



Bukhara

Po-i-Kalyan complex, Bukhara

# Our strength lies in our focus on delivering

We meet our financial and business goals and priorities, even in exceptionally challenging circumstances. Our businesses exemplified their agility to adapt to changing conditions.

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## CFO review

New VEON may be a **business borne out of adversity**, yet is one that defines our ability to adapt, transform and channel this into future opportunity

## Service revenue

**USD 3,600 million**

-2.4% YoY

+13.9% YoY in local currency

## EBITDA

**USD 1,743 million**

-5.3% YoY

+12.6% YoY in local currency

## Total cash and cash equivalents

**USD 3.1 billion**

+37.9% YoY

USD 2.5 billion at HQ

Serkan Okandan  
Group Chief Financial Officer\*



**2022 was a busy year, where our priority has been to ensure that the Group remains in a strong financial position.**

\* Serkan Okandan served on the GEC as Group Chief Financial Officer for the period under review ending 31 December 2022. Effective from 1 May 2023, Joop Brakenhoff was appointed VEON's Group Chief Financial Officer.

Please Refer to page 69: Succession planning for the Group Executive Committee.

2022 brought unprecedented financial challenges as conflict engulfed two of our largest markets. Chief Financial Officer Serkan Okandan explains how the Group adapted to this profound change in our operating environment and laid the financial foundations for a New VEON.

#### Strength through adversity

VEON entered 2022 with high ambitions. The success of our digital operator model opened up a wealth of revenue opportunities in all markets for the Group throughout 2021 and galvanised growth in our 4G customer base.

The outbreak of hostilities between Ukraine and Russia in February 2022 brought about a wholesale change in our operating environment. Two of our largest markets, together representing around 70% of our business, were plunged into military conflict overnight. The following 12 months saw an unprecedented level of disruption to our operations in each.

This involved the physical impact of the hostilities on our customers, employees and infrastructure in Ukraine, as well as the financial impact on the Group as a result of international sanctions.

A year on from the start of the conflict, VEON is transformed. We adapted fast to new realities and repositioned our business. We embarked on the sale of Beeline Russia, bringing about a financial transformation that will see the emergence of a New VEON focused on the growth potential of six dynamic emerging markets.

The financial achievements of the Group in 2022 are no less remarkable given this backdrop. Together, these six markets delivered year-on-year (YoY) revenue growth of 14% in local currency terms – an outcome that is testament to the resilience, hard work and ingenuity of our local management teams during one of the most testing periods in our Company's history.

#### Immediate priorities

We had three immediate priorities following the outbreak of the hostilities in Ukraine. The first was to maximise the pool of liquidity available to the Group by drawing down the USD 1.1 billion revolving credit facility (RCF) extended to us by nine international banks. This augmented our cash holdings, which were boosted in August 2022 by the finalisation of the sale of VEON's remaining 45.6% stake in its Algeria business, netting proceeds of USD 692 million. Together, these provided the Group with a sizeable liquidity pool of USD 3.0 billion, of which USD 2.5 billion at HQ to draw on as circumstances required.

The second priority was to ensure VEON remained fully compliant with sanctions regimes at all times. The pace at which these were imposed and modified in the weeks following the onset of hostilities required careful attention and agility to adapt given the multiple jurisdictions VEON operates in, both as a business and as a capital markets participant.

The success of our digital operator model opened up a wealth of revenue opportunities in all markets for the Group throughout 2021 and galvanised growth in our 4G customer base

CFO review continued



2022 was a difficult year for cash flow management given the complexities of sanctions, capital controls and the disruption brought by the devastating floods in Pakistan

**Immediate priorities continued**

Sanctions had a considerable impact on our financing arrangements. One of our first actions was to restructure RUB 120 billion (around USD 2 billion) of debt outstanding to three Russian banks, early repaying one bank entirely and novating the remainder from other two banks to our local operation in April 2022 to ensure that VEON held no debt from Russian banks at the Group level.

Separately, we held discussions with the bondholders of two issues of our 2023 USD-denominated notes, due in February and April 2023, to extend their maturity while we concluded the sale of our Russian business. A Scheme of Agreement was approved by the UK courts in January 2023 to extend these maturities by eight months from their respective maturity dates. This amendment enables the Group to avoid payment difficulties that would otherwise have arisen given restrictions imposed by sanctions.

Our third priority was operational resilience. This meant ensuring that we maintained the highest levels of performance throughout our portfolio of businesses despite the operational challenges experienced in Ukraine and Russia. For these two markets, that also meant protecting our operations in Ukraine from physical damages and preserving the value of our Russian business while we achieved an orderly exit.

As a strategic national asset serving close to 50 million customers and employing 29,000 people, our exit from Russia inevitably took time as we navigated the needs of a complex group of stakeholders. However, I am pleased that our diligence and patience were eventually rewarded with a transaction, expected to be concluded on or before 1 June 2023.

**Financial performance**

The decision to exit our Russian business, which we announced to the market in November 2022, means that Beeline Russia is held as an asset for sale in the Group's consolidated financial statements at the end of financial year 2022. In order to facilitate comparisons, we have restated the presentation of our results throughout this report to exclude Beeline Russia for both financial years 2021 and 2022.

On this basis, the 14% YoY local currency revenue growth the Group delivered in 2022 demonstrates the growth potential of the six markets that now constitute the New VEON. These are characterised by young populations with a voracious appetite for the services offered by our digital operators. With the exception of Ukraine, each delivered double-digit local currency revenue growth for the year as they expanded 4G adoption, which stood at 53.9% of our total subscriber

base at end-December 2022, a 19% growth YoY to 85 million 4G users.

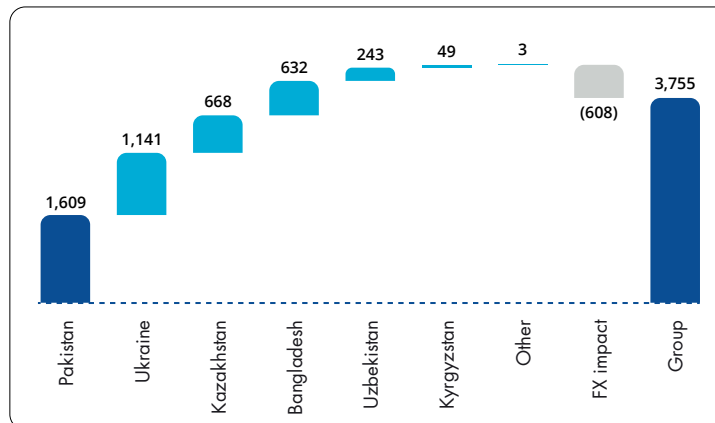
This, in turn, enabled a rise in customer uptake of our multiplay offers, which we served to 28.8 million customers by the end of 2022, versus 19.9 million at the close of 2021.

We continued to make progress in reducing our corporate overhead during 2022 while enjoying the margin benefits of a growing customer base in a number of our markets. These contributed to a 12.6% rise in Group EBITDA in local currency terms, with particularly strong performances from Uzbekistan (+25.2%), Kazakhstan (+20.8%) and Pakistan (+14.3%).

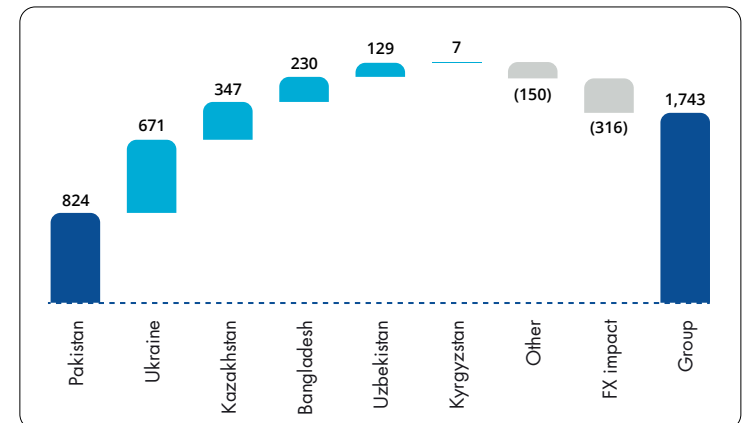
US dollar strength was a dominant feature throughout 2022 given rising US interest rates and the risk aversion brought about by conflict in Ukraine. This is reflected in the Group's reported revenue of -2.4% and EBITDA of -5.3% in US dollar terms for the financial year compared to the prior year.

2022 was a difficult year for cash flow management given the complexities of sanctions, capital controls and the disruption wrought by the devastating floods in Pakistan. In spite of these challenges, the Group still managed to deliver in 2022 an equity free cash flow level (EFCF before licences) identical to that reported in 2021.

Revenue in 2022 (USD million)



EBITDA in 2022 (USD million)



## CFO review continued

### Balance sheet

as at 31 December

USD million	2022	2021	YoY
<b>Total assets</b>	<b>15,096</b>	<b>15,921</b>	<b>(5.2%)</b>
<b>Cash and cash equivalents</b>	<b>3,106</b>	<b>2,252</b>	<b>37.9%</b>
Working capital	904	1,397	(35.3%)
Fixed assets	4,414	8,419	(47.6%)
Goodwill	394	1,542	(74.4%)
Assets held for sale	5,805	1,864	211.4%
Other assets	473	447	5.8%
<b>Total liabilities</b>	<b>14,320</b>	<b>14,417</b>	<b>(0.7%)</b>
Working capital liabilities	2,341	3,331	(29.7%)
Debt	7,571	10,360	(26.9%)
Liabilities held for sale	4,244	391	984.2%
Other liabilities	164	335	(51.1%)
<b>Total equity</b>	<b>776</b>	<b>1,505</b>	<b>(48.4%)</b>
<b>Total liabilities and equity</b>	<b>15,096</b>	<b>15,921</b>	<b>(5.2%)</b>
<b>Gross debt, of which</b>	<b>7,479</b>	<b>10,258</b>	<b>(27.1%)</b>
Bonds and loans	6,670	7,582	(12.0%)
Cash pooling	-	13	n.m.
Lease liabilities	809	2,662	(69.6%)
<b>Net debt</b>	<b>4,461</b>	<b>8,123</b>	<b>(45.1%)</b>
Net debt / LTM EBITDA	2.56x	4.41x	(1.9pp)
<b>Net debt excluding leases</b>	<b>3,657</b>	<b>5,471</b>	<b>(33.2%)</b>
Net debt excluding leases / LTM EBITDA	2.36x	3.24x	(0.9pp)

**Total cash and cash equivalents** increased YoY to approximately USD 3.1 billion, of which USD 2.5 billion is cash and cash equivalents held by VEON's headquarters (HQ) in Amsterdam denominated in US dollars and Euro, including USD 1.1 billion drawn under the RCF. The decrease was primarily impacted by classification of Russian operations as held for sale. The HQ-level cash and cash equivalents are held in bank accounts, money market funds and on-demand deposits at a diversified group of international banks.

**Gross debt** decreased to USD 7.5 billion as of 31 December 2022, compared with USD 10.3 billion at the end of 2021. The decrease in gross debt was largely attributed to the classification of Russian operations as 'held for sale' as well as to the YoY depreciation of the Russian ruble against the US dollar, resulting in lower reported currency levels of bank loans and lease liabilities denominated in this currency. As of 31 December 2022, our RCF was fully drawn with USD 1.1 billion outstanding.

**Net debt excluding leases** decreased in the year to USD 4.5 billion and to USD 3.7 billion, respectively, resulting in net debt/EBITDA ratios of 2.56x and 2.36x, respectively, as of 31 December 2022. The YoY decrease in net debt was due to the classification of Russian operations as 'held for sale', as well as to the depreciation of the Russian ruble against the US dollar as mentioned above.

### Debt maturity

#### Debt maturity schedule 2023 – 2024 as of 31 December 2022 (pro-forma for anticipated amendment of 2023 Notes)<sup>1</sup>

USD 1,055 million outstanding under the RCF, can be rolled over until the final maturity of the RCF in 2024 (USD 250 million) and in 2025 (USD 805 million).

Maturity period	Mar 2023	Sep 2023	Oct <sup>1</sup> 2023	Dec <sup>1</sup> 2023	Dec 2023	2023 other	Mar 2024	Mar <sup>2</sup> 2024	Jun 2024	Sep 2024	2024 other
<b>Outstanding debt, USD equivalent (million)</b>	26	26	529	700	21	78	26	250	533	26	45
<b>Outstanding debt, debt currency</b>	PKR 6,027	PKR 6,027	USD 529	USD 700	UAH 760	MIX	PKR 6,027	USD 250m	USD 533	PKR 6,027	MIX
<b>Entity</b>	Pakistan Mobile Communications Limited	Pakistan Mobile Communications Limited	VEON Holdings B.V.	VEON Holdings B.V.	Kyivstar	Other	Pakistan Mobile Communications Limited	VEON Holdings B.V.	VEON Holdings B.V.	Pakistan Mobile Communications Limited	Other

<sup>1</sup> As per terms of scheme of arrangement if by 2 May 2023 relevant licences are not received or if VEON indicates licences will not be received, the notes become due and payable, and if the licences are received before 2 May 2023, the notes become subject to a put at 102%, which should only be open to international investors.

<sup>2</sup> Assuming RCF rollover until maturity in March 2024.

## CFO review continued

### Results

as at 31 December

USD million	2022	2021	YoY	YoY local currency
<b>Total revenue, of which:</b>	<b>3,755</b>	<b>3,850</b>	<b>(2.4%)</b>	<b>14.0%</b>
Total service revenue	3,600	3,690	(2.4%)	13.9%
Data and digital revenues	1,937	1,950	(0.7%)	15.7%
<b>EBITDA</b>	<b>1,743</b>	<b>1,840</b>	<b>(5.3%)</b>	<b>12.6%</b>
<b>Profit / (loss) for the period</b>	<b>(164)</b>	<b>801</b>	<b>n.m.</b>	
<b>Profit / (loss) for the period attributable to VEON's shareholders</b>	<b>(317)</b>	<b>674</b>	<b>n.m.</b>	
<b>Capex</b>	<b>832</b>	<b>808</b>	<b>2.9%</b>	
Capex intensity	22.1%	21.0%	1.1pp	
<b>Equity-free cash flow</b>	<b>142</b>	<b>141</b>	<b>0.7%</b>	
Licences payments	(296)	(76)	(291.8%)	
<b>Equity-free cash flow (after licences)</b>	<b>(154)</b>	<b>66</b>	<b>n.m.</b>	
<b>Total customers (million)</b>	<b>160.5</b>	<b>156.3</b>	<b>2.7%</b>	
Mobile customers (million)	156.9	152.8	2.7%	
4G users (million)	84.6	70.8	19.4%	
4G subscriber base penetration	53.9%	46.4%	7.5pp	
Fixed-line broadband customers (million)	3.6	3.5	2.1%	

VEON's total 2022 **revenues** amounted to USD 3,755 million, -2.4% YoY in reported currency (+14.0% YoY local currency), service revenues were USD 3,600 million, -2.4% YoY in reported currency (+13.9% YoY in local currency).

2022 **EBITDA** was USD 1,743 million, -5.3% YoY in reported currency (+12.6% YoY local currency).

2022 **capex** of USD 832 million for the full year was 2.9% higher than in 2021, with capex intensity up 1.1 pp as the company invested in 4G network expansion.

13.8 million **4G users** were added in 2022, with a total reaching 84.6 million at the end of the year. As of 31 December 2022, 4G subscribers accounted for 53.9% of our total subscriber base, up 7.5 pp from a year earlier supporting the execution of VEON's Digital Operator strategy.

We are encouraged by the **stabilisation** we are seeing in **operational cash flow** following the difficulties of 2022

### A year of transition

Events in Ukraine set about a year of transition for VEON as we adapted quickly to new realities in our operating environment. Yet it also underscored the health of our core portfolio of digital operators and their ability to deliver impressive financial performance through market-leading connectivity and digital services.

These high-growth markets are the future of a New VEON. Collectively, they comprise a growth opportunity unique within emerging markets given strong demographics and adoption rates for 4G and digital services that remain at an early stage. Success in executing on this opportunity will define our business in the years to come and the value we are able to realise for our shareholders.

This includes our dividend, where our policy remains unchanged. We are committed to paying at least 50% of EFCF after licences as a dividend while maintaining Net Debt-to-LTM EBITDA at around 2.4x on a pre-IFRS 16 basis, subject to our assessment of medium-term investment needs and opportunities. Given the financial volatility of the past year, we announced at the time of our full year results in May 2023 the Board's decision not to pay a dividend for financial year 2022. However, we have every confidence in

the long-term potential of our business model to increase returns for shareholders once this period of transition is behind us.

### New VEON

As well as a clearer focus on growth markets, the events of the past year have seen VEON make considerable changes to our financing arrangements and debt structure. The Group now has a significantly reduced exposure to ruble debt but will likely maintain some exposure to it for some time, resulting from its HQ RUB bonds and remains committed to financing its operations via local credit markets where conditions allow.

Over time, we expect leverage at the Group level to fall as we move towards an asset light model through the sale of towers and other local infrastructure which we anticipate in the year ahead. From an accounting perspective, these will result in a smaller value of lease liabilities held on our balance sheet under IFRS 16.

### Serkan Okandan

**Outgoing Group Chief Financial Officer**

April 2023

### New priorities

VEON moves into 2023 a leaner business with an abundance of growth opportunity. Although the ongoing conflict in Ukraine means we are unable to provide financial guidance for 2023, we remain optimistic in the long term potential of our markets to deliver double-digit growth in local currency revenue and EBITDA.

We are encouraged by the stabilisation we are seeing in operational cash flow following the difficulties of 2022. Similarly, we anticipate the declining trend in capex intensity we saw in 2022 will continue following completion of the sale of Russia, which in recent financial years had been the largest recipient of Group investment.

We view 2023 with renewed confidence from a financing perspective. Once complete, our exit from Russia should allow us to return to international capital markets with a strong growth story through which to galvanise our relationships with creditors and ratings agencies.

New VEON may be a business borne out of adversity, yet is one that defines our ability to adapt, transform and channel this into future opportunities.

### Joop Brakenhoff

**Group Chief Financial Officer**

June 2023



## Country performance

## Ukraine



## Revenue

**UAH 31.1 billion**

## EBITDA

**UAH 18.3 billion**

## EBITDA margin

**58.9%**

## 4G customers

**13.1 million**

## 4G base penetration

**53.0%**

**Aleksandr Komarov**  
Chief Executive Officer



**The sudden displacement of a large proportion of our customer base overseas was one of the most immediate challenges of war.**

Kyivstar is an intrinsic part of Ukraine's mobile and digital infrastructure. With around 50% share of both customers and industry revenue, we play a vital role in connecting people and investing in the development of the nation's digital capabilities.

The onset of war in February 2022 brought this role into sharper focus than ever before. The devastation and displacement brought about by hostilities has placed an overwhelming emphasis on essential connectivity as people were forced from their homes and in many instances found safety overseas.

We set four fundamental priorities for Kyivstar at the outset which have guided our response throughout. The first priority is people safety, both employees and customers. The second is network resilience to ensure we extend core voice, data and digital services to customers at home and abroad. The third is business resilience in order to protect our critical infrastructure and operations. And the fourth is support for Ukraine, its people and the rebuilding of our country that is to come.

LO1 MM1

### Challenges and response

The sudden displacement of a large proportion of our customer base overseas was one of the most immediate challenges of war. We collaborated quickly with international carriers to put in place 'Roam Like Home' to provide displaced customers with unlimited access to other networks across 27 European countries. In addition, we suspended charges for customers on the front line of hostilities. Both these arrangements remain in place as we move into 2023.

MMS

Our Board measures put in place to support our employees from the outset, providing extra allowances and financial assistance and ensuring their safety wherever possible through the home working arrangements we developed under Covid-19. We extended financial support to the nation, providing more than UAH 500 million of free services and around UAH 500 million in aid both directly and through

United-24, the state's fundraising programme for the restoration of Ukraine.

LO1

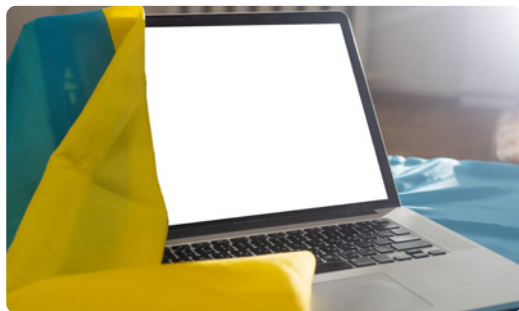
Protecting and adopting our network infrastructure to the physical impact of war has been a major undertaking from day one. The sudden change in customer distribution required immediate changes to our network to ensure basic voice and broadband services could be maintained. We undertook many thousands of modernisations to base stations and operated running repairs to restore network capacity. This actually accelerated our 4G rollout programme, providing us with the opportunity to upgrade base stations as we adapted our network footprint to the changing pattern of its use.

MM1

The dedication and heroism of our people throughout was remarkable. It has enabled an operational resilience we never thought possible. Our employees worked

The dedication and heroism of our people was remarkable. It has enabled an operational resilience we never thought possible

## Country performance continued



An initiative that spans both our crisis response and the **Company's broader corporate social responsibility (CSR) ambitions is our investment**, announced in August 2022, in Helsi Ukraine, the country's largest medical information system and leading digital healthcare provider

## Ukraine continued

quickly and heroically to repair damaged equipment, rebuilding the first base station in Kherson just two days after it was liberated. Despite more than a year of hostilities, blackouts and occupation, 90% of Kyivstar network is fully operational.

Cyber attacks have been another threat vector of war. Throughout 2022, these have become more frequent, longer and more powerful. Denial of service (DDoS) attacks more than tripled, phishing attacks quadrupled, and malware attacks quintupled during course of the year. Throughout, Kyivstar's cybersecurity defences stood firm, successfully repelling over 13,000 instances of phishing and 450 DDoS attempts, one of which lasted for 29 hours.

**MMB**

War has had a lasting impact on our backend infrastructure. We built a new national core technology site in the west of the country in order to mitigate the risk of communication loss. For a project that would normally take a year, this was achieved in just six months. We consolidated our regional core sites in order to increase network resilience and boosted the range of suppliers we rely on in order to reinforce supply chain sustainability. This was mirrored in our energy strategy, where we have doubled the number of generators at our disposal to ensure network continuity and have begun to instal new batteries with longer cell life to improve the efficiency of our off-grid energy use.

### 2022 performance

Although war corner stoned 2022 for Kyivstar, it failed to break us operationally. Full-year revenues exceed our early expectations, rising by 8.2% YoY despite the concessions we extended to displaced and front line customers. Mobile service revenues grew by 8.6% reflecting a rise in our 4G customer base and increased data usage.

**LO4**

Despite a significant rise in operational costs brought about by the war, including higher energy prices, a rise in the indexation of frequency fees and financial support to those affected by hostilities, EBITDA declined by just 4.7% – a remarkable achievement in the circumstances.

Our fixed line business was understandably impacted but managed to post revenue growth of 1.1% for the year despite a decline in broadband revenues of 4.5% as customers relied instead on mobile internet. This included 4G, where our user base reached 13.1 million at the end of 2022, an 8.1% rise from end-2021, to account for 53% of our customers. This helped to drive a 18.3% YoY rise in average revenue per user (ARPU).

Kyivstar saw a 5.5% YoY decline in its overall subscriber base as some regions remain without mobile network coverage and as emigration impacted subscriber numbers. However, within this Kyivstar's digital products supported an increase in multiplay customers (+14.6% YoY) and multiplay revenues rose by 34.1% YoY.

Capex increased by 7.4% YoY as Kyivstar continued to restore essential connectivity in the country and maintain business resilience and continuity. Since 24 February 2022, Kyivstar has built over 700 new 4G base stations, upgraded and modernised to 4G more than 7,000 base stations for higher throughput.

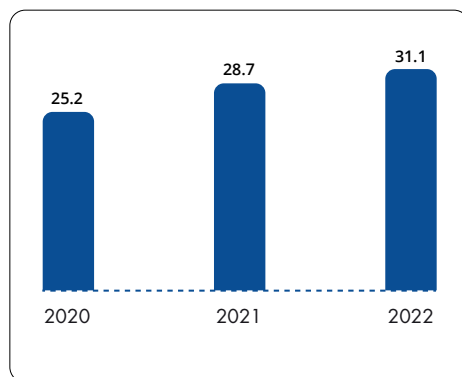
### ESG milestones and ambitions

In wartime, it is impossible to separate the humanitarian and organisational response to a crisis from normal operations. As a provider of strategic infrastructure, Kyivstar is part of the very fabric of our national efforts to protect lives and sustain livelihoods as much as possible throughout these extremely difficult days.

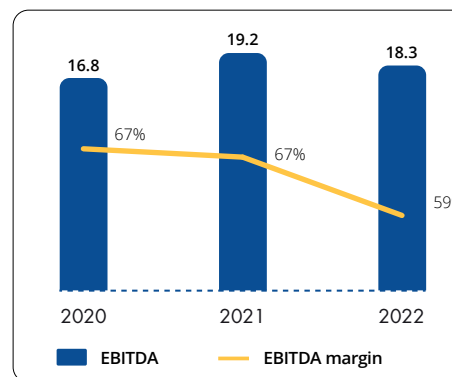
The swiftness of our response is thanks in part to the corporate governance arrangements put in place under VEON's new operating model introduced in 2020. By conferring greater operational autonomy at the digital operator level and through introducing local Boards with independent talent, these arrangements were a clear benefit to quick and informed decision-making. The Company responded quickly and efficiently to the humanitarian needs of society. Throughout 2022, Kyivstar donated UAH130 million in aid to charitable funds to address the community's humanitarian needs and provided free services and bonuses to its subscribers with a value equivalent to UAH577 million.

**LO3**

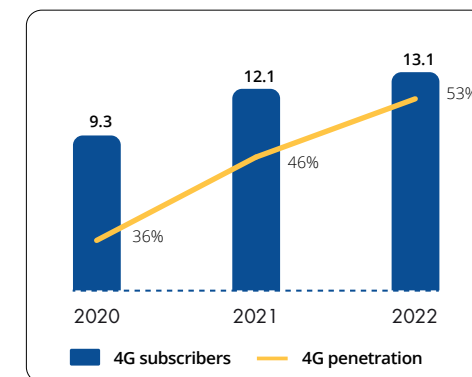
**Revenue**  
(UAH billion)



**EBITDA and EBITDA margin**  
(UAH billion and percentage)



**4G base user and penetration**  
(Million and percentage)



## Country performance continued

### Strategic pillars



#### Infrastructure accelerator

# 4G sites



**23% increase YoY**

16k sites

(2021:13k)



#### Digital operator

#### Multiplay customers penetration



**3pp increase YoY**

17% base penetration

(2021:14%)



#### Ventures

MAUs<sup>1</sup> of digital services



**59% increase YoY**

1.1 million MAUs

(2021: 691 thousand)

<sup>1</sup> MAUs = monthly active users

## Ukraine continued

An initiative that spans both our crisis response and the Company's broader CSR ambitions is our investment, announced in August 2022, in Helsi Ukraine, the country's largest medical information system and leading digital healthcare provider. Through this strategic investment, Kyivstar aims to extend telemedicine to the entire population of Ukraine, both at home and overseas, as part of our commitment to the rebuilding of the nation. By delivering this via the Kyivstar network, we hope to codify Helsi as the nation's first responder and help overcome the challenges of ruined infrastructure and community displacement for healthcare delivery.

LOS

### Forward priorities and ambitions

The events of the past 12 months have had a profound impact on Kyivstar. Yet our response has ensured that our business fundamentally strong for when peace returns.

While responding to the crisis of war, we have never lost sight of our strategic priorities and the importance of the whole organisation moving together towards these shared goals.

We have seven priorities:

The **first** is our customer focus to ensure we maintain our market leadership earned through their trust and enthusiasm for our services. That means doubling down on the success of our digital operator model in broadening the scope of our services.

MM5

The **second** is our people focus, particularly how we deepen Kyivstar's culture so that our employees feel grounded and supported in the very difficult circumstances they are now encountering.

LO1

**Third** is our multiplay strategies, which are vital vehicles through which we can establish strong long-term relationships with our customers that reach beyond this current period of upheaval and uncertainty.

The **fourth** is network leadership, reinforced by our investment in technology leadership, our **fifth** priority. This includes introducing new partners and services, ensuring their fast integration and constantly improving the customer's experience.

MM1

MM4

**Sixth** is new business opportunities as we search for organic and non-organic growth avenues in areas such as enterprise infrastructure and big data. Complementing this, our **seventh** priority is the digital transformation of our business from a services perspective to ensure we continue to evolve the customer experience. That is the essence of the digital operator strategy that we see working so effectively across VEON's markets.

MM4

The experience of war has sharpened our focus on the future: how we will develop as an organisation considering the huge opportunities that will come about once we rebuild Ukraine. This will no doubt involve collaboration with our industry partners and involve broad discussion of the technologies that will underpin Ukraine's networks of the future. In the meantime, we will work to keep our employees and customers connected until the day we can bring our people home and set about the rebuilding of our country.





## 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.

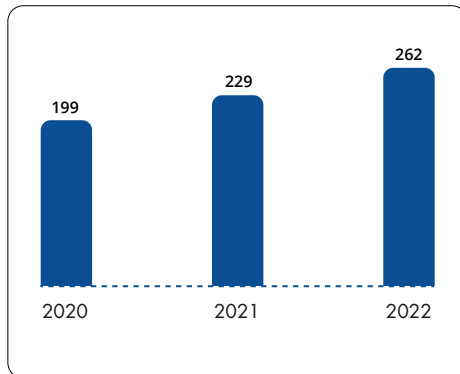
Our streaming service, Tamasha, also performed well, attracting a record number of users to its live HD streaming of the Cricket and Football World Cups during the fourth quarter. This drove its monthly active user base to 4.3 million by year end.



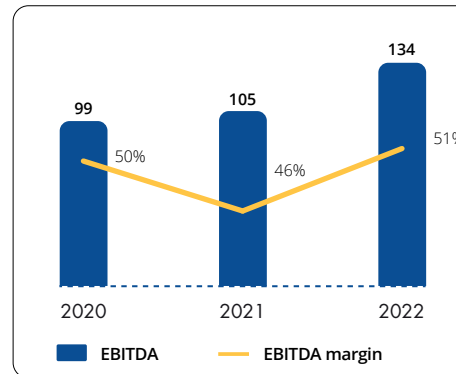
**ESG milestones and ambitions**

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.

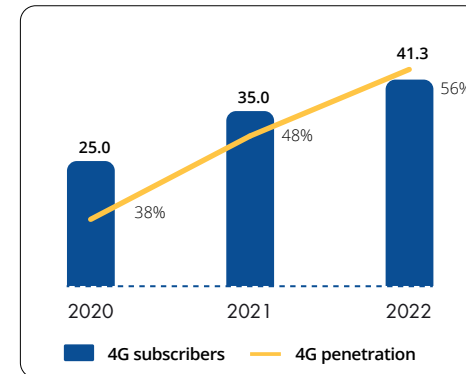
**Revenue**  
(PKR billion)



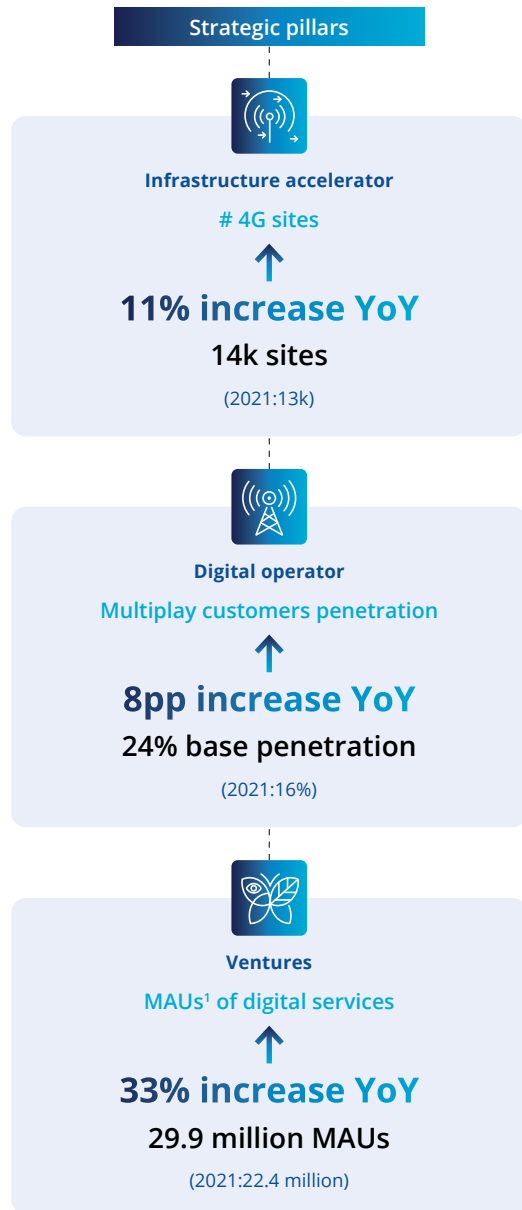
**EBITDA and EBITDA margin**  
(PKR billion and percentage)



**4G base and penetration**  
(Million and percentage)



## Country performance continued



<sup>1</sup> 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>



Country performance continued

# Bangladesh



banglalink



TOFFEE

Revenue

**BDT 53.7 billion**

EBITDA

**BDT 19.6 billion**

EBITDA margin

**36.4%**

4G customers

**16.1 million**

4G base penetration

**42.9%**

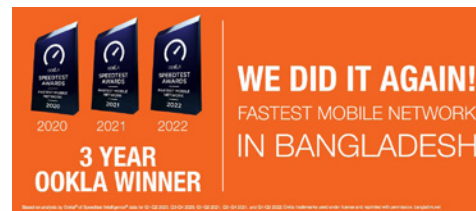
**Erik Aas**  
Chief Executive Officer



**Banglalink's fastest 4G network paves the way for Bangladesh's digital revolution: unlocking a world of opportunity.**

With over 180 million mobile phone subscribers and over 124.42 million internet users, Bangladesh is an oasis of digital opportunity, and it is moving forward at an incredible rate towards the achievement of its government's Smart Vision 2041 goal.

As the nation's fastest-growing digital operator, Banglalink is on a mission to accelerate this growth by providing a diverse portfolio of connectivity tools and digital services via Bangladesh's fastest mobile network, for which Banglalink has consistently received the Ookla Speedtest Award for the last three years:



In 2022, Banglalink, with its extensive digital portfolio, launched an ambitious strategy to transform from a regional operator to a national digital operator. Our network infrastructure has been significantly expanded in order to achieve this goal, with our base station count increasing by more than 4,000 in 2022, bringing the total to more than 14,100. Additionally, our radio spectrum has doubled, and we have expanded our network reach. As we move forward to achieve our goal, we will continue to upgrade existing base stations to provide "4G for all" throughout Bangladesh with an exciting range of digital services for all to enjoy.

**MM1**

In alignment with our infrastructural expansion, customer uptake for Banglalink's digital services has been impressive. From a standing start when we launched the country's first User-Generated Content (UGC) platform Toffee, this digital video streaming service now has the most monthly active users of any other online entertainment platform in Bangladesh.

In addition, we have witnessed a digital portfolio expansion with the introduction of AppLink: a Digital Services Marketplace for users and developers, and our self-care platform, MyBL Super App, which has grown by 80% in 2022 and now serves 5.7 million customers. The platform, powered by our open API architecture, is meeting customer demand by placing a growing range of services at their fingertips, such as health, entertainment and education.

**MM4 MM5**

**2022 performance**

In 2022, Banglalink achieved remarkable financial success, exceeding projected revenue and growth targets by a significant margin. The expansion of our brand and growing customer preferences for our digital services were reflected in our financial performance in 2022. Surpassing the market expansion and growth rate of all other telecommunication and digital operators in the country, Banglalink reported a 12.1% YoY rise

In alignment with our infrastructural expansion, customer uptake for Banglalink's digital services has been impressive

Country performance continued



We observe an **Ethics and Compliance Week** to ensure that our employees are aligned with the organisation's principles and core values

**Bangladesh** continued

in its revenue in 2022. This growth was driven by an approximately 7.1% expansion in our customer base, which stood at 37.6 million in 2022 with a revenue market share of 19%.

Furthermore, demand for our digital services contributed to a 26.6% YoY increase in data revenue and a 5.5% increase in Average Revenue Per User (ARPU). Toffee's exclusive coverage of the FIFA World Cup Qatar 2022™, which allowed millions across the country to watch the exciting World Cup matches live in a seamless and uninterrupted manner, was a major catalyst in this acceleration. Over 25 million unique viewers tuned in for the "Round of 16," resulting in a fivefold increase in daily active users of Toffee, which stood at 5.2 million at the end of the year.

MM4 LO4

In line with the popularity of our digital services, Banglalink's multiplay customer base increased by 86.6% in 2022, accounting for 29% of total multiplay revenues by the fourth quarter. The continued expansion of our 4G network was a key enabler of this

growth, as we reached 81.1% of customers by the end of 2022, up 12pp YoY, and contributed to a 34.2% increase in Banglalink's 4G user base. With 16.1 million users, this equates to 42.9% 4G penetration and continues to be a key enabler of digital services as we expand our geographic reach.

MM2

The investment we are making in nationwide network coverage reflects Banglalink's expansion strategy. This increased capex by 142.1% YoY while contributing to a 2.1% reduction in EBITDA as network-related expenses decreased and continued investment in our digital services was reflected in our margin. As we build the most modern telecoms infrastructure in the country, this investment is yielding tangible benefits for network quality and reliability.

**Cybersecurity**

In line with our growth as a digital operator, we acknowledge that robust cybersecurity infrastructure is an essential component in our efforts to provide

secured and uninterrupted high-quality digital services to Banglalink customers, which was recognised when we received the ISO 27001:2013 certification: reflecting our organisation's highest level of cybersecurity.

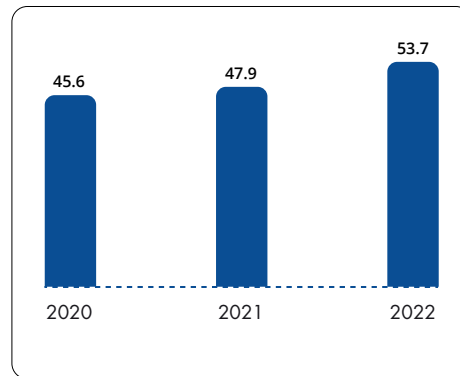
MM3

**Employee well-being and fostering a workplace culture that values respect and opportunity**

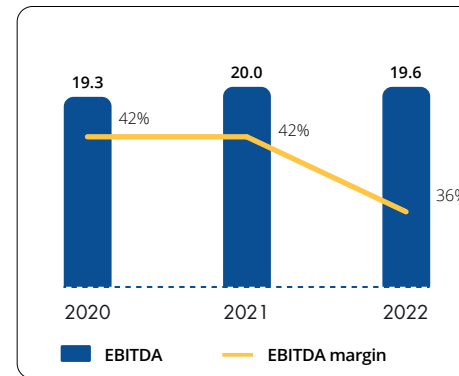
Our corporate culture is one of mutual support and personal development, where people see success in empowering the people around them. In our mission to ensure that our employees live a happy and healthy life, we observe Banglalink Safety and Wellness Week. This observation week features a variety of exciting events focused on vitality, occupational health, safety, and mental well-being.

We observe an Ethics and Compliance Week to ensure that our employees are aligned with the organisation's principles and core values. During this week, a series of educational and awareness-raising activities for internal

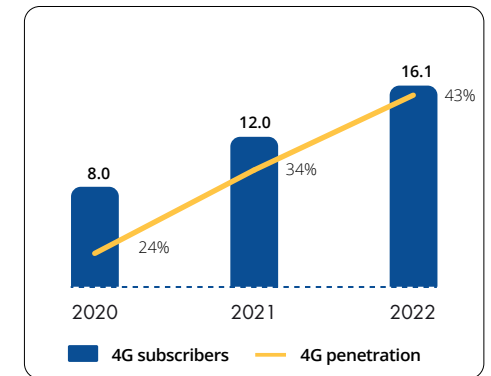
**Revenue**  
(BDT billion)



**EBITDA and EBITDA margin**  
(BDT billion and percentage)



**4G base and penetration**  
(Million and percentage)



## Country performance continued

### Strategic pillars



#### Infrastructure accelerator

# 4G sites



**43% increase YoY**

14k sites

(2021:10k)



#### Digital operator

#### Multiplay customers penetration



**6pp increase YoY**

15% base penetration

(2021:8%)



#### Ventures

#### MAUs<sup>1</sup> of digital services



**234% increase YoY**

21.2 million MAUs

(2021: 6.3 million)

<sup>1</sup> MAUs = monthly active users

## Bangladesh continued

customers are arranged to reinforce the principles of ethics and compliance ingrained in the Company's culture.

As a result of efforts to keep our employees motivated and aligned with our values, we enjoy very high levels of employee engagement: over 85% in the most recent employee survey and are proud to have been recognised as one of the top five employers of choice in Bangladesh by the Nielsen Business School Campus Track Survey in October 2022.

LO1 LO2 LO3

### Empower communities and solve problems in a sustainable manner while promoting digital inclusion and literacy

One such initiative was the Banglalink IT Incubator, which provided co-working spaces and mentorship opportunities to early-stage tech start-ups in order to foster the growth of promising digital start-ups in the country. Thus far, 25 start-ups have graduated from this incubator and are making waves in their domains.

We host the SDG Hackathon, where undergraduate students join forces to develop digital solutions for the achievement of the UNSDGs. Banglalink's 'Learn from The Start-ups' programme offers aspiring entrepreneurs the opportunity to engage with some of the nation's most successful start-ups through learning sessions hosted by leading individuals in their field.

During natural disasters in Bangladesh, it is crucial for communities to have access to reliable and efficient communication methods to stay informed and connected. When such needs arise, Banglalink steps forward in a powerful way to support communities and help them recover by the exemption of voice and data charges and provision of pertinent and timely relief packages.

MM1 MM2 LO2 LO5

### Looking forward

We plan on expanding our 4G footprint to approximately 95% of the country's population over time. Our long-term goal is to increase revenue market share

further. Furthermore, we hope to resort to sustainable business practices such as resource sharing in order to grow in an environmentally friendly and cost-effective manner.

Building on the success of Toffee, we are deploying an ecosystem of digital services. These portfolios are already started benefitting subscriber growth and ARPU while enabling the development of new adjacent revenue streams such as AdTech, where we established a fledgling business in 2022 showing early signs of success.

MM1 MM2 MM4 MM5

As we move forward with our business and corporate ambitions, Banglalink commits to working hard to ensure that our networks remain the fastest in the country, that our employees are among the happiest in the industry, and that our Company continues to play a leading role in the development of Bangladesh's exciting digital future.



Padma bridge



Country performance continued

# Kazakhstan



Revenue

**KZT 293.1 billion**

EBITDA

**KZT 147.8 billion**

EBITDA margin

**50.4%**

4G customers

**7.2 million**

4G base penetration

**68.3%**

**Evgeniy Nastradin**  
Chief Executive Officer



**Our core ambition is to provide the highest quality of services to every citizen, regardless of where they live, in order to eliminate the digital divide between communities.**

With close to four-fifths of its population owning smartphones, Kazakhstan is one of VEON's most advanced markets for digital services.

**The nation's leading digital operator**

Here, Beeline is playing a leading role in the nation's digital transition through a digital operator strategy that embeds these capabilities at the core of its telecoms offer. These include BeeTV, Kazakhstan's largest OTT entertainment platform, hitter, our new local music app, and the nation's first neobank, Simply.

Constant innovation has helped cement Beeline's position as Kazakhstan's largest mobile operator and its reputation as the nation's leading provider of digital services for residential and business users.



At the heart of this success is a digital-led approach to services that has transformed the customer acquisition and service journey. The result is a growing number of customers using one or more of our digital products even before choosing Beeline as their mobile operator.

Our 'Multiplay Anywhere' strategy has enabled us to expand both our customer base and new revenues

through a connectivity-agnostic approach that does not depend on upselling subscribers from our existing core services. This has helped us to grow our digital revenues contribution from zero three years ago to over 9% today through a suite of products serving 5.2 million customers. It has contributed to the success of iZI, the nation's first digital teletainment (telecom + entertainment) operator, which is enabling us to expand our customer footprint beyond the Beeline brand.

We are extending our digital and network capabilities to B2B segment of users by developing capabilities in big data, AdTech, cloud, Internet of Things (IoT) integrations and cybersecurity through the constant upgrading of our infrastructure and automation of our operations.



2022 was a turbulent and challenging year, with social unrest at home underlining the vital importance of staying connected with each other. Throughout, we stood strong with our customers, who rewarded us with their loyalty and enabled us to record our fifth consecutive year of double-digit growth.



**2022 performance**

Beeline Kazakhstan delivered YoY local currency revenue growth of 20.8% in 2022, supported by a 7.1% expansion in its customer base to 10.6 million. Fixed-line revenue growth was particularly strong (+40.4% YoY), helped by continued growth in Beeline's broadband customer base (+14.1% YoY) and a 15.1% rise in broadband ARPU. Mobile service revenue rose by 16.6%, driven by further growth in data revenue, which increased 19% YoY.



This was helped by greater customer engagement via our MyBeeline app, which increased its monthly active users (MAUs) by 33.1% YoY to 3.9 million, adding 1.0 million MAUs during 2022. The popularity of MyBeeline was illustrated recently when named the second most popular communications app in Kazakhstan by number of Google Play downloads.

Beeline's digital services enjoyed good customer traction during the year and helped us to grow new business streams, which comprised 9.5% of our operating revenues. Our BeeTV entertainment platform benefitted from streaming of FIFA World Cup games in December and reached 859,000 MAUs at the end of 2022 (+61.4% YoY), with 79.3% of its customers using the mobile version of the service.

We stood strong with our customers, who rewarded us with their loyalty and enabled us to record our fifth consecutive year of double-digit growth

# Country performance continued



# Kazakhstan continued

Beeline Kazakhstan's digital-first sub-brand iZI saw significant growth in its customer base, which rose six times YoY in 2022 to almost 380,000 monthly active subscribers. Elsewhere in mobile financial services, our pioneering digital payment card, Simply, saw a 30.2% YoY increase in MAUs to 246,000 at the end of 2022.

Beeline demonstrated success in bundling its digital services for customers by growing multiploy customers by 40% YoY. These accounted for 38% of Beeline's customer base at the end of 2022 and, with higher ARPU and lower churn, collectively contributed to 51.8% of B2C revenues for the year.

MM2 MM4 MM5

### ESG milestones and achievements

As a provider of high-speed internet connectivity, Beeline plays a vital role in the sustainable development of Kazakhstan. Our core ambition is to provide the highest quality of services to every citizen, regardless of where they live, in order to eliminate the digital divide between communities.

LO5

Key to realising this vision is the continued investment we are making in our network infrastructure under our 'LTE Everywhere' programme. This aims to equip 97% of our base stations with 4G capabilities in order to provide our customers with the best possible experience of our services.

In parallel, we are proud to partner with our fellow operators in the government's 250+ programme to bring high-speed internet connectivity to every community in Kazakhstan with over 250 inhabitants. Since inception in 2020, Beeline has extended its services under this programme to more than 1,500 villages that enjoyed access to the internet for the first time.

MM1

Throughout our network, we are constantly optimising frequencies and upgrading technology in order to reduce energy consumption while experimenting with power alternatives to grid electricity. At the same time, we are strengthening our collaboration with competitors, consultants and regulators to develop clean energy solutions that can lower our carbon footprint and that of the wider industry.

Beyond connectivity, Beeline continued to invest in the educational future of our younger generations throughout partnership with the international student organisation Enactus. In 2022, we continued to support education through our investment in the Kazakhstan Khalkyna Fund. We invested over KZT 2 billion to provide modern equipment to eight schools in rural parts of the country. These schools are now equipped with high-end tools such as TV studios, STEM labs, etc. Children have access to state of the art education thanks to a three-year professional development program for teachers. Since 2018, 15 youth start-ups have received financial support from Beeline, and students from over 40 schools and universities have taken part in the digital project competition Beeline operates through Enactus.

In parallel, our Safer Internet Project has enabled Beeline to partner with the nation's largest educational platform, Bilim Media Group, to help over 200,000 school students develop vital online skills through digital literacy lessons.

MM2 LO5

None of this would be possible without the skills and enthusiasm of our employees. Beeline's 'growth from within' mindset creates a working environment that cultivates talent through a meritocratic culture of succession. This offers all employees equal opportunity to develop their careers through constant development and self-improvement through courses offered by our internal Beeline Academy and several schools such as Coding, Big Data, RPA, QA and Frontend School. The growth-minded culture this creates is united through a shared entrepreneurial spirit and an excitement about what we can achieve together as a business.

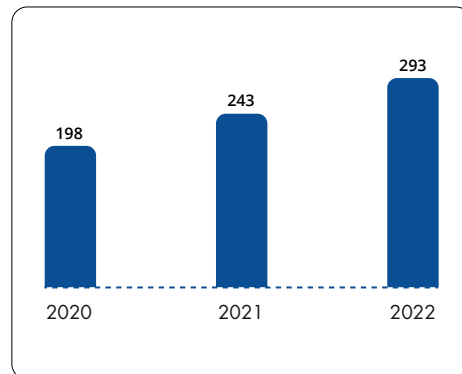
LO2

### Forward ambitions

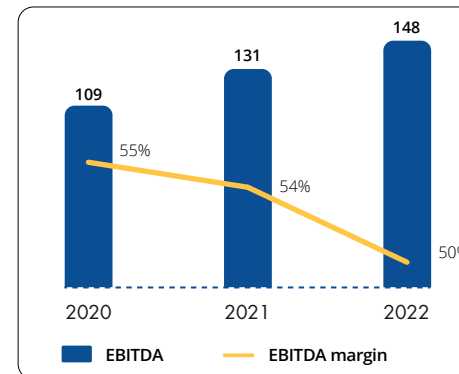
Some of the most exciting benefits we can offer our communities lie within our services as we reach beyond entertainment, financial services and payments to embrace social needs in the realms of healthcare and education.

By developing services that meet every day needs while offering wider social benefits, we are confident Beeline will continue to play a defining role in Kazakhstan's digital future.

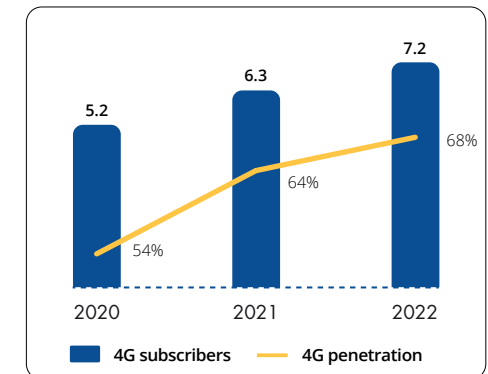
Revenue (KZT billion)



EBITDA and EBITDA margin (KZT billion and percentage)



4G base and penetration (Million and percentage)



## Country performance continued

## Uzbekistan



## Revenue

**UZS 2,575 billion**

## EBITDA

**UZS 1,372 billion**

## EBITDA margin

**53.3%**

## 4G customers

**5.5 million**

## 4G base penetration

**65.8%**

Andrzej Malinowski  
Chief Executive Officer



**Our digital operator Beeline is playing a leading role in the expansion of data and digital services across Central Asia's largest and youngest population.**

Uzbekistan is a country in which our business and national development go hand-to-hand. Our digital operator Beeline is playing a leading role in the expansion of data and digital services across Central Asia's largest and youngest population. Smartphone adoption remains at a relatively early stage and the concept of bundled services, pioneered by Beeline, is still in its infancy. The popularity of these services, underpinned by our ambitious 4G network expansion programme, is rewarding Beeline with a pace of growth that ranks among the Group's fastest.

Much of this growth stems from new customer acquisition given that the penetration of SIM cards within the population remains low at around 80%. This provides Beeline with an organic growth opportunity which our digital operator strategy is tailored to. Beeline is the industry's pathfinder here, offering a differentiated range of bundled services that are transforming the smartphone experience of customers through a range of products including media streaming, mobile financial services and edtech.

MM2

The popularity of Beeline's offer is reflected in the growth of our customer base. This grew by 18.8% in 2022, from 7.1 million to 8.4 million, with a rising proportion opting for our 4G services as we continued to this network across a nation with a growing appetite for digital products.

#### 2022 performance

Beeline delivered 25.2% revenue growth in 2022. This reflects the rise in customer numbers, as well as strength in data revenue, which rose by 35.7% YoY as our 4G customer base expanded. 4G was taken by 28.4% of our total customers by the end of 2022; still a relatively small proportion by global standards, underscoring the 4G growth runway we have ahead of us in Uzbekistan.

Beeline's bundled digital services continued to attract new customers. Our multiplay offer was taken by 39.6% of our customers by the end of 2022, contributing over a half of our B2C revenues. The popularity of our Beepul mobile services app was boosted in the summer after Beeline was granted a licence to provide payment services, enabling our customers to use Beepul to pay

for around 500 services. Our digital entertainment platforms, including Beeline TV and Beeline Music, saw growth and together accounted more than 1.5 million MAUs by year end, a 24.2% YoY rise.

MM4 MM5

EBITDA grew by 45.2% YoY, helped by the rise in our multiplay customers and higher usage of our digital services, as well as successful cost control. Throughout, Beeline continued to invest and extend its 4G network, which recorded a 16 percentage-point rise in coverage in 2022 to 78% of the country. This now includes the Tashkent Metro, where passengers now enjoy high-speed data access in each of the capital's 31 metro stations.

#### ESG milestones and ambitions

As the nation's largest mobile operator, Beeline's value proposition extends beyond our customers and our shareholders to the development needs of Uzbekistan itself. Our scale and the nature of our services enable us to play a leading role in advancing digital literacy and

Beeline's value proposition extends beyond our customers and our shareholders to the development needs of Uzbekistan itself



## Country performance continued

### Strategic pillars



#### Infrastructure accelerator

# 4G sites



**26% increase YoY**

4k sites

(2021:3k)



#### Digital operator

Multiply customers penetration



**10pp increase YoY**

40% base penetration

(2021:30%)



#### Ventures

MAUs<sup>1</sup> of digital services



**25% increase YoY**

1.8 million MAUs

(2021: 1.4 million)

<sup>1</sup> MAUs = monthly active users

## Uzbekistan continued

education across communities while modernising the infrastructure through which is this delivered.

MM2 LOS

During 2022, Beeline invested USD 50 million in network upgrades, its largest investment ever. We view this as genuinely sustainable investment, since it is expanding the reach of services such as digital education which offers access to self-improvement opportunities that currently lie beyond the reach of many. We are currently in the process of expanding these via an integrated education platform that will offer modules at a variety of attainment levels, from elementary through to vocational in areas including cybersecurity and software development. Importantly, these will be offered in Uzbek, addressing a pressing shortage of local language education resources available elsewhere.

MM1

Our investment in network and services is reinforcing access to high-speed connectivity across Uzbekistan. Yet it is conferring valuable skills to its workforce in an important process of knowledge transfer that Beeline is proud to facilitate. In a nation where around 12% of GDP is derived via remittances from Uzbeks working abroad, there is a clear need to develop both local skills and the opportunities for these to be employed at home. We view this as an opportunity for Beeline to invest in human capital in a very real sense. With the majority of the population under the age of 30, we have a golden

opportunity to equip individuals to pursue careers in technology-related industries such as ours.

LOS

This ambition starts at home. Throughout Beeline, we place positive pressure on our managers to develop their successors from our pool of local talent, and over time, this will help ensure that technology businesses do not need to draw on expat expertise to fill roles, while curbing the exodus of talent from Uzbekistan in search of opportunity elsewhere.

LO2

One of the areas we are particularly excited in developing local talent is Big Data management, specifically in the realm of AdTech. We plan to develop a local centre of excellence around this capability, developing skills and capabilities that will benefit both our people and our Company through adjacent revenue streams.

Alongside this, we see a growing opportunity in Cloud Storage. One of our priorities for 2023 is to establish our own commercial data centre to provide a highly secure domestic storage facility. This will help strengthen the foundations of data sovereignty within Uzbekistan by helping to ensure this digital commodity is stored and monetised locally, not offshore by global tech companies. We see this encouraging a circular economy in itself as local enterprises develop expertise and services around data, widening the pool of knowledge and prosperity it generates locally.

LO3

One initiative we are particularly proud to support is Tumaris. Tech, a regional project designed to boost the participation of women in information technology. In May 2022, Beeline hosted the nation's first ever women-only hackathon, bringing together individuals from across Central Asia to create prototype digital products that address pressing socioeconomic problems facing their societies. IT remains a male-dominated industry in Uzbekistan, and we are proud that the vast majority of Beeline's Data Management team is female, which reflects the focus we place on workplace diversity.

LOS

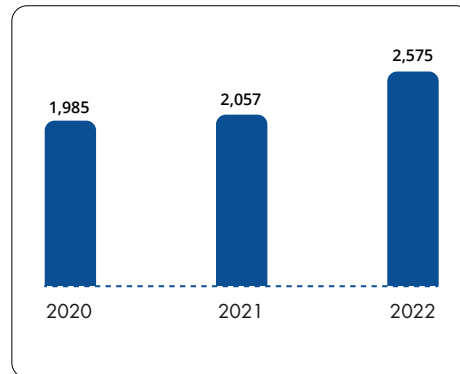
### Forward ambitions

As market leader in a digital marketplace, we have ourselves defined, our ambitions for Beeline are bigger than our already considerable achievements. We are challenging ourselves to deliver even faster revenue growth in 2023 as we build on the growth momentum of our digital services. We shall continue to develop the breadth of these while extending the 4G networks that deliver them, with the long-term aim of raising our 4G coverage to 85% from the 78% achieved at the end of 2022.

In doing so, we will to the best of our abilities deliver a business that matches the needs of its customers as well as that of wider society, playing our role in transferring knowledge and skills to a nation which we hope has become a better place for Beeline's role in it.

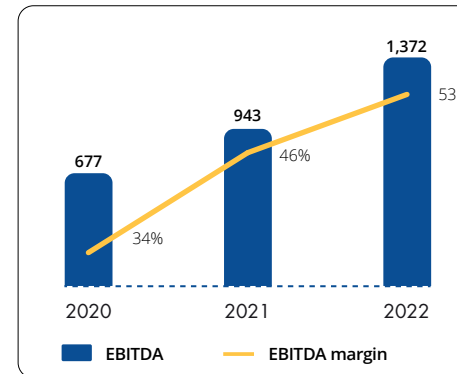
### Revenue

(UZS billion)



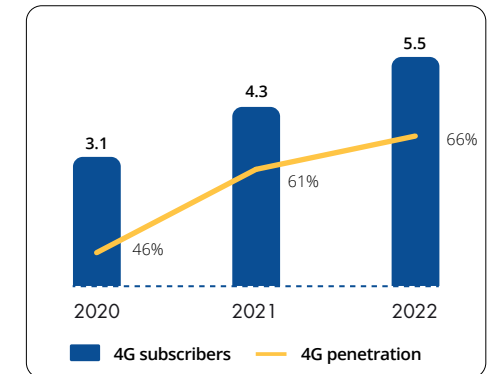
### EBITDA and EBITDA margin

(UZS billion and percentage)



### 4G base and penetration

(Million and percentage)



## Country performance continued

## Kyrgyzstan



Beeline

## Revenue

**KGS 4.1 billion**

## EBITDA

**KGS 1.6 billion**

## EBITDA margin

**38%**

## 4G customers

**1.3 million**

## 4G base penetration

**68%**

Andrey Pyatakhin  
Chief Executive Officer



**Beeline Kyrgyzstan now offers 4G across much of the country to ensure customers stay connected in an increasingly digitally-connected world.**

A nation of 6.2 million people with growing access to mobile broadband and smartphones, Kyrgyzstan is a country with an abundance of opportunity for VEON's digital operator model.

Beeline Kyrgyzstan is one of the nation's leading mobile operators, serving just under a third of the population with voice, data and a growing range of digital services. Kyrgyzstan has a young population, with almost half of the population under the age of 25. A similar proportion also owns a smartphone, which is fuelling growing demand for mobile and internet services.

Kyrgyzstan is one of our strongest markets in terms of 4G penetration, which reflects the progressive expansion in Beeline's 4G network across the nation's challenging mountainous terrain. The Company has made game-changing investments in the country's telecommunications infrastructure in recent years and was the first to provide 3G services. Beeline Kyrgyzstan now offers 4G across much of the country to ensure customers stay connected in an increasingly digitally connected world.

Although at an earlier stage of deployment than our other markets, Beeline is expanding the range and reach of digital services offered through our digital operator platform. These include digital payments via our mobile wallet, Balance.kg, as well as our entertainment streaming service Beeball. 2022 was a watershed year as these services moved into profitability, making a positive EBIT contribution to our business and demonstrating their ability to become a valuable contributor to future returns.

MM1 MM2

**2022 performance**

Beeline Kyrgyzstan reported double-digit growth in revenue in 2022, which in local currency terms rose by 14% YoY. This was helped by continued growth in Beeline's 4G subscriber base and a 15% YoY rise in data revenue.

On a reported basis, EBITDA fell by 21%, primarily reflecting the impact of the release of a withholding tax

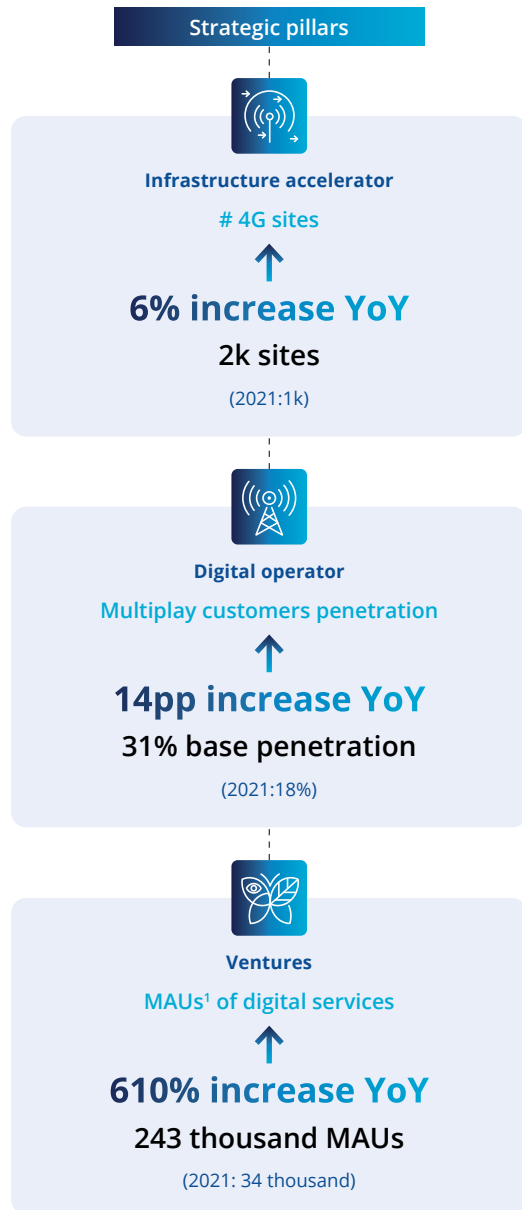
provision in 2021 which boosted last year's EBITDA performance. Adjusting for this, local currency EBITDA rose by 19% on an organic basis.

2022 saw further investment in the quality and reach of Beeline's 4G network. This complemented the investment we made in an additional spectrum licence during the year to expand our spectrum capacity. We adopted a balanced investment strategy targeting specific geographic areas of improvement, including Bishkek, the nation's capital, where we doubled our subscriber base during the year and now offer the city's fastest mobile network. The south of the country was a similar focus for network expansion, which contributed to a doubling of our 4G subscriber base there.

MM1 LO4

Beeline Kyrgyzstan reported double-digit growth in revenue in 2022, which in local currency terms rose by 14% YoY

# Country performance continued



<sup>1</sup> MAUs = monthly active users

# Kyrgyzstan continued

## ESG milestones and ambitions

The nation's digital transformation is a key development goal in Kyrgyzstan's 2018 – 2040 National Strategy. As a leading digital operator, Beeline sees a valuable role in helping to realise this ambition through encouraging digital innovation throughout the country's schools and universities.

This starts in the classroom. Beeline has created co-working centres in universities and libraries to provide students and budding entrepreneurs a bright, modern environment with free access to computers and Wi-Fi. Additionally, masterclasses in programming, project and productivity management software, and personal and professional development have been provided to support young people in developing their skills, knowledge and entrepreneurial potential while strengthening our brand awareness among socially aware subscribers.

Within Beeline itself, the opportunity for us to equip our people to advance digitisation throughout society is one we take very seriously. A lack of vocational opportunity within Kyrgyzstan is fuelling a migration of professional talent overseas. Not only can Beeline offer captivating opportunities for these individuals at home, but it can actively expand the ICT knowledge pool through the ongoing professional development we offer our employees.

Meanwhile, Beeline employees actively participate in the Company's social activities through educational projects, experience sharing and mentoring.

Vitally, these are opportunities we offer to everyone, regardless of their gender or background. Diversity is a core principle of Beeline's corporate culture. We are proud of the equality we have achieved in our workplace. Around half of our leadership team are women and we believe wholeheartedly in promoting women to leadership positions across our organisation. This is a core principle we extend with our services throughout Kyrgyzstan society, advancing digital literacy and financial inclusion to a nation where opportunities for women remain heavily influenced by culture and tradition.

MM2 LO2 LO5

## The road ahead

2022 was a year of investment for Beeline as we focused on network quality and reach. 2023 will see us focus on monetising these achievements while continuing to grow the ecosystem of digital services they enable.

Mobile financial services (MFS) is a prime opportunity for us. Over time, we see scope to double our MFS revenues as the adoption of digital wallets seeds growth in customer demand for smartphone-enabled payments. Financial services is a competitive marketplace, with

traditional banks dominating customer wallet and mindshare. Yet we see indications of this changing and continue to work with local regulators to explore how Beeline can play a leading role in the nation's digital financial transition.

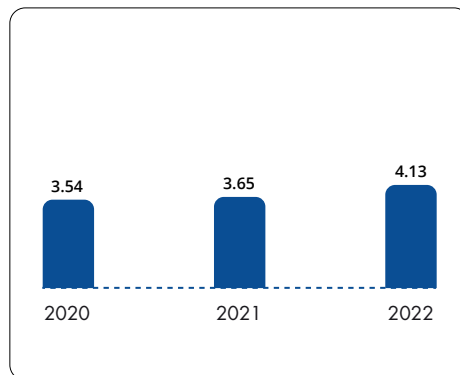
We see similar scope for growth in digital entertainment though the curation of local music and media, delivered to our customer base through sub-branded services. As with MFS, we view this opportunity as connectivity-agnostic, offering Beeline avenues to attract customers from beyond its current subscriber base.

MM2 MM4 MM5

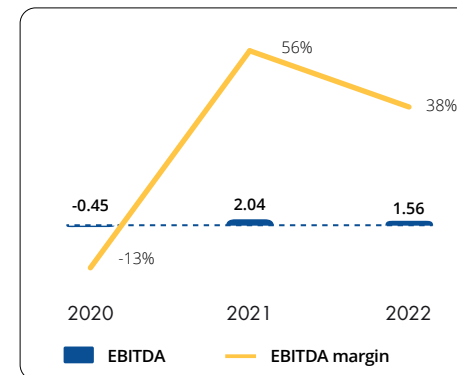
Away from retail, B2B is a digital opportunity still in its infancy but one ripe for monetisation. Data storage is a service dominated by international providers and lacks the local competition it has attracted in other markets. In partnership with others, we see scope over time for Beeline to play a leadership role in the development of local data centres. In doing so, we can help advance the cause of local data sovereignty by preventing this valuable commodity from being exported overseas, instead contributing to the development of new expertise and capabilities for its commercialisation at home.

There is much to be done to unlock the digital potential of our young country and we are excited by Beeline's role in helping the nation build its digital future.

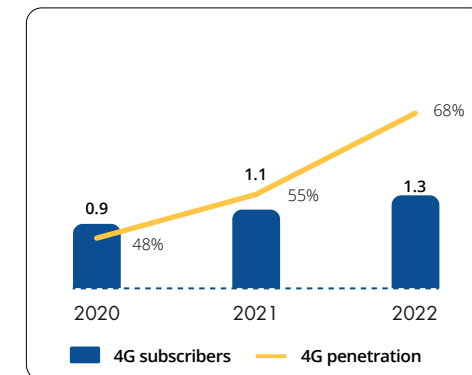
**Revenue**  
(KGS billion)



**EBITDA and EBITDA margin**  
(KGS billion and percentage)



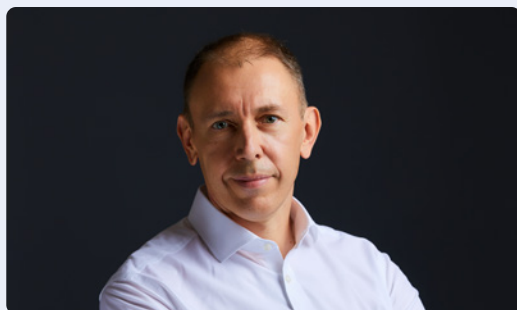
**4G base and penetration**  
(Million and percentage)





## Divested markets

# Algeria Georgia



**Dmitry Shvets**  
Group Head of Portfolio Management

Our portfolio of markets is subject to ongoing review by VEON's Board to ensure they provide the most attractive opportunities for our operating model.

## 2022 saw three changes as we completed an exit from Algeria and Georgia and embarked on the sale of our Russian operations.

These transactions result in certain accounting considerations, each of which is outlined below alongside an overview of the sale process in each market.

### Algeria

Algeria is a challenging market in which our operating company, Djezzy, outperformed its competitors with a substantial advantage in profitability. In a market that has experienced a significant overall contraction in total mobile revenue over the past several years, Djezzy managed to maintain healthy EBITDA margins with percentages in the mid-40s range, a 10pp lead on its nearest competitor. Unlike VEON's other markets however, Algeria is yet to create the regulatory frameworks we enjoy elsewhere for the successful development of our digital operator model. It was within this context that VEON embarked on a process to sell its Algerian operations in July 2021.

Prior to the sale, VEON owned a 45.6% shareholding in Djezzy, held indirectly through its subsidiary Global Telecom Holding, with the Algerian Government (via the National Investment Fund) owning most of the remaining shares.

Under this arrangement, VEON possessed a put option to sell its stake in Djezzy to the government. VEON exercised this right in July 2021 and was paid a transaction value of USD 682 million in August 2022 following a third-party evaluation process that established the fair value of the shares. The cash proceeds from the transaction strengthened the liquidity

position of the Group, which on receipt in August 2022 increased to USD 3.1 billion.

Today, Djezzy remains Algeria's most advanced mobile operator. Its leadership team substantially comprises today of the same Algerian nationals that contributed to the operational turnaround for the business in the years leading to 2021, which is when the Company returned to growth, before accelerating its revenue momentum that saw a doubling of its rate of growth in 2022. We are confident Djezzy has a bright future and will continue to serve the needs of its customers under its new ownership.

In line with the requirements of IFRS 5, VEON's Algeria subsidiary became a discontinued operation following the exercise of the put option in July 2021 and has been accounted for as "held for sale" since. As a consequence, Djezzy does not contribute to the base performance of VEON for both the current and prior year in this report.

In terms of balance sheet accounting, Algeria has been valued at the lower of (i) the carrying amount of the discontinued business and (ii) its fair market value, less costs pertaining to the sale. Any deviation from this value in respect of the final valuation resulted in a gain/loss, which was accounted for as a profit/loss from discontinued operations.

### Georgia

In June 2022, VEON completed the sale of its operating subsidiary in Georgia to the Group's former local partner within the country.

Under VEON's ownership, Beeline Georgia had established itself as a leading digital operator in 4G services. As such, the decision to exit Georgia reflected its comparatively small financial contribution to our Group. The decision was taken considering VEON's strategy of a strong focus on the Group's portfolio of high-growth markets with a critical mass of users that is essential for scaling our operating model.

The transaction value of the sale was USD 45 million, equating to a 2021 EBITDA multiple of 3.5x on a pre-IFRS 16 basis. We leave the business in very capable hands and have no doubt Beeline Georgia will continue to play a leadership role in the digital transformation of the nation.

Financial and operating results for Georgia were deconsolidated from VEON Group numbers following the completion of the sale in June 2022. Georgia also does not contribute to reported numbers of customer base, 4G users and 4G penetration for both the current and prior year in this report.

### Key financial and operational indicators

	2020	2021	2022	YoY (2022 vs. 2021)
<b>Algeria (Djezzy)</b>				
Service Revenue (DZD million)	86,661	88,525	<b>93,226</b>	5.3%
EBITDA (DZD million)	38,282	39,124	<b>42,037</b>	7.4%
EBITDA Margin (percent)	44.0%	44.0%	<b>45.0%</b>	1.0pp
Customer base (million)	14.1	14.3	<b>14.9</b>	4.1%
Data users (million)	9.2	10.2	<b>11.3</b>	10.7%
<b>Georgia (Beeline)</b>				
Service Revenue (GEL million)	105.3	121.6	<b>139.4</b>	14.7%
EBITDA (GEL million)	33.0	41.4	<b>46.4</b>	12.1%
EBITDA Margin (percent)	31.3%	34.0%	<b>33.3%</b>	(0.7pp)
Customer base (million)	1.3	1.4	<b>1.4</b>	3.8%
Data users (million)	0.8	1.0	<b>1.0</b>	8.5%

Divested markets continued

# Russia



The sale of our Russian operations is subject to **certain closing conditions**, including the receipt of **necessary regulatory approvals and licences** before the transaction can be finalised

## Russia

In November 2022, VEON announced that following a competitive process, it had entered into an agreement to sell its Russian operations to senior members of the current management team of PJSC VimpelCom, which operates mobile and digital services in Russia under the Beeline brand.

Russia has been a highly competitive market in recent years, requiring significant levels of management focus and investment by VEON in order to bring about an operational turnaround for PJSC VimpelCom following a period of underperformance prior to 2020. Under the leadership of CEO Alexander Torbakhov, a new leadership team successfully achieved this through expanding the quality and reach of Beeline's 4G networks and improving the experience of its customers through a host of new digital services.

As set out in our Chairman's statement (refer to page 3), the onset of war in Ukraine in February 2022 presented VEON with no viable alternative than to sell its Russian operations given the material risks to the Group that continued ownership would present. Concluding an agreement that unlocks positive shareholder value while ensuring continuity for Beeline's more than 50 million customers and 29,000 employees is, we believe, an outcome that achieves the best possible balance between the complex needs of all stakeholders involved.

The sale of our Russian operations is subject to certain closing conditions, including the receipt of necessary regulatory approvals and licences before the transaction can be finalised. The target completion date for the transaction is on or before 1 June 2023, with options on

both sides for extensions in case any required pre-closing conditions have not been met.

Following the execution of the agreement, the Russian business has, in line with the requirements of IFRS 5, become a discontinued operation and is accounted for as "held for sale" in the Group's consolidated financial statements. As such, our Russian operations do not contribute to the base performance of VEON for both the current and prior year in this report.

As part of the transaction, ownership of VEON's Kazakhstan operations was transferred to VEON in December 2022. This ensures that VEON will continue to consolidate its Kazakhstan operations, with VEON Holdings B.V. taking direct ownership of the Group's 75% stake in Kar-Tel, which operates under the Beeline brand in the country.

The table below represents revenue and EBITDA excluding intercompany amounts, that would be included into VEON Group results had Russian operations not been classified as 'held for sale' and 'discontinued operations'.

### Key financial and operational indicators

RUB million	2020	2021	2022	YoY ('22 vs. '21)
<b>Total revenue</b>	273,674	289,955	<b>286,196</b>	(1.3%)
Service revenue	246,423	254,501	<b>262,389</b>	3.1%
<b>EBITDA</b>	108,220	108,983	<b>118,466</b>	8.7%
EBITDA margin	39.5%	37.6%	<b>41.4%</b>	3.8pp
Capex	74,061	74,983	<b>59,303</b>	(20.9%)
Capex intensity	27.0%	25.9%	<b>20.7%</b>	(5.1pp)
<b>Mobile</b>				
4G users (million)	22.6	25.5	<b>25.3</b>	(0.7%)
4G coverage	88%	89%	<b>90.0%</b>	1.0pp
<b>Fixed line</b>				
Service revenue	37,657	40,648	<b>42,159</b>	5.8%
Broadband revenue	11,307	12,112	<b>12,779</b>	5.5%
Broadband customers (million)	2.8	2.9	<b>2.9</b>	0.7%

For the 12 months ended 31 December 2022, based on estimated managerial reporting, if the Russian operations were not classified as 'held for sale' and 'discontinued operations', Group total revenue growth would be 3.3% YoY in reported currency (+6.4% YoY in local currency) and Group EBITDA growth would be 6.3% in reported currency (+11.0% YoY in local currency).