Special purpose
Unaudited interim condensed
consolidated financial statements

VEON Holdings B.V.
(a wholly-owned subsidiary of
VEON Ltd.)

As of and for the nine and three-month periods
ended September 30, 2024

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

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

		Nine-month period		Three-month period	
(In millions of U.S. dollars, except per share amounts)	**Note**	**2024**	**2023***	**2024**	**2023***
Service revenues		2,890	2,661	1,000	918
Sale of equipment and accessories		17	13	6	6
Other revenue		95	68	30	19
Total operating revenues	2	**3,002**	**2,742**	**1,036**	**943**
Other operating income		1	1	—	—
Service costs		(364)	(322)	(136)	(102)
Cost of equipment and accessories		(20)	(12)	(8)	(5)
Selling, general and administrative expenses		(1,235)	(1,075)	(426)	(372)
Depreciation		(406)	(407)	(135)	(139)
Amortization		(147)	(154)	(49)	(51)
Impairment (loss) / reversal	7	(2)	10	—	—
(Loss) / gain on disposal of non-current assets		(2)	2	(1)	2
Gain on disposal of subsidiaries	4	146	—	146	—
Operating profit		**973**	**785**	**427**	**276**
Finance costs		(396)	(441)	(131)	(139)
Finance income		107	110	36	37
Other non-operating gain, net		26	17	3	3
Net foreign exchange (loss) / gain		(7)	48	5	38
Profit before tax from continuing operations		**703**	**519**	**340**	**215**
Income taxes	3	(155)	(110)	(66)	(50)
Profit from continuing operations		**548**	**409**	**274**	**165**
Profit after tax from discontinued operations and disposals	5	**—**	**810**	**—**	**340**
Profit for the period		**548**	**1,219**	**274**	**505**
Attributable to:					
The owners of the parent (continuing operations)		488	362	256	156
The owners of the parent (discontinued operations)		—	799	—	329
Non-controlling interest		60	58	18	20
		548	**1,219**	**274**	**505**

** Certain prior period comparatives have been reclassified to conform with the current year presentation, refer to Note 15 for further explanation.*

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

		Nine-month period		Three-month period	
(In millions of U.S. dollars)	**Note**	**2024**	**2023**	**2024**	**2023**
Profit for the period		**548**	**1,219**	**274**	**505**
Items that may be reclassified to profit or loss					
Foreign currency translation	4	(94)	(556)	(24)	(174)
Reclassification of accumulated foreign currency translation reserve to profit or loss upon disposal of foreign operation	5	(36)	4	(36)	4
Items that will not be reclassified to profit or loss					
Gain / (loss) on derecognition and fair value re-measurement of financial instruments, net	8	107	(7)	17	(5)
Other		(2)	—	(2)	—
Other comprehensive loss, net of tax		**(25)**	**(559)**	**(45)**	**(175)**
Total comprehensive income, net of tax		**523**	**660**	**229**	**330**
Attributable to:					
The owners of the parent		468	608	214	316
Non-controlling interests		55	52	15	14
		523	**660**	**229**	**330**
Total comprehensive income for the period, net of tax from:					
Continuing operations		523	252	229	142
Discontinued operations		—	408	—	188
		523	**660**	**229**	**330**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of:

(In millions of U.S. dollars)	Note	September 30, 2024	December 31, 2023
Assets			
Non-current assets			
Property and equipment	6	2,952	2,949
Intangible assets	7	1,477	1,612
Investments and derivatives	8	2,029	1,790
Deferred tax assets		342	311
Other assets		172	179
Total non-current assets		**6,972**	**6,841**
Current assets			
Inventories		24	23
Trade and other receivables		639	646
Investments and derivatives	8	655	429
Current income tax assets		62	58
Other assets		218	191
Cash and cash equivalents	9	984	1,876
Total current assets		**2,582**	**3,223**
Assets classified as held for sale	5	65	—
Total assets		**9,619**	**10,064**
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent		3,050	2,584
Non-controlling interests		203	213
Total equity		**3,253**	**2,797**
Non-current liabilities			
Debt and derivatives	8	3,068	3,535
Provisions		46	44
Deferred tax liabilities		38	26
Other liabilities		17	25
Total non-current liabilities		**3,169**	**3,630**
Current liabilities			
Trade and other payables		1,188	1,270
Debt and derivatives	8	1,396	1,722
Provisions		54	50
Current income tax payables		147	151
Other liabilities		388	444
Total current liabilities		**3,173**	**3,637**
Liabilities associated with assets held for sale	5	24	—
Total equity and liabilities		**9,619**	**10,064**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine-month period ended September 30, 2024:

(In millions of U.S. dollars)	Note	Attributable to equity owners of the parent								
		Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit	Foreign currency translation	Total	Non-controlling interests	Total equity
As of December 31, 2023		**30,099,998**	**39**	**13,028**	**(2,662)**	**(4,032)**	**(3,789)**	**2,584**	**213**	**2,797**
Profit for the period		—	—	—	—	488	—	488	60	548
Transfer from OCI to income statement on disposal of subsidiary	5	—	—	—	—	—	(36)	(36)	—	(36)
Gain on derecognition and fair value re-measurement of financial instruments	8	—	—	—	107	—	—	107	—	107
Other comprehensive income / (loss)		—	—	—	1	(3)	(89)	(91)	(5)	(96)
Total comprehensive income / (loss)		—	—	—	108	485	(125)	468	55	523
Dividends declared	11	—	—	—	—	—	—	—	(44)	(44)
Disposal of subsidiaries with non-controlling interests	5	—	—	—	—	—	—	—	(22)	(22)
Other		—	—	1	—	(2)	(1)	(2)	1	(1)
As of September 30, 2024		**30,099,998**	**39**	**13,029**	**(2,554)**	**(3,549)**	**(3,915)**	**3,050**	**203**	**3,253**

for the nine-month period ended September 30, 2023:

(In millions of U.S. dollars)	Note	Attributable to equity owners of the parent								
		Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit	Foreign currency translation	Total	Non-controlling interests	Total equity
As of December 31, 2022		**30,099,998**	**39**	**13,028**	**(2,654)**	**(1,694)**	**(6,610)**	**2,109**	**198**	**2,307**
Profit for the period		—	—	—	—	1,161	—	1,161	58	1,219
Other comprehensive loss		—	—	—	(4)	(2)	(547)	(553)	(6)	(559)
Total comprehensive income / (loss)		—	—	—	(4)	1,159	(547)	608	52	660
Dividends declared	11	—	—	—	—	—	—	—	(45)	(45)
Other		—	—	—	2	(2)	—	—	—	—
As of September 30, 2023		**30,099,998**	**39**	**13,028**	**(2,656)**	**(537)**	**(7,157)**	**2,717**	**205**	**2,922**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine-month period ended September 30:

		Nine-month period	
(In millions of U.S. dollars)	**Note**	**2024**	**2023**
Operating activities			
Profit before tax from continuing operations		703	519
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation, amortization and impairment loss		555	551
Loss / (gain) on disposal of non-current assets		2	(2)
Gain on disposal of subsidiaries		(146)	—
Finance costs		396	441
Finance income		(107)	(110)
Other non-operating gain, net		(26)	(17)
Net foreign exchange loss / (gain)		7	(48)
Changes in trade and other receivables and prepayments		(151)	(60)
Changes in inventories		(6)	(16)
Changes in trade and other payables		(5)	4
Changes in provisions, pensions and other		57	82
Interest paid		(305)	(351)
Interest received		26	53
Income tax paid		(194)	(192)
Net cash flows from operating activities from continuing operations		**806**	**854**
Net cash flow from operating activities from discontinued operations		**—**	**930**
Investing activities			
Purchase of property, plant and equipment		(470)	(399)
Purchase of intangible assets		(191)	(196)
Payment on deposits		(14)	(30)
Investment in financial assets		(89)	(15)
Proceeds from sales of property, plant and equipment		112	4
Proceeds from sales of share in subsidiaries, net of cash		(2)	(1)
Outflows on loans granted		(133)	(107)
Other outflows from investing activities, net		(2)	—
Net cash flows used in investing activities from continuing operations		**(789)**	**(744)**
Net cash flow used in investing activities from discontinued operations		**—**	**(488)**
Financing activities			
Proceeds from borrowings, net of fees paid*	8	516	86
Repayment of debt		(1,382)	(1,018)
Dividends paid to non-controlling interests		(15)	(11)
Net cash flows used in financing activities from continuing operations		**(881)**	**(943)**
Net cash flow used in financing activities from discontinued operations		**—**	**(221)**
Net decrease in cash and cash equivalents		(864)	(612)
Net foreign exchange difference related to continuing operations		(16)	(44)
Net foreign exchange difference related to discontinued operations		—	(36)
Cash and cash equivalents classified as held for sale at the beginning of the period		—	146
Cash and cash equivalents classified as held for sale at the end of the period		(12)	(312)
Cash and cash equivalents at beginning of period		1,876	3,077
Cash and cash equivalents at end of period	**9**	**984**	**2,219**

*	*Fees paid for borrowings were US$9 (2023: US$16)*

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

Notes to the interim condensed consolidated financial statements

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

GENERAL INFORMATION ABOUT THE GROUP

1 GENERAL INFORMATION

VEON 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. However, on October 14, 2024, the Company announced that the VEON Board of Directors had approved a plan to move the Group headquarters from Amsterdam to the Dubai International Financial Centre ("**DIFC**") in the United Arab Emirates and on November 12, 2024 the Company completed the registration of, and received the commercial license for, its branch office in the DIFC.

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.

The special purpose unaudited interim condensed consolidated financial statements were authorized by the Directors for issuance on December 13, 2024. The Company has the ability to amend and reissue the consolidated financial statements.

The special purpose unaudited interim condensed consolidated financial statements are presented in United States dollars (**"U.S. dollar"** or **"US$"**). In these notes, U.S. dollar amounts are presented in millions, unless otherwise indicated.

Due to the ongoing war in 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 14 of these interim condensed consolidated financial statements.

Major developments during the nine-month period ended September 30, 2024

Cash consideration received for sale of Bangladesh tower portfolio in 2023

On December 31, 2023, VEON's wholly owned subsidiary, Banglalink completed a partial sale of its tower portfolio to Summit Towers Limited ("Summit") following the receipt of all necessary regulatory approvals. On January 31, 2024, Banglalink obtained the total cash consideration for the sale to Summit of approximately BDT 11 billion (approximately US$96) net of cost of disposals containing legal, regulatory and investment bankers costs amounting BDT 855 million (US$8).

VEON Repayment of Revolving Credit Facility ("RCF")

In February 2024, the Company repaid US$250 of drawn commitments maturing in March 2024 under the US$1,055 RCF, and in March 2024, the Company repaid the remaining amounts outstanding of US$805 under the RCF, originally due in March 2025, and canceled the RCF.

Announcement of issuance of new shares

On March 1, 2024, VEON Ltd. (the ultimate parent of the Company) 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 Ltd. 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 were issued to VEON, and were subsequently allocated to satisfy awards under the VEON Ltd.'s existing incentive plans, 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. The ordinary shares were issued at a price of US$0.001 per share, which is equal to the nominal value of VEON Ltd.'s ordinary shares (refer to Note 8 for further details).

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. Refer to Note 4 and Note 5 for further details and a detailed breakdown of the assets and liabilities held for sale relating to the Kyrgyzstan operations.

VEON consent solicitations to noteholders

In April 2024, VEON 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 for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and by 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 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 (“Old Notes”) which were exchanged for the New Notes and subsequently (economically) canceled. For the September 2025 and September 2026 notes, VEON was unable to achieve consent; however, VEON subsequently redeemed these notes in June 2024 (refer to the Make Whole call section below).

VEON 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 September 30, 2024, US$1,564 of New Notes due April 2025, June 2025 and November 2027 notes were outstanding and there were US$112 of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in November 2024, US$6 equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of November 6, 2024, the equivalent amount of New Notes outstanding is US$1,566 and the remaining Old Notes that are subject to potential conversion to New Notes is US$105.

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

On November 21, 2024, the Company delivered the audited consolidated financial statements for the year ended December 31, 2023, of its subsidiary, VEON, to the holders of the outstanding notes of VEON ahead of the extended deadline of December 31, 2024 granted by noteholders in the consent solicitation process.

Make-whole call

In June 2024, VEON 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).

Sale of TNS+ in Kazakhstan

On May 28, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 49% stake 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$138. Accordingly, the sale was completed on September 30, 2024 and the Company recognized a US$66 gain on disposal of TNS+, which includes the recycling of currency translation reserve in the amount of US$44. In November 2024, the Company has received US$38 of the total deferred consideration and the remaining US$100 is expected to be settled during the remainder of 2024. Refer to Note 4 and Note 5 for further details of the transaction and details of the gain on disposal.

VEON Ltd. Announces Its New Board

On May 31, 2024, VEON Ltd. 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 Ltd.’s Founder and Chairman Emeritus Augie K Fabela II as the Chairman.

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. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services.

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. The impact of these offers on operating revenue for the six-months ended June 30, 2024 was US$46 having no further effect during the three-month period ended September 30, 2024.

As announced on December 12, 2023, 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 withstand evolving cyber threats, ensure 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).

Sale of Russian operations deferred consideration settlement

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. Additionally, the agreed amount of the bonds of VEON acquired by PJSC VimpelCom representing an aggregate total 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 RUB130 billion (approximately US$1,294 on October 9, 2023).

The remaining US$72 equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON, upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for PJSC VimpelCom in July 2024. As of September 30, 2024, VEON had a US$12 receivable related to the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction that was subsequently settled in October 2024.

Agreement with Impact Investments LLC ("Impact Investments") 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 who will provide strategic support and board advisory services to VEON Ltd. and JSC Kyivstar ("Kyivstar", a wholly owned indirect subsidiary of the Company). Michael Pompeo, who was appointed to the Board of Directors of the Company on May 31, 2024 and to the Board of Directors of Kyivstar in November 2023, serves as Executive Chairman of Impact Investments. Refer to Note 11 of these interim condensed consolidated financial statements for further information.

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 Dubai International Finance Centre ("DIFC") in the United Arab Emirates and to update its corporate entity structure to reflect the relocation of the headquarters from the Netherlands to the DIFC, subject to tax and structuring analyses. Based on the legal obligations existing as of September 30, 2024, we have recognized a provision of US$5 during the nine-month period ended September 30, 2024 related to the relocation. On November 15, 2024, VEON Ltd. further announced that it had completed the registration of and received the commercial license for its branch office in DIFC.

Database Management Services Ltd. Liquidation

On August 21, 2024, Database Management Services Ltd. (a wholly-owned subsidiary of VEON) was liquidated. As a part of this liquidation, a gain on the disposal of the subsidiary of US$81 was recognized comprised solely of the recycling of the currency translation reserve.

For other significant investing and financing activities during the nine-month period ended September 30, 2024, refer to the sections "Investing activities of the Group" and "Financing activities of the Group" included here within.

Notes to the interim condensed consolidated financial statements

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

OPERATING ACTIVITIES OF THE GROUP

2 SEGMENT INFORMATION

Management analyzes the Company's operating segments separately because of different economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies.

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 in accordance with IFRS 8, Operating Segments, consist of Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh.

We also present our results of operations for "Others" and "HQ and eliminations" separately, although these are not reportable segments. "Others" represents our operations in Kyrgyzstan (refer to Note 4) and "HQ and eliminations" represents transactions related to management activities within the Group.

Financial information by reportable segment for the nine and three-month periods ended September 30, 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.

For the nine-month period ended September 30:

	Service revenue				Sale of equipment and accessories		Other revenue		Total Revenue	
	Mobile		Fixed							
	2024	2023*	2024	2023	2024	2023	2024	2023*	2024	2023
Pakistan	923	765	19	—	7	4	78	50	1,027	819
Ukraine	626	657	40	40	—	—	7	5	673	702
Kazakhstan	511	441	132	109	9	8	10	9	662	567
Uzbekistan	202	193	—	—	—	—	—	—	202	193
Bangladesh	400	421	—	—	—	—	4	7	404	428
Others	42	41	—	—	—	—	—	—	42	41
HQ and eliminations	(3)	(3)	(2)	(3)	1	1	(4)	(3)	(8)	(8)
Total segments	**2,701**	**2,515**	**189**	**146**	**17**	**13**	**95**	**68**	**3,002**	**2,742**

**Certain prior period comparatives have been reclassified to conform with the current year presentation, refer to Note 15 for further explanation.*

	Adjusted EBITDA		CAPEX exc. licenses and ROU	
	2024	2023	2024	2023
Pakistan	450	373	119	73
Ukraine	379	425	147	101
Kazakhstan	349	314	105	75
Uzbekistan	73	79	66	44
Bangladesh	146	161	51	88
Others	14	16	7	7
HQ and eliminations	(27)	(34)	(12)	(10)
Total segments	**1,384**	**1,334**	**483**	**378**

Notes to the interim condensed consolidated financial statements

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

For the three-month period ended September 30:

	Service revenue				Sale of equipment and accessories		Other revenue		Total Revenue	
	Mobile		Fixed							
	2024	2023*	2024	2023	2024	2023	2024	2023*	2024	2023
Pakistan	326	263	6	—	2	2	25	14	359	279
Ukraine	232	222	15	14	—	—	2	2	249	238
Kazakhstan	168	162	49	37	3	3	3	2	223	204
Uzbekistan	69	64	—	—	—	—	—	—	69	64
Bangladesh	121	143	—	—	—	—	1	3	122	146
Others	15	15	—	—	—	—	—	—	15	15
HQ and eliminations	(1)		—	(2)	1	1	(1)	(2)	(1)	(3)
Total segments	**930**	**869**	**70**	**49**	**6**	**6**	**30**	**19**	**1,036**	**943**

**Certain prior period comparatives have been reclassified to conform with the current year presentation, refer to Note 15 for further explanation.*

	Adjusted EBITDA		CAPEX exc. licenses and ROU	
	2024	2023	2024	2023
Pakistan	149	123	48	23
Ukraine	144	151	62	45
Kazakhstan	106	118	55	33
Uzbekistan	25	23	9	8
Bangladesh	50	56	16	21
Others	5	6	—	3
HQ and eliminations	(13)	(13)	(1)	(6)
Total segments	**466**	**464**	**189**	**127**

The following table provides the reconciliation of Profit before tax from continuing operations to Total Adjusted EBITDA for the nine and three-month periods ended September 30:

	Nine-month period		Three-month period	
	2024	2023	2024	2023
Profit before tax from continuing operations	**703**	**519**	**340**	**215**
Adjustments to reconcile Profit before tax from continuing operations to Total Adjusted EBITDA				
Depreciation	406	407	135	139
Amortization	147	154	49	51
Impairment loss / (reversal)	2	(10)	—	—
Loss / (gain) on disposal of non-current assets	2	(2)	1	(2)
Gain on disposal of subsidiaries	(146)	—	(146)	—
Finance costs	396	441	131	139
Finance income	(107)	(110)	(36)	(37)
Other non-operating gain, net	(26)	(17)	(3)	(3)
Net foreign exchange loss / (gain)	7	(48)	(5)	(38)
Total Adjusted EBITDA	**1,384**	**1,334**	**466**	**464**

Notes to the interim condensed consolidated financial statements

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

3 INCOME TAXES

Income tax expense is the total of the current and deferred income taxes. Current income tax is the expected tax expense, payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. Deferred income tax is the tax asset or liability resulting from a difference in income recognition between enacted or substantively enacted local tax law and group IFRS accounting.

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

	Nine-month period		Three-month period	
	2024	**2023**	**2024**	**2023**
Current income taxes	(190)	(199)	(48)	(61)
Deferred income taxes	35	89	(18)	11
Income taxes	**(155)**	**(110)**	**(66)**	**(50)**
Effective tax rate	22.0 %	21.2 %	19.4 %	23.3 %

The difference between the statutory tax rate in the Netherlands (25.8%) and the effective corporate income tax rate for the Group in the nine and three-month periods ending September 30, 2024 (22.0% and 19.4%, respectively) was primarily driven by a number of non-deductible expenses of US$16 incurred by the Group in various countries, as well as withholding taxes on dividends from our operating companies of US$36, and a non-taxable income of US$38.

The difference between the statutory tax rate in the Netherlands (25.8%) and the effective corporate income tax rate for the Group in the nine and three-month periods ending September 30, 2023 (21.2% and 23.3%, respectively) was primarily driven by a number of non-deductible expenses of US$35 incurred by the Group in various countries, which are recorded in our condensed consolidated income statement and withholding taxes accrued for forecasted dividends from our operating companies of US$27.

Global Minimum Tax

The Group is in scope of the enacted Pillar Two legislation and has performed an assessment of the Group's 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 majority of 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 accumulated US$7,234 of tax losses and US$50 of other tax attributes in various jurisdictions which can be taken into account for Pillar Two purposes.

The Group has applied the International Accounting Standards ("IAS") 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

INVESTING ACTIVITIES OF THE GROUP

4 SIGNIFICANT TRANSACTIONS

During the nine-month period ended September 30, 2024

VEON announces sale of stake in Beeline Kyrgyzstan

On March 26, 2024, VEON announced that it signed a share purchase agreement ("Kyrgyzstan 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 Kyrgyzstan 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. Refer to Note 5 for the detailed breakdown of the assets and liabilities held for sale relating to the Kyrgyzstan operations.

Sale of TNS+ in Kazakhstan

On May 28, 2024, VEON announced that it signed a share purchase agreement ("TNS+ SPA") for the sale of its 49% stake 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$138. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the TNS+ SPA signing, the Company classified its TNS+ operations as held for sale and thereafter, the Company no longer accounted for depreciation and amortization for TNS+ operations. 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 and the Company recognized a US$66 gain on disposal of TNS+, which includes the recycling of currency translation reserve in the amount of US$44. In November 2024, the Company has received US$38 of the total deferred consideration and the remaining US$100 is expected to be settled during the remainder of 2024. Refer to Note 5 for the detailed breakdown of the result of the disposal of TNS+.

During the nine-month period ended September 30 2023

Significant movements in exchange rates

An increase in demand for hard currencies, in part due to the ongoing war between Russia and Ukraine (refer to Note 14) and other macroeconomic conditions, resulted in the devaluation of exchange rates in the countries in which VEON operates, particularly in Pakistan and Russia. As such, in the nine-months ended September 30, 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$556 recorded against the foreign currency translation reserve in the interim condensed consolidated statement of comprehensive income.

Notes to the interim condensed consolidated financial statements

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

5 HELD FOR SALE AND DISCONTINUED OPERATIONS

During nine-month period ended September 30, 2024

As disclosed in Note 4, the following table provides the details of the Kyrgyzstan assets and liabilities classified as held-for-sale as of September 30, 2024:

	Kyrgyzstan
Non-current assets	
Property and equipment	32
Intangible assets excl. goodwill	8
Other non-current assets	3
Other current assets	
Inventories	1
Trade and other receivables	5
Cash and cash equivalents	12
Other current assets	4
Total assets held for sale	**65**
Non-current liabilities	
Debt and Derivatives	6
Other non-current liabilities	1
Current liabilities	
Trade and other payables	10
Other non-financial liabilities	7
Total liabilities held for sale	**24**

Sale of stake in Beeline Kyrgyzstan

Net assets of the held for sale operations of Kyrgyzstan include US$98 of cumulative currency translation losses as of September 30, 2024, which is accumulated in equity through other comprehensive income and will be recycled through the consolidated income statement upon the completion of the sale.

The fair value less cost of disposal ("FVLCD") for the Kyrgyzstan operations as of September 30, 2024 was based on the sales consideration as reflected in the SPA signed on March 26, 2024 (Level 2 in the fair value hierarchy). The fair value represented by the SPA exceeded the carrying value of the Kyrgyzstan CGU as of September 30, 2024, therefore no impairment was recorded. There were no triggering events indicating any impairment or decline in the fair value of Kyrgyzstan operations subsequent to its measurement as held for sale.

Sale of TNS+ in Kazakhstan

The following table shows the results for the disposal of TNS+ that are accounted for in these financial statements as of September 30, 2024:

	2024
Deferred consideration to be settled in cash	138
Carrying amount of net assets at disposal	(50)
Gain on sale before reclassification of foreign currency translation reserve and non-controlling interests	**88**
Derecognition of non-controlling interest	22
Reclassification of foreign currency translation reserve	(44)
Gain on disposal of TNS+	**66**

Notes to the interim condensed consolidated financial statements

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

During nine-month period ended September 30 2023

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 PJSC VimpelCom ("VimpelCom"), led by the CEO at the time, Aleksander Torbakhov. Under the SPA, the 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. The remaining VEON Holdings bonds will be transferred as soon as the outstanding regulatory approval have been obtained. As of September 30, 2023, US$274 of VEON Holdings bonds were transferred to Unitel LLC from VimpelCom.

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 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 an aggregate total nominal value of US$72 in July 2024 after receiving the relevant regulatory approval.

The following table shows the profit/(loss) and other comprehensive income relating to Russia operations for the nine-month period ended September 30 2023:

Income statement and statement of comprehensive income	Nine-month period 2023
Operating revenue	2,702
Operating expenses	(1,812)
Other expenses	3
Profit before tax for the period	893
Income tax expense	(83)
Profit after tax for the period	810
Other comprehensive loss *	(386)
Total comprehensive income	**424**

** Other comprehensive income is relating to the foreign currency translation of discontinued operations.*

Russia impairment losses 2023

As of June 30, 2023, 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 PJSC 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$(165) due to increased external debt. The VEON share of net assets amounts to US$(179), excluding non-controlling interest. The sales proceeds as per the SPA of RUB 130 billion will be fully settled upon closing against the receivable held by PJSC VimpelCom for the VEON bonds acquired by PJSC 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.

Notes to the interim condensed consolidated financial statements

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

6 PROPERTY AND EQUIPMENT

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

	Nine-month period	
	2024	**2023**
Balance as of January 1	**2,949**	**2,892**
Additions	636	577
Disposals	(65)	(17)
Depreciation	(406)	(407)
Divestment and reclassification as held for sale	(32)	—
(Impairment) / Reversal of impairment	(2)	10
Currency translation	(128)	(285)
Other	—	(1)
Balance as of September 30	**2,952**	**2,769**

Notes to the interim condensed consolidated financial statements

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

7 INTANGIBLE ASSETS

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

	Nine-month period	
	2024	**2023**
Balance as of January 1	**1,612**	**1,953**
Additions	67	57
Disposals and write offs	(4)	—
Divestment and reclassification to held for sale	(8)	—
Amortization	(147)	(154)
Currency translation	(44)	(254)
Other	1	(1)
Balance as of September 30	**1,477**	**1,601**

Goodwill

Included within total intangible asset movements for the nine-month period ended September 30, 2024, as shown above, are the following movements in goodwill for the group, per cash generating unit **("CGU")**:

CGU	**September 30, 2024**	**Currency translation**	**January 1, 2024**
Pakistan	183	4	179
Kazakhstan	122	(7)	129
Uzbekistan	29	(2)	31
Ukraine	9	(1)	10
Total	**343**	**(6)**	**349**

Impairment analysis

Goodwill is tested for impairment annually (at September 30) or when circumstances indicate the carrying value may be impaired. 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, amongst other things, the relationship between its market capitalization and its book value, as well as the weighted average cost of capital and the quarterly financial performances of each cash generating unit ("CGU") when reviewing for indicators of impairment in interim periods. Refer to the table above for an overview of the carrying value of goodwill per CGU.

VEON performed its annual impairment testing at September 30, 2024. For further details regarding calculations and assumptions used for impairment testing, refer to the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2023.

Impairment losses in 2024

The Company performed its annual impairment testing of goodwill as of September 30, 2024 and also tested non-goodwill CGU's for impairment as of the same date.

Bangladesh is a non-goodwill CGU, and therefore not subject to the mandatory annual impairment testing. However, the Bangladesh CGU had limited headroom following the reversal of impairment in 2022 and is continuously monitored. As such, the Company performed valuation tests at September 30, 2024 to assess if a further impairment or reversal of impairment was required.

Based on the analysis performed, no impairment nor reversal of impairment was identified for any CGUs.

Impairment losses in 2023

Notes to the interim condensed consolidated financial statements

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

The Company performed its annual impairment testing of goodwill and for non-goodwill CGUs also tested assets for impairment as of September 30, 2023. Based on the analysis performed, no impairment nor reversal of impairment was identified for any CGUs. For details regarding the assessment of Russia and impairment of assets held for sale, refer to Note 5.

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

FINANCING ACTIVITIES OF THE GROUP

8 INVESTMENTS, DEBT AND DERIVATIVES

The Company holds the following investments and derivative assets:

	September 30, 2024	December 31, 2023
At fair value		
Other investments	105	11
	105	**11**
At amortized cost		
Loans and other receivables with (subsidiaries of) the ultimate parent	1,936	1,770
Security deposits and cash collateral	114	103
Bank deposits	1	2
Other investments	528	333
	2,579	**2,208**
Total investments and derivatives	**2,684**	**2,219**
Non-current	2,029	1,790
Current	655	429

Security deposits and cash collateral

Security deposits and cash collateral measured at amortized cost consist of restricted bank deposits of US$34 (2023: US$39) and restricted cash of US$69 (2023: US$57) which are mainly held at our banking operations in Pakistan and our operating company in Ukraine. In addition, US$10 (2023: US$7) relates to security deposits primarily for operations in Pakistan.

Other Investments

Other investments at fair value are measured at fair value through other comprehensive income include investments held in Pakistan of US$7 (2023: US$11) which as a result of revaluations, a loss of US$4 was recorded during the period. Additionally, in March 2024, VEON Ltd. issued 92,459,532 ordinary shares in VEON Ltd. at par value. As of September 30, 2024, 12,421,024 of these shares which were subsequently issued (refer to Note 11) resulting in a gain of US$13 which was recognized in other comprehensive income. The remaining shares in VEON Ltd. have been remeasured at September 30, 2024 at fair value through other comprehensive income for an investment of US$98 (2023: Nil).

Other investments at amortized cost include a US$79 (2023: US$64) loan granted by VIP Kazakhstan Holdings to minority shareholder Crowell Investments Limited, US$211 (2023: US$150) of sovereign bonds held by our operating company in Ukraine, US$138 (2023:Nil) related to the deferred purchase consideration for the sale of the Company's stake in TNS+ (refer to Note 5 for further details), US$12 (2023: US$84) related to a deferred receivable from sale of Russia, US$28 (2023: US$3) investment in Pakistan sovereign bonds and US$53 (2023: US$26) in short term lending at our banking operations in Pakistan.

Loans and other receivables with (subsidiaries of) the ultimate parent

Loans and other receivables with (subsidiaries of) the ultimate parent include loans to VEON Amsterdam B.V. amounting US$1,681 (including principal and interest) and loans to VEON Ltd. amounting US $203 (including principal and interest) at September 30, 2024, which are callable on demand. As of September 30, 2024, the Company did not expect to call the loans or collect repayments within 12 months following the balance sheet date. The other receivables consist of a receivable of US$13 related to the share transfer with VEON Ltd. as discussed above and US$39 receivable related to cash pooling arrangement primarily with VEON Ltd.

For the loan to VEON Amsterdam B.V., the Company entered into a deed of amendment in August 2023, 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 London Inter-Bank Offered Rate (LIBOR) +0.4%.

For the loan to VEON Ltd. executed in June 2022, had an initial maturity of 12 months with an automatic extension for an additional 12 months, allowing for up to three extensions. In August 2023, a deed of amendment with VEON Ltd extended the facility amount to US$200 and the interest rate was changed from 3.5% to 6%.

Notes to the interim condensed consolidated financial statements

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

The Company holds the following debt and derivative liabilities:

	September 30, 2024	December 31, 2023
At fair value		
Derivatives not designated as hedges	—	1
	—	**1**
At amortized cost		
Borrowing, of which	2,977	3,707
i) Principal amount outstanding	2,896	3,559
ii) Other Borrowings	81	148
Interest accrued	95	84
Discounts, unamortized fees	(13)	(6)
Bank loans and bonds	**3,059**	**3,785**
Lease liabilities	1,122	1,078
Loans received from subsidiaries of the ultimate parent	12	—
Other financial liabilities	271	393
	4,464	**5,256**
Total debt and derivatives	**4,464**	**5,257**
Non-current	3,068	3,535
Current	1,396	1,722

Other borrowings include long-term capex accounts payables of US$81 (2023: US$88). Refer to significant changes in financial assets and financial liabilities below for further details regarding the activity for the nine-month period ended September 30.

Significant changes in financial assets and financial liabilities

The increase in financial assets is mainly attributable to the additional purchase of sovereign bonds by our operating company in Ukraine, while the decrease in financial liabilities is due to the repayment of the VEON Holdings RCF and settlement of the deferred consideration from the sale of Russia which was offset by new loan facilities in Pakistan and Bangladesh (refer to section below) during the nine-month period ended September 30, 2024, except for the scheduled repayments of debt or as described below. Furthermore, there were no changes in risk management policies as disclosed in the Group's annual consolidated financial statements as of and for the year ended December 31, 2023.

During the nine-month period ended September 30, 2024

Banglalink Digital Communications Ltd. ("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.

Repayment of Revolving Credit Facility ("RCF")

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

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

In April 2024, PMCL issued a short term PKR sukuk bond of PKR 15 billion (US$52) with a maturity of six months which has subsequently been repaid in October 2024. The coupon rate was three months Karachi Interbank Offered Rate (KIBOR) plus 25 bps per annum.

Pakistan Mobile Communication Limited ("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 ten years credit facilities of PKR 5 billion (US$18) each from different banks.

VEON consent solicitations to noteholders

In April 2024, VEON 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 for the years ended December 31, 2023 and December 31, 2024 on a reasonable best efforts basis by December 31, 2024 and by 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 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 ("Old Notes") which were exchanged for the New Notes and subsequently (economically) canceled. For the September 2025 and September 2026 notes, VEON was unable to achieve consent; however, VEON subsequently redeemed these notes in June 2024 (refer to the Make Whole call section below).

VEON 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 September 30, 2024, US$1,564 of New Notes due April 2025, June 2025 and November 2027 notes were outstanding and there were US$112 of remaining Old Notes subject to potential conversion to New Notes.

Following further conversions in November 2024, US$6 equivalent of April 2025, June 2025 and November 2027 Old Notes were exchanged for New Notes. As of November 6, 2024, the equivalent amount of New Notes outstanding is US$1,566 and the remaining Old Notes that are subject to potential conversion to New Notes is US$105.

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

On November 21, 2024, the Company delivered the audited consolidated financial statements for the year ended December 31, 2023, of its subsidiary, VEON, to the holders of the outstanding notes of VEON ahead of the extended deadline of December 31, 2024 granted by noteholders in the consent solicitation process.

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).

Sale of Russian operations deferred consideration settlement

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. Additionally, the agreed amount of the bonds of VEON Holdings acquired by PJSC VimpelCom representing an aggregate total 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 RUB130 billion (approximately US$1,294 on October 9, 2023).

The remaining US$72 equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings B.V., upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for PJSC VimpelCom in July 2024. As of September 30, 2024, VEON had a US$12 receivable related to the sale of towers in Russia recognized in prior periods that was also assigned to the Company as part of the sale transaction that was subsequently settled in October 2024.

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. The interest rate on this facility is National Bank of Kazakhstan base rate plus 1.25%, with the interest being fixed until maturity for each tranche drawn under the facility. Subsequent to quarter end, Kar-Tel fully utilized the facility.

Unitel LLC credit facility

On September 6, 2024 Unitel LLC signed a new credit facility agreement with Hamkor Bank for UZS 200 billion (US$15) with a maturity of two years and an interest rate of 25.8% per annum. Subsequent to quarter end, Unitel LLC fully utilized the facility.

Banglalink Digital Communications Ltd. ("BDCL") short term credit facilities

During the nine months period ending on September 30, 2024, Banglalink withdrew BDT 11 billion (US$93) through various short-term facilities from different local banks.

During the nine-month period ended September 30 2023

VEON's Scheme of arrangement

Following the announcement made by VEON Ltd. 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 Ltd. announced that the Scheme Sanction Hearing had taken place, at which the Court made an order sanctioning the Scheme in respect of VEON 2023 Notes **(the "Order")**. On January 31, 2023, VEON Ltd. 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 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.

We accounted for the scheme of arrangement as a modification of the amortized cost of the 2023 Notes and recognized a US$20 finance gain that will reverse over the remainder of the year (US$14 reversed as of September 30, 2023) and will not have any full year impact.

Notes to the interim condensed consolidated financial statements

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

Purchase of VEON Group Debt

During the nine months ended September 30, 2023, VimpelCom independently purchased US$2,140 equivalent of VEON 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 and US$406 equivalent Notes were settled at maturity while US$72 equivalent of VEON 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 to offset the remaining deferred purchase price for VimpelCom. Out of these Notes, US$274 equivalent of VEON notes were transferred by VimpelCom to Unitel LLC Uzbekistan (wholly owned subsidiary) during September 2023.

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.

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).

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.

Early redemption of VEON 2023 and 2024 Notes

On September 13, 2023, VEON issued two redemption notices for the early repayment of VEON bonds maturing in December 2023 and June 2024 and on September 27, 2023 VEON redeemed $US243 senior notes held by external noteholders and on October 4, 2023 redeemed US$406 senior notes held by VimpelCom.

Fair values

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

- 'Bank loans and bonds, including interest accrued', for which fair value is equal to US$2,818 at September 30, 2024 (December 31, 2023: US$3,333); and
- 'Lease liabilities', for which fair value has not been determined.

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 inputs when assessing the fair valuations. During the nine-month period ended September 30, 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following items:

	September 30, 2024	December 31, 2023
Cash at banks and on hand	415	423
Short-term deposits with original maturity of less than three months	569	1,453
Cash and cash equivalents* (as presented in the consolidated statement of cash flows)	**984**	**1,876**

** Cash and cash equivalents include an amount of US$143 (December 31, 2023: US$165) relating to banking operations in Pakistan, which does not include customer deposits that are part of 'Trade and other payables' of US$470 (December 31, 2023: US$426).*

As of September 30, 2024 and December 31, 2023, there were no restricted cash and cash equivalents. Cash balances as of September 30, 2024 include investments in money market funds of US$299 (December 31, 2023: US$1,175).

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 September 30, 2024, US$257 (2023: US$151) 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.

10 DIVIDENDS AND CAPITAL DISTRIBUTIONS

There were no dividends declared during the nine-month period ended September 30, 2024 and nine-month period ended September 30, 2023.

There were US$44 and US$45 dividends declared by subsidiaries within the VEON Group to non-controlling interests in the nine-month period ended September 30, 2024 and September 30, 2023, respectively.

Notes to the interim condensed consolidated financial statements

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

ADDITIONAL INFORMATION

11 RELATED PARTIES

The immediate parent and ultimate controlling shareholder of the Company are, respectively, VEON Amsterdam B.V. and VEON Ltd.

For the nine-month period ended September 30, 2024

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common shares in VEON Ltd., (equal to 128,050 ADSs) under the Long Term Incentive Plan (“LTIP”). In July 2024, these shares vested after meeting the required performance objectives, whereby a portion (472,250 shares, equal to 18,890 ADSs) was settled in cash for US$0.5 in August 2024 and the remaining shares (2,729,000 shares in VEON Ltd., equal to 109,160 ADSs) are expected to be transferred after August 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common shares in VEON Ltd. (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 shares (equal to 95,731 ADSs) related to 3,662,240 common shares in VEON Ltd. (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,965 common shares in VEON Ltd. (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 GEC under the LTIP. The vesting of these shares is linked to the VEON shares’ relative Target Shareholder Return ("TSR") performance against VEON’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 shares in VEON Ltd. (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 shares in VEON Ltd. (equal to 19,293 ADSs), while 472,743 common shares in VEON Ltd. (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 shares in VEON Ltd. (equal to 2,102 ADSs) related to 104,047 common shares in VEON Ltd. (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,497 common shares in VEON Ltd. (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 shares in VEON Ltd. (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common shares in VEON Ltd. (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 shares in VEON Ltd. (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common shares in VEON Ltd. (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON granted a total of 1,821,475 equity-settled awards and 3,095,300 cash-settled awards in common shares in VEON Ltd. (equal to 72,859 and 123,812 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors. By July 2024, 1,648,225 of the equity-settled common shares in VEON Ltd. (equal to 65,929 ADSs) were vested and transferred to the Board members and 173,250 common shares in VEON Ltd. (equal to 6,930 ADSs) were withheld for tax purposes

In July 2024, cash-settled awards of 773,825 shares in VEON Ltd. (equal to 30,953 ADSs) awarded in April 2024 under 2021 DSP to a current Board member, Augie K. Fabela II, were modified to equity settled grants. Also, a cash-settled grant of 250,000 shares in VEON Ltd. (equal to 10,000 ADSs), awarded in July 2023 and vested immediately to a current Board member, Andrei Gusev, was settled in the month of July 2024 for US$0.3.

Refer to Note 8, regarding gain recognized in other comprehensive income as a result of the share transfers.

On June 7, 2024, the Company 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 the Company and JSC Kyivstar (a wholly owned indirect subsidiary of the Company). Michael Pompeo, who was appointed to the Board of Directors of the Company on May 31, 2024, serves as Executive Chairman of Impact Investments. In exchange for the services provided, the Company will pay Impact Investments US$0.1 in cash per month on or about the 7th day of each month during the term of the 2024 Agreement. Further, the Company has granted to Impact Investments three 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 the Company, 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 shares to be transferred will be determined on the vesting date based on the 90-day average trading price. Finally, the Company, in its sole discretion, may pay Impact Investments an additional fee up to $3 subject to completion of certain strategic objectives.

As of September 30, 2024 US$0.4 of expense has been recognized related to the monthly cash payments and US$3 of expense has been recognized related to Warrant A. As of September 30, 2024, no expense has been recognized related to Warrant B, Warrant C, and the discretionary cash payments.

On June 7, 2024, the Company and Impact Investments also entered into a termination letter in connection with a letter agreement between the Company and Impact Investments dated November 16, 2023. Under the terms of the termination letter, the Company paid Impact Investments $2 in common 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 common shares as of the date of the termination letter. These common shares were transferred to Impact Investments in August 2024 and expense of US$2 was recognized as a result, for strategic support and board advisory services to JSC Kyivstar performed by Impact Investments under the letter agreement between the Company, JSC Kyivstar and Impact Investments dated November 16, 2023.

For the nine-month period ended September 30, 2023

In February 2023, 52,543 common shares in VEON Ltd. , or the equivalent of 2,102 ADSs in the Company were transferred to Mr. Joop Brakenhoff from shares held by a subsidiary of VEON Ltd. and 51,504 common shares in VEON Ltd., or 2,060 ADSs, were withheld to cover local withholding tax for equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2022.

In March 2023, equity-settled awards in VEON Ltd. were grants to five members of VEON's GEC under the Short-Term Incentive Scheme (154,876 ADS) and the Long-Term Incentive Plan (643,286 ADS).

On July 1, 2023, 1,395,358 common shares in VEON Ltd. granted to current and former members of VEON's GEC vested as part of the 2021 Deferred Shares Plan. Subsequently, VEON 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'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's Board. Subsequently, VEON initiated the transfer of 70,444 ADSs, representing 1,761,100 common shares in VEON Ltd., to the respective executives and Board members.

In July 2023, equity-settled awards in VEON Ltd. were granted to one member of VEON's GEC under the Long-Term Incentive Plan (105,573 ADS).

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

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

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

The following table provides the total amount of transactions that have been entered into with related parties and their affiliates for the nine and three-month periods ended September 30:

Notes to the interim condensed consolidated financial statements

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

	Nine-month period		Three-month period	
	2024	**2023**	**2024**	**2023**
Revenue from				
OTM WW LLC	—	—	—	—
Finance income	76	61	26	20
	76	**61**	**26**	**20**
Services from				
OTM WW LLC	—	—	—	—
VEON Wholesale Services B.V	—	—	—	—
Finance cost	—	(8)	—	—
	—	**(8)**	**—**	**—**

The following table provides the total balance of accounts with related parties and their affiliates at the end of the relevant period:

	September 30, 2024	December 31, 2023
Accounts receivable from		
VEON Ltd.	80	78
VEON Amsterdam B.V.	22	22
VEON Digital Amsterdam B.V.	7	13
VEON Group Holding Company Limited	25	—
Ukraine Tower Company	—	11
Others	1	—
Financial assets receivable from		
VEON Ltd.	233	160
VEON Amsterdam B.V.	1,474	1,462
VEON Group Holding Company Limited	4	—
Interest accrued		
VEON Ltd.	15	6
VEON Amsterdam B.V.	210	143
	2,071	**1,895**
Accounts payable to		
VEON Ltd.	53	55
VEON Amsterdam B.V.	13	13
VEON Wholesale Services B.V.	25	25
Ukraine Tower Company	7	6
VEON Digital Amsterdam B.V.	—	12
Financial liabilities to		
VEON Digital Amsterdam B.V.	9	—
VEON Wholesale Services B.V.	3	—
Ukraine Tower Company	165	155
Interest accrued	—	—
	275	**266**

Additionally, refer to Note 8 regarding the outstanding balances and transactions nine-month period ended September 30 2024 related to the shares of VEON Ltd. which were transferred to VEON in March 2024.

12 RISKS, COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES

Other than disclosed below and elsewhere in these interim condensed consolidated financial statements, there were no material changes to risks, commitments, contingencies and uncertainties that occurred during the nine-month period ended September 30, 2024.

13 EVENTS AFTER THE REPORTING PERIOD

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's Kyivstar Acquires New Spectrum

On November 20, 2024, VEON announced that its wholly-owned subsidiary in Ukraine, Kyivstar, has successfully acquired 2x5 MHz spectrum in the 2100 MHz band and 40 MHz spectrum in the 2300 MHz band. Kyivstar will invest approximately UAH 1.43 billion (US$34) in the Ukrainian economy through this spectrum acquisition.

Unfreezing of VEON's Corporate Rights in Ukraine

On November 29, 2024, VEON announced that the Shevchenkivskyi District Court of Kyiv has ruled in favor of a request to unfreeze 47.85% of VEON’s corporate rights in Kyivstar and 100% of VEON’s corporate rights in other Ukrainian subsidiaries (Ukraine Tower Company, Kyivstar Tech and Helsi). The decision fully removes the restrictions on VEON’s corporate rights imposed by the Ukrainian courts on our wholly owned subsidiary Kyivstar and other Ukrainian subsidiaries.

Pakistan Mobile Communication Limited ("PMCL") short term credit facilities

During November 2024, PMCL signed new short-term facilities of PKR 84 billion (US$302) from different local banks and withdrew PKR 68 billion (US$245) from these short-term facilities. The tenure of these facilities ranges from three to six months. The interest rate is 3 or 6 months Karachi Interbank Offered Rate (KIBOR) minus 300 bps per annum.

VEON and Engro Corp Announce Strategic Partnership for Telecommunications Infrastructure

On December 5, 2024, VEON announced that it is entering into a strategic partnership with Engro Corporation Limited (“Engro Corp”) with respect to the pooling and management of its infrastructure assets, starting in Pakistan. In the first phase of the partnership, VEON's infrastructure assets under Deodar (Private) Limited will vest into Engro Corp via a scheme of arrangement. VEON will continue to lease Deodar's infrastructure of mobile voice and data services under a long term agreement.

The arrangement is subject to the customary legal and regulatory approvals in Pakistan. As part of the arrangement, Engro Corp will pay Jazz an amount of approximately US$188 and will guarantee the repayment of Deodar’s intercompany debt in the amount of US$375.

Notes to the interim condensed consolidated financial statements

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

14 BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine and three-month periods ended September 30, 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (**"IASB"**). The term "income statement" as used in these financial statements is considered interchangeable with the term "statement of profit and loss" as defined in IAS 1 *Presentation of Financial Statements*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2023.

Certain comparative amounts have been reclassified in this interim condensed consolidated income statement and the consolidated statement of cash flows as follows:

- On the interim condensed consolidated income statement: revenue relating to business-to-business activities of US$14 and US$5 was classified from "Other revenue" to "Service revenues" for the nine and three-month periods ended September 30, 2023

The preparation of these interim condensed consolidated financial statements has required management to apply accounting policies and methodologies based on complex and subjective judgments, estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The use of these judgments, estimates and assumptions affects the amounts reported in the statement of financial position, income statement, statement of cash flows, statement of changes in equity, as well as the notes. The final amounts for items for which estimates and assumptions were made in the consolidated financial statements may differ from those reported in these statements due to the uncertainties that characterize the assumptions and conditions on which the estimates are based.

Going Concern

As of December 13, 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 December 13, 2024, most of our Ukraine subsidiary's employees remain in the country. As of December 13, 2024, millions of people have fled Ukraine and the country has sustained significant damage to infrastructure and assets.

The war has resulted in events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. Except as explicitly detailed below, the events and conditions impacting the Company's ability to continue as a going concern continue to be the same as those disclosed in the 2023 consolidated financial statements:

- 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.
- 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. Cash on hand was US$1,176 as of October 31, 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.

- As of December 13, 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.
- 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. In October 2023, VEON received notification from its local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries had 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. On November 29, 2024, the Shevchenkivskyi District Court of Kyiv ruled in favor of a request to unfreeze 47.85% of VEON’s corporate rights in Kyivstar and 100% of VEON’s corporate rights in its other Ukrainian subsidiaries. The decision fully removes the restrictions on VEON’s corporate rights imposed by Ukrainian courts on its wholly owned Kyivstar and other Ukrainian subsidiaries.
- 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 has taken actions to address the events and conditions that may cast significant doubt on the Company’s ability to continue as a going concern. Except for the updates detailed below, the actions taken by management to address these events and conditions are those disclosed in the audited consolidated financial statements of VEON Ltd. as of and for the year ended December 31, 2023 which were included in the 2023 consolidated financial statements:

- 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.
- 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.
- Management is actively monitoring any new developments in applicable international and domestic sanctions to ensure that we continue to be in compliance therewith as well as to evaluate any potential impact on the Company's financial performance, operations, and governance. Management has also actively engaged with sanctions authorities where appropriate. Management continues to engage with relevant local 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, 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 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 continued its significant government affairs efforts to protect our assets in Ukraine. On November 29, 2024, the Shevchenkivskyi District Court of Kyiv ruled in favor of the request to unfreeze 47.85% of VEON’s corporate rights in Kyivstar and 100% of VEON’s corporate rights in its other Ukrainian subsidiaries. After the successful lifting of the court freeze of Kyivstar's shares, VEON is working with its local custodian to remove all remaining restrictions on Kyivstar and its Ukrainian

subsidiaries corporate rights. VEON is pursing steps to meet the conditions required by the local custodian to lift the stipulated freeze.

- As disclosed in Note 1, the VEON Holdings consolidated financial statements as of December 31, 2023 were filed on November 21, 2024 and made available to bondholders pursuant to the non-financial covenants.

The accompanying condensed consolidated financial statements have been prepared on a going concern basis. In accordance with IAS 1, Presentation of Financial Statements, the Company has determined that the aforementioned conditions and events, including those set out in the Company's consolidated financial statements as of December 31, 2023 filed on November 21, 2024, considered in the aggregate, may cast significant doubt about the Company's ability to continue as a going concern for at least twelve months after the date these consolidated financial statements were authorized for issuance. Management expects the actions it has taken or will take will mitigate the risk associated with the identified events and conditions. However, given the uncertainty and exogenous nature of the ongoing conflict and potential future imposed sanctions as well as potential new counter-sanctions, and given the possible future imposition of external administration over our Russian and Ukrainian operations in particular, management concluded that a material uncertainty remains related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, such that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2023.

A number of new and amended standards became effective as of January 1, 2024, 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.

Amsterdam, December 13, 2024

VEON Holdings B.V.