



# VEON

STRONG PERFORMANCE ACROSS THE GROUP

1Q21 RESULTS

29 April 2021

# AGENDA



1. OPENING

Nik Kershaw

2. 1Q21 HIGHLIGHTS & BUSINESS UPDATE

Kaan Terzioğlu  
Sergi Herrero

3. 1Q21 FINANCIAL RESULTS

Serkan Okandan

4. 2021 PRIORITIES

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 caused by recent volatility in oil prices in the wake of COVID-19; 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 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.

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# 1Q21 HIGHLIGHTS

## Strong start to the year



### Revenue and EBITDA growth in local currency...

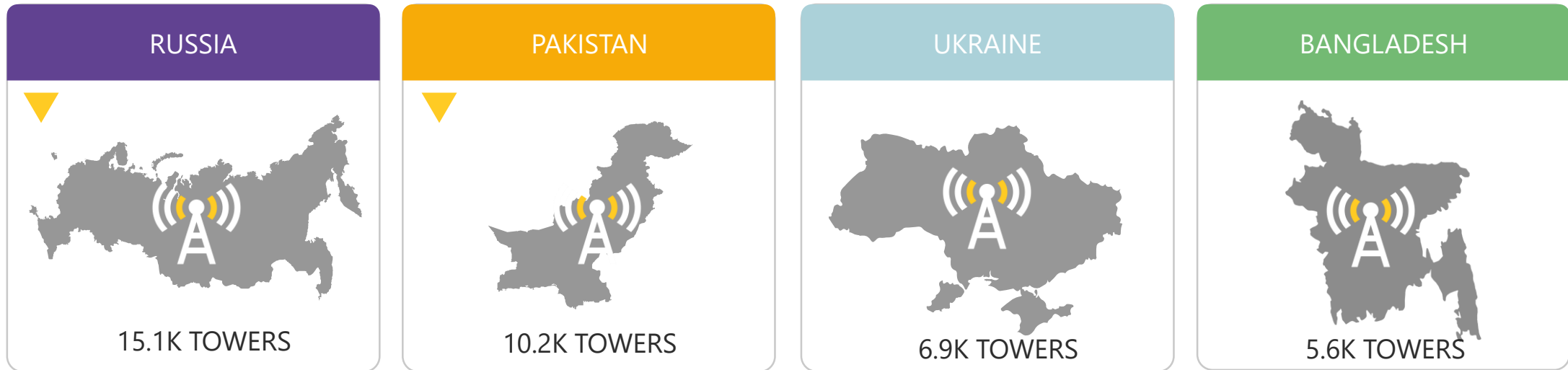
Revenue	<b>\$1,989mn</b> (-5.1% reported YoY)	<b>+4.3% YoY</b> in local currency
EBITDA	<b>\$875mn</b> (-4.9% reported YoY)	<b>+4.4% YoY</b> in local currency
Operational Capex	<b>\$425mn</b> (+15.4% reported YoY)	<b>24.7%</b> Capex Intensity

### ...supported by operational achievements

Total mobile customer	<b>213mn</b>	<b>+3.6mn YoY</b>
4G penetration	<b>41%</b>	<b>+10p.p.</b>
4G users	<b>87mn</b>	<b>+21mn YoY</b>
Digital customers MAU	<b>23mn</b>	<b>83% YoY</b>

# INFRASTRUCTURE

## Local dedicated business units to re-shape tower value proposition



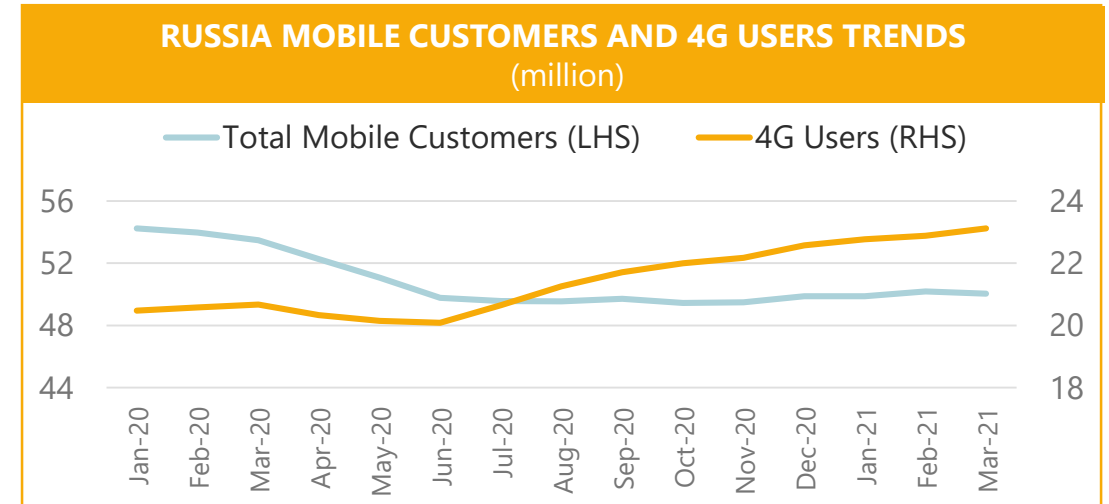
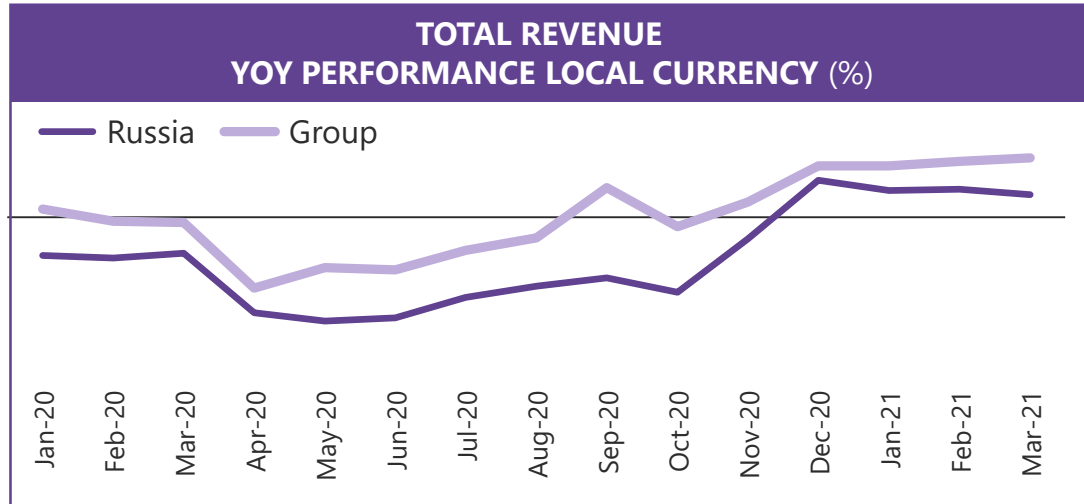
- More than 50,000 towers, covering 680+ million people, representing 9% of the world's population
- Leading footprint in some of the most vastly populated countries: vibrant underlying demographic and economic dynamics
- Limited presence of large independent towercos
- Significant future opportunities for network expansion and densification, particularly with 5G roll-out in the medium-term

Actively working on evaluation and execution of strategic alternatives for our tower infrastructure assets: from improving efficiency of operation to monetization

▼ - legal entities already in place

# RUSSIA

## After six quarters of work, revenue growth restored



- In Russia in particular, there was a significant step-up in network investment, which has supported the turnaround in the business
- New management team has ensured we moved at pace to improve the overall customer experience and execute on the network enhancement
- **Strong execution in Russia resulting in 1Q21 total revenue back to year-on-year growth**

- COVID-19 pandemic, first restrictions introduced in late 1Q20, followed by shops closure in 2Q20, resulting in limited sales during this period
- Due to ongoing restrictions low incoming migrant workforce from CIS countries and very low base of roaming customers total subscriber base is stable
- **The 4G subscriber base continues to track higher as 4G penetration increases within the existing subs base**

Note: February YoY performances in 2020 and 2021 have been adjusted to reflect normalized growth trend (29 days in 2020 vs. 28 days in 2021 and in 2019)

# RUSSIA

## Solid execution on all fronts

### IMPROVED NETWORK EXPERIENCE



#### Leading 4G coverage in Moscow and Saint-Petersburg subways

After prioritizing wider main cities, 2021 network investment continues with capex intensity of 28% in 1Q21:

- +25% YoY 4G base stations;
- Consistent coverage in all cities with 100K+ population
- Improving quality in large urban areas
- Moscow region coverage including roads and villages

### FOCUS ON LOYALTY IN PROMOTIONS

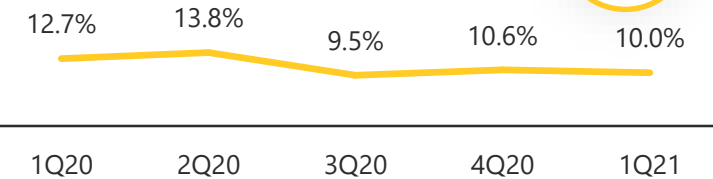


1Q21:

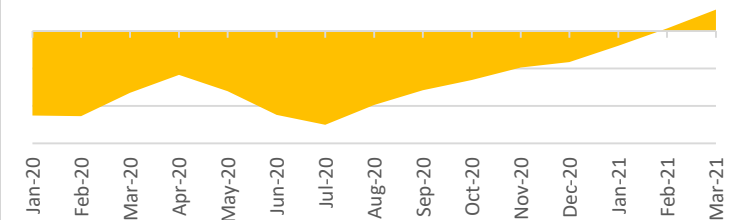
- Friends & family offers show double-digit growth
- "Z" offer added new digital features, fully managed through app
- Loyalty campaigns to support MyBeeline app adoption

### IMPROVED CUSTOMER METRICS

#### Churn rate improvements (quarterly %)



#### Mobile Number Portability turned positive



1Q21:

- Self-care app: 8.5mn active users, +12% YoY
- Beeline TV: 2.9mn MAU, +28% YoY

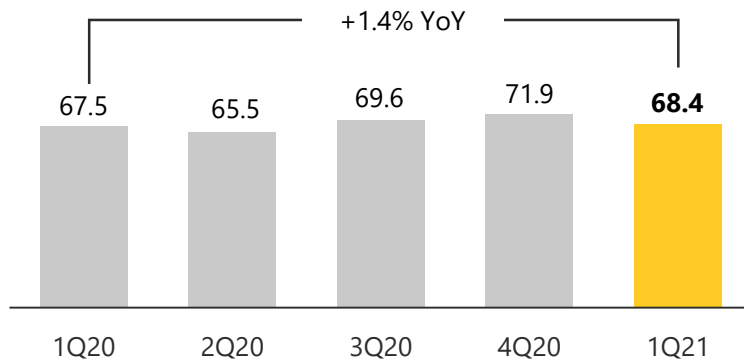


# RUSSIA

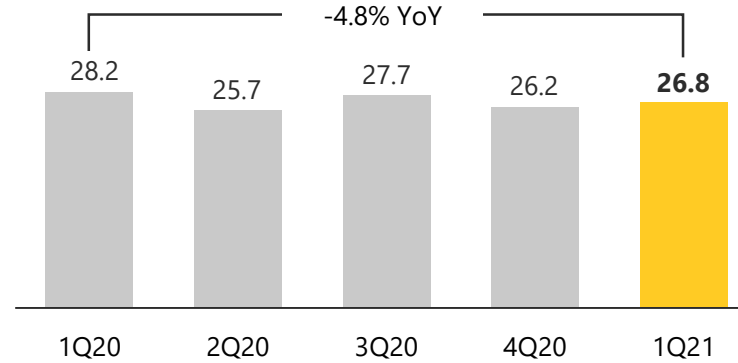
## 4G Country-wide upgrade plan continues to bear fruit, enabling multiplay



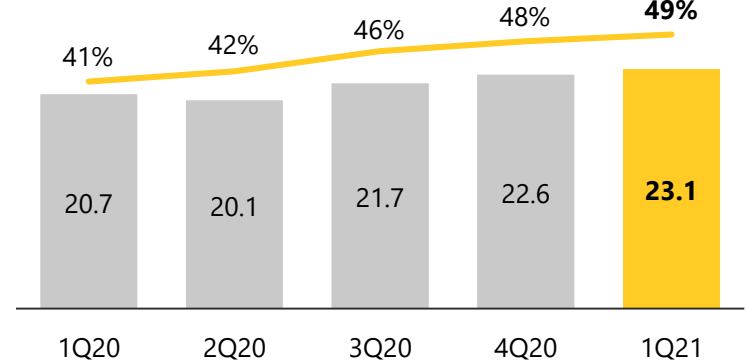
**REVENUE**  
(RUB Billion)



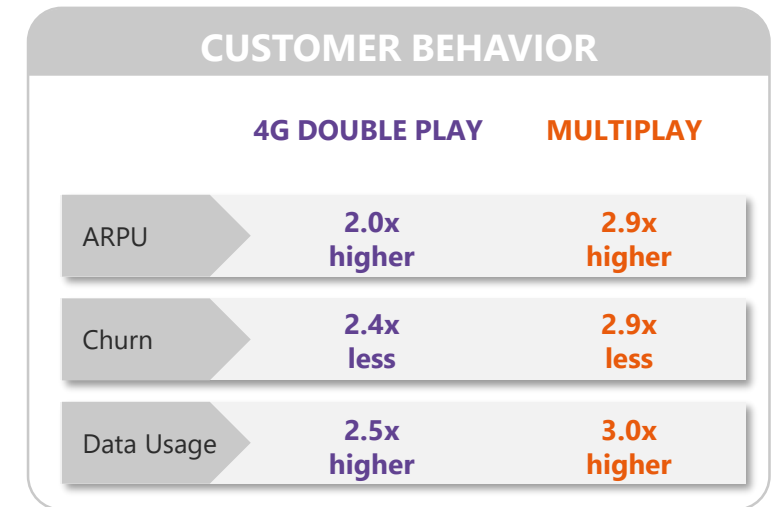
**EBITDA**  
(RUB Billion)



**4G USERS AND PENETRATION**  
(Million and %)



- Quarterly revenue back to YoY growth supported by:
  - 4G adoption approaching 50% of total base and higher device sales
  - B2B revenue growth of 11% YoY, including Big Data growth of 156%
  - Fixed-line revenue growth of 8% YoY
- Improving YoY revenue trends despite the loss in roaming, lower incoming migrant workforce and stricter content policy implemented by the Company.
- EBITDA impacted by higher network operating costs as a result of accelerated investment and by higher interconnect expenses



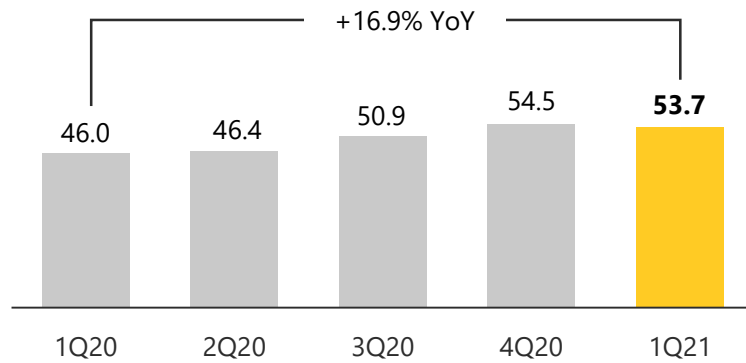
Notes:  
4G penetration - % of Active 4G data users in total 3 months active customer base (excluding M2M)  
4G Double Play and Multiplay ARPU, churn and data usage comparisons are based on one-month active subscribers

# KAZAKHSTAN

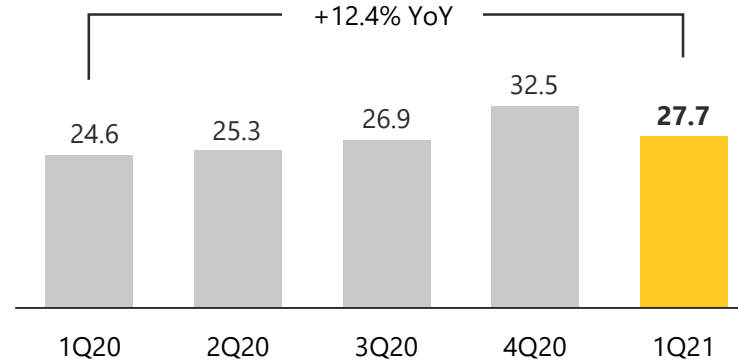
## Record levels of 4G penetration key driver of performance



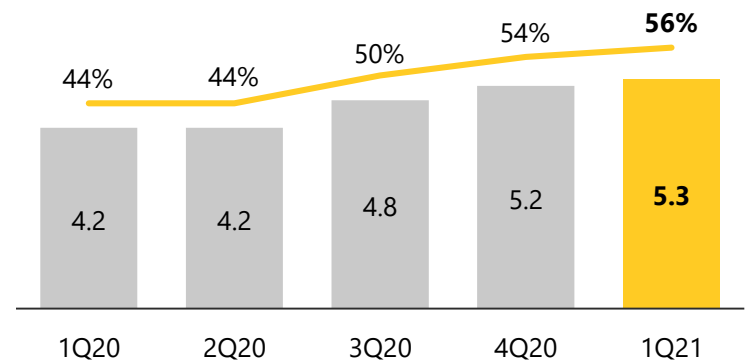
**REVENUE**  
(KZT Billion)



**EBITDA**  
(KZT Billion)



**4G USERS AND PENETRATION**  
(Million and %)



- Data revenue 56% of mobile service revenue (+7.4pp YoY) supporting B2C growth
- Growth of fixed-line revenue by +29% YoY and B2B revenue growth of 27% YoY
- Self-care app users reached 2.2 mn (+106% YoY)
- Beeline TV users up +73% YoY, reaching 386,000 SVOD subscribers
- Continuing growth in Izi by +362% YoY in MAU, reaching 54,000 subscribers
- Successful execution on device strategy supported by Big Data analytics

### CUSTOMER BEHAVIOR

	4G DOUBLE PLAY	MULTIPLAY
ARPU	5.2x higher	6.3x higher
Churn	8.3x less	7.5x less
Data Usage	1.8x higher	2.6x higher

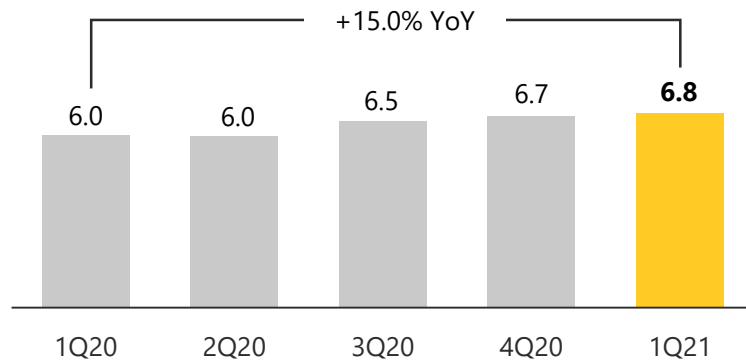
Note: 4G Double Play and Multiplay ARPU, churn and data usage comparisons are based on one-month active subscribers

# UKRAINE

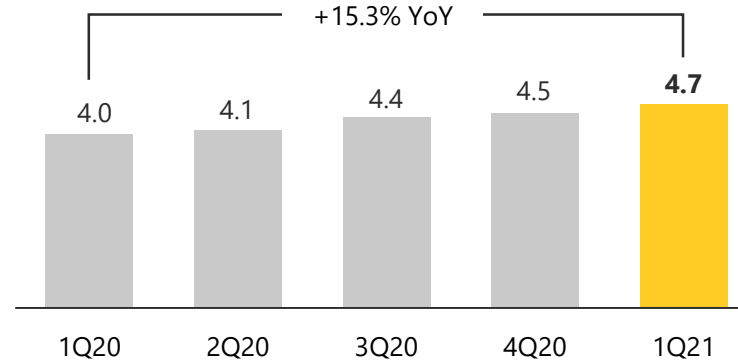
## Growing 4G penetration supporting strong revenue and EBITDA trends



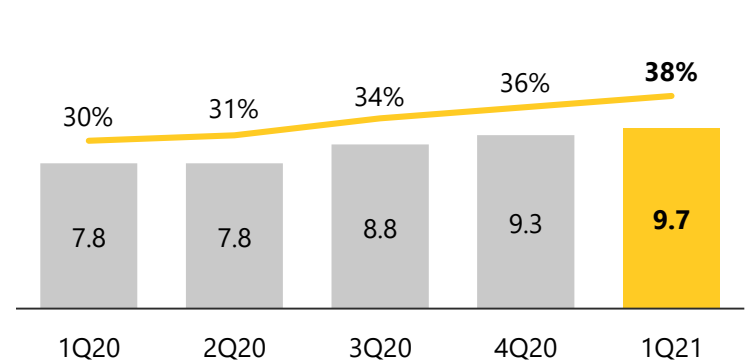
**REVENUE**  
(UAH Billion)



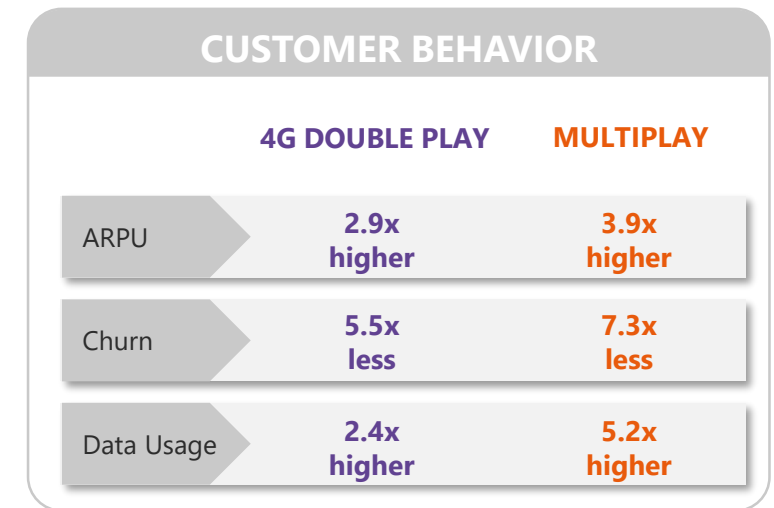
**EBITDA**  
(UAH Billion)



**4G USERS AND PENETRATION**  
(Million and %)



- Strong 4G adoption driving ARPU expansion
- Data revenue growth of 28% YoY
- Positive revenue performance in B2B supported by growing penetration of multi-service agreements; Big Data revenue more than doubled YoY
- Fixed-line revenue growth of 17% YoY
- My Kyivstar app MAU reached 2.7mn (up 76% YoY)
- Strong uptake in new digital services: Football TV is up 40%, KS TV app users are 414,342
- Taken together, very remarkable results from core business and encouraging contribution from new revenue streams

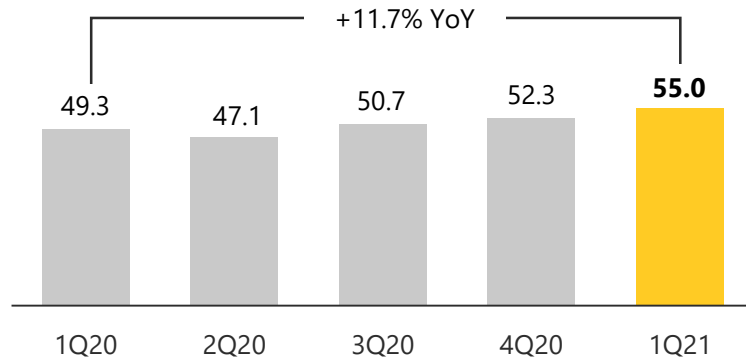


# PAKISTAN

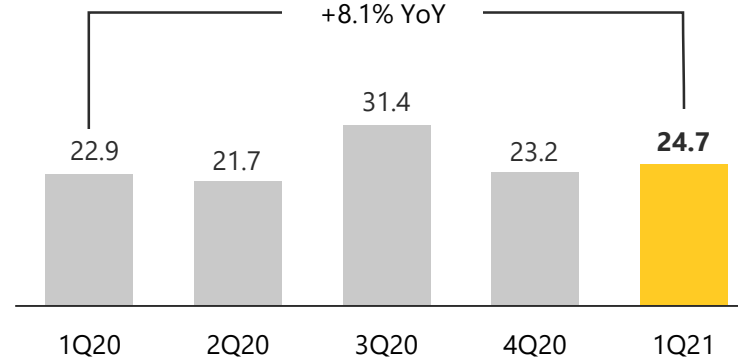
## Healthy growth across all metrics



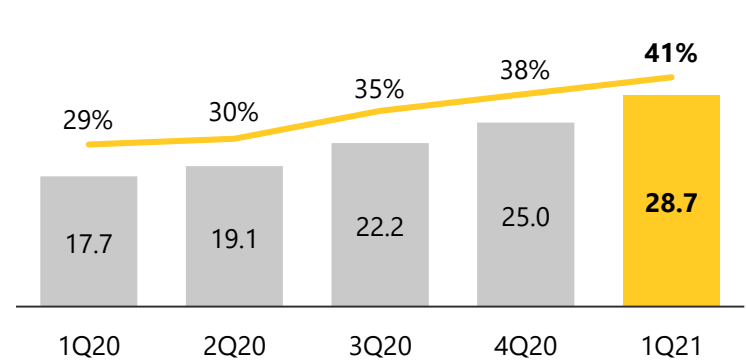
**REVENUE**  
(PKR Billion)



**EBITDA<sup>1</sup>**  
(PKR Billion)



**4G USERS AND PENETRATION**  
(Million and %)



- Mobile subscribers of 69.2 million, +11.7% YoY
- Acceleration in 4G net additions with 3.7 million new users in 1Q21 supporting long-term growth ambitions
- Driving customer engagement through expanding self-care channels, over 8.5 million users, +66% YoY
- EBITDA impacted by JazzCash investments, adjusted for this Jazz EBITDA up 12.8% YoY
- Regulatory engagement on license renewal and tax matters continues

### CUSTOMER BEHAVIOR

	4G DOUBLE PLAY	MULTIPLAY
ARPU	2.2x higher	3.1x higher
Churn	1.2x less	3.3x less
Data Usage	2.9x higher	4.2x higher

1. 3Q20 EBITDA was positively impacted by a reversal of a provision (PKR 8.6 billion)

Note: 4G Double Play and Multiplay ARPU, churn and data usage comparisons are based on one-month active subscribers

# PAKISTAN

## Jazz leads a high-growth strategic market with vast digital opportunities



**224M** (+2% p.a.)  
5<sup>th</sup> largest in the World

**64% < 30 years old**

**59%**  
Literacy Rate

**50M +**  
Rising affluent middle class

**3.9%**  
GDP growth proj. 2021-25

**\$23B**  
Foreign Remittances

**Emerging market** status since 2017 - **MSCI**

**Top 11** fastest growing countries - **Goldman Sachs**

**Top 10 Improvers** in Ease of doing business - **World Bank**

**20<sup>th</sup>** largest economy by 2030 - **PwC**



**180M**

Mobile Subscribers  
**84% Penetration**



**98M**

Internet Users  
**45.6% Penetration**



**21%**

Adults Have Accounts with Financial Institutions



**8%**

Adults Make Online Purchases / Pay Online Bills



**\$0.8B-\$1B**

Ecommerce Spend



**104B**

Hours Spent on Mobile Phones  
**40% YoY Growth**

# VEON VENTURES 1Q21 achievements

## Financial Services



**14.0mn**  
(+79% YoY)  
Active Users

**90k+** Active  
Merchants in  
1Q21

**701Bn PKR**  
Value Processed

**11x** increase in  
Merchants QR  
transactions between  
January and March to  
reach **PKR  
5.48bn**

## eCommerce



**13-fold**  
**increase**  
in total revenues in  
1Q21

**+1,526%**  
B2B Commerce  
revenue increase in  
1Q21

**\$2M**  
of monthly digital credit  
disbursements through 1Q21

## Entertainment



Toffee TV

**3.3mn**  
MAU, **524%** YoY  
Growth

**1.2bn** mins  
watched in Q1,  
**71% growth** from  
Q4, 2020



Beeline TV

**2.9mn**  
MAU

**+28%**  
**1Q21 YoY**

# OTHER MARKETS

## Executing on 4G growth opportunities



### UZBEKISTAN

- 60.0% 4G population coverage
- 19.5% YoY increase in 4G users
- 62.0% YoY increase in data usage
- 1.1% YoY increase in data revenue<sup>1</sup>



Beeline®



### ALGERIA

- 61.0% 4G population coverage
- 18.3% YoY increase in 4G users
- 17.9% YoY increase in data usage
- 4.0% YoY increase in data revenue<sup>1</sup>



DJEZZY  
جاري



### BANGLADESH

- 67.3% 4G population coverage
- 67.2% YoY increase in 4G users
- 44.9% YoY increase in data usage
- 12.6% YoY increase in data revenue<sup>1</sup>



banglalink



### GEORGIA & KYRGYSTAN

- 90.2% 4G population coverage
- 7.3% YoY increase in 4G users
- 35.1% YoY increase in data usage
- 0.5% YoY increase in data revenue<sup>1</sup>



Beeline®

1. Data revenue YoY growth refers to local currency growth

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# 1Q21 REVENUE

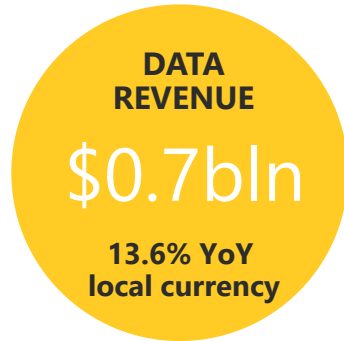
## Continued growth in local currency



-5.1% YoY reported

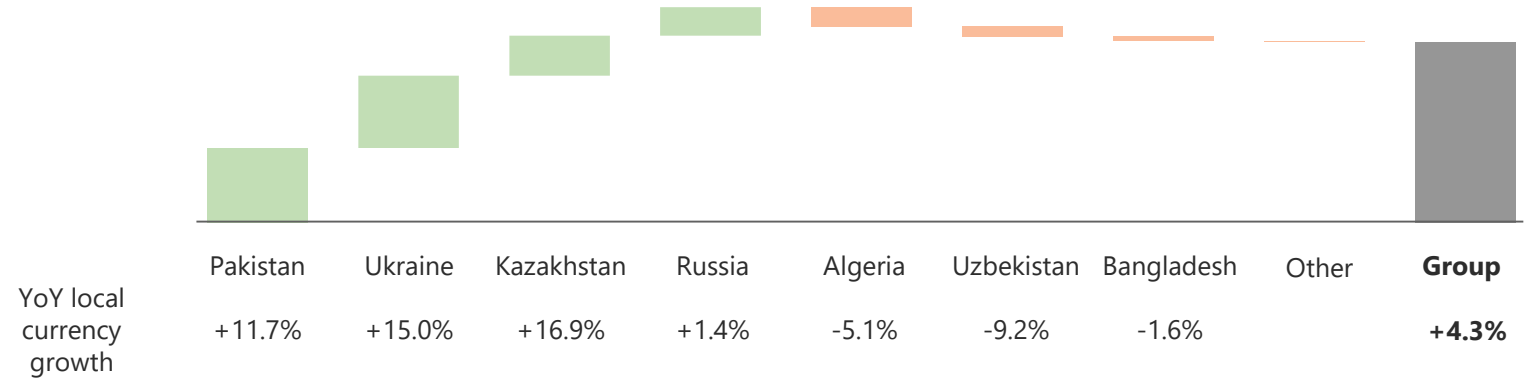


-6.3% YoY reported



+3.8% YoY reported

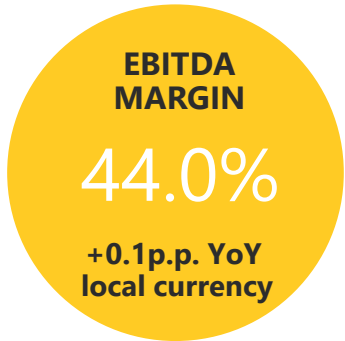
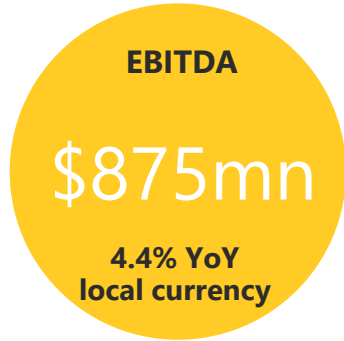
### CONTRIBUTION TO YOY REVENUE GROWTH IN LOCAL CURRENCY IN 1Q21



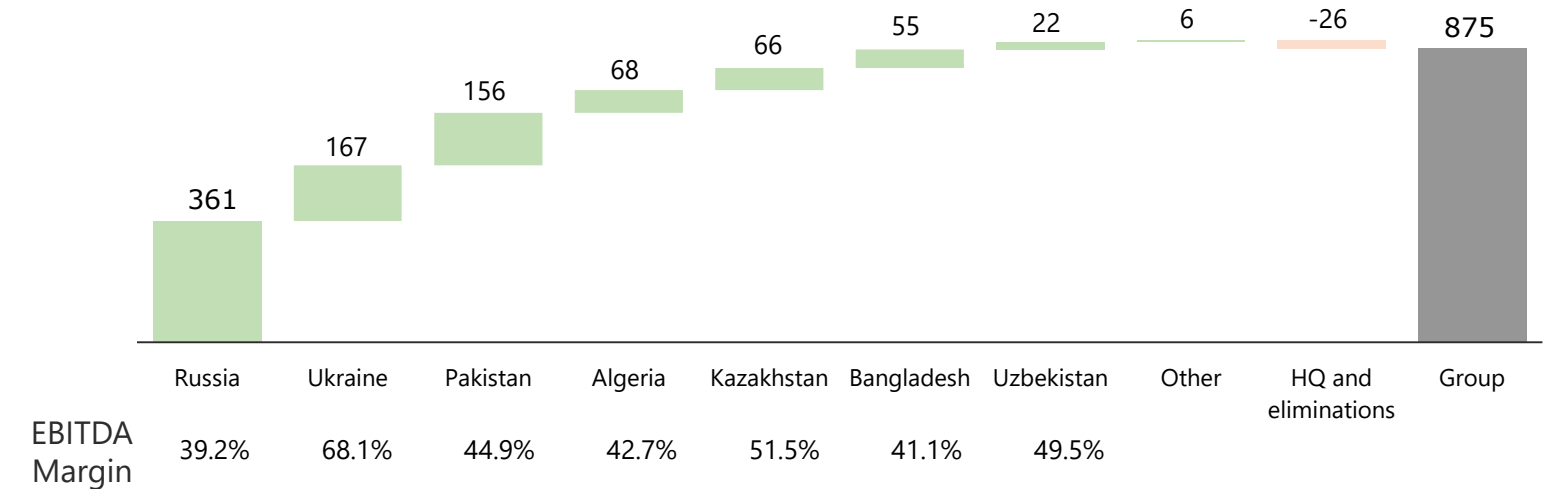
- Russia is back to year-on-year growth in 1Q21
- Ukraine, Kazakhstan and Pakistan delivered double-digit growth, above inflation rates
- Algeria results affected by overall market decline in ARPUs
- Bangladesh results affected by strong price competition in the market

# 1Q21 EBITDA AND NET INCOME

## Project Optimum: progress on cost efficiencies



**EBITDA IN 1Q21**  
(USD million)



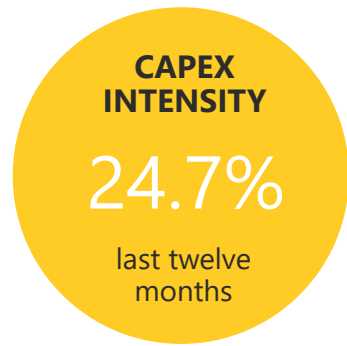
- 55% YoY reduction in HQ costs
- 90% of OpCo costs are in local currency
- Cost efficiency program called "Project Optimum" to cultivate a mindset of continuous efficiency building and improvement of actual costs:
  - Addressable costs of USD 2.5bn identified, which is 56% of total Opex (based on FY2020)
  - The program is part of OpCos short-term incentive scorecard

# 1Q21 OPERATIONAL CASH FLOW BUILD-UP

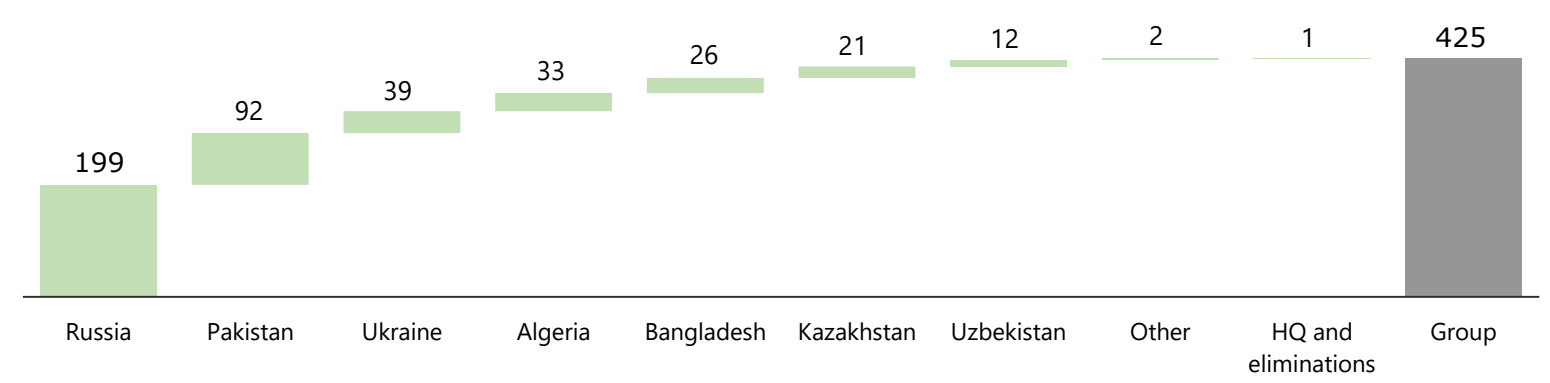
## Investment momentum continues



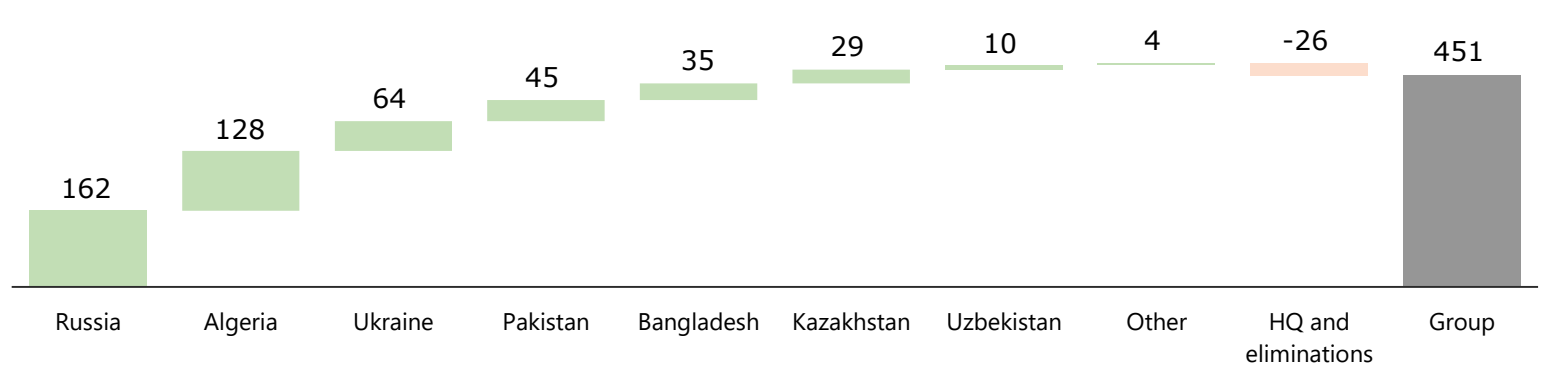
+15.4% YoY reported



**OPERATIONAL CAPEX IN 1Q21**  
(USD million)



**OPERATIONAL CASH FLOWS (EBITDA LESS OPERATIONAL CAPEX) IN 1Q21**  
(USD million)



Note: Capex intensity is a ratio, which is calculated as last twelve months operational capex divided by last twelve months revenue

# 1Q21 EQUITY FREE CASH FLOW AND NET DEBT



**GROSS DEBT**

**\$9.5bln**

-0.7% QoQ reported

**NET DEBT**

**\$8.3bln**

+4.2% QoQ reported

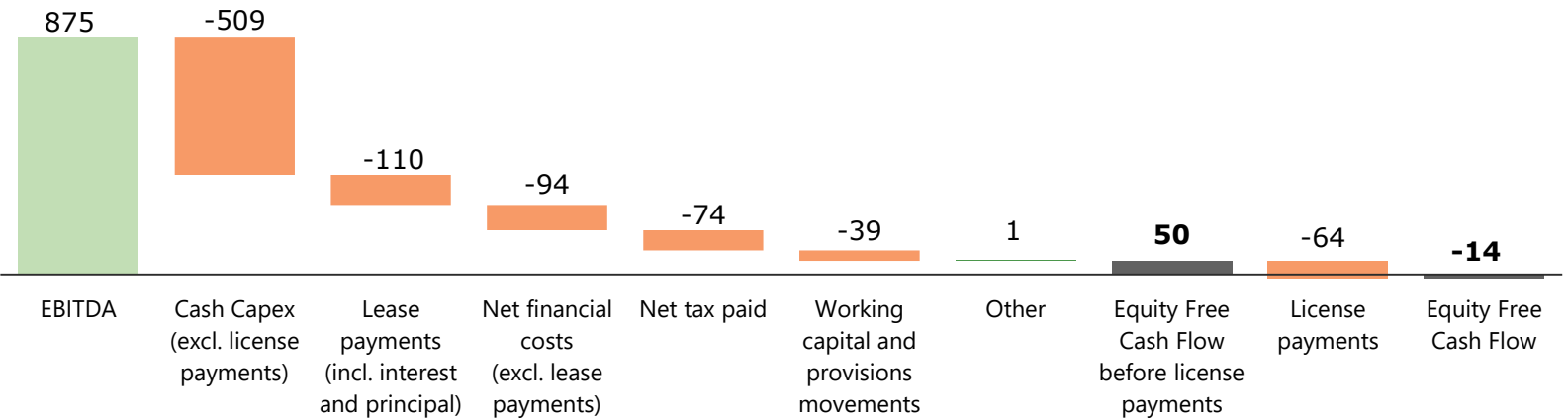
**LEVERAGE**

**2.4X**

stable QoQ

## EQUITY FREE CASH FLOW GENERATION IN 1Q21

(USD million)

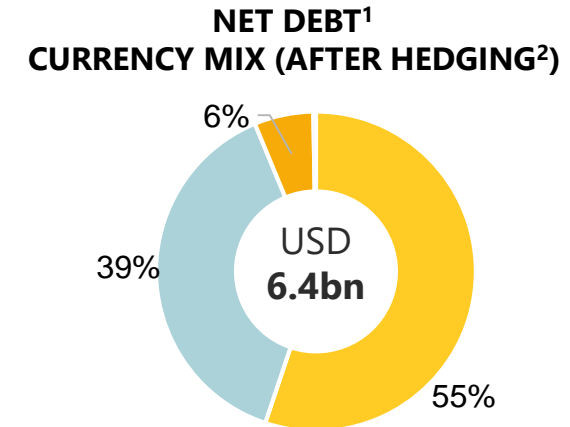
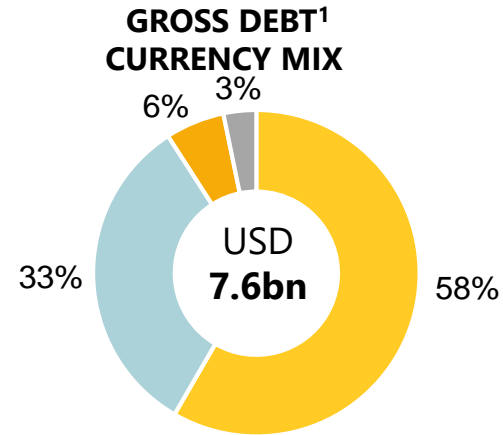
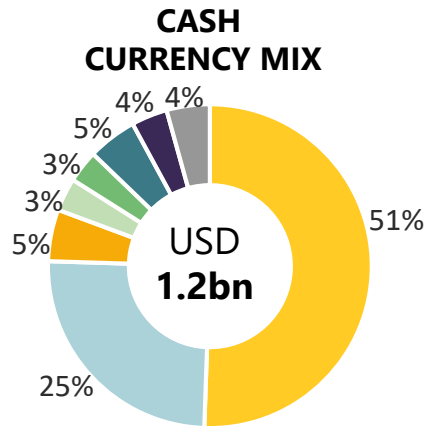


- Acquisition of minority interest in Pakistan for USD 272.5 million recorded below EFCF in financing activities
- License payments totaling USD 59 million were made in Bangladesh and include the first (25%) installment of a new spectrum license costing USD 115 million, the remaining 75% of which will be paid in five annual installments
- USD 1.25bn VEON Group RCF – 10 international banks across Asia, US and Europe, facility 3+2 years
- Amendment and restatement of the RUB 30bn bilateral facility with Alfa Bank - added a RUB 15bn 5-year tranche
- Jazz signed a PKR 15bn syndicated facility and a PKR 5bn bilateral facility with 7-year tenor
- Kyivstar signed an uncommitted 3-year facility with Citi of UAH 1.35bn and upsized its facility with OTP Bank by UAH 250mn

# FINANCIAL RESULTS

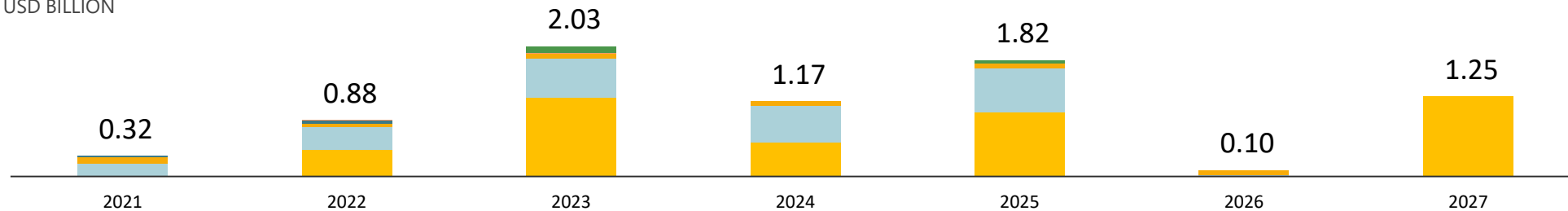
## Group capital structure as at 31 March 2021

LEGEND: USD RUB PKR BDT UAH DZD EUR OTHER



### DEBT MATURITY SCHEDULE<sup>1</sup>

USD BILLION



TOTAL LIQUIDITY OF \$2.5BN. 1Q21 COST OF DEBT 5.9%, LOWER THAN 1Q20 BY 0.9p.p.

1. Excluding IFRS 16 lease liabilities  
 2. For Q1 2021 the amount of USD debt swapped to RUB amounted to USD 300 million.

# FY 2021 OUTLOOK

## Strong start to the year

### Increased FY2021 guidance for revenue and EBITDA

	1Q21 Actual	Old FY 2021 Guidance <sup>1</sup>	New FY 2021 Guidance
<b>Total Revenue</b>	+4.3% YoY in local currency	Low to mid-single-digit local currency growth in revenue and EBITDA	<b>Mid-single-digit local currency growth in revenue and EBITDA</b>
<b>EBITDA</b>	+4.4% YoY in local currency		
<b>Capex intensity</b>	24.7%	22%-24%	<b>22%-24%</b>

1. communicated with Q4 2020 results on 18 February 2021

# AGENDA



1. OPENING

Nik Kershaw

2. 1Q21 HIGHLIGHTS & BUSINESS UPDATE

Kaan Terzioğlu  
Sergi Herrero

3. 1Q21 FINANCIAL RESULTS

Serkan Okandan

4. 2021 PRIORITIES

Kaan Terzioğlu

# FY 2021 PRIORITIES

## Executing on our priorities

1	4G network rollout	✓	41% 4G penetration, +10p.p. YoY
2	Russia back to YoY growth	✓	+1.4% YoY in revenue; +0.3% QoQ in customers
3	Double-digit growth in Ukraine, Pakistan and Kazakhstan	✓	+13.4% YoY in aggregate in local currency
4	Build digital scale through targeted verticals	✓	Doubled YoY in Entertainment and FinTech MAU and in Big Data revenue
5	Optimize capital structure and streamline portfolio	✓	VEON now fully own Pakistan assets
6	Focus on cost efficiencies	✓	Special program is set across 7 OpCos
7	Tower business units, country by country to grow efficiencies, alliances and value	✓	Portfolio is shaped in 4 markets



# APPENDIX



VEON



DJEZZY  
جاري



KYIVSTAR



banglalink



Beeline®



Jazz Cash



TOFFEE



izi!



Beeline TV



Jazz

# 1Q21 HIGHLIGHTS

## Performances across our markets



	<b>REVENUE</b> (USD)	YoY In local currency	<b>EBITDA</b> (USD)	YoY In local currency
<b>GROUP</b>	<b>1,989</b>	<b>4.3%</b>	<b>875</b>	<b>4.4%</b>
RUSSIA	920	1.4%	361	-4.8%
PAKISTAN	347	11.7%	156	8.1%
UKRAINE	245	15.0%	167	15.3%
ALGERIA	159	-5.1%	68	-7.1%
BANGLADESH	135	-1.6%	55	-6.2%
KAZAKHSTAN	128	16.9%	66	12.4%
UZBEKISTAN	45	-9.2%	22	-3.1%
KYRGYZSTAN	10	-7.1%	3	-30.2%
GEORGIA	8	-0.7%	3	-21.2%
HQ & Eliminations	-8	7.1%	-26	54.8%

# DEBT BY ENTITY<sup>1</sup>



31 MARCH 2021  
USD MILLION EQUIVALENT

## Outstanding debt

## Type of debt

Entity	Bonds	Loans	Cash-pool overdrafts <sup>2</sup> and other	Total
VEON Holdings B.V.	4,825	2,048	-	6,873
Pakistan Mobile Communications Limited	-	446	-	446
Private Joint Stock Company Kyivstar	-	148	-	148
Banglalink Digital Communications Ltd.	-	75	-	75
Other	9	24	13	46
<b>Total</b>	<b>4,834</b>	<b>2,741</b>	<b>13</b>	<b>7,588</b>
<i>Total excl. cash pool overdrafts</i>				7,575

1. Excluding lease liabilities

2. As of March 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	1Q21	1Q20
<b>Unaudited EBITDA</b>	<b>875</b>	<b>920</b>
Depreciation	(418)	(418)
Amortization	(72)	(92)
Impairment loss	(8)	(0)
Loss on disposals of non-current assets	(4)	(8)
<b>Operating profit</b>	<b>378</b>	<b>407</b>
Financial Income and Expenses	(164)	(198)
- including finance income	2	9
- including finance costs	(166)	(207)
Net foreign exchange (loss)/gain and others	15	(13)
- including other non-operating (losses)/gains	5	15
- including net foreign exchange gain	10	(28)
<b>Profit before tax</b>	<b>229</b>	<b>195</b>
Income tax expense	(92)	(76)
<b>Profit (Loss) for the period</b>	<b>138</b>	<b>120</b>
of which profit(loss) attributable to non-controlling interest	12	12
of which profit(loss) attributable to VEON shareholders	125	108

### RECONCILIATION OF CAPEX

USD mln unaudited	1Q21	1Q20
<b>Operational Capex</b>	<b>425</b>	<b>368</b>
Additions of licenses	34	35
Difference in timing between accrual and payment for capital expenditures	114	46
<b>Cash paid for purchase of property, plant and equipment and intangible assets</b>	<b>572</b>	<b>449</b>

### RECONCILIATION OF EQUITY FREE CASH FLOW

USD million	1Q21	1Q20	YoY
<b>EBITDA</b>	<b>875</b>	<b>920</b>	<b>(4.9%)</b>
Movements in Working Capital	(78)	(43)	84.2%
Movements in provisions	7	(30)	n.m.
Interest paid, incl.	(132)	(158)	(16.1%)
Interest paid	(96)	(121)	(20.8%)
Lease Liabilities - Interest Component	(37)	(37)	(0.6%)
Interest received	2	9	(75.7%)
Net Tax Paid	(74)	(72)	2.4%
<b>Cash Flow from Operating Activities</b>	<b>597</b>	<b>626</b>	<b>(4.7%)</b>
Purchase of property, plant and equipment and intangible assets, incl.	(572)	(449)	27.5%
Operational Capex	(425)	(368)	15.4%
Licenses payments	(64)	(50)	27.9%
Working capital part related to Capex excl licenses	(84)	(31)	171.8%
Inflows/(outflows) from deposits	2	(20)	n.m.
Receipts from / (investment in) financial assets	(12)	(29)	(57.1%)
Other proceeds from investing activities, net	2	3	(17.6%)
<b>Cash Flow from Investing Activities</b>	<b>(580)</b>	<b>(495)</b>	<b>17.3%</b>
Lease Payments - Principal amount	(73)	(77)	(5.0%)
Excl. M&A transactions, inflow/outflow of deposits, financial assets and other one-off items	11	49	(78.3%)
Excl. balances movements in Pakistan banking	32	6	n.m.
<b>Equity Free Cash Flow after licenses and lease payments</b>	<b>(14)</b>	<b>109</b>	<b>n.m.</b>

# RECONCILIATION TABLES

## extract from VEON Ltd.'s Earnings Release



### RECONCILIATION OF ORGANIC AND REPORTED GROWTH RATES

1Q21 compared to 1Q20

	Total Revenue			EBITDA		
	Local currency	Forex and Other	Reported	Local currency	Forex and Other	Reported
Russia	1.4%	(11.2%)	(9.8%)	(4.8%)	(10.8%)	(15.6%)
Pakistan	11.7%	(1.9%)	9.8%	8.1%	(1.8%)	6.2%
Ukraine	15.0%	(12.0%)	3.0%	15.3%	(11.9%)	3.4%
Algeria	(5.1%)	(8.9%)	(14.0%)	(7.1%)	(8.7%)	(15.9%)
Bangladesh	(1.6%)	0.2%	(1.4%)	(6.2%)	0.2%	(5.9%)
Kazakhstan	16.9%	(8.2%)	8.7%	12.4%	(7.8%)	4.6%
Uzbekistan	(9.2%)	(8.4%)	(17.6%)	(3.1%)	(9.0%)	(12.1%)
<b>Total</b>	<b>4.3%</b>	<b>(9.4%)</b>	<b>(5.1%)</b>	<b>4.4%</b>	<b>(9.3%)</b>	<b>(4.9%)</b>

### RECONCILIATION OF VEON CONSOLIDATED NET DEBT

USD mln	31 March 2021	31 December 2020	30 September 2020
<b>Net debt</b>	<b>8,325</b>	<b>7,987</b>	<b>7,557</b>
Cash and cash equivalents	1,193	1,594	1,081
Long - term and short-term deposits	1	1	1
<b>Gross debt</b>	<b>9,519</b>	<b>9,582</b>	<b>8,639</b>
Interest accrued related to financial liabilities	108	92	105
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	(17)	(5)	(7)
Derivatives not designated as hedges	0	273	331
Derivatives designated as hedges	33	53	45
Other financial liabilities	44	60	57
<b>Total financial liabilities</b>	<b>9,687</b>	<b>10,056</b>	<b>9,170</b>

# 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").

**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 further 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.**