

Country performance continued

Pakistan



Revenue

PKR 261.2 billion

EBITDA

PKR 134.0 billion

EBITDA margin

51.2%

4G customers

41.3 million

4G base penetration

56.0%

Aamir Ibrahim
Chief Executive Officer



Pakistan is a dynamic society in which Jazz enjoys leading market share, providing a range of connectivity, entertainment and digital financial services to 73,7 million customers.

Now VEON's largest digital operator by revenue, Jazz Pakistan is a success story in how we can empower opportunity through embedding our local services in the social and financial fabric of a nation.

Pakistan is a dynamic society in which Jazz enjoys leading market share, providing a range of voice, data and digital services to 73 million customers. Our size and brand presence enable Jazz to make a significant contribution to the development of the nation by extending digital literacy and inclusion throughout communities eager for opportunity and betterment.

The size and scale of our Company makes Jazz one of Pakistan's largest corporate taxpayers, with around half of our revenues returned by way of the various taxes and fees our services attract.

MM2 LOS

They enable us to act as a beacon of hope and stability when natural disasters strike, providing essential connectivity, humanitarian relief and financial assistance

when needed, as we did during 2022's catastrophic floods which inundated around one-third of Pakistan and impacted the lives of more than 30 million people.

MM1

Expanding the rainbow

Digital inclusion is a key enabler of social and economic change in Pakistan and one in which Jazz plays a leading role. Our digital financial service JazzCash is the nation's largest. It is accelerating the digitisation of payments across the economy, helping to break down social barriers to economic inclusion while combating barriers to growth like corruption through digital fingerprinting.

JazzCash extends financial services to the nation's unbanked, who represent around four-fifths of Pakistan's adult population. Many of these are women who would otherwise be locked out of the financial economy. And as the nation's fastest-growing digital lender, extending around 40,000 micro loans each day,

JazzCash is helping to sustain individuals at the bottom of the socioeconomic pyramid at a time of rising living costs.

LOS

The success of Jazz's services lies in our ability to entertain, as well as to empower. Tamasha, our HD video streaming platform, has transformed our ability to serve our customers with premium TV channels, movies and dramas alongside the very best in live sport. This has captivated a nation passionate about cricket, ensuring our customers never miss a beat by delivering live matches to their smartphones in HD format alongside a host of other sporting fixtures and content.

MM4 MM5

In everything we do, we share the passion of our customers for our country, the vibrancy of our culture and the boundless opportunity we can harness together through the services we enable.

Digital inclusion is a **key enabler of social and economic change** in Pakistan and one in which Jazz plays a leading role

Country performance continued



One of our ambitions is to **improve the lives and livelihoods of Pakistan's women through technology**

Pakistan continued

Mobilink Microfinance Bank (MMBL)

Expanding financial inclusion is also a core mission of Mobilink Microfinance Bank (MMBL), VEON's leading digital bank in Pakistan. With over 40 million registered users and a network of over 196,000 branchless banking agents, MMBL is dedicated to harnessing the power of technology to boost lending to the bottom of the nation's socioeconomic pyramid.

MMBL has pioneered a series of recommended policy interventions to foster digital financial inclusion through regulatory interventions in key areas such as microfinance, agriculture finance and digital lending. MMBL's 9-Point Agenda for Financial Inclusion highlights challenges and opportunities across multiple sectors alongside recommended policy solutions. These have diversity and inclusion at their heart and are designed to help bring about a balanced, sustainable economic transformation of Pakistan's grassroots communities that will bolster national growth and development.

MMBL has been the proud recipient of a number of industry awards over the past decade in recognition of its achievements. In 2022, these included the Global Business Outlook Award for nation's Most Innovative Microfinance Bank and the RBI Trailblazer Award for the Best Retail Bank in Pakistan.



2022 performance

2022 was a challenging year for Pakistan's economy. Global economic and political instability had an amplified impact, with inflation of energy prices and supply issues

in global supply chains sharply drove costs up in Pakistan. In order to cope with the drastic increase in operating expenses and ring fence the profitability of the company, Jazz continued to adopt a disciplined approach to monetize its services in line with the inflation, which helped it capture more than 50% of industry revenue market share during the year. Hence, ending the year with a gain in revenue market share of 1.1% to 44.9% (0.7% to 44.4% normalised for once-off reversal of provision).

Jazz reported double-digit revenue growth for the second consecutive year in 2022, with revenue rising by 14.3% YoY. The growth was driven by a 21.8% YoY increase in mobile data revenues and strong revenue performances by both MMBL and JazzCash. The expansion of the 4G customer base, which rose by 17.9%, to reach 41.3 million also contributed to the revenue growth. At the end of 2022, Jazz's total subscriber base was 73.7 million, of which 56% were 4G users.

EBITDA grew by 28.2% YoY in 2022, driven by double-digit revenue growth and effective cost management. The size of increase is affected by the reversal of a provision following a favourable decision from the Islamabad High Court on pending litigation, increasing the recorded EBITDA by PKR 20.2 billion. Adjusted for this contribution, YoY EBITDA growth was 8.9%.

In 2022, Jazz's digital operator strategy continued to drive growth in its multiplay customer base, which increased by 41% YoY, accounting for 23.7% of the total

monthly active customers by the end of the year. This growth in multiplay customers, who have three times the ARPU of voice-only users, contributed significantly to the B2C service revenues, which amounted to 44.1% in the fourth quarter of 2022, representing a YoY rise of 9 percentage points.

JazzCash continued to be a star performer, with its revenue growing by 54.5% YoY, supported by the expansion of its retail presence to 130,870 active agents and 185,906 active merchants. JazzCash processed PKR4.2 trillion in gross transactions in 2022, a 31.3% increase from the previous year. Its reputation as the most popular digital wallet in Pakistan was reaffirmed by the Karandaaz Financial Inclusion Survey, with 69% of respondents recommending JazzCash as Pakistan's most recommended mobile money service.

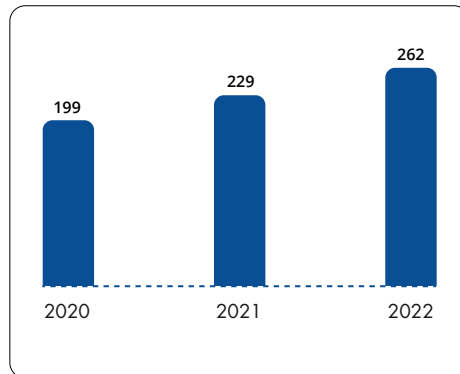
Our streaming service, Tamasha, also performed well, attracting a record number of users to its live HD streaming of the Cricket and Football World Cups during the fourth quarter. This drove its monthly active user base to 4.3 million by year end.



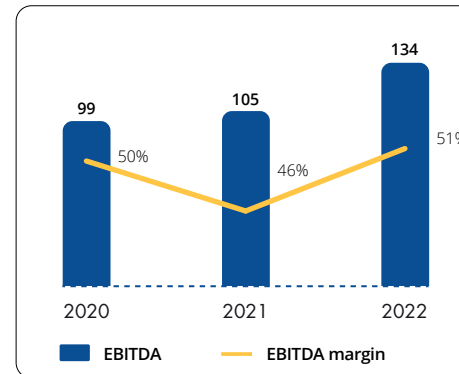
ESG milestones and ambitions

The principles of ESG are fundamentally embedded in Jazz's products and business practices. Our role as a leading corporate in Pakistan society compels us to think about our governance responsibilities spanning a range of social and environmental interests, not just in terms of organisational issues.

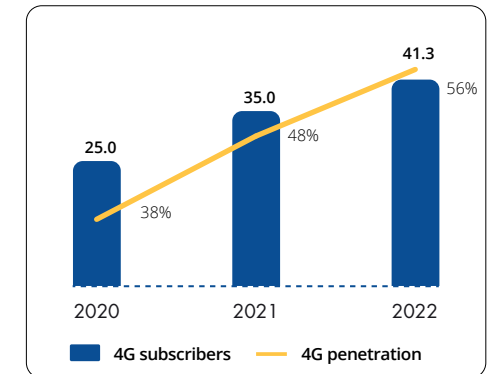
Revenue
(PKR billion)



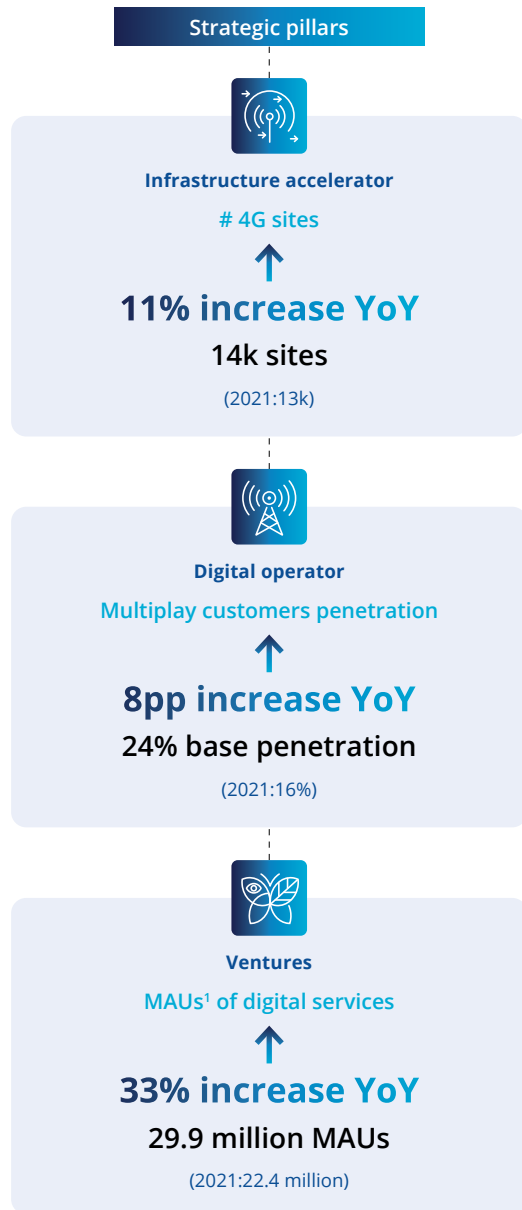
EBITDA and EBITDA margin
(PKR billion and percentage)



4G base and penetration
(Million and percentage)



Country performance continued



¹ MAUs = monthly active users

Pakistan continued

We are incredibly proud of the impact JazzCash is making in advancing financial inclusion again. This goes to the heart of our ambition to improve the lives and livelihoods of Pakistan's women through technology. Like many developing economies, Pakistan has gender gaps that keep women disenfranchised from various aspects of society. We over-index our participation of women in JazzCash's lending activities while extending a set of services that were previously unavailable to most, empowering a vast demographic with financial independence for the first time.

MM2 LOS

The needs of women were uppermost in our minds as we extended relief to communities impacted by last year's floods. Jazz set up mobile healthcare units for women and provided specialist care for those pregnant and nursing mothers. These were delivered alongside a financial and logistical support.

Jazz was the first Company to pledge a billion rupees worth of aid for flood relief, including food, medicines and tents. We also extended free calls in flood-affected areas to enable people to stay connected throughout the emergency. And we are continuing to help the government prepare for future natural disasters through our development of the national SMS warning system, augmenting this with capabilities to help direct relief like seeds for farmers to guard against Pakistan slipping from floods into famine.

Environmental governance extends to climate impact. A switch to batteries from diesel generators is one way we can decrease our carbon footprint in remote areas; so too is our increasing use of solar energy. These are important as we work to decrease our GHG emissions while finding long-term solutions to rising energy costs.

LOS

Focused on outcomes

As a sustainable business, Jazz and MMBL operate a host of CSR programmes and activities to ensure the benefits of our capabilities extend to all our stakeholders.

These include Jazz's SDG Bootcamp, operated in partnership with the United Nations Development Programme in Pakistan. Inspired by the United Nations Sustainable Development Goals (UNSDGs), the SDG Bootcamp provides social enterprises the opportunity to compete in friendly competition in developing products and services that support the SDGs' objectives. In 2022, the Bootcamp played host to 131 social enterprises, including 42 female-led initiatives and 71% of its participants were women. The winners included a

vendor app made for and by women and a healthcare Company that uses drone technology to deliver medical supplies.

Nurturing entrepreneurial talent is a core mission of Pakistan's National Incubation Centre (NIC), a successful public-private partnership which Jazz is proud to have co-founded with the Federal Government. The NIC is home to Jazz's xlr8 accelerator programme, a flagship initiative that helps business start-ups reach maturity and scale. In 2022, xlr8 was particularly proud to support DeafTawk, a digital Company helping to overcome the challenges faced by deaf people around the world. DeafTawk acts as a bridge between deaf and hearing people by providing ready access to qualified sign language interpreters and has helped improve the lives of more than 466 million deaf people since its launch.

The needs of women are at the heart of MMBL's flagship empowerment programme, the Women Inspirational Network, which it operates in partnership with CARE International in Pakistan. The network provides training and support to improve the digital and financial skills of the nation's women in order to encourage sustainable development by eliminating barriers to their opportunity. The programme has helped over 900 women entrepreneurs develop business skills and in November 2022 was recognised as a best practice case study by the Women Empowerment Conference in Karachi in partnership with the International Labour Organisation (ILO).

In 2022, MMBL expanded its empowerment initiatives by providing ecommerce capabilities to female

entrepreneurs and advisory services for farmers via smartphones. By offering substantially discounted Digit 4G handsets pre-loaded with MMBL's digital banking application and an agricultural app developed in partnership a leading local AgriTech Company, BaKhabar Kissan, MMBL aims to boost the participation of these underserved groups in Pakistan's digital economy and help unlock their potential in driving development and prosperity for the nation.

MM2 LOS

The road ahead

We remain confident in Jazz's ability to deliver double-digit growth as we continue to grow the range and reach of our digital services. Over time, this should lift customer ARPUs; a key ambition for our business while balancing pricing with affordability.

At the heart of our digital operator model, the success of JazzCash and Tamasha demonstrate the ability to captivate customers with services that drive engagement levels higher. Each will remain valuable channels through which to provide our customers with a growing range of products designed to extend opportunity and entertainment to the nation.

Our mission throughout is to demonstrate Jazz cares in everything we do. That means standing by our customers in good times as well as bad, and alongside the nation when the unforeseen strikes. Above all, it means being a dependable partner to all who share our excitement in the digital opportunities ahead of us.



The first discounted 4G handset, bundled with Mobilink Microfinance Bank's self-service banking app, is presented by VEON CEO, Kaan Terzioğlu and Mobilink Microfinance Bank Ltd President & Chief Executive Officer, Ghazanfar Azzam, to Ayesha Shafique, a budding entrepreneur, to help her scale her cosmetics & beauty salon business in Pakistan through access to digital financial services

<https://www.veon.com/newsroom/press-releases/veons-mobilink-microfinance-bank-promotes-financial-inclusion-and-supports-farmers-with-programmes-to-drive-economic-prosperity-in-pakistan>