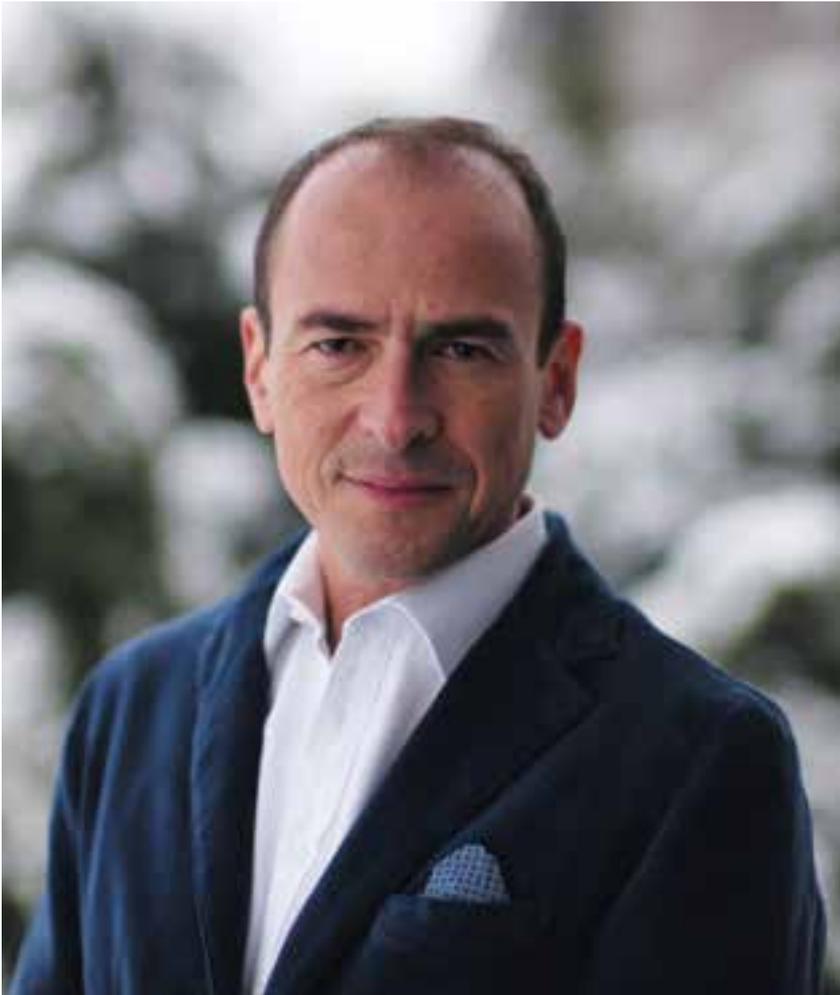


Empowering change and renewal



“ VEON Group operates next-generation telecom and digital services in some of the world's fastest-growing and most densely-populated countries. Our companies are uniquely positioned, and our renewed management team and Board of Directors provide us with the experience, drive and mindset needed to capitalise on the exciting opportunities present in our markets. ”

Gennady Gazin
Chairman

As Chairman, I am pleased to present VEON's Integrated Annual Report for the financial year ended December 31, 2020.

As we roll out new technologies, products and services across our markets, our success is determined by our ability to anticipate and meet the rapidly evolving demands of our customers. The work of our 43,000 people across nine countries is driven by our relentless focus on customer satisfaction, which will continue to underpin all of our decisions and actions. Our employees are key to this and as an organisation we must continue to attract, develop and retain the most talented colleagues.

2020 has seen enhanced emphasis on, and continued delivery of, VEON's turnaround, which was successfully initiated at the end of 2019. During the past year we have accelerated investments, brought deep changes to our management, both centrally and across our countries, and continued to focus on developing and delivering our business proposition well beyond connectivity. In addition, we have significantly enhanced our Board of Directors, which now includes seven independent members with a highly diverse range of skills and experiences. We have also continued to perfect our governance standards while introducing other important changes across the organisation.

With these changes in place and given progress to date, we look to the future with great anticipation and optimism.

Share price performance and our investors

One of my first priorities as Chairman has been to better understand the perspectives of our various stakeholders. Their feedback is important as we develop our strategies to take VEON forward.

These include our shareholders, for whom the performance of our share price is the single most important indicator of the perception of VEON's long-term value generation capacity. We recognise that a rising share price will ultimately be driven by our underlying operational performance and investor trust in our ability to effectively identify and capitalise on emerging growth opportunities.

Our leadership teams, our Board of Directors and I strongly believe in the importance of maintaining an open and honest dialogue with our shareholders. The Board has recently appointed Robert Jan van de Kraats, the Chairman of our Audit and Risk Committee, as director liaison for matters relating to investor engagement. In this role, he will periodically exchange views on key Group topics with shareholders and act as an important sounding board.

In addition, we have formed a new Corporate Strategy, Communications and Investor Relations department led by Alex Bolis, a former Vice President of Telecom Italia with many years of experience in capital markets and financial communications.

Our operations and portfolio of assets

Operationally, the performance of Beeline Russia is our top priority. Under a new management team led by Alexander Torbakhov, Beeline has focused intensely on improving its network and on simplifying and upgrading its commercial offers in order to ensure that our 4G subscriber base in Russia continues to grow. These important steps are allowing us to materially improve the quality and scope of our services for both retail and business customers and to pursue new revenue streams.

We also continue to optimise our portfolio of companies. Last October, we announced the sale of our subsidiary in Armenia, reducing our portfolio of markets to nine. In Pakistan, we acquired the 15% stake of our minority partner, the Dhabi Group, giving VEON full ownership of Jazz, one of the fastest-growing operators in our Group. In July 2021, we exercised our put option to sell the entirety of our stake in our Algerian subsidiary, Djezzy. An independent valuation process to determine the fair value of Djezzy is

now underway. And as of October 2021, we have increased our ownership of our Georgia subsidiary from 80% to 100%. All of these transactions sharpen the Group's operational focus and underscore our commitment to markets with the most attractive growth prospects.

We are also highly focused on the considerable value of our infrastructure assets, which now include more than 50,000 towers – one of the largest telecoms infrastructure portfolios in the emerging markets. Here, after separating tower assets from our services businesses in a number of markets, we recently announced an agreement for the sale of our Russian towers to independent operator Service-Telecom, creating considerable value for the Group and its shareholders.

In order to supervise and manage this process with the highest standards of professional oversight, we recently appointed Dmitry Shvets as Group Head of Portfolio Management. Dmitry has a private equity background and joins VEON from TPG Capital, where he was Head of Russia and CIS.

Furthermore, we are implementing our new executive compensation system to reward sustainable value creation, outstanding performance and to attract and retain the best talent in a competitive market. Strong and durable alignment between our management and shareholders is the centrepiece of the new system. We are therefore introducing an annual rolling stock-based long-term incentive plan, which combines global standards for vesting with share ownership requirements, as well as an equity component to our annual incentive plan.

Capital strength

Our funding strategy remained high on the Board's agenda throughout 2020 and was given a new focus with the appointment of Serkan Okandan as the Group's Chief Financial Officer in April. Serkan brings a wealth of senior financial and operational experience to the Group, including tenure in similar positions at Turkcell and Etisalat.

Serkan and our Treasury team worked diligently throughout 2020

to identify and seize market opportunities to refinance Group debt at lower interest rates and with longer maturities. This included drawing on our new Medium-Term Note programme (MTN), launched in April 2020, to successfully increase the Russian ruble component of our debt. We have also increased borrowings in other currencies of our operations to further improve the risk management profile of our Group.

Governance

Since joining the Board in 2014, and as previous chair of the Board's Nominating and Corporate Governance Committee, I have overseen major improvements in the organisation's global decision-making framework, including an enhanced focus on decisions and systems affecting compliance and controls.

It is my strong belief that good governance and a commitment to compliance enhance and improve corporate performance. These remain core VEON principles. We have established and will maintain a strong governance model, underpinned by commitments to integrity, transparency and accountability.

Building on our robust governance foundation, we have over the past year delegated greater operational authority to our operating companies where our day-to-day business is conducted. This emphasis on local decision-making is supported by a strong, centrally-developed and driven risk and compliance framework.

Importantly, in July 2020 we appointed a new Chief Internal Audit and Compliance Officer, Joop Brakenhoff. Joop brings great integrity and a strong business mindset to the role and I am confident that under his leadership the Group will benefit from the highest standards of oversight while also fostering entrepreneurship within our local teams.

Our Board

Our Board is currently comprised of 11 members, seven of whom are independent. Six new members were appointed in 2020, each contributing their considerable skills. Additional diversity and professional backgrounds were brought by the three new members appointed in June 2021.

Our Nominating and Governance Committee and Audit and Risk Committee are each chaired by experienced independent directors and our Compensation and Talent Committee includes two independent directors.

In order to enhance our focus on new growth opportunities, we maintain a Digital and Innovation Committee, chaired by Hans-Holger Albrecht, the CEO of Deezer. During 2020, this Committee also included Osama Bedier, Amos Genish and Leonid Boguslavsky, and each brought a wealth of experience for the Board to draw upon.

Diversity and Talent

VEON management and our Board are united in our commitment to strengthen diversity across the Group. As Chairman, I believe that diverse teams are smarter, more creative and more effective, both at the executive level and across the entire workforce.

To underpin this, we have recently introduced a Diversity and Inclusion Policy across the Group to ensure that these fundamental principles are embraced at the heart of our culture and decision-making.

We are strengthening our people practices to drive our new operating model and address the key people challenges ahead of us. These include talent acquisition, developing key roles, succession planning and further developing our culture and reward strategy. Michael Schulz joined VEON in the role of Chief People Officer in August 2021 to lead us successfully through these challenges, drawing on his extensive experience of senior human resources roles in public and private companies.

Group leadership structure

2021 has seen a change to our leadership structure, with Sergi Herrero deciding to step down from his role as co-CEO of our Group in June 2021, at which time Kaan Terzioğlu became sole CEO of the Group.

Sergi has made a tremendous contribution to VEON since joining us in September 2019. Having founded

our new Ventures division, he has since built and led a team that has been responsible for some of the fastest-growing digital brands in our marketplaces. These have extended the Group's reach into digital financial services, digital content and AdTech and provide us with valuable foundations for future growth.

On behalf of the Board, I would like to thank Sergi for his considerable contributions to our business, which position us for an exciting digital future.

VEON Ventures

VEON Ventures remains a strategic priority for our Company as we continue to build leading digital businesses across our markets. These are vital for the continued growth trajectory of our Company, and to ensure that we match our customers' rapidly-developing digital lifestyles with services that earn their loyalty through constant innovation and improvement.

These services include JazzCash, our mobile wallet offering in Pakistan, which we continue to view as an exciting growth area and an example of how VEON can provide important and valuable new services to its existing customer base and their wider communities.

COVID-19

2020 will long be remembered for the COVID-19 pandemic. This has impacted all of us and continues to affect our daily lives and how we interact.

Our priority throughout the pandemic has been the safety and well-being of our employees and our customers. As a provider of critical communications infrastructure, our focus has been on providing stability in communications and continuity throughout challenging lockdowns.

In the early months of the pandemic, we took measures to ease hardship amongst our customer base.



COVID-19: supporting our people

“ We acted quickly to secure the safety of our employees, closing stores and offices across the Group and providing our employees with the infrastructure and professional support necessary to ensure the continuity of our operations. Our Human Resources teams also extended personal and emotional assistance where lockdowns and instances of COVID placed particular strain on individuals. ”

Gennady Gazin
Chairman

These included providing free access to essential healthcare sources, additional airtime and free roaming. As the immediate crisis passed, we channelled fresh investments into networks and services to support the new patterns and routines of our daily lives – from home working and schooling to boosting access to digital financial, e-commerce and healthcare services.

COVID-19 inevitably affected the Group's operating performance in 2020 as our retail channels faced severe interruptions while roaming revenues deteriorated. Yet the resilience of our business was evident in a second-half recovery and a welcome return to growth in December; a trend that has continued in the first half of 2021.

Strong focus on ESG principles

The importance of the high-quality connectivity and the services provided by telecommunications companies became clearer than ever during the pandemic.

Meeting the evolving personal and professional connectivity and digital requirements of our customers is fundamental. Governments and regulators have cast the industry as an essential service in providing economic continuity throughout lockdowns, and communities have been drawn closer together through mobile-based social networks.

Demand for these services will certainly not diminish and will continue to present opportunities in the years ahead. This holds true for the 4G connectivity we are rolling out across our market footprint, as well as our investment in adjacent products and services.

While our robust capex plan and strong operational skills will underpin VEON's lasting leadership across its markets, we will remain close to local communities, advancing digital literacy and entrepreneurship through our numerous local programmes that support individual empowerment and social prosperity (see pages 33 to 45 for details of these).

We are also taking important steps to protect the environment in the countries in which we operate and are pleased to have become a member of the GSMA's Climate Action Taskforce, where we join other leading global mobile operators in support of a shared ambition to achieve net zero carbon emissions for the industry by 2050.

Again, none of this would be possible without a relentless drive to ensure best-in-class governance standards as we bring environmental, social and governance priorities to the core of our business.

I look forward to continuing to serve this Company in the best interest of all its stakeholders, supporting our management and employees throughout the journey ahead.

Gennady Gazin
Chairman

COVID-19: helping our communities

A year on from the onset of the pandemic, we continue to see first-hand how COVID-19 is affecting individuals, families, businesses and industries across our nine markets.

Our priority throughout has been the health and safety of our employees and our 213 million customers. Helping to protect lives, safeguard livelihoods and enable lifestyles defines our role in the ongoing effort to fight this pandemic.

Set out in the table below is a summary of the temporary measures we put in place early on in the pandemic to help our customers, including offering additional data and minutes, enabling free access to our content services and waiving late fees.

As the immediate crisis passed, these measures were superseded by investment in our networks to match the shift in demand from city centres to residential areas, urban centres to rural areas and mobile to fixed data. We also introduced new and expanded services to meet the needs of remote working and home-schooling, as well as to overcome the physical constraints of lockdowns.

VEON would like to acknowledge and thank all of those around the world who are working on the front line of this crisis to protect us all.

									
	Russia	Pakistan	Ukraine	Kazakhstan	Uzbekistan	Bangladesh	Algeria	Georgia	Kyrgyzstan
Free access to emergency healthcare and foreign affairs hot lines and websites	●	●	●	●	●	●	●	●	●
Increased or free roaming data and voice services for stranded citizens	●	●	●	●	●	●	●	●	●
Free or discounted access to educational platforms or resources on mobile	●	●	●	●	●	●	●	●	●
More flexible payment terms for affected customers	●	●	●	●	●	●	●	●	●
B2B customer support for home working	●	●	●	●	●	●	●	●	●
Free TV access (e.g. Beeline TV, Toffee) for all those who are quarantined	●	●	●	●	●	●	●	●	●
Healthcare awareness (through apps, SMS, social media, hotlines etc.)	●	●	●	●	●	●	●	●	●
Free content services for new (and discounted services for existing) customers	●	●	●	●	●	●	●	●	●
Subsidised data and calls for front line companies	●	●	●	●	●	●	●	●	●
Self-care apps re-purposed for COVID-19	●	●	●	●	●	●	●	●	●