 | 49 |
| Foreign exchange gain | 509 | 291 |
| **Total finance income** | **706** | **491** |
| **Finance expenses** | | |
| Interest expense loans group companies | (55) | (18) |
| Interest expense banks and others | (156) | (299) |
| Change in fair value derivatives gain | — | 10 |
| **Total finance expenses** | **(211)** | **(307)** |
| **Net financial income** | **495** | **184** |

## 13. INCOME TAX

| | 2023 | 2022 |
|---|---|---|
| Current Income tax | (7) | 23 |
| Withholding taxes | 16 | (35) |
| **Total income tax** | **9** | **(12)** |

Income tax expense consisted of the following for the years ended December 31:

| | 2023 | 2022 |
|---|---|---|
| Current withholding taxes | 16 | 5 |
| Deferred withholding taxes | — | (40) |
| **Income tax expense** | **16** | **(35)** |

The statutory tax rate for 2023 was 19% for the first EUR 395,000 profit and 25.8% for all above. Disclosure on fiscal unity is included in Note 9 (Commitments not shown in the balance sheet). The difference between the effective tax rate and the statutory tax rate is mainly the result of non-taxable FOREX income on sale of subsidiaries, changes in unrecognized losses and withholding taxes.

The table below outlines the reconciliation between the statutory tax rate in the Netherlands (25.8%) and the effective income tax rate for the Company:

| | 2023 | 2022 |
|---|---|---|
| Profit before tax | 462 | 172 |
| Income tax expense computed on profit before taxes at statutory tax rate | 119 | 44 |
| <u>Difference due to effects of:</u> | | |
| Unrecognized tax losses | (24) | (44) |
| Non-taxable income | (95) | — |
| Uncertain tax positions | (7) | 23 |
| Withholding taxes | 16 | (35) |
| Income tax charge / (credit) for the period | 9 | (12) |
| Effective tax rate | **2 %** | **(7)%** |

## 14. SUBSEQUENT EVENTS

For subsequent events reference is made to Note 22 (Events after the reporting period) to the Consolidated financial statements and disclosed elsewhere in these Company financial statements.

## 15. ADDITIONAL NOTES TO THE COMPANY FINANCIAL STATEMENTS

The Company is part of the VEON Group and its operations are managed by the Members of the Board of Directors of VEON Ltd. (i.e. the ultimate parent company). Consequently, the Company considers the Board of Directors of VEON Ltd. together with the directors of the Company to be the key management personnel and finds it appropriate to disclose the compensation of the key management of the VEON Group. Disclosure is made in Note 21 (Related parties) to the Consolidated Financial Statements.

The statutory directors of the Company are employed and remunerated by VEON Ltd., VEON Digital Ltd., and VEON Holdings B.V. in respect of their services to the VEON Group as a whole. The total remuneration of current and former members of the statutory directors charged to the Company and its subsidiaries in 2023 amounted to US$0.8 million (2022: US$0.8 million).

**Principal Accountant Fees and Services**

The Company has made use of the exemption of disclosing the audit fees, provided that the consolidated Annual Accounts of the parent company VEON Ltd., in which the accounts of the Company and its investments are included on a consolidated basis, and are filed with the Trade register.

**Signatories to the financial statements**

Amsterdam, November 20, 2024

VEON Holdings B.V.

Board of Directors

Kaan Terzioglu

Director

Bruce Leishman

Director

Maciej Wojtaszek

Director

## OTHER INFORMATION

**Provisions governing profit appropriation**

Profit is appropriated in accordance with Article 19 of the Articles of Association, which states that the profits are placed at the disposal of the general meeting of shareholders.

**Independent auditor's report**

The independent auditor's report is set forth on the next pages.

# *Independent auditor's report*

To: the general meeting and the board of directors of VEON Holdings B.V.

## *Report on the audit of the financial statements 2023*

### *Our disclaimer of opinion*

We do not express an opinion on the financial statements 2023 of VEON Holdings B.V., Amsterdam, the Netherlands. Because of the significance of the matter described in the 'The basis for our disclaimer of opinion' paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

### *Our engagement*

We were engaged to audit the accompanying financial statements 2023 of VEON Holdings B.V., Amsterdam, the Netherlands. The financial statements comprise the consolidated financial statements of VEON Holdings B.V. together with its subsidiaries ('the Group') and the company financial statements of VEON Holdings B.V. ('the Company').

The consolidated financial statements comprise:

- the consolidated statement of financial position as of 31 December 2023;
- the following statements for 2023: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as of 31 December 2023;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

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## The basis for our disclaimer of opinion

### Findings that caused us to disclaim our opinion

As disclosed in Note 10 to the consolidated financial statements, the Company has closed the sale of its Russian operations on 9 October 2023. As discussed in that note, the sale consideration was settled in a non-cash transaction via the transfer of bonds held by PJSC Vimpelcom to an intermediate subsidiary of VEON Holdings B.V. The financial statements include the Russian operations' transactions (i.e. revenue and expenses) and cash flows from 1 January 2023 until 9 October 2023 as well as the disposal of balances (i.e. assets, liabilities, equity) directly associated with the sale of the Company's Russian operations on 9 October 2023 including certain bond transactions executed as part of or in the context of the sale of VEON's Russian operations.

During the period of our audit of the 2023 financial statements, certain regulations under European Union (EU) sanctions law have been enforced (Article 5n of Regulation 833/2014). These sanctions include a prohibition for EU auditors to provide auditing services, both directly and indirectly, to the Russian government, as well as to legal persons, entities or bodies established in Russia.

As a result, we were unable to obtain sufficient and appropriate audit evidence to determine whether any corrections would be required in the financial statements with regard to the recognized or unrecognized balances, transactions and cash flows related to VEON's Russian operations during the period 1 January 2023 to 9 October 2023 and its sale on 9 October 2023, including certain bond transactions executed as part of or in the context of the sale of VEON's Russian operations. The same applies to related disclosures in the Notes to the financial statements. We considered the impact of the legal restriction both material and pervasive.

Because of the legal restriction mentioned above, we were also unable to obtain sufficient and appropriate audit evidence to assess whether the application of the going concern assumption as a basis for the preparation of the financial statements as included in Note 23 is appropriate. This note discusses the uncertainties surrounding the direct and indirect impacts of the ongoing war between Russia and Ukraine as well as the liquidity forecast. Management included in this note that these facts and conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

### Independence

We are independent of VEON Holdings B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

## Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Because of the significance of the matter described in the paragraph 'The basis for our disclaimer of opinion', we have not been able to conclude whether the other information:

- is consistent with the financial statements and does not contain material misstatements; and contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We were engaged to read the other information and, based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### Our appointment

We were appointed as auditors of VEON Holdings B.V. on July 29, 2014 by the board of directors through agreement via the signed engagement letter. Our appointment has been renewed annually and now represents a total period of uninterrupted engagement of 10 years.

### No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

### Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in Note 15 to the Company financial statements.

## Responsibilities for the financial statements and the audit

### Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

## *Our responsibilities for the audit of the financial statements*

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, because of the matter described in the 'The basis for our disclaimer of opinion' paragraph, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.

Rotterdam, 20 November 2024
PricewaterhouseCoopers Accountants N.V.

Originally signed by

I. Linnemeijer RA