



VEON - 3Q25 Results Presentation

November 10, 2025

Anand Ramachandran:

Hello. Good afternoon and good morning to everyone. Thank you for joining us today for Veon's third quarter 2025 results for the period ending 30th September, 2025. My name is Anand Ramachandran, Chief Corporate Development Officer for Veon. Allow me to introduce our senior management in the room today. Next to me is Mr. Kaan Terzioğlu, our group CEO. And next to him, Mr. Burak Ozer, our group CFO. Today's presentation, as usual, we'll begin with the key highlights and business updates from Kaan, followed by a discussion of the financial results from Burak. We will then open the line for Q&A. Before we begin, please note that today's presentation may include forward-looking statements which involve certain risks and uncertainties. These statements relate to the company's anticipated performance, 2025 guidance, market development, operational and network investments, and the company's ability to realize its targets and initiatives. Our actual results may [inaudible 00:01:11] due to risks detailed in our annual report on Form 20F and other filings with the SEC. The earnings release and presentation, including reconciliations of non-IFRS measures are all available on our investor relations website. With that, let me hand it over to Kaan.

Kaan Terzioğlu:

Thank you, Anand. Good morning, good afternoon, and welcome to everyone. Let me begin with a remarkable milestone. In September, our monthly digital service users surpassed monthly telecom SIM card users for the first time, a defining moment in our journey as a true digital operator. This signals the scale of the opportunity ahead of us and the extraordinary growth still to come. Across our footprint, more than half a billion people, and we see a rising digital adoption, expanding connectivity, and powerful demographic momentum. These markets are not just large. They are accelerating, underpinned by innovation and low base effects that create multiple vectors of sustained growth. At the heart of this opportunity is our digital operator model, uniquely positioned to capture and drive this transformation. By combining connectivity, digital platforms, and financial inclusion, we are unlocking sustainable growth and enduring value creation for customers, communities, governments, and shareholders alike. And now, let's start the key messages from our Q3 results.

I am pleased that we have delivered another strong quarter, starting with our financial performance. Our revenues grew 7.5% year-on-year in U.S. dollar terms. U.S. dollar EBITDA increased by 19.7% year-on-year. This is yet another billion dollar plus revenue quarter and a half a billion dollar plus EBITDA quarter.

On the back of this performance, we are raising our fiscal year 2025 EBITDA outlook. We now expect 16 to 18% EBITDA growth for the year in local currency terms up from 14 to 16 earlier.

Second, we are driving exceptional momentum in expanding our digital services portfolio. Direct digital revenues grew 63% in U.S. dollar terms and now contribute 17.8% of our total group revenues. Our AI 1440 strategy is becoming central to our operations with ongoing work on large language models and

increasing integration into agentic AI-powered customer facing solutions. We are delivering localized multilingual features at scale through our super app platforms.

Third, we continue to make good progress in executing our asset-light strategy. We have completed the sale of our Kyrgyzstan operations this quarter, further streamlining our portfolio and focusing on core growth markets. Our global framework agreement with Starlink aims to bringing direct to sell satellite connectivity to all of Veon's operating markets, ensuring resilient connectivity even in hard to reach areas. Kyivstar is on track to launch nationwide coverage subsequent to approvals. Meanwhile, Kyrgyzstan is planning to launch services in Kyrgyzstan as we plan the test activities over the next couple of months.

And finally, we continue to deliver for our shareholders. The landmark listing of Kyivstar on Nasdaq unlocked significant value with a current market valuation of \$2.8 billion compared to 1.25 billion of equity, which is 2.3 times of its book value. We retain an 89.6% stake in Kyivstar, which is worth \$2.5 billion at Kyivstar's current market price. We are pleased that uncertainties regarding Veon's growing concern status have been mitigated, reflecting stronger liquidity and a more resilient balance sheet.

And finally, our board has approved another \$100 million share and/or bond repurchase program, a clear demonstration of our confidence in our growth prospects and our continued commitment to deliver value to all our investors.

Let's move to Q3 key financial metrics. Here we summarize our performance for the quarter. Telecom and infrastructure segment revenues on a like-unlike basis that adjusts for TNS Plus, this divestment grew 3.5% versus the reported 0.5% report number that you see on this page. This reflects the impact of our differentiated network's products and services in continuing to drive ARPU and subscriber engagement while reducing churn. Our direct digital revenues were up 63% and represents 17.8% of total group revenue. On profitability, our EBITDA margin continues to grow. Year-to-date margins have expanded by 320 basis points year-on-year and reflect both scale efficiencies and cost discipline. Last 12-month EPS stands at \$8.89, up 60.2% year-on-year. However, the reported EPS for Q3 alone was a loss of \$1.84 per share as we recorded 2 non-cash charges totaling \$259 million.

First was a charge of \$162 million related to the SPAC-sponsored shares in connection with the Kyivstar listing, which is treated as a share-based compensation according to IFRS and has been recognized in the third quarter.

Second was a charge of \$97 million for the sale of our [inaudible 00:08:10] business triggering accumulative currency translation adjustments.

For the avoidance of doubt, Q3 results has contributed \$76 million to our shareholders' equity. I will emphasize that these non-cash charges have no impact on Veon's underlying operational performance, cash generation or financial guidance, which remains firmly supported by our strong organic growth and margin expansion across our key markets.

Moving on, our last 12 months CapEx intensity, excluding Ukraine, was 17.7% and it is in line with our guidance. Net debt, excluding leases, stood at \$1.72 billion as of September. The improvement in leverage to 1.13 times reflects our operational and financial discipline and the success of our asset-light strategy. Our last 12 months equity [inaudible 00:09:15] cashflow reached \$584 million. Finally, we ended the quarter with a cash balance of \$1.67 billion, including \$653 million at the headquarters level.

Let's look at our growth trajectory and I will highlight three key points. First, on a like for like basis, which adjust for de-consolidation of TNS Plus, the [inaudible 00:09:48] acquisition and the sale of Deodar and [inaudible 00:09:51] business, our revenues would have grown 10% in U.S. dollars versus the reported 7.5. Secondly, our EBITDA rose 19.7% in U.S. dollars, underscoring the resilience of our strategy and the quality of execution.

Finally, I'm pleased that our momentum continues to exceed inflation and nominal GDP growth, showcasing our ability to implement fair pricing while capturing greater share of customers' wallet share.

Let me dive into our digital revenue performance. Starting last quarter, we began breaking out the components of our digital service revenues to provide you with greater transparency into growth and potential of our digital businesses. Let me make three points here.

First, financial services are the largest component accounting for 54% of total digital revenues growing 33% year-on-year.

Second, growth is pretty broad-based with solid contributions across our entertainment, ride hailing, enterprise, and premium digital brand segments.

Third, our sustainable cost advantages are how our low customer acquisition costs and optimized distribution model is driving this growth. These enable us to scale profitably and maintain strong unit economies. Let's look into our progress with regard to multiplay users. Multiplay users count customers that use at least one digital service in addition to our voice and data connectivity services. Multiplay is a key feature of our digital operator strategy and growth story. 4G enables multiplay, making increased 4G adaption is a key growth driver, and it is this 4G base that is increasingly shifting to multiplay, driven by our extensive and relevant suite of digital products and services. The multiplay segment drives growth through stronger customer engagement, higher data consumption, more frequent usage of voice services, improved retention, and ARPU expansion. Our multiplay customers generate 3.8 times the ARPU of a voice-only subscriber. Encouragingly, this ratio continues to sustain even as multiplay adoption expands as a proportion of our overall subscriber base. In the third quarter, 55.4% of our total customers' revenues were generated by multiplay customers, and this segment grew revenue-wise 23% year-on-year.

Let's look into different operations growth performance, and I'll use local currency terms across our markets for this. We have delivered strong double-digit revenue growth across all of our markets, apart from Bangladesh. While the headline revenue growth for Beeline Kazakhstan shows as single-digit, revenues on a like for like basis, adjusting for TNS Plus de-consolidation was up 23.3%. In Bangladesh, we are encouraged that the revenue returned to year-on-year growth for the first time in 14 months in September 2025. Our profitability trends across markets were strong as well. Headline numbers for Beeline Kazakhstan and Beeline Uzbekistan were impacted by tax effects. However, after adjusting for these, organic profitability trends remain very strong.

Finally, please note that our consolidated financial results for Ukraine include full consolidation of Ukraine Tower Company, UTC, whereas the standalone disclosures for KGL Group that are also released this morning, excludes UCT. We can take specific questions and discuss market-specific issues during the Q&A session.

Let me now turn into the financial services business success story in Pakistan. This business is the largest component of our financial services business, which I have highlighted earlier. This quarter, we completed the operational separation of JazzCash. JazzCash will continue to provide technology and services to MMBL. Both are now fully owned subsidiaries of Veon. This is a key step in accelerating growth and unlocking value across our digital financial services portfolio. The business continues to deliver strong growth, as you see on this page. Gross transaction ...

Kaan Terzioğlu:

Growth, as you see on this page. Gross transaction value for the quarter rose 40% year-on-year, representing 13% of Pakistan's gross domestic product on a last 12-month basis. This was driven by a

48% increase in total transactions and a 38% increase in transactions per user. JazzCash with its over 700,000 merchant base processes over 80% of all [inaudible 00:15:35] payments value under the Prime Minister's cashless society initiative. Loan origination expanded sharply this quarter with the daily average number of digital loans rising by nearly 26%. The average of 153,000 micro loans dispersed on a single day in Q3. More recently, JazzCash achieved a major milestone with its highest ever single day lending disbursement of 1.1 billion Pakistani rupees through 200,000 loans. We are extremely proud of what JazzCash has achieved. With its trusted brand, deep market reach and a growing ecosystem, JazzCash is leading Pakistan's rapid transition to a cashless economy and is positioned to unlock meaningful long-term value for VEON.

Let us now have a closer look at the continued momentum of our digital ecosystem. We continue to see strong and broad-based growth across platforms with a total monthly active users growing now to 143.3 million up 39% year-on-year. Our digital only user base has more than doubled to 50 million and now represents nearly 35% of our total digital users. As I highlighted earlier, digital engagement exceeded mobile engagement for the first time in September, an important milestone that highlights how our platforms are becoming the primary customer interface and unlocking new opportunities for cross-sell, advertising and digital services monetization. Over the past last 12 months, transaction values grew 50% to reach \$48.8 billion throughout our financial services platforms. Let's look in a more detailed outlook to our digital portfolio, and we focus on consumer-centric platforms on this page. Our financial services segment has increased by 25% to reach 42.1 million users across all platforms. I highlighted JazzCash earlier. Simply in Kazakhstan, BeePul in Uzbekistan continue to scale their roles as the financial layer of our digital ecosystem in their countries. Our entertainment platforms delivered a strong quarter as well. Tamasha in Pakistan and Toffee in Bangladesh achieved record levels of engagement fueled by the excitement of Asia Cup Cricket tournament. This also draw up sharp uptick in advertising demand. In Ukraine, Kyivstar TV's revised partnership has elevated direct customer engagement to an entirely new level. Meanwhile, BeeTV in Kazakhstan and KINOM in Uzbekistan continued to gain solid traction, reinforcing the growing strength of our regional entertainment portfolio. Our super apps continue to scale, positioned as one-stop digital hub. These platforms are seamlessly integrating essential services from healthcare to entertainment and driving deeper customer engagement across our footprint. Uklon's ride hailing service reached 3.6 million users and recorded strong growth in active riders, trip volumes, and digital engagement in Ukraine and Uzbekistan. Our premium digital brands, spanning lifecycle, digital identity, productivity tools, so users grow strongly to 3.3 million. With evolving lifestyle and content integrations, these platforms are designed to meet evolving customer needs with curated high value experiences. Let's move to our enterprise platforms. These platforms are transforming from internal enablers to market- facing technology leaders, driving next generations, augmented intelligence and innovation. This opens up new revenue pools and strengthens our position as next generation digital operator. QazCode, Kyivstar.Tech, Garaj, U-Code, and bCloud are winning new contracts, delivering augmented intelligence solutions, cloud services, and data center solutions to corporate and government clients, expanding our presence in fast-growing enterprise technology markets.

Across these companies, we have now nearly 2,000 engineers, software developers, data scientists executing at scale to build commercializable next generation digital products. Our advertising technology business, VEON AdTech, is scaling rapidly, powered by augmented intelligence and big data. It reaches over 70 million screens across our footprint, delivering measurable return on investment for advertisers. Built on our own AI and data infrastructure, the platform provides 360 degree advertising ecosystem, enabling precise audience targeting, real-time optimization, and creating a powerful new monetization layer across our digital portfolio. Let's turn now how we are embedding augmented intelligence across our ecosystem. We call it AI1440, augmented intelligence for every single minute in a day. In Kazakhstan, our Kaz-LLM is now live in four languages, Kazakh, Turkish, English, and Russian,

powering agentic features across multiple platforms. In Ukraine, Kyivstar.Tech is co-developing the country's first sovereign Ukrainian language model with the ministry of digital transformation, a landmark step in building national AI capabilities.

We will extend this capability to Uzbek, Bangla, and Urdu and deepen market specific intelligence. Across our applications, AI is becoming truly agentic and reshaping customer engagement from self-service to entertainment and education. In entertainment, AI recommendation engines now reach nearly 35 million monthly active users across Tamasha, KINOM, Kyivstar TV, Rythym and Hitter. On Tamasha, AI already drives over one third of all live TV sessions and nearly 60% of video on demand plays. Its AI news channel has alone became the third most watched channel on the platform. The news channel is sometimes having male or female news anchors that presents the news on live TV.

In customer care, our SIMOSA AI chat assistant now autonomously manages customer journeys for nearly one million users every month. Our customized personal growth solutions are seeing strong adoption with our consumer audience. Janymda AI tutor engages 17,000 monthly users while Rise AI tools processed over 16,000 requests, helping students write their CVs. We are also innovating with AI for enterprise. QazCode successfully launched Aventa AI and enterprise grade AI native platform designed to scale agentic workflows across HR, finance, and procurement functions. In summary, augmented intelligence is now a living layer in our ecosystem, delivering measurable impact for us across all our markets. I will now hand over to Burak who will take you through the financials in more detail.

Burak Ozer:

Thank you, Kaan. Looking at growth revenues, we delivered total revenue of 1.115 billion US dollars in the third quarter, representing a growth of 7.5% in US dollar terms. As previously noted by Kaan, the quarter included the deconsolidation of TNS+ in Kazakhstan, the consolidation of Uklon and the sale of the other and our [inaudible 00:24:46] business. On a like for like basis that adjust for this, our revenues grew 10% underscoring the continued momentum across our operating markets. Direct digital revenues grew 63% year-on-year to reach \$198 million. Digital services now account for 17.8% of total revenues up from 11% a year ago.

Turning the page to profitability, EBITDA for the quarter was 524 million US dollars, representing growth of 19.7%. The EBITDA margins stood at 47% for the quarter up 400 and basis points year-on-year and was supported by operating leverage and disciplined cost management across all markets. We note that our digital services now account for 17.8% of group revenue. While digital margins are structurally lower, their significantly lower CapEx intensity ensures comparable cash conversion relative to telecom services. As our revenue mix continues to shift in this direction, we remain focused on sustaining EBITDA growth at scale while enhancing group-wide capital efficiency and long-term free cash flow generation.

Turning now to the balance sheet, we ended the quarter with 1.67 billion US dollars in cash and deposits, of which 653 million is held at headquarters. Net dividends upstream from operating companies during the quarter totaled 96 million US dollars and 285 million dollars for the year to date. Gross debt stood at US dollars 4.86 billion up slightly from June and reflected the completion of our \$200 million conditions during the quarter. Approximately half of our external debt is now held at operating company level, providing natural currency hedging. Net debt was 3.48 billion US dollars, while net debt excluding leases improved to 1.73 billion, bringing leverage down to 1.13 times EBITDA. Let me now hand the call back to Kaan.

Kaan Terzioğlu:

Thank you, Burak. Let me conclude with our outlook for the year. Despite ongoing macro and geopolitical challenges, VEON continues to execute strongly across all markets. We are revising our EBITDA outlook for the full year and now expect EBITDA growth of 16 to 18% in local currency terms for the full year. We are maintaining our revenue guidance of 13 to 15% growth in local currency terms. In US dollar terms, we expect this to translate to seven to 8% revenue growth and 10 to 11% EBITDA growth for the full year, assuming no significant fluctuations exchange rates from current levels. Our capital intensity, excluding Ukraine, remains with 17 to 19% range.

These targets are based on a blended weighted average inflation rate of 8.2%. In closing, we are pleased with our business momentum. Looking ahead, we remain confident in VEON's trajectory and the opportunities before us. As I highlighted earlier, the board has approved another \$100 million share and/or bond repurchase program, reinforcing VEON's confidence in long-term value creation. VEON is well positioned to sustain growth and long-term value creation for our shareholders, customers, and communities we serve. Thank you for your attention and support. Now we can open the line for Q&A.

Moderator:

Thank you. At this time, if you would like to ask a question, please click on the raise hand button, which can be found at the black bar at the bottom of your screen. When it is your turn to ask a question, you will receive a prompt and be promoted as a panelist. Please accept, wait a moment, and once you have been introduced, you may unmute yourself, turn your video on, and ask your question. Written questions can be submitted on the webcast by using the ask question tab at the top right of your screen. As a reminder, we are allowing analysts one question and one related follow-up today. If you would like to ask more questions, please raise your hand again to rejoin the queue. We will wait a moment to allow questions to enter the queue. Our first question comes from Jesse Sobelson with BTIG. If you'd like ...

Moderator:

... comes from Jesse Sobelson with BTIG. If you'd like to turn on your audio, turn on your video and ask your question?

Jesse Sobelson:

Hello, everyone. This is Jesse Sobelson with BTIG. Thank you for taking our questions. I just wanted to ask about the recent transaction involving Kyivstar and the decision to bring the asset public via a SPAC. Could you share the motivation for choosing a SPAC structure for this process? Then additionally, you noted that you own nearly 90% of the asset. Looking ahead, how are you thinking about your future ownership stake? Would you consider selling a portion of the holdings to generate liquidity? How would you balance the liquidity versus maintaining control of the asset? Thank you.

Kaan Terzioğlu:

Thank you very much, Jesse, for the question. With regard to Kyivstar's de-SPAC transaction, we are a true believer in Ukraine's future, and that's why we are championing Invest in Ukraine NOW initiative throughout the world. We thought it would be the right thing for us to find a deal certain fast track to list Kyivstar. That's why we have opted for a de-SPAC process. I'm very glad to conclude it on a successful basis as Kyivstar is now listed in NASDAQ at a valuation which is 2.3 times its net equity value of 1.25 billion at \$2.8 billion. I think this was a very, very successful transaction from our side.

Now, naturally, SPAC comes with additional cost, given that deal [inaudible 00:31:41] element and the speed of transaction process. But overall, I think being a pioneer in making sure creating opportunities

for international investors in Europe and US in participating for the future growth of Ukraine, I think it was the right thing. Now, looking with the same perspective, we are keen to allow more investors to invest in Kyivstar. We will be open for diluting our current position further to allow people from Ukraine, first of all, to have a chance to invest in Kyivstar and any credible international investor to also come in and be part of the success story that will be built in Ukraine. We will continue championing our Invest in Ukraine NOW initiative all around the world as well. Thank you.

Moderator:

Our next question comes from Nicholas Payton with Edison Group. If you'd like to turn your video on, turn on your audio and ask your question?

Kaan Terzioğlu:

Nicholas?

Anand Ramachandran:

Hi, Nick.

Nicholas Payton:

I'm here.

Anand Ramachandran:

[inaudible 00:32:56] hear you.

Kaan Terzioğlu:

[inaudible 00:32:56]-

Nicholas Payton:

Thank you very much for allowing me the question. Just a quick question on Kyivstar. There's quite a lot of cash at the head office level. I think it's 600 million or so dollars. What's the plan for that and how easy will that be to repatriate up the chain?

Kaan Terzioğlu:

I think, Nicholas, \$653 million is the headquarters cash at VEON, not Kyivstar.

Anand Ramachandran:

Kyivstar is 470 million.

Kaan Terzioğlu:

470 million would be the right amount for Kyivstar. As you know, we are still at war, so martial law still stays in place. During the martial law, there are limitations on upstreaming. There is a million dollar per company type of a dividend limit. But what we would like to see actually, just in line with our Invest in Ukraine NOW initiative, you will see us actually investing in Ukraine. We have been active with Helsi acquisition and Uklon acquisition. We believe that there is a unique opportunity to build a digital ecosystem in the country. Naturally, based on the needs of the country, whether it is energy resilience,

energy storage needs, or investing in growth opportunities, we will be also looking into those. But in the meantime, our objective is to make sure that we keep our cash safe in assets that are either generating cash or creating capacity for us to protect ourselves from potential devaluations.

Nicholas Payton:

Makes sense. Thank you.

Kaan Terzioğlu:

Thank you.

Moderator:

Our next question comes from Adrian Cundy with Emerging and Frontier Capital. If you'd like to unmute yourself, turn on your camera and ask your question?

Adrian Cundy:

Kaan, Anand, Burak, I hope you... It's good to see you again. I hope you're well. I'm sorry, my video is not functioning well today, so I'll just stay... You can see my picture. I have two questions first relating to UTC and just infrastructure in general within Kyivstar. Will we be seeing you continue to pursue divestment along the Pakistan model of tower assets in the Ukraine? Or is the hope... Or is the VEON plan to retain control of that for the foreseeable future, particularly given that Kyivstar is now talking about a significant network upgrade and is beginning to touch on 5G in line with a national development strategy? The second question I have relates to the financial services in Pakistan now that JazzCash and the bank are standalone entities. How do you see them working with the cellular business? Could we get some more color on what type of loans are being extended? Finally, [inaudible 00:35:59] do you see further initiatives and value extraction for the Pakistan business?

Kaan Terzioğlu:

Well, let me start answering your first question about our tower business in Ukraine. Naturally, it's no surprise, I think no secret that we have a strategy of being asset light and we see actually tower operations more valuable under the management of independent tower companies, which allows sharing of infrastructure among multiple operators. It's no different in Ukraine. The first step was us creating our independent tower company is, I think, move in the right direction, but we will be looking for opportunities around sharing infrastructure in the country in a more effective way, and ultimately making sure that the tower operations are owned and operated by an independent party, which can further focus on marketing activities of this infrastructure. There are multiple benefits of separating towers from the operating companies. As you know, our telecom industry is being heavily penalized by cross-subsidization of business models like infrastructure businesses and service businesses. In everything we do, we try to avoid that and make sure that we focus on the right customer rather than cross-subsidizing different businesses.

You will see more actions and news on that front. We are one of the biggest infrastructure providers, of course, in Ukraine, but I believe no telecom company can afford to have its own exclusive networks. We need to learn to share networks, and that's the path for increasing cash generation capacity for our businesses. That's first question. The second question, financial services business. In countries like Pakistan, the unmet demand in financial service area is huge. People who are unbanked, who have no way of having access to financial services is a existing opportunity that we have spotted. That's why we have our microfinance bank, MMBL, as well as our digital wallet operator, JazzCash, serving our

customers there. We have close to 50 million bank accounts and a monthly active user base of 22 million people. On an average day in Q3, we issued 153,000 nano loans. These loans are around 30 to \$40 in nature. They are really the type of money that a taxi driver would need if they would have a flat tire, or they need to have one day advance of putting gasoline into their tank.

Or a housewife would need that \$30 to buy some flour, sugar, and eggs to make some cookies and sell in the marketplace. These are really the type of loans that provides lifeblood to practically to small businesses, to family businesses, and we are very proud to make this work. Now, naturally, we have also a merchant network of 700,000 merchants. This networks also allow us to significantly drive cashless economy in the country. We operate a significant portion of entire RAS transactions, which is the mobile payment clearance platform, and we transact almost 13% of total GDP. For us, it's not only being big, but it is being really serving the customers on a daily basis. This business is growing at 33% year-on-year, and it is, I think, going to be an extremely successful case study when it comes to the digital banking and FinTech businesses. We will, of course, be looking into how we can take this business even at a higher scale. You might see actually some strategic investors also looking into this together with us.

Anand Ramachandran:

Adrian, what was the third question again? Could you repeat it, please?

Adrian Cundy:

I guess the follow-up is just on that, given that standalone, are you looking at a value extraction or value recognition for your digital assets in places like Pakistan?

Kaan Terzioğlu:

I think the answer is clearly yes, as the opportunities come to the right level and scale. For us, digital services' portfolio we have serves two important purposes. One is the multiplay strategy that we have on our regular telecom business. As our customers uses our digital services, they stay longer with us, they consume more. Then of course, the direct digital revenue potential of these service lines, from entertainment to financial services, it drives additional growth for us. To be precise, the ARPO level increase and the churn reduction of digital services impact on our SIM user base has nothing to do with the direct digital revenues that we report. These are two different growth. The growth on one side drives our business on telecom side, and the other one drives the business on the digital services. When the right scale arrives, of course, we will be looking for crystallization of the value of our digital services' portfolio.

Adrian Cundy:

Thank you very much.

Kaan Terzioğlu:

Thanks.

Moderator:

Our next question comes from Ahmed Mustafa with INAM. You may now unmute your audio, turn on your video and ask your question.

Ahmed Mustafa:

Hi, everyone. Thanks for presentation and congrats on the numbers. I have two questions. Jazz delivered a strong EBITDA margin [inaudible 00:42:01] this quarter, and yet you have indicated that this consolidated margins may soften over the long run as digital services scale. How do you manage this trade-off between scale and profitability? Second, you have raised your EBITDA growth guidance for this year. Could you [inaudible 00:42:22] us through the main drivers behind this improvement in the EBITDA margin?

Kaan Terzioğlu:

Ahmed, good point. We thought the digital services businesses would be having a bigger dilution on our EBITDA margins. Far, we failed on that. Yes, our EBITDA margins are also improving compared to the business as our digital services are growing, but I think I attribute that on really discipline when it comes to operational cost management of our operations. But let me also give the word to our CFO. Burak, anything you would like to add on that?

Burak Ozer:

Yes. On top of the discipline in terms of driving efficiencies on cost side, we are also having discipline price actions, price increases that we are taking in line with the market conditions that would beat the inflation, the valuation plus the GDP growth. Those two combined together definitely is helping our margin.

Ahmed Mustafa:

Thank you so much.

Kaan Terzioğlu:

Thank you.

Moderator:

Our next question comes from Vincent Fernando with Zero One. If you would like to unmute yourself, ask your question and turn on your camera?

Anand Ramachandran:

Hello, Vincent.

Kaan Terzioğlu:

Vincent, we can't hear you yet.

Anand Ramachandran:

Operator, shall we try again? Move to the next question maybe? Come back to Vincent.

Vincent Fernando:

Hi, can you hear me now?

Anand Ramachandran:

Yes.

Kaan Terzioğlu:

Yes.

Anand Ramachandran:

Yes.

Kaan Terzioğlu:

Yes. Yeah.

Vincent Fernando:

Apologize for that. Hey, I just want to ask again on the JazzCash and MMBL. Now that you have these more operating independently, do you plan to also try to take some of the capabilities in those businesses and then maybe bring it to expand your FinTech business in other markets? The other question is that when you look at the MAUs for JazzCash, it's about 20.6 million, I think most recently. Your total telco subs are 72.7 million, so there's still a lot of room to actually convert just your existing subs into JazzCash or MMBL customers. Are there other strategies you have to increase the penetration for that as well? Those are my two questions. Thanks.

Kaan Terzioğlu:

Vincent, I think you're spot on in terms of both organic-

Kaan Terzioğlu:

Vincent, I think you're spot on in terms of both organic and accelerated growth opportunities in this business. Now, you need to keep in mind that Pakistan is still a frontier market where 4G penetration, as well as smartphone penetration, has certain limits in terms of the penetration capabilities. I translate those into upsides that are in front of us. One of the key initiatives that you will see us focusing on in Pakistan is smartphone ownership, affordable smartphones will be critical, and they will come up with, of course, their own embedded digital services on top of them. So, we have quite a lot of appetite in this conversion, and I would like to make sure that everybody who is our customer is having access to the digital services, whether beyond financial services, entertainment, or healthcare or education to have access to these platforms, so you're right.

In addition to the growth that we see, I think the organic growth can accelerate, and that's the basis of the sustainable growth expectation we have from the marketplace, really. Now, with regard to our ability to leverage the competencies and the experiences that we built in Pakistan, in other markets, absolutely. That's why we are very excited about the growth potential in Bangladesh and potentially in Ukraine, and the know-how that we have in terms of risk managing a bank, first of all, but also having credit scoring engines fine-tuned for these type of non-loans, all these capabilities are applicable in all the markets. Of course, our intention is to make sure that we leverage these. Just like our intention around making book loan or [inaudible 00:46:51], our healthcare platform, our ride-sharing platform will also be available through all the super apps we have in all the countries.

Vincent Fernando:

Got it. Just one, little, quick follow-on on that. So Pakistan, I believe, has a digital bank licensing framework, but I guess under MMBL, you also have a license there. Is there value in you having one of those digital bank licenses, or is it that you can have MMBL, I guess, operate on part where you want more banking services, JazzCash, and the payments? Just want to understand if that's something that's part of the roadmap or maybe just not needed?

Kaan Terzioğlu:

Well, we operate currently under the microfinance banking license; however, I believe that we can do more and we can contribute more to the cashless economy initiative of Prime Minister. That will require us to upgrade our license to a full digital bank license, and we are in the process of looking for ways of achieving that, sooner rather than later. I think the success story of JazzCash is very visible and recognized very strongly by the Pakistani government as well. They want the same, we want the same, and I think we will get to a level of much higher capabilities if we upgrade it to a full digital bank license, and we are working on it.

Vincent Fernando:

Great. Thank you so much.

Moderator:

Our next question comes from Ali [Zaivi 00:48:22] with INAM. If you'd like to ask your question?

Ali:

Hi, everybody. Thank you so much for this opportunity. So my question is related to [inaudible 00:48:34]. We have seen that it already contributes. It's like the third-largest contributor to the digital revenue, so do you have any plans to explore other markets for this business, specifically Pakistan, considering recent exits of the major player in that country? Do you see a potential for an entry and growth in this segment?

Kaan Terzioğlu:

So Ali, the [inaudible 00:48:58] business is really, when you look to the markets, it's a city-by-city operation, so currently it operates in 28 cities. 27 of those cities are in Ukraine. One is in Tashkent in Uzbekistan, and we clearly have an ambition and appetite to grow this business in a certain priority list to other markets. Whether this will be starting from Kazakhstan or Pakistan, or at the same time, we are working on different sort of initiatives, but it will be a city-by-city decisions, as every city has different characteristics.

Ali:

Okay. Thank you so much. Thank you.

Moderator:

Our next question comes from Matthew Harrigan with the Benchmark Company. If you would like to unmute?

Matthew:

Thank you. I feel more confident putting out a positive VON preview than I do on T-Mobile or Comcast, which is, I'm not sure whether that's good or bad from my perspective, but one thing that's interesting, and clearly, the dynamics for you are different because you're such a market leader, but when you look at T-Mobile in the US, they have a very strong benefit from switching share, relative, obviously, Verizon and AT&T to other large competitors that don't have as good a network, but still, definitely big animals that they're wrestling with. If you really assume that there's not a lot of growth in the US mobile market, just by virtue of their switching share, they can continue to put up really, really nice numbers, and that analysis, I guess, would be pertinent to you on the full gamut of apps that you're running, as well as mobile.

But are you such a market leader, that anything that comes along with device innovation or any perceptions of network quality don't affect you that much, because almost by definition you're so much larger than your competitors, that you almost definitionally have to erode a little bit? Or do you think that, as you do get CEOs, and I know people are not buying iPhone 17 Pros in Pakistan very often, but do you feel like with switching share, device innovation, and awareness of how powerful these apps are and how good it is to have the best mobile network when you're running these apps, that it can help you, or do you think that you're largely a function that just really, really correlates with the overall market growth and mobile and the demand for the app? Sorry, a little long-winded there, but I'm sure you get the gist of it. Thank you.

Kaan Terzioğlu:

Matthew, I think the opportunity that's in front of us is exciting from two perspectives. Not only that we have the digital services which are attractive to our customers, but also, there are so many customers who are still not yet connected. We are going to be having 90 million additional people who will be having access to 4G networks, who will be buying their first smartphones, and hopefully those smartphones will be bought from us with our applications installed on them, with their ability, without having maybe a credit card that they can pay for the services, for the games, for the videos, for the channels that they need.

That's why I'm excited, because yes, we are big. Except for Bangladesh, we are number one in all the markets that we operate in. In Bangladesh, we are number one, if you compare our entertainment platform and the other super apps that we have. I truly believe that, as our customers who have never touched yet any other service than calling somebody, and there are 40 million of them on our network, those people will have a smartphone. They will have their first connection. They will watch their first movie online on mobile networks. We are looking forward to those days, and 40 million of them will be there to, basically, be our customers. That's why I believe the organic growth is an incredible opportunity. That's why I opened it with that slide, but the acceleration that will come through digital services will just be unmatched as an opportunity for us to grab.

Matthew:

Okay, no. You're in a better position than having to fight to grab market share in a privileged position, but you kind of are the market growth as a good place to be. Thank you. Thank you.

Moderator:

As a reminder, if you would like to ask a question, please click on the raise hand button, which can be found at the black bar at the bottom of your screen. When it's your turn to ask a question, you'll receive a prompt, and when it's your turn to ask a question, you'll be promoted as panelist. Please accept, wait a

moment, and once you have been introduced, you may unmute yourself, turn your video on, and ask your question. Our next question comes from Vincent Fernando with 01. If you'd like to unmute yourself, turn your camera on, and ask your question?

Kaan Terzioğlu:

Vincent, we can't hear you again.

Vincent Fernando:

I think it's a little lag. I'm here. So, I just want to double tap again on the FinTech and Pakistan. You reported 23.8 mil EBITDA for the third quarter. Are you able to give any color on maybe where can we start to look at a run rate? Because you did \$20.3 mil in the second quarter, \$23.8 mil EBITDA, USD in third quarter. I'm just trying to try to find a base for a run rate. Is it relatively recurring in nature? I just want to understand that. Thank you.

Kaan Terzioğlu:

Yeah. Our financial services business in Pakistan is actually quite a steady growth business. So, over the last six quarters, every quarter, we have been seeing a continuous growth of 40 to 30% every single quarter, and looking into our future, I see no reason for this to go down. I think we'll continue keeping deadlines. Clearly, the lending business has a balance sheet criteria in terms of growth, but currently, I feel comfortable with those.

Vincent Fernando:

Great. Thank you.

Kaan Terzioğlu:

Thank you.

Moderator:

We have no further questions at this time. I will now pass back to Anand Ramachandran for closing remarks.

Anand Ramachandran:

Thank you, Chris. Thank you, guys. Thank you so much for dialing, as usual. Thank you so much for your support of Veon. As always, please email us, call us here if you have any questions at all, and we'll continue talking, but until then, until the next quarter, thank you and bye-bye.

Kaan Terzioğlu:

Thank you.