



VEON

STRONG GROWTH ACROSS THE GROUP

2Q21 RESULTS

AGENDA



1. OPENING

Nik Kershaw

2. HIGHLIGHTS & BUSINESS UPDATE

Kaan Terzioğlu

3. 2Q21 FINANCIAL RESULTS

Serkan Okandan

4. CLOSING REMARKS

Kaan Terzioğlu

DISCLAIMER



This presentation contains “forward-looking statements”, as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by words such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” and other similar words. Forward-looking statements include statements relating to, among other things, VEON’s plans to implement its strategic priorities, including operating model and development plans, among others; anticipated performance and guidance for 2021, including VEON’s ability to sufficient cash flow; VEON’s assessment of the impact of the COVID-19 pandemic on its current and future operations and financial condition; future market developments and trends; operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable; spectrum acquisitions and renewals; the effect of the acquisition of additional spectrum on customer experience; VEON’s ability to realize the acquisition and disposition of any of its businesses and assets and to execute its strategic transactions in the timeframes anticipated, or at all; VEON’s ability to realize financial improvements, including an expected reduction of net pro-forma leverage ratio following the successful completion of certain dispositions and acquisitions; our dividends; and VEON’s ability to realize its targets and commercial initiatives in its various countries of operation. The forward-looking statements included in this presentation are based on management’s best assessment of VEON’s strategic and financial position and of future market conditions, trends and other potential developments. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of further unanticipated developments related to the COVID-19 pandemic, such as the effect on consumer spending, that negatively affected VEON’s operations and financial condition; demand for and market acceptance of VEON’s products and services; our plans regarding our dividend payments and policies, as well as our ability to receive dividends, distributions, loans, transfers or other payments or guarantees from our subsidiaries; continued volatility in the economies in VEON’s markets, including adverse macroeconomic developments related to the COVID-19 outbreak; unforeseen developments from competition; governmental regulation of the telecommunications industries; general political uncertainties in VEON’s markets; government investigations or other regulatory actions; litigation or disputes with third parties or regulatory authorities or other negative developments regarding such parties; the impact of export controls and laws affecting trade and investments on our and important third-party suppliers’ ability to procure goods, software or technology necessary for the services we provide to our customers; risks associated with data protection or cyber security, other risks beyond the parties’ control or a failure to meet expectations regarding various strategic priorities, the effect of foreign currency fluctuations, increased competition in the markets in which VEON operates and the effect of consumer taxes on the purchasing activities of consumers of VEON’s services. Certain other factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in VEON’s Annual Report on Form 20-F for the year ended December 31, 2020 filed with the U.S. Securities and Exchange Commission (the “SEC”) and other public filings made by VEON with the SEC. Other unknown or unpredictable factors also could harm our future results. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements in this presentation be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date hereof. We cannot assure you that any projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made, or to reflect the occurrence of unanticipated events.

PRESENTATION OF THE FINANCIAL RESULTS:

All non-IFRS measures disclosed further in this presentation (including, without limitation, EBITDA, EBITDA Margin, Operational Capex, net debt, Equity Free Cash Flow, local currency growth) are being defined and reconciled to comparable IFRS measures in VEON Ltd.’s earnings release published on its website on the date hereof. Reported growth is growth in Group’s reporting currency – USD. In addition, we present certain information on a forward-looking basis. We are not able to, without unreasonable efforts, provide a full reconciliation to IFRS due to potentially high variability, complexity and low visibility as to the items that would be excluded from the comparable IFRS measure in the relevant future period, including, but not limited to, depreciation and amortization, impairment loss, loss on disposal of non-current assets, financial income and expenses, foreign currency exchange losses and gains, income tax expense and performance transformation costs, cash and cash equivalents, long term and short-term deposits, interest accrued related to financial liabilities, other unamortized adjustments to financial liabilities, derivatives, and other financial liabilities.

AGENDA



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KEY HIGHLIGHTS

Strong growth across the Group

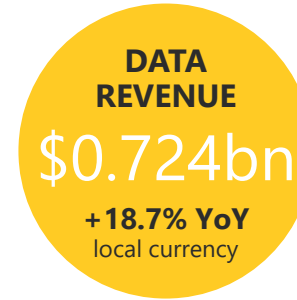
2Q21



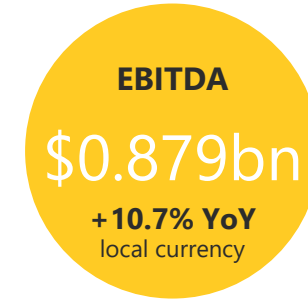
+9.2% YoY reported



+7.4% YoY reported

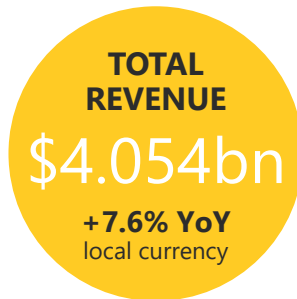


+16.7% YoY reported

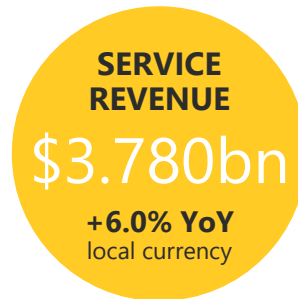


+8.7% YoY reported

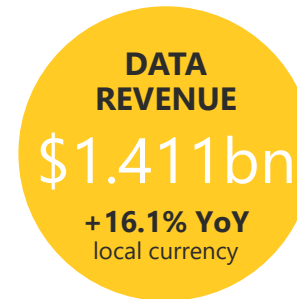
1H21



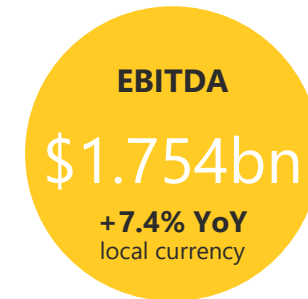
+1.6% YoY reported



+0.2% YoY reported



+10.0% YoY reported



+1.5% YoY reported



Growth across all our markets
214mn Mobile customers
+4.5% YoY



Accelerating 4G adoption on our customer base
93mn 4G Users
+39% YoY



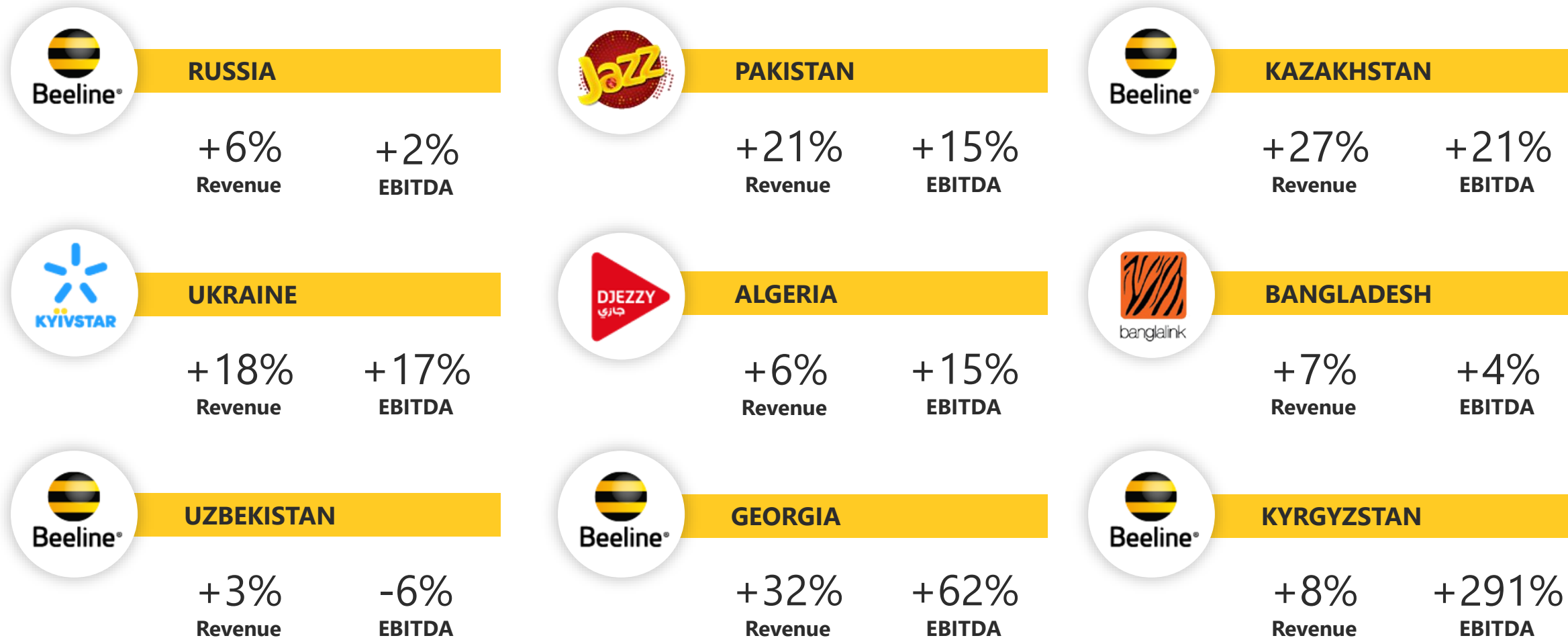
Digital services gaining traction
19mn Financial Services MAU
+36% YoY



Further expanding 4G coverage
77%
+10p.p. YoY

2Q21 PORTFOLIO PERFORMANCE

YoY local currency revenue growth across all our markets



Digital operator model driving performance across business verticals

INFRASTRUCTURE

physical sites **115k (+7%YoY)**

towers **50k**

of 4G sites **92k (+14.2% YoY)**

4G population coverage **77.1% (+10.4pp. YoY)**

Fiber optic, km **187.2mn (+1.6% YoY)**

DIGITAL OPERATOR

Mobile subscribers **from 205mn to 214mn (+4.5% YoY)**

4G customer base penetration **from 32% to 43% (+11p.p. YoY)**

Mobile data subscribers **145mn (+10.8% YoY)**

Mobile data usage per subscriber **7.3Gb (+40.3% YoY)**

Churn rate (monthly) **2.3% (-0.4 p.p. YoY)**

DIGITAL PRODUCTS

Multiplay MAU **12mn (+67% YoY)**

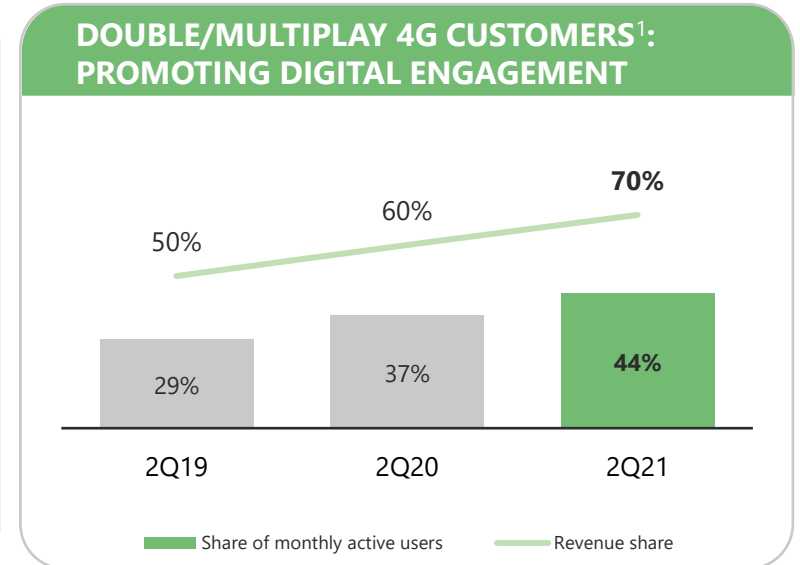
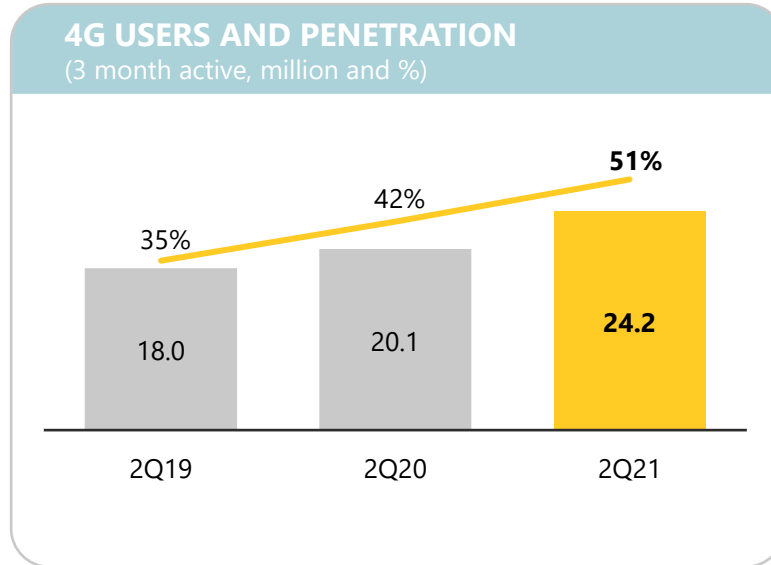
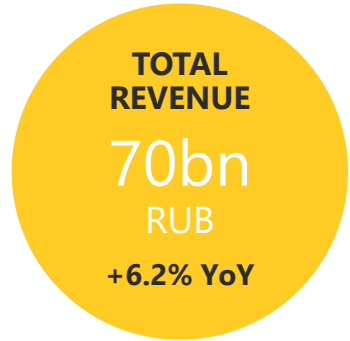
Entertainment MAU **18.8mn (+45.2% YoY)**

Mobile financial services MAU **19.4mn (+36.1% YoY)**

Churn rate in Multiplay segment **Almost 4 times less than Total Base**

RUSSIA

Service revenue and EBITDA back to growth

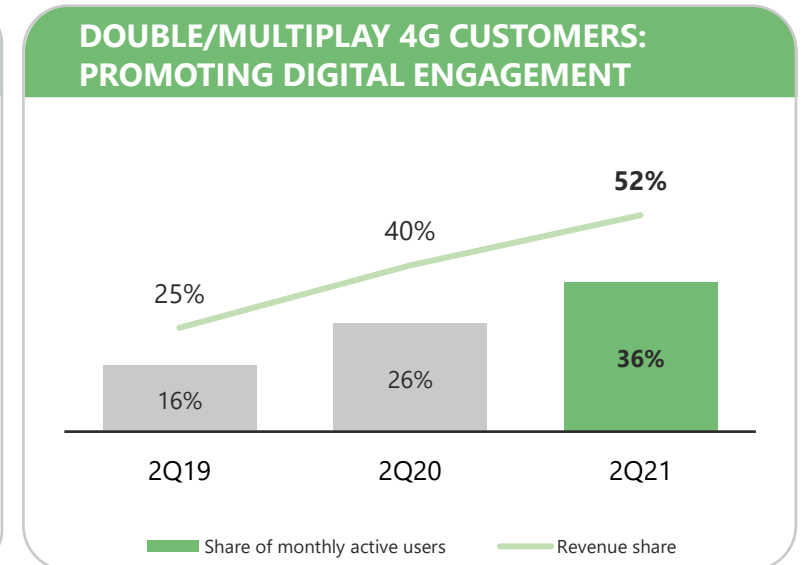
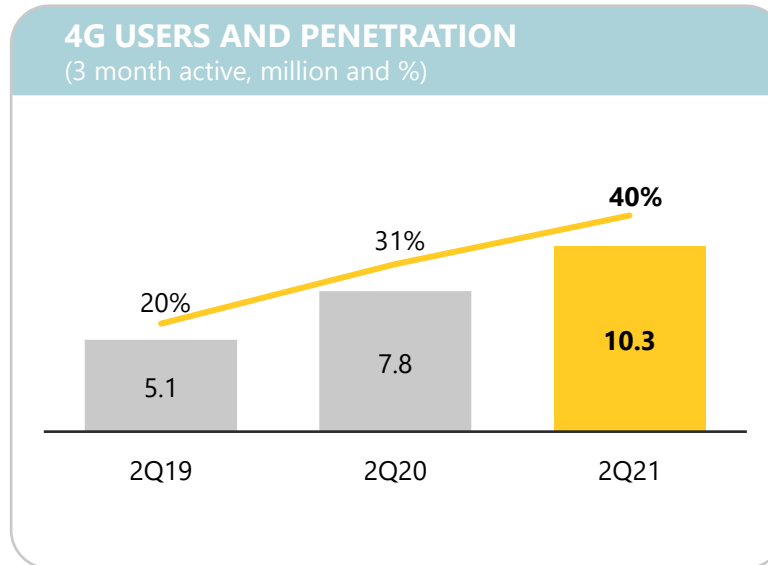
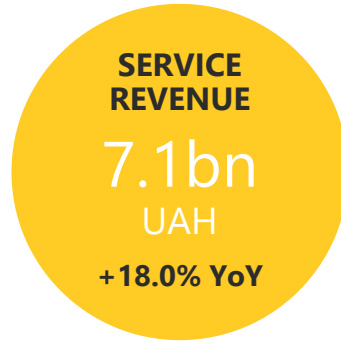
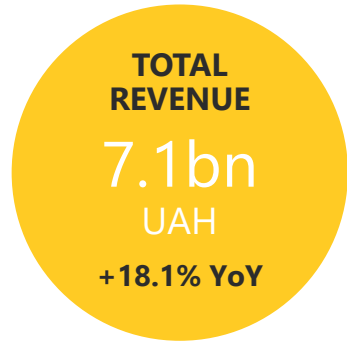


- Service revenue +2.7% YoY, with mobile service revenue back to growth
- Continued 4G network investments across Russia
- Agreement with other operators on spectrum clean-up to free frequencies for 5G
- My Beeline app growth of 13% YoY to 8.8 million users
- Launch of multiple new digital products in B2B supported by:
 - our partnerships with Alfa-Bank and X5
 - recent acquisition of AdTech company OTM

1. For all Country slides, Double play 4G customers – are mobile customers who engaged in usage of our voice and data services over 4G (LTE) technology, and Multiplay 4G customers – are double play customers who also engaged in usage of one or more of our digital products. For the full definition please refer to the Main Definitions slide

UKRAINE

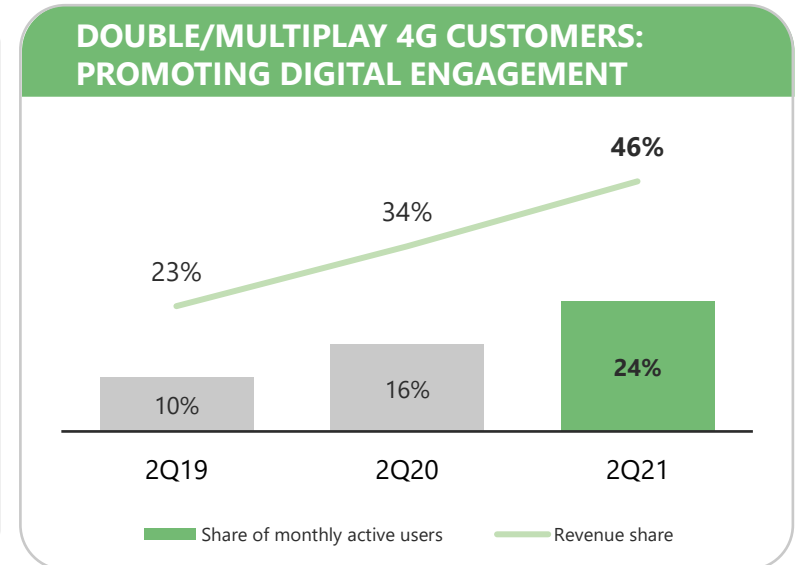
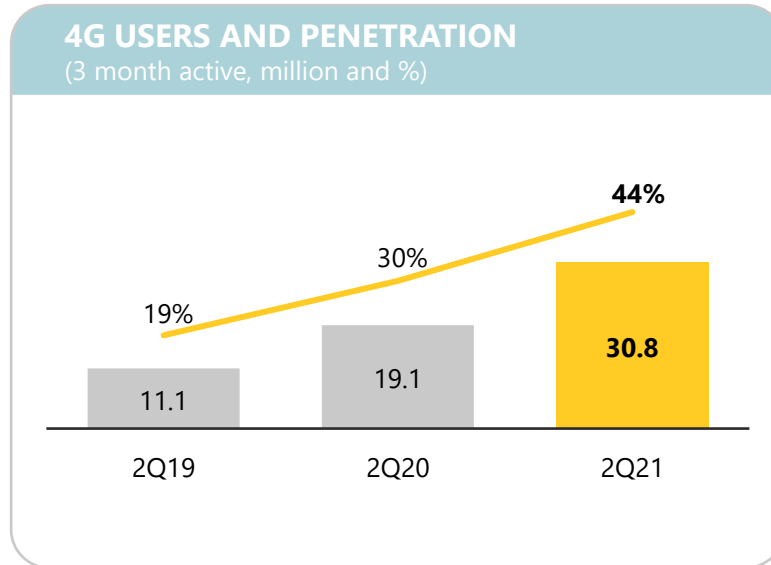
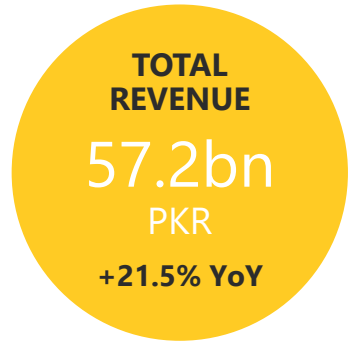
Continued strong growth in revenue and EBITDA



- 4G adoption driving data revenue growth of 25.3%
- Kyivstar completed phase 1 of IT modernization (Ericsson DBSS roll-out for prepaid segment)
- Revenue growth in B2B segment supported by digital services (up 15.9% YoY)
- Fixed-line revenue growth of 19.3% with the contribution of B2C broadband customer base increase by 11.5% YoY
- My Kyivstar app MAU reached 3.0 million (up 91% YoY)
- Strong uptake of Kyivstar TV: 426k MAUs (up 2.3 times YoY)

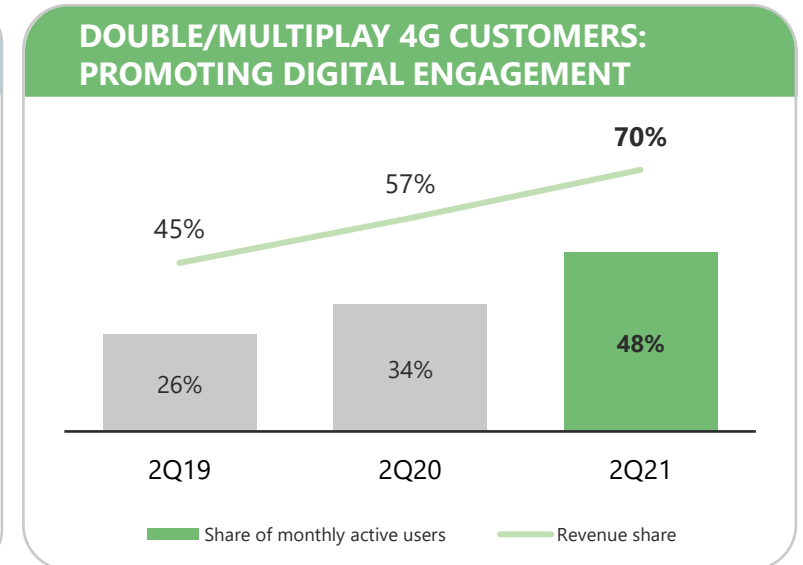
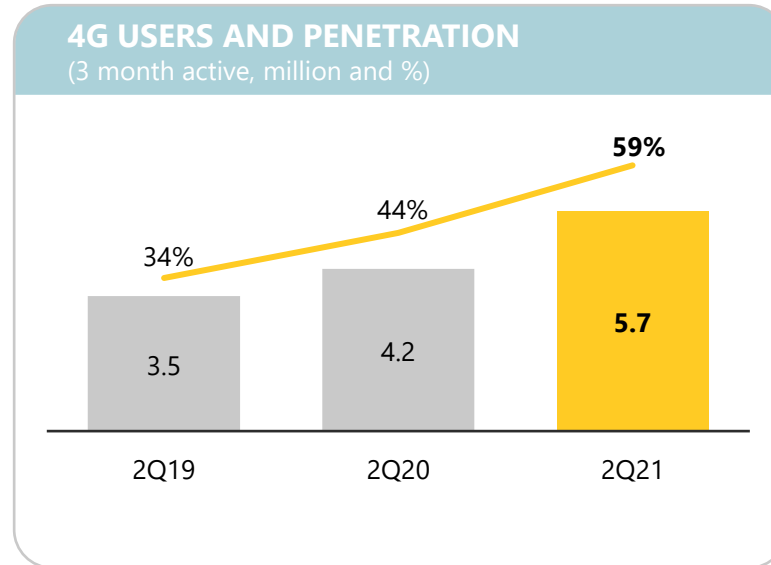
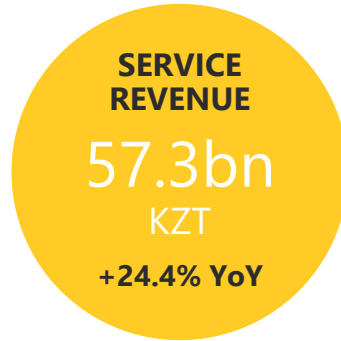
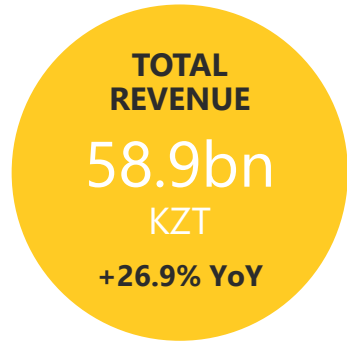
PAKISTAN

Impressive growth across all metrics



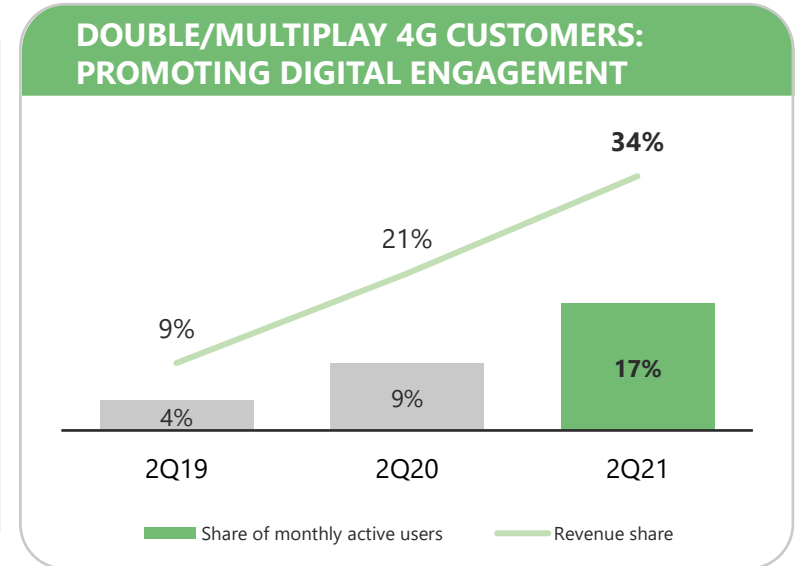
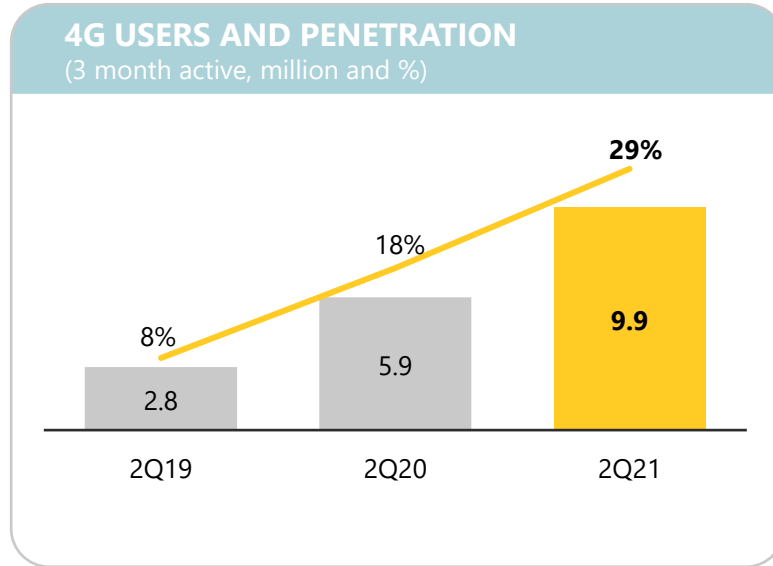
- 4G leadership continues with increasing market share
- Covid-19 upsurge continues to be drag on overall market from the latter part of 2Q21
- Jazz secured a PKR 50 billion 10-year syndicated credit facility
- Regulatory engagement on spectrum and tax matters continues
- JazzCash launched a new business app for merchant users

Record levels of 4G penetration driving strong performance



- Data revenue 58.6% of mobile service revenue (+6.6p.p. YoY), supporting B2C growth
- Fixed-line revenue growth of 24.7% YoY and B2B revenue growth of 27.8% YoY
- Self-care app users reached 2.3 million, almost doubling YoY
- 250-plus project: high-speed internet coverage extended to additional 92,000 people in 157 villages in first 6 months of 2021

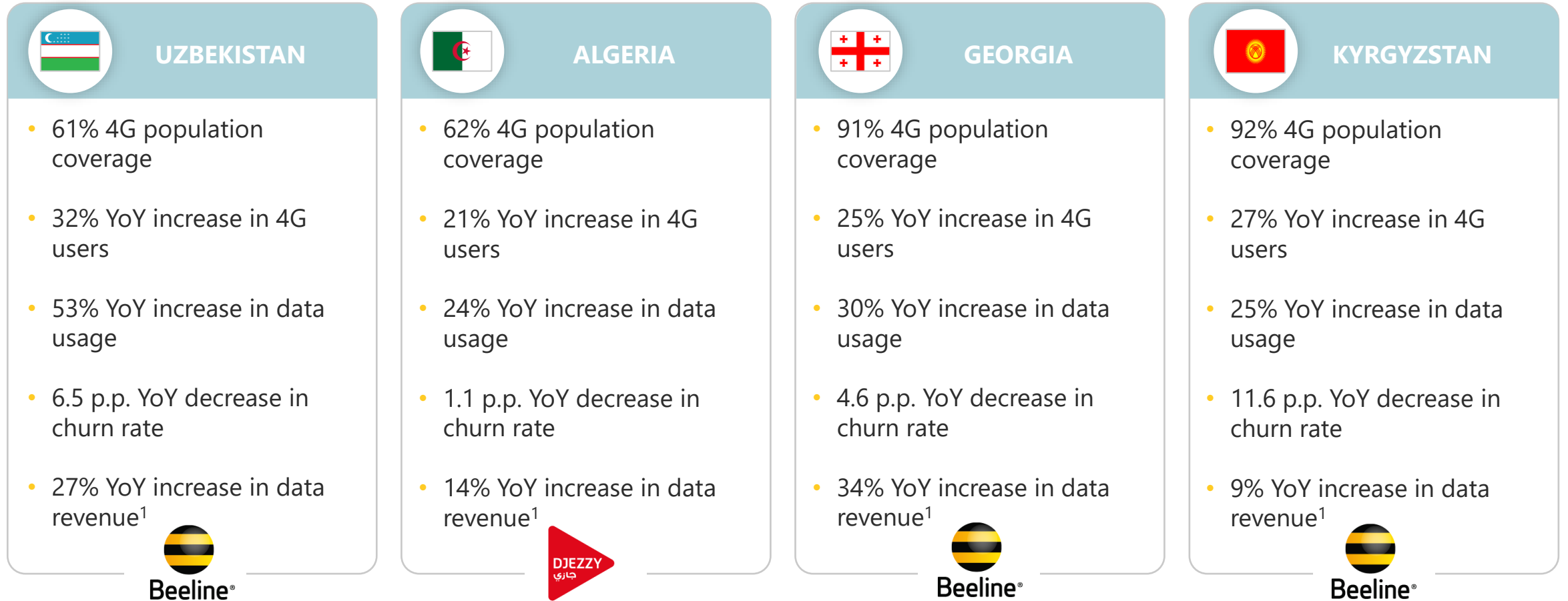
Revenue and EBITDA growth enabled by superior digital capabilities



- Good progress in data usage (+43.7% YoY) and data revenue (+15.1% YoY)
- Enhanced 4G capabilities supported by recent acquisition of additional spectrum
- Increased 4G coverage up 15.7p.p. YoY, 4G users up 68.1% YoY, and penetration up 10p.p.
- Banglalink has won Ookla’s fastest network award for the third consecutive term
- ‘My Banglalink’ self-care app usage rose 93% YoY

OTHER MARKETS

Customer 4G adoption remains the driving force



1. Data revenue YoY growth refers to local currency growth

VEON DIGITAL PRODUCTS

Growing range of digital services and partnerships



JAZZ CASH

13.1mn
Monthly active users
+61.4% YoY

82k
Monthly active merchants
+60.1% YoY



SMART MONEY

299k
Monthly active users
+11.7% QoQ



SIMPLY

69k
Users in the first month after launch



TOFFEE TV

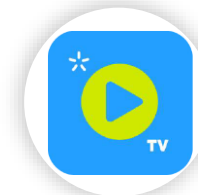
5.0mn
Monthly active users
4.8x YoY

23 min
Watch time
+36.9% YoY



BEELINE TV RUSSIA

3.0mn
Monthly active users
+23.6% YoY



KYIVSTAR TV

426k
Monthly active users
2.3x YoY



RUSSIA

+60.5% YoY
Big Data/AdTech revenue



KAZAKHSTAN

3.4x YoY
Big Data/AdTech revenue



KYIVSTAR

4.0x YoY
Big Data/AdTech revenue

Global and local partnerships



ENHANCED COMMITMENT TO ESG PRINCIPLES

Important achievements on various fronts



MSCI 

VEON UPGRADED TO
'A' FROM 'BBB' IN
MSCI MOST RECENT
ESG RATING

ENVIRONMENT



38% Reduction in CO₂ emissions per unit of data transmitted

NET ZERO 2050 Supporting GSMA's goal of achieving net zero emissions by 2050

SOCIAL



81,095 Participants in our mobile literacy programs

42,100 Beneficiaries of donated ICT equipment

GOVERNANCE



Wide shareholder support for our new governance model

New Global Authority Matrix (GAM) with greater clarity and OpCo empowerment

New Diversity & Inclusion Policy and flexible employee working arrangements

AGENDA



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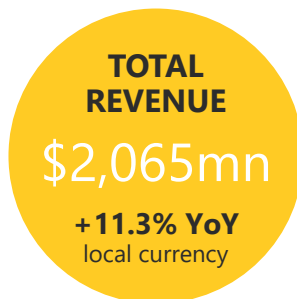
Serkan Okandan

4. CLOSING REMARKS

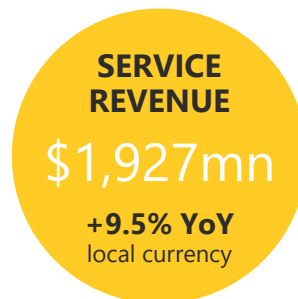
Kaan Terzioğlu

2Q21 HIGHLIGHTS

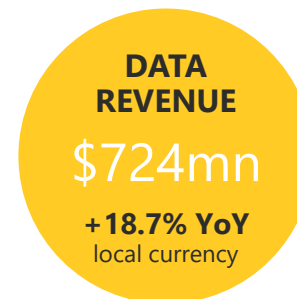
Strong growth across the Group



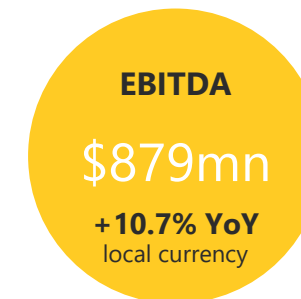
+9.2% YoY reported



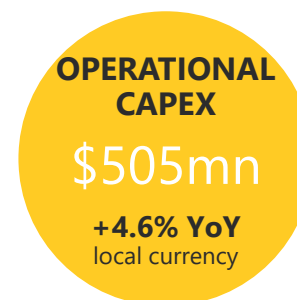
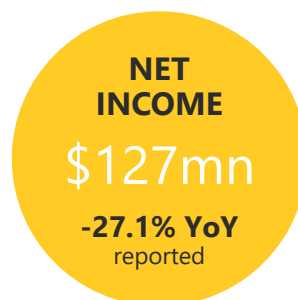
+7.4% YoY reported



+16.7% YoY reported



+8.7% YoY reported

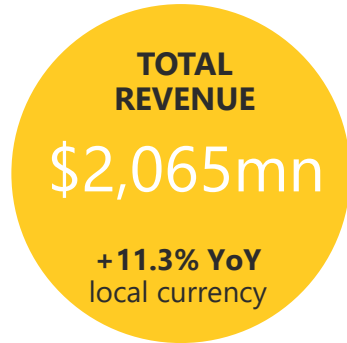


+2.5% YoY reported



2Q21 REVENUE

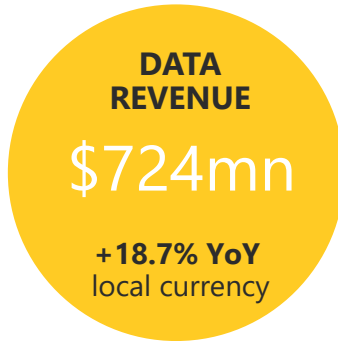
Continued growth in local currency



+9.2% YoY reported

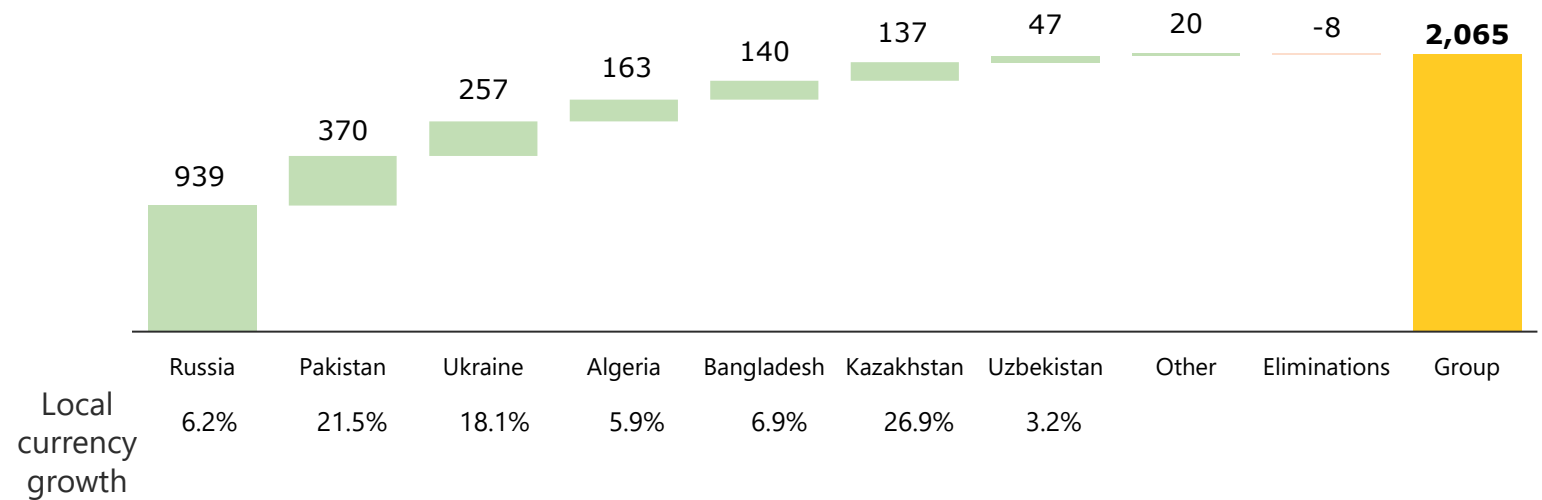


+7.4% YoY reported



+16.7% YoY reported

REVENUE IN 2Q21
(USD million)



- In 2Q21 VEON recorded YoY growth both on a reported basis and on a local currency basis
- YoY growth recorded by all operations, a strong performance across the board
- Russia back to growth in service revenue
- Growth driven by strong 4G adoption, customer growth and ARPU expansion

2Q21 EBITDA AND NET INCOME

Project Optimum: progress on cost efficiencies

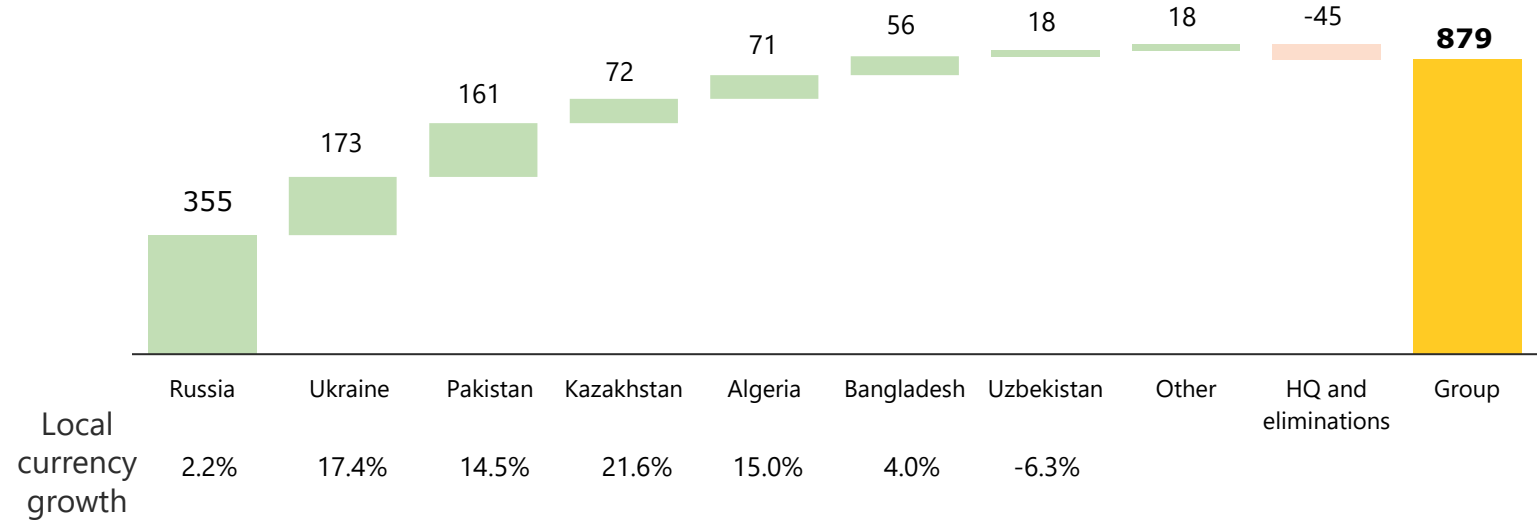
EBITDA
\$879mn
 +10.7% YoY
 local currency

+8.7% YoY reported

EBITDA MARGIN
42.6%
 -0.2p.p. YoY

NET INCOME
\$127mn
 -27.1% YoY

EBITDA IN 2Q21
 (USD million)



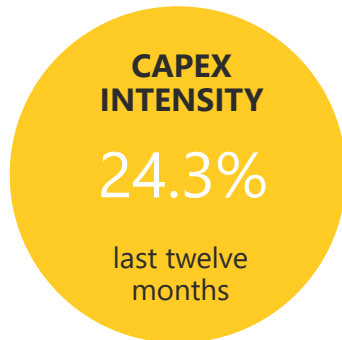
- Cost efficiency program underway
- Objective to drive Group-wide efficiency, with 1-2 pp cost intensity improvement by 2023
- Cost intensity improvement to ensure cost optimization without compromising on growth
- Absolute cost reduction in our low-growth markets to ensure sustainable efficiency
- Program targets embedded into Countries short-term incentive scorecards

2Q21 OPERATIONAL CASH FLOW BUILD-UP

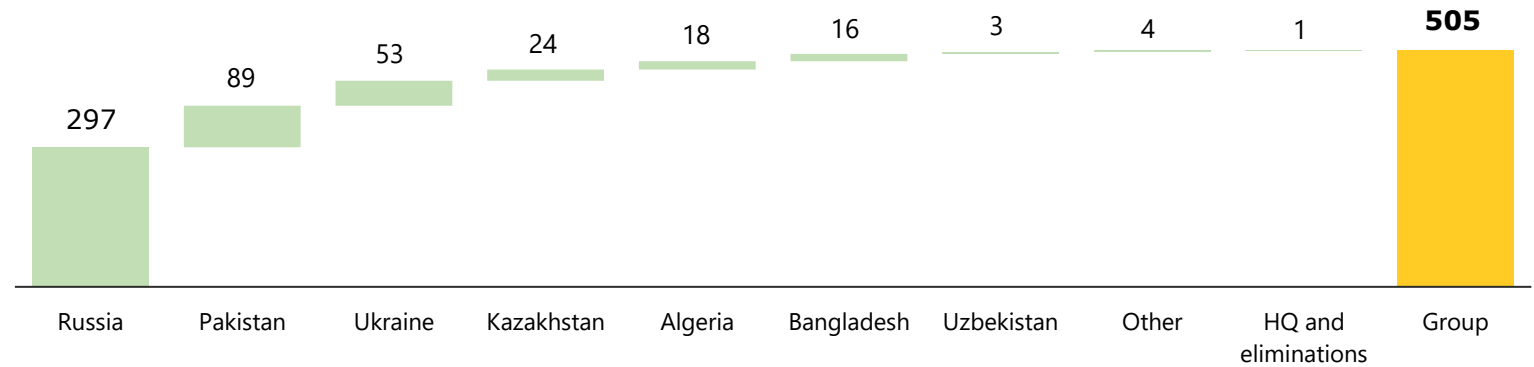
Momentum created by investment continues



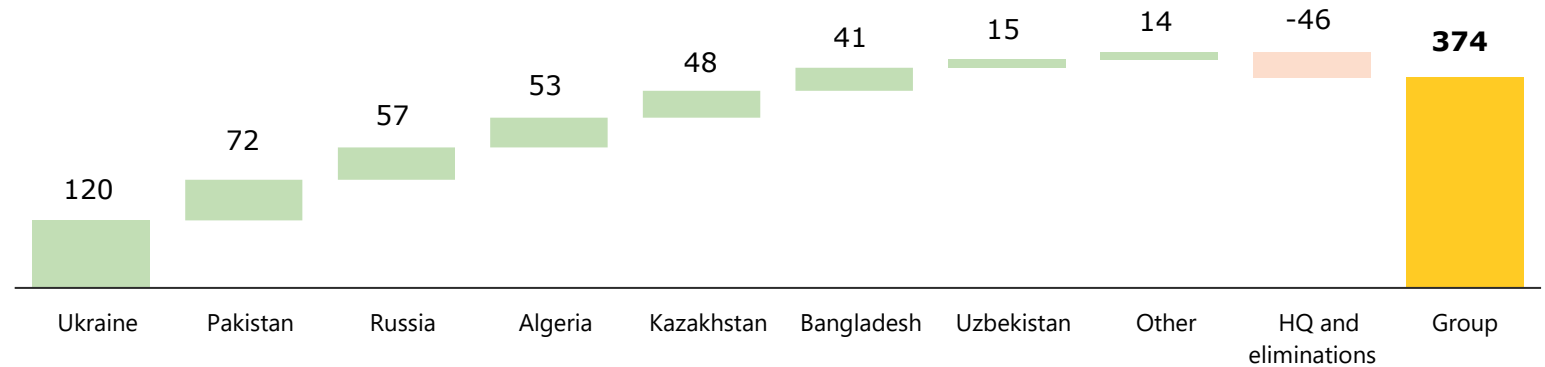
+2.5% YoY reported



OPERATIONAL CAPEX IN 2Q21
 (USD million)



OPERATIONAL CASH FLOWS (EBITDA LESS OPERATIONAL CAPEX) IN 2Q21
 (USD million)



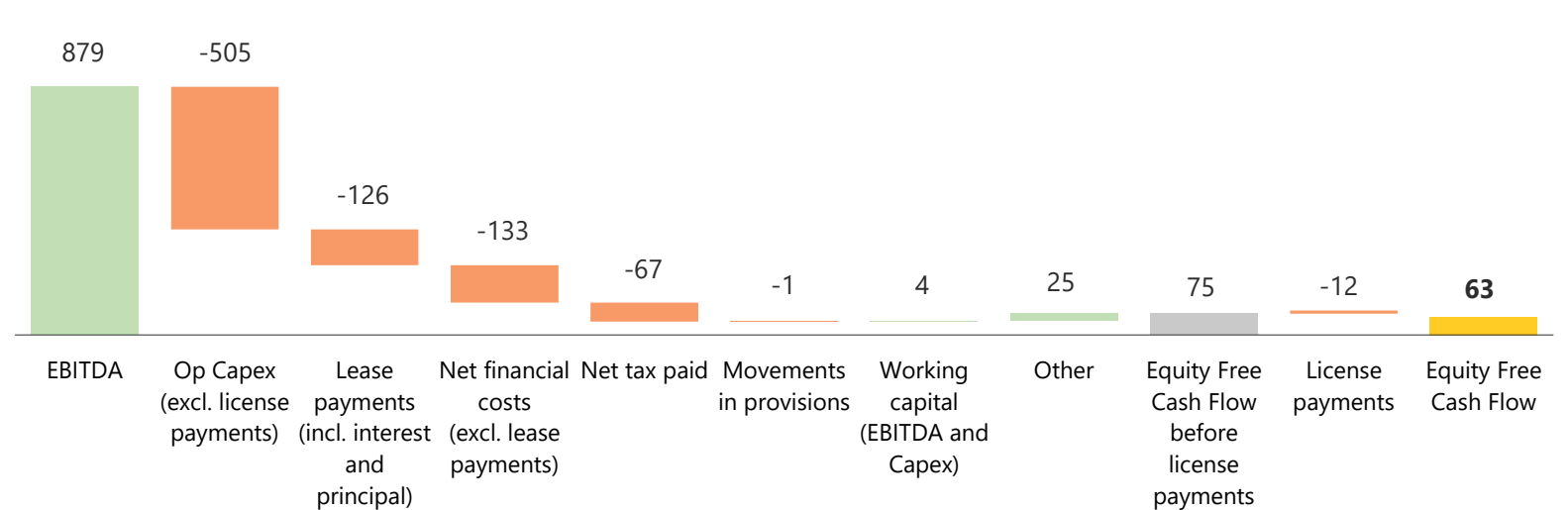
2Q21 EQUITY FREE CASH FLOW AND NET DEBT

LEVERAGE
2.4X
stable QoQ

GROSS DEBT
\$9.7bn
+1.9% QoQ reported

NET DEBT
\$8.5bn
+2.2% QoQ reported

EQUITY FREE CASH FLOW GENERATION IN 2Q21 (USD million)






- Total cash and undrawn committed credit lines of USD 2.8 billion
- Average cost of debt 6.1%, down 30bps YoY, and average debt maturity 3.2 years (+0.4 years YoY)
- Debt cost reflects blended rate of borrowings, mainly USD, RUB and PKR (USD cost 5.0%)
- Jazz signed a 10-year PKR 50 billion (circa USD 320 million) syndicated credit facility during 2Q21

FY 2021 OUTLOOK

Improved 2021 Guidance



	1H21 Actual	Old FY 2021 Guidance ¹	New FY 2021 Guidance	
Total Revenue	+7.6YoY in local currency	Mid single-digit local currency growth in revenue and EBITDA		High single-digit local currency growth
EBITDA	+7.4% YoY in local currency			Mid to high single-digit local currency growth
Capex intensity	24%	22%-24%		22-24%

1. communicated with 1Q21 results

AGENDA



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FY 2021 PRIORITIES

Operational delivery on track

1	4G network rollout		43% 4G penetration, +11p.p. YoY
2	Russia back to YoY growth		Revenue up 6.2% YoY in local currency Mobile customers up 0.6% YoY
3	Double-digit growth in Ukraine, Pakistan and Kazakhstan		+16% YoY in aggregate in local currency
4	Build digital scale through targeted verticals		+40% YoY Entertainment and FinTech MAUs +62% YoY Big Data revenue in USD
5	Optimize capital structure and streamline portfolio		Announced exercise of put option in Algeria
6	Focus on cost efficiencies		Project Optimum: underway and on target
7	Create tower business units, country by country to grow efficiencies, alliances and value		Separate legal entities in Russia, Pakistan, and Ukraine



VEON



DJEZZY

جاري



KYIVSTAR



banglalink



Jazz Cash



TOFFEE



izi!



Beeline®



Beeline TV



Jazz

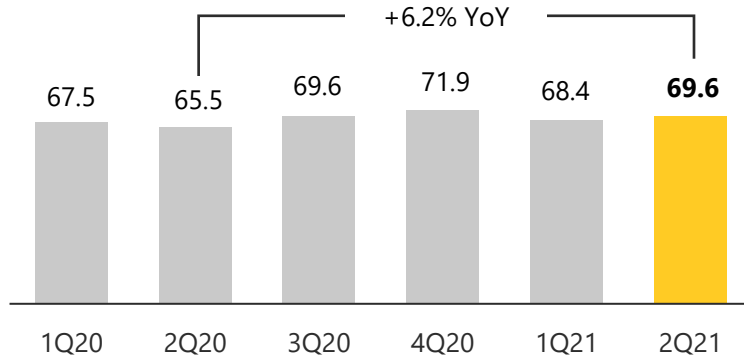
APPENDIX

RUSSIA

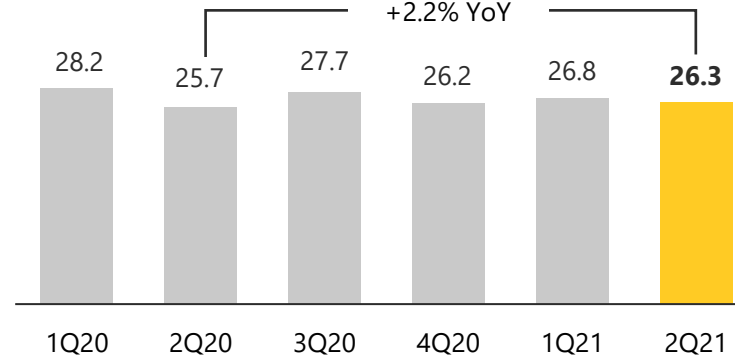
Service revenue and EBITDA back to YoY growth



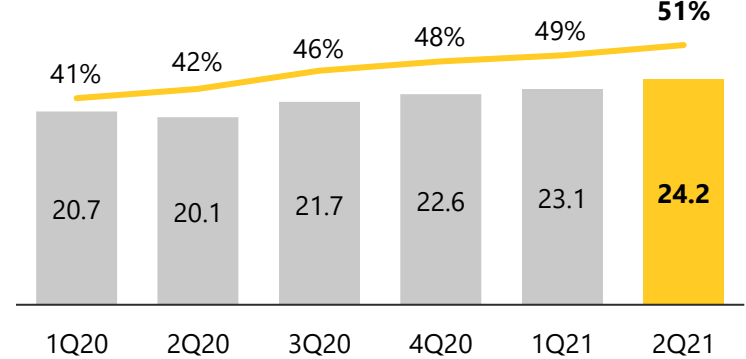
REVENUE
(RUB Billion)



EBITDA
(RUB Billion)



4G USERS AND PENETRATION¹
(Million and %)



INFRASTRUCTURE



of sites

58.2k

of 4G sites

45.4k
(+15.3% YoY)

4G population coverage

89.0%
(+2p.p. YoY)

Data Usage per subscriber

12.5Gb
(+55.3% YoY)

DIGITAL OPERATOR



Total mobile subscribers

50.1mn

Self-care app MAU

8.8mn
(+13.1% YoY)

ARPU

RUB348
(+4.8% YoY)

DIGITAL PRODUCTS



Multiplay MAU

3.2mn

Beeline TV MAU

3.0mn
(+23.6% YoY)

FinTech app MAU

134k
(26 times YoY)

Big Data & AdTech Revenue Growth

60.5% YoY

1. 4G penetration - % of Active 4G data users in total 3 months active customer base (excluding M2M)

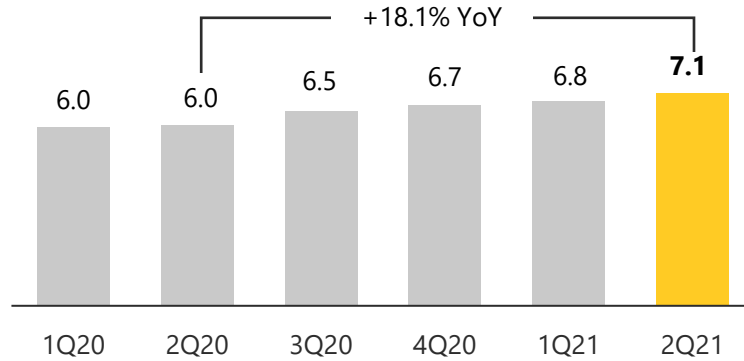
UKRAINE

Continued strong growth in revenue and EBITDA



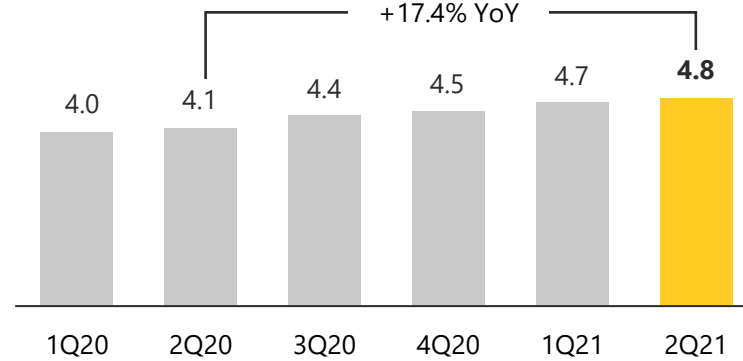
REVENUE

(UAH Billion)



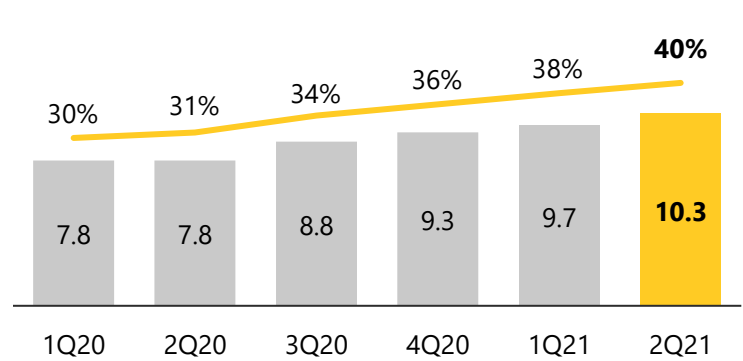
EBITDA

(UAH Billion)



4G USERS AND PENETRATION

(Million and %)



INFRASTRUCTURE



of sites

12.4k

of 4G sites

11.2k
(+39.4% YoY)

4G population coverage

88.5%
(+8p.p. YoY)

Data Usage per subscriber

6.2Gb
(+23.6% YoY)

DIGITAL OPERATOR



Total mobile subscribers

25.9mn

Self-care app MAU

2.9mn
(+91.4% YoY)

ARPU

UAH84
(16.4% YoY)

DIGITAL PRODUCTS



Multiplay MAU

305k

Kyivstar TV MAU

426k
(2.3x YoY)

FinTech app MAU

426k
(2.3x YoY)

Big Data & AdTech Revenue Growth

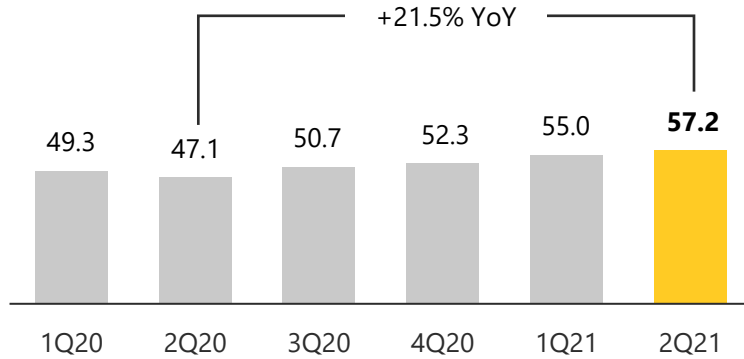
4.0x YoY

PAKISTAN

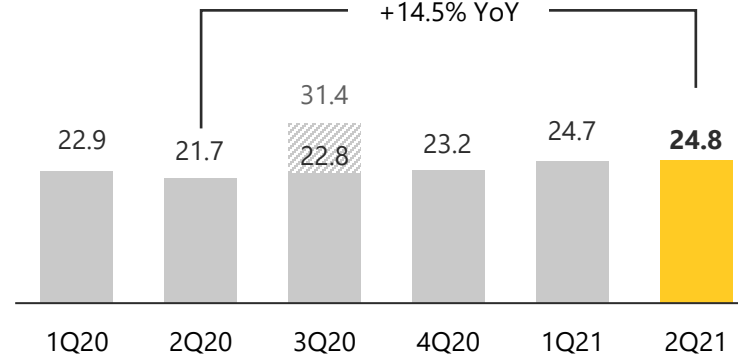
Healthy growth across all metrics



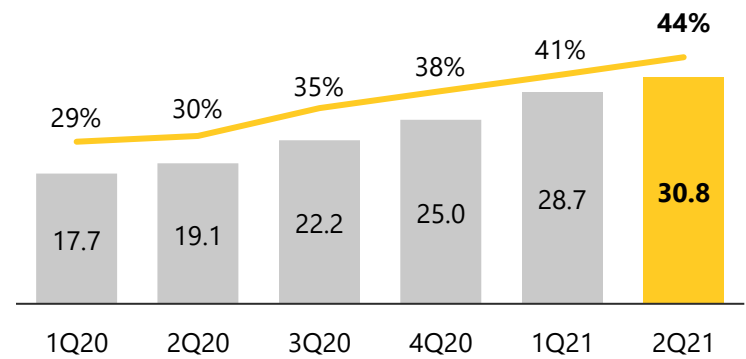
REVENUE
(PKR Billion)



EBITDA¹
(PKR Billion)



4G USERS AND PENETRATION
(Million and %)



INFRASTRUCTURE



of sites

13.8k

of 4G sites

11.9k
(+16.2% YoY)

4G population coverage

64.0%
(+8p.p. YoY)

Data Usage per subscriber

4.8Gb
(+36.3% YoY)

DIGITAL OPERATOR



Total mobile subscribers

69.8mn

Self-care app MAU

8.7mn
(+42.3% YoY)

ARPU

PKR249
(+8.1% YoY)

DIGITAL PRODUCTS



Multiplay MAU

5.8mn

JazzCash MAU

13.1mn
(+61.4% YoY)

Entertainment apps MAU²

134k
(26 times YoY)

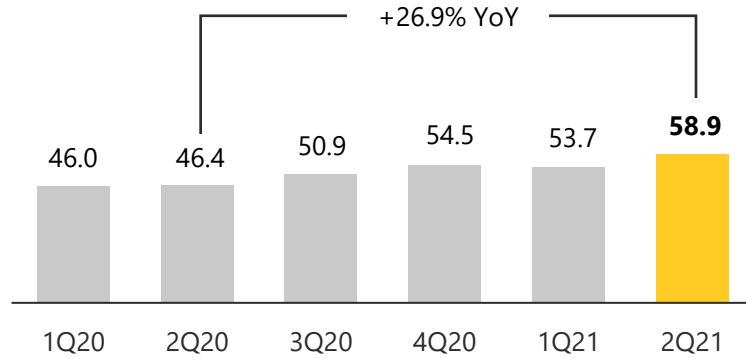
1. 3Q20 EBITDA was positively impacted by a reversal of a provision (PKR 8.6 billion)
2. Includes users who are active in more than one application

KAZAKHSTAN

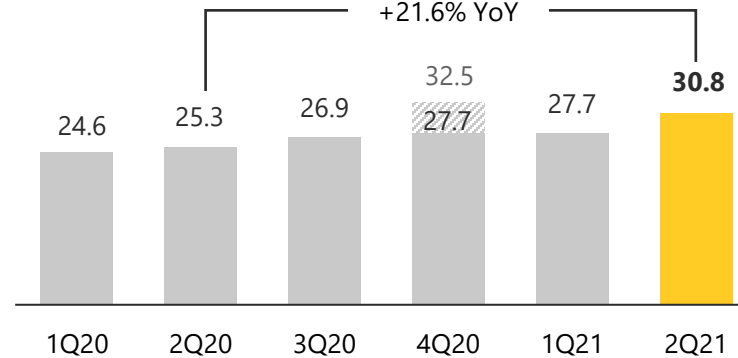
Record levels of 4G penetration driving strong performance



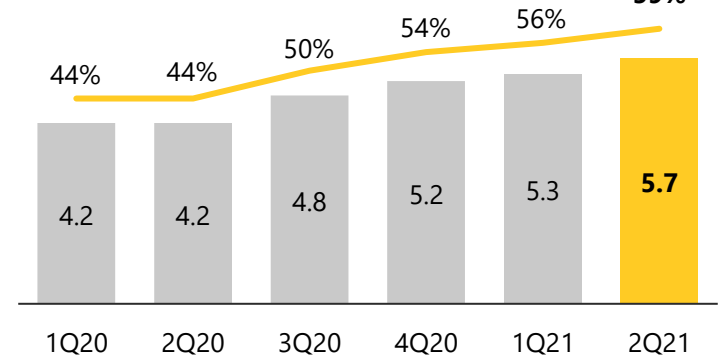
REVENUE
(KZT Billion)



EBITDA¹
(KZT Billion)



4G USERS AND PENETRATION
(Million and %)



INFRASTRUCTURE



of sites

6.3k

of 4G sites

4.9k
(n.m. YoY)

4G population coverage

78.5%
(+6.4p.p. YoY)

Data Usage per subscriber

12.0Gb
(+40.5% YoY)

DIGITAL OPERATOR



Total mobile subscribers

9.6mn

Self-care app MAU

2.3mn
(+92.2% YoY)

ARPU

KZT1,659
(+23.7% YoY)

DIGITAL PRODUCTS



Multiplay MAU

251k

BeeTV MAU
(mobile+fixed)

399k
(+49.6% YoY)

FinTech MAU

1.3mn
(+3.6% YoY)

Big Data & AdTech Revenue Growth

3.4x YoY

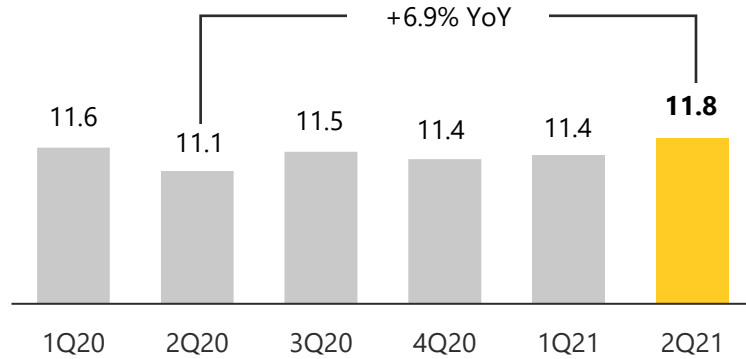
1. 4Q20 EBITDA was positively impacted by tax incentive for radio frequencies (KZT 4.8 billion)

BANGLADESH

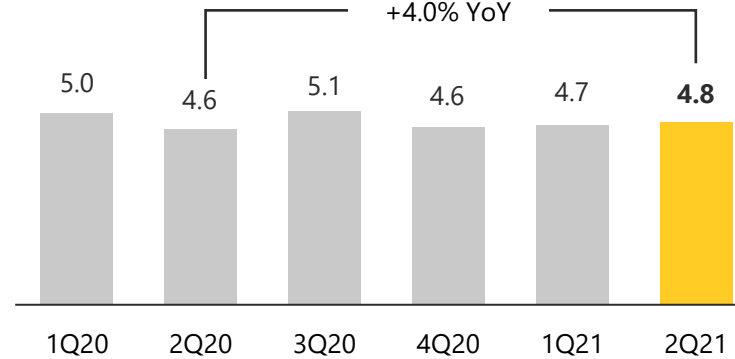
Revenue and EBITDA growth enabled by superior digital capabilities



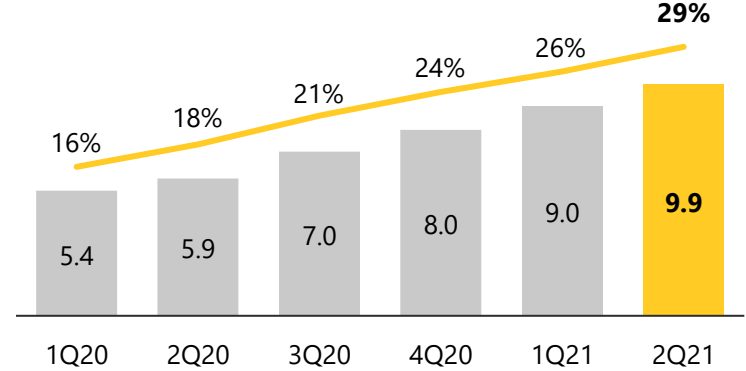
REVENUE
(BDT Billion)



EBITDA
(BDT Billion)



4G USERS AND PENETRATION
(Million and %)



INFRASTRUCTURE



of sites

10.0k

of 4G sites

9.4k
(+24.8% YoY)

4G population coverage

68.1%
(+15.7pp. YoY)

Data Usage per subscriber

3.5Gb
(+43.7% YoY)

DIGITAL OPERATOR



Total mobile subscribers

34.4mn

Self-care app MAU

2.1mn
(x2.1 YoY)

ARPU

BDT113
(+2.4% YoY)

DIGITAL PRODUCTS



Multiplay MAU

336k

ShopUp B2B Gross Merchandise Value

x10 YoY

Toffee TV MAU

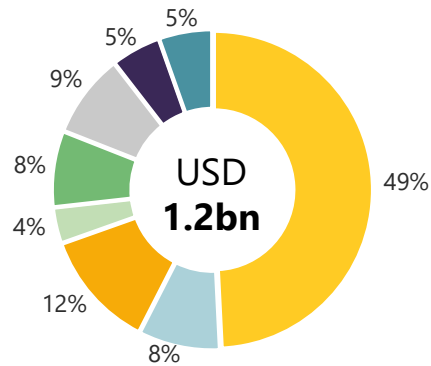
5.0mn
(5.8x YoY)

FINANCIAL RESULTS

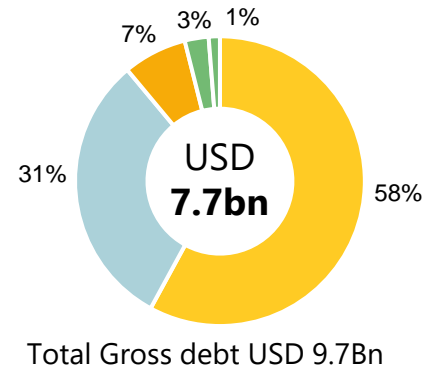
Group capital structure as at 30 June 2021

LEGEND: USD RUB PKR BDT UAH DZD EUR OTHER

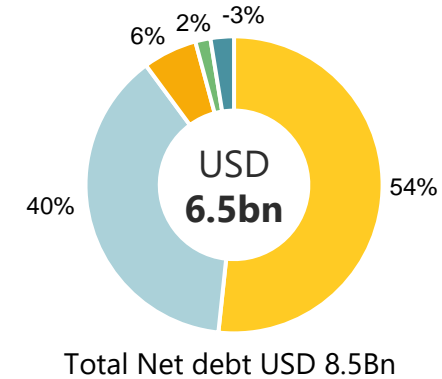
CASH CURRENCY MIX¹



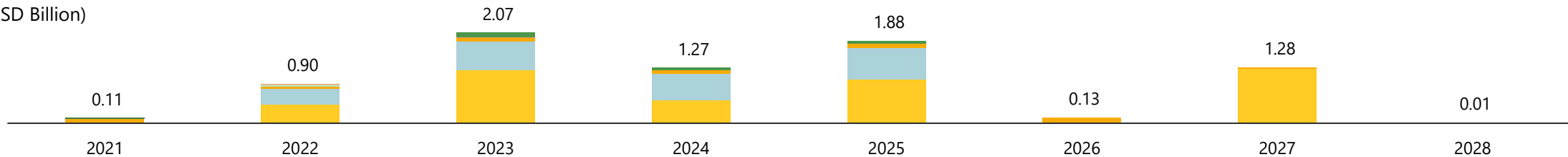
GROSS DEBT CURRENCY MIX (EXCLUDING LEASES)



NET DEBT CURRENCY MIX (EXCLUDING LEASES AFTER HEDGING²)



DEBT MATURITY SCHEDULE
(USD Billion)



TOTAL LIQUIDITY \$2.8BN | 2Q21 COST OF CORPORATE DEBT 6.1%, 30 bps LOWER THAN 2Q20

1. Cash and cash equivalents include an amount of US\$106 relating to banking operations in Pakistan
 2. For Q2 2021 the amount of USD debt swapped to RUB amounted to USD 330 million

DEBT BY ENTITY¹



30 JUNE 2021
USD MILLION EQUIVALENT

Outstanding debt

Type of debt

Entity	Bonds	Loans	Cash-pool overdrafts ² and other	Total
VEON Holdings B.V.	4,843	1,935	-	6,778
Pakistan Mobile Communications Limited	-	526	22	548
Private Joint Stock Company Kyivstar	-	205	-	205
Banglalink Digital Communications Ltd.	-	81	-	81
Other	10	23	13	46
Total	4,853	2,770	35	7,658
<i>Total excl. HQ cash pool overdrafts</i>				7,645

1. Excluding lease liabilities

2. As of June 2021, some bank accounts forming part of a cash pooling program and being an integral part of VEON's cash management remained overdrawn by USD 13 million. Even though the total balance of the cash pool remained positive, VEON has no legally enforceable right to set-off and therefore the overdrawn accounts are presented as financial liabilities and form part of our debt in our financial statements.

RECONCILIATION TABLES

extract from VEON Ltd.'s Earnings Release



RECONCILIATION OF CONSOLIDATED EBITDA

USD mln	2Q21	2Q20	1H21	1H20
Unaudited				
EBITDA	879	809	1,754	1,729
Depreciation	(421)	(389)	(837)	(804)
Amortization	(81)	(86)	(153)	(178)
Impairment loss	(3)	(1)	(9)	(1)
Loss on disposals of non-current assets	(0)	(6)	(4)	(12)
Operating profit	374	327	752	734
Financial Income and Expenses	(161)	(178)	(324)	(376)
- including finance income	3	6	5	15
- including finance costs	(164)	(184)	(330)	(391)
Net foreign exchange (loss)/gain and others	3	93	18	80
- including other non-operating (losses)/gains	2	86	7	101
- including net foreign exchange gain	0	7	11	(21)
Profit before tax	216	243	445	438
Income tax expense	(88)	(68)	(180)	(144)
Profit/(Loss) for the period	127	175	265	294
of which profit/(loss) attributable to non-controlling interest	(27)	(19)	(35)	(30)
of which profit/(loss) attributable to VEON shareholders	101	156	230	264

RECONCILIATION OF CAPEX

USD mln unaudited	2Q21	2Q20	1H21	1H20
Operational Capex	505	492	929	860
Adding back purchase of licenses	85	5	118	39
Difference in timing between accrual and payment for capital expenditures	(115)	(53)	(1)	(7)
Cash paid for purchase of property, plant and equipment and intangible assets	475	444	1,047	893

RECONCILIATION OF EQUITY FREE CASH FLOW

USD million	2Q21	2Q20	YoY
EBITDA	879	809	8.7%
Movements in Working Capital and other	(38)	(69)	45.4%
Movements in provisions	(1)	16	n.m.
Interest paid, incl.	(174)	(179)	3.2%
Interest paid	(136)	(144)	5.4%
Lease Liabilities - Interest Component	(37)	(35)	(5.8%)
Interest received	3	7	(51.9%)
Net Tax Paid	(67)	(102)	34.4%
Cash Flow from Operating Activities	602	480	25.5%
Purchase of property, plant and equipment and intangible assets, incl.	(475)	(444)	(6.9%)
Operational Capex	(505)	(492)	(2.5%)
Licenses payments	(12)	(7)	(67.9%)
Working capital part related to Capex excl licenses	41	55	24.5%
Inflows/(outflows) from deposits	(54)	(78)	30.6%
Receipts from / (investment in) financial assets	(17)	(19)	12.3%
Other proceeds from investing activities, net	(8)	3	n.m.
Cash Flow from Investing Activities	(554)	(538)	(2.9%)
Lease Payments - Principal amount	(89)	(74)	(19.8%)
Excl. M&A transactions, inflow/outflow of deposits, financial assets and other one-off items	9	97	(91.0%)
Excl. balances movements in Pakistan banking	21	(0)	n.m.
Non-cash reclassification related to MMBL deposits	75		
Equity Free Cash Flow after licenses and lease payments	63	(36)	n.m.

RECONCILIATION TABLES

extract from VEON Ltd.'s Earnings Release

RECONCILIATION OF ORGANIC AND REPORTED GROWTH RATES

2Q21 compared to 2Q20

	Total Revenue			EBITDA		
	Local currency	Forex, Armenia sale and Other	Reported	Local currency	Forex, Armenia sale and Other	Reported
Russia	6.2%	(2.7%)	3.5%	2.2%	(2.8%)	(0.6%)
Pakistan	21.5%	7.1%	28.6%	14.5%	6.8%	21.3%
Ukraine	18.1%	(2.9%)	15.2%	17.4%	(2.9%)	14.5%
Algeria	5.9%	(4.0%)	1.9%	15.0%	(4.4%)	10.6%
Bangladesh	6.9%	0.2%	7.1%	4.0%	0.2%	4.2%
Kazakhstan	26.9%	(3.3%)	23.7%	21.6%	(3.3%)	18.3%
Uzbekistan	3.2%	(4.9%)	(1.7%)	(6.3%)	(4.3%)	(10.6%)
Total	11.3%	(2.1%)	9.2%	10.7%	(2.1%)	8.7%

RECONCILIATION OF VEON CONSOLIDATED NET DEBT

USD mln	30 June 2021	31 March 2021	31 December 2020
Net debt	8,511	8,325	7,987
Cash and cash equivalents*	1,192	1,193	1,594
Long - term and short-term deposits	1	1	1
Gross debt	9,703	9,519	9,582
Interest accrued related to financial liabilities	83	108	92
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	(9)	(17)	(5)
Derivatives not designated as hedges	16	0	273
Derivatives designated as hedges	13	33	53
Other financial liabilities	1	44	60
Total financial liabilities	9,808	9,687	10,056

* Cash and cash equivalents include an amount of US\$106 relating to banking operations in Pakistan

MAIN DEFINITIONS



Capital expenditures (capex) are purchases of new equipment, new construction, upgrades, licenses, software, other long-lived assets and related reasonable costs incurred prior to intended use of the non-current asset, accounted at the earliest event of advance payment or delivery. Long-lived assets acquired in business combinations, are not included in capital expenditures. **Operational capital expenditures (operational capex)** calculated as capex, excluding purchases of new spectrum licenses and capitalised leases. **Capex intensity** is a ratio, which is calculated as LTM operational capex divided by LTM revenue.

EBITDA (called Adjusted EBITDA in the Form 20-F published by VEON) is a non-IFRS financial measure. VEON calculates Adjusted EBITDA as (loss)/profit before interest, tax, depreciation, amortization, impairment, gain / loss on disposals of non-current assets, other non-operating gains / losses and share of profit / loss of joint ventures and associates. Our Adjusted EBITDA may be used to evaluate our performance against other telecommunications companies that provide EBITDA.

Additionally, a limitation of EBITDA's use as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue or the need to replace capital equipment over time. Reconciliation of EBITDA to net income attributable to VEON Ltd., the most directly comparable IFRS financial measure, is presented in the reconciliation tables section in Attachment C below. **EBITDA margin** is calculated as EBITDA divided by total revenue, expressed as a percentage.

Gross Debt is calculated as the sum of long-term notional debt and short-term notional debt including capitalised leases. **Net debt** is a non-IFRS financial measure and is calculated as the sum of interest bearing long-term debt including capitalised leases and short-term notional debt minus cash and cash equivalents, long-term and short-term deposits. The Company believes that net debt provides useful information to investors because it shows the amount of notional debt outstanding to be paid after using available cash and cash equivalents and long-term and short-term deposits. Net debt should not be considered in isolation as an alternative to long-term debt and short-term debt, or any other measure of the Company financial position. **Net debt excluding lease obligations** is a net debt less capitalised leases.

Equity free cash flow - is a non-IFRS measure and is defined as free cash flow from operating activities less cash flow used in investing activities, after license payments and lease payments (principal amount); excluding balance movements in Pakistan banking, excluding M&A transactions, inflow/outflow of deposits, financial assets and other one-off items. Reconciliation to the most directly comparable IFRS financial measure, is presented in the reconciliation tables section in Attachment C below.

Mobile customers are generally customers in the registered customer base as at a given measurement date who engaged in a mobile revenue generating activity at any time during the three months prior to such measurement date. Such activity includes any outgoing calls, customer fee accruals, debits related to service, outgoing SMS and MMS, data transmission and receipt sessions, but does not include incoming calls, SMS and MMS or abandoned calls. Our total number of mobile customers also includes customers using mobile internet service via USB modems and fixed-mobile convergence ("FMC"). **Double play customers** – are mobile customers who engaged in usage of our voice and data services over 4G (LTE) technology at any time during the one month prior to such measurement date; **Multiplay customers** – are double play customers who also engaged in usage of one or more of our digital products at any time during the one month prior to such measurement date.

Local currency trends (growth/decline) in revenue and EBITDA are non-IFRS financial measures that reflect changes in Revenue and EBITDA, excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. For other factors please refer to section "non-recurring items that affect year-on-year comparisons".

All non-IFRS measures disclosed in this presentation (including, without limitation, EBITDA, Operational Capex, net debt, equity free cash flow, local currency growth) are being defined and reconciled to comparable IFRS measures in VEON Ltd.'s earnings release published on its website on the date hereof.