



VEON

Global Telecom Holding (GTH) Restructuring

Amsterdam, 26 June 2019

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The Mandatory Tender Offer is not being made to persons whose participation in the Mandatory Tender Offer requires that any additional offer document is prepared, registration effected or that any other measures are taken in addition to those required under Egyptian law. Any offer document and any documentation relating to the Mandatory Tender Offer is not being published in or distributed to or into and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country. Any such action is not permitted or sanctioned by VEON Holdings. Any purported acceptance of the Mandatory Tender Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

Special notice to GTH shareholders in the United States

The Mandatory Tender Offer described in this presentation is subject to the laws of Egypt. It is important for US shareholders of GTH to be aware that the Mandatory Tender Offer is subject to disclosure and takeover laws and regulations in Egypt that are different from those in the United States. As applicable, VEON Holdings will comply with Regulation 14E under the US Securities Exchange Act of 1934, as amended (“Exchange Act”), in connection with the Mandatory Tender Offer. The Mandatory Tender Offer is being treated in the United States as one to which the “Tier II” exemption mentioned in Rule 14d-1(d) under the Exchange Act is applicable.

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GTH restructuring that benefits all stakeholders



The agreement enables VEON to move forward with the Mandatory Tender Offer and subsequent restructuring of GTH within the VEON Group

- 1 GTH and the Egyptian Tax Authority have signed a tax settlement agreement for a total amount of USD 136 million, with USD 53.7 million paid immediately and USD 82.3 million to be paid no later than 31 December 2019 at which time GTH shall delist from the EGX; this compares with an existing provision of USD 75 million in GTH's 2018 Financial Statements
- 2 VEON Group's Mandatory Tender Offer ("MTO") for GTH has been approved by the Egyptian Financial Regulatory Authority for the purchase of up to 42.31% of GTH's shares at the price of EGP 5.08
- 3 VEON plans to delist GTH from the EGX, either by mandatory delisting (if, after the MTO, VEON owns at least 95% of GTH shares) or through a voluntary delisting by special resolution of 75% or more of shareholders at a GTH EGM
- 4 Substantially all of GTH's assets, including its operations in Algeria, Pakistan and Bangladesh, are planned to be transferred from GTH to VEON. To effect this, VEON has submitted an Asset Transfer Offer (ATO) to GTH for these assets at prices in line with the MTO valuation, which as an inter-company transaction will not result in payments above the implied value of the MTO

GTH's MTO is an attractive exit for minority shareholders



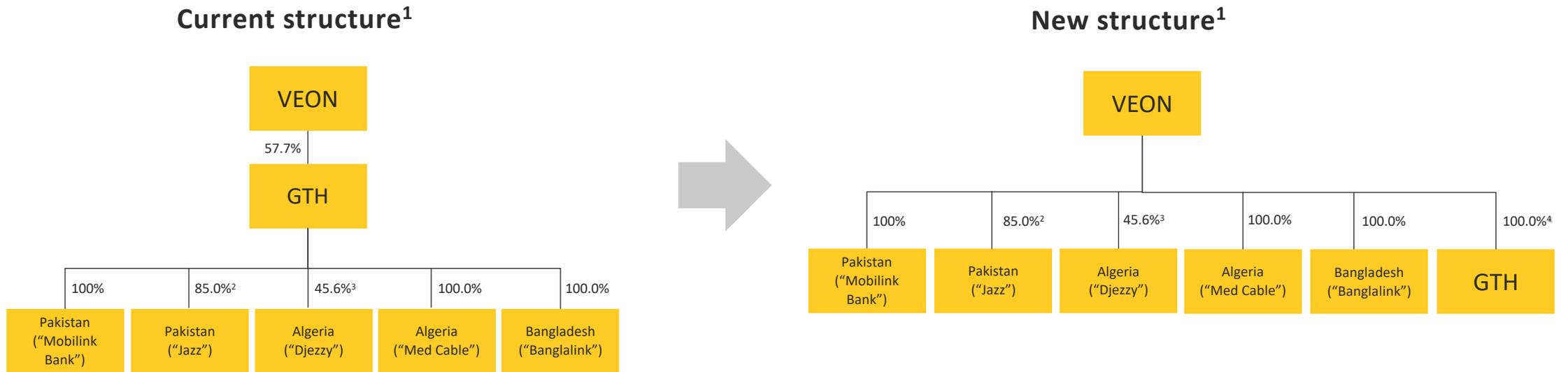
EGP 5.08	39.6% premium to GTH average three-month share price prior to the MTO filing (08Nov'18 - 07Feb'19)
Offer Price	44.3% premium to GTH average six-month share price prior to the MTO filing (08Aug'18 - 07Feb'19)

- The offer price of EGP 5.08 is based on the initial price of EGP 5.30 adjusted solely for the tax settlement amount above GTH's initial provision. The initial price was in line with an independent financial advisor report issued in January 2019. This report will be updated to reflect the revised price; no changes to the recommendation are expected
- The offer price represents an attractive premium to GTH's average three-month share price. At current exchange rates¹, the offer price in US dollars is USD 0.304, which is slightly above the original offer² made on 10 February 2019
- The MTO is expected to begin on 1 July 2019 and will be open for 25 Egyptian business days. Straight after MTO settlement, GTH will hold an EGM to approve GTH's delisting from the EGX or will mandatorily delist if VEON's holding is at least 95%
- After the completion of the asset transfers, GTH will be left with no operating entities

¹Current exchange rate is 16.71 USD/EGP as at 26 June 2019

²The original offer price (EGP 5.30) in US dollars was USD 0.301 using exchange rate of 17.61 USD/EGP as at 10 February 2019

Prospective structure after full completion



The proposed transactions:

- are in line with VEON’s ambition to simplify its corporate structure
- allow VEON to support local operations directly and unlock their value potential more effectively over time for our shareholders
- resolve GTH’s capital structure inefficiencies: GTH is currently largely reliant on the VEON Group for capital, parent company guarantees and actual funding to pay interest and principal falling due on GTH’s external borrowing

¹ Simplified structure ; the prospective (new) structure assumes the completion of all transactions (MTO, delisting, asset transfer)

² 15% owned by Dhabi Group

³ 51% owned by FNI and 3.4% by local minorities

⁴ Depends on the MTO uptake and assumes GTH shareholders unanimously accept the Mandatory Tender Offer

Delivering successful outcomes for all stakeholders



- ✓ Fully resolves a long-standing tax issue with the Egyptian authorities
- ✓ Offers an attractive exit for GTH minority shareholders via the MTO
- ✓ Proposes a definite plan for GTH delisting and asset transfers, simplifying VEON Group's structure in the process
- ✓ Secures cooperation of the Egyptian authorities in order to fully complete GTH's restructuring by year-end 2019, subject to customary corporate and other regulatory approvals

GTH restructuring addresses VEON's strategic ambition to simplify its corporate structure and focus on emerging markets with long-term value creating opportunities



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APPENDIX

Financial implications for VEON



Event	Expected Impact On:		
	Income Statement	Cash Flow	Balance Sheet
Tax Settlement USD 136 million	Tax expense, above provision: USD 61 million	Tax payments: USD 53.7 million in Q2 2019 USD 82.3 million by the end of 2019	Increase in the net debt position upon tax payment
Mandatory Tender Offer assuming GTH shareholders unanimously accept the MTO at EGP 5.08 offer price	No impact	No impact ¹ on EFCF ² Cash outflow ³ of USD 607 million if all minorities accept tender offer, against USD 645 million placed on collateral deposit in Q1 2019	Total equity will reduce by USD 607 million Upon closing of the MTO, accounting adjustments will be made within equity whereby the negative value of the minority interest in Egypt ⁴ of USD 2 billion will be moved to the value of equity attributable to VEON shareholders, with no impact on total equity
Asset Transfer Offer to occur after the MTO and successful delisting of GTH	No impact other than potential tax payments upon transfer This is an inter-company transaction, as GTH is already consolidated in VEON Group		

¹ Cash balance will not be impacted, because it was already reduced upon depositing USD 645 million on collateral deposit in Q1 2019

² Equity free cash flow excluding licenses is a non-IFRS measure and is defined as free cash flow from operating activities less cash flow used in investing activities, excluding M&A transactions, capex for licenses, inflow/outflow of deposits, financial assets, other one-off items and the impact of the introduction of IFRS 16 in FY 2019

³ At current exchange rate exchange rate of 16.71 USD/EGP as at 26 June 2019

⁴ Negative GTH non-controlling interest of USD 2 billion was recorded in 2011 upon Wind Group acquisition

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