

# VEON Growth Day



Amsterdam, December 7 - 2021

## 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; VEON’s medium-term financial ambition (which are internal aspirations that will be tested in business plans going forward) and 2021 calendar year guidance, including VEON’s ability to generate 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 has negatively affected VEON’s operations and financial condition in the past; 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 pandemic; 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 investment 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, even after implementing inflationary pricing and foreign exchange risk management activities; 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”) on March 15, 2021 and other public filings made from time to time 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.

All non-IFRS measures disclosed further in this presentation (including, without limitation, EBITDA, EBITDA margin, operational capex, capex intensity, net debt, equity free cash flow and local currency trends) are defined and reconciled to comparable IFRS measures in VEON Ltd.’s earnings release published on its website on October 28, 2021. 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. The non-IFRS measures presented herein may not be presented regularly by VEON going forward and do not constitute guidance, unless explicitly stated.



# VEON INVESTOR DAY

## AGENDA



Time (CET)	Duration, min	Speaker / Topic
14:00 – 14:10	10	<b>Welcome</b>
14:10 – 14:40	30	<b>Kaan Terzioğlu</b> , Group CEO
14:40 – 14:55	15	<b>Erik Aas</b> , CEO Bangladesh
14:55 – 15:10	15	<b>Aleksandr Komarov</b> , CEO Ukraine
15:10 – 15:25	15	<b>Yevgeniy Nastradin</b> , CEO Kazakhstan
15:25 – 15:40	15	Coffee break
15:40 – 15:55	15	<b>Aamir Ibrahim</b> , CEO Pakistan
15:55 – 16:10	15	<b>Alexander Torbakhov</b> , CEO Russia
16:10 – 16:30	20	<b>Serkan Okandan</b> , Group CFO
16:30 – 16:40	10	<b>Kaan Terzioğlu</b> , Group CEO
16:40 – 16:50	10	Coffee break
16:50 – 17:30	40	<b>Q&amp;A session</b>



# VEON Growth Day

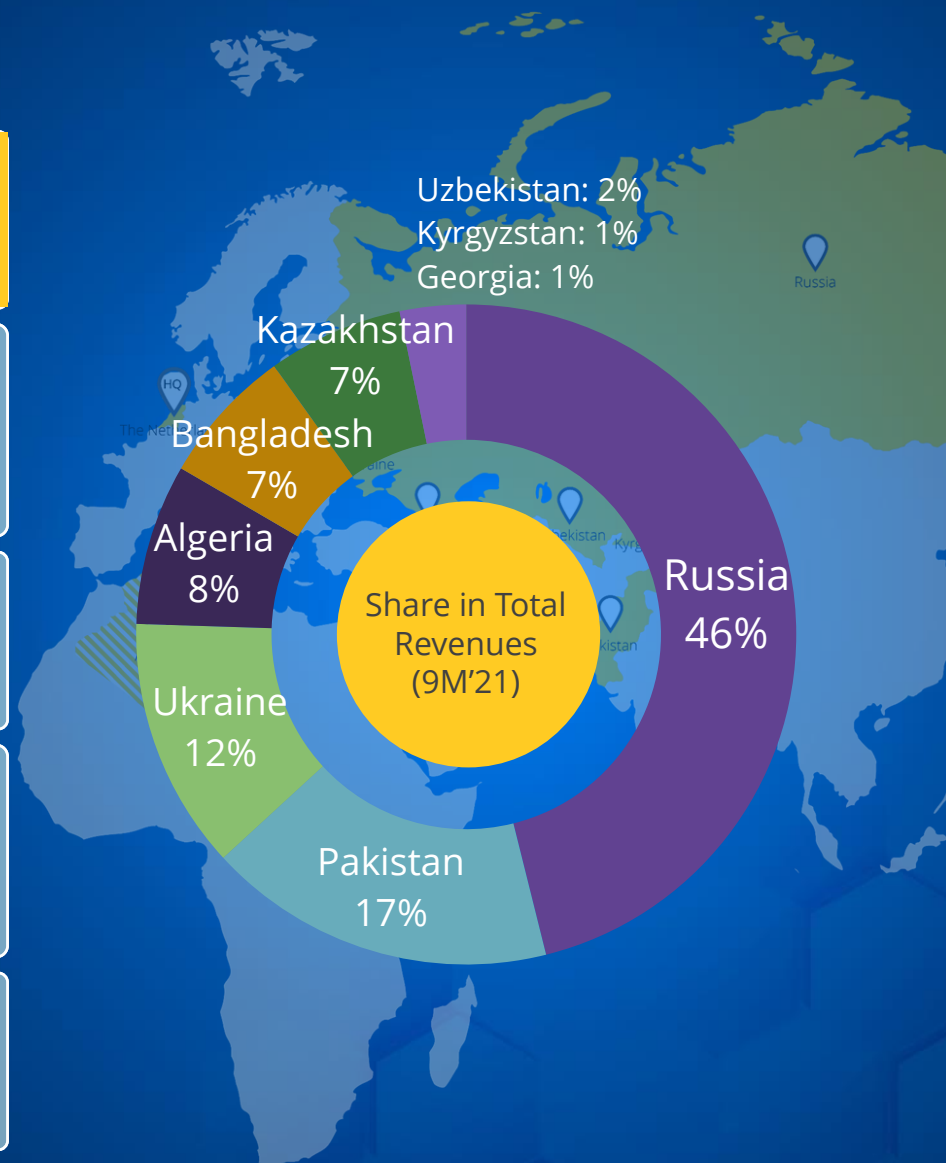


Kaan Terzioğlu  
Group Chief Executive Officer

# WE ARE VEON



- 680m population  
217m mobile subscribers  
4.6m fixed-line subscribers  
50.1k towers<sup>1</sup>+20k built-to-suit
- Beeline Russia**  
146m population  
50.6m mobile subscribers  
2.9m fixed-line subscribers  
15.3k towers<sup>1</sup>
- Jazz**  
221m population  
71.4m mobile subscribers  
10.2k towers
- Kyivstar**  
44m population  
26.3m mobile subscribers  
1.2m fixed-line subscribers  
8k+ towers
- Beeline Georgia**  
4m population  
1.4m subscribers



- Beeline Kazakhstan**  
19m population  
9.8m mobile subscribers  
0.5m fixed subscribers  
1.6k towers
- Banglalink**  
165m population  
34.8m mobile subscribers  
5.6k towers
- Djezzy**  
43m population  
14.1m mobile subscribers  
6.6k towers
- Beeline Uzbekistan**  
33m population  
6.8m mobile subscribers  
3.4k towers
- Beeline Kyrgyzstan**  
6m population  
1.9m mobile subscribers

1. Before Russian towers sale  
Sources: World Bank, GSMA, Statista, OECD, UNCTAD

# TRADING ON FOUR EXCHANGES



**VEON**

Amsterdam  
ENX: VEON NA



**VEON**

New York  
NASDAQ: VEON US



**VEON**

Moscow  
MOEX: VEON-RX



**VEON**

Saint Petersburg  
SBPE: VEON US



**Key Index Inclusion Ambition**

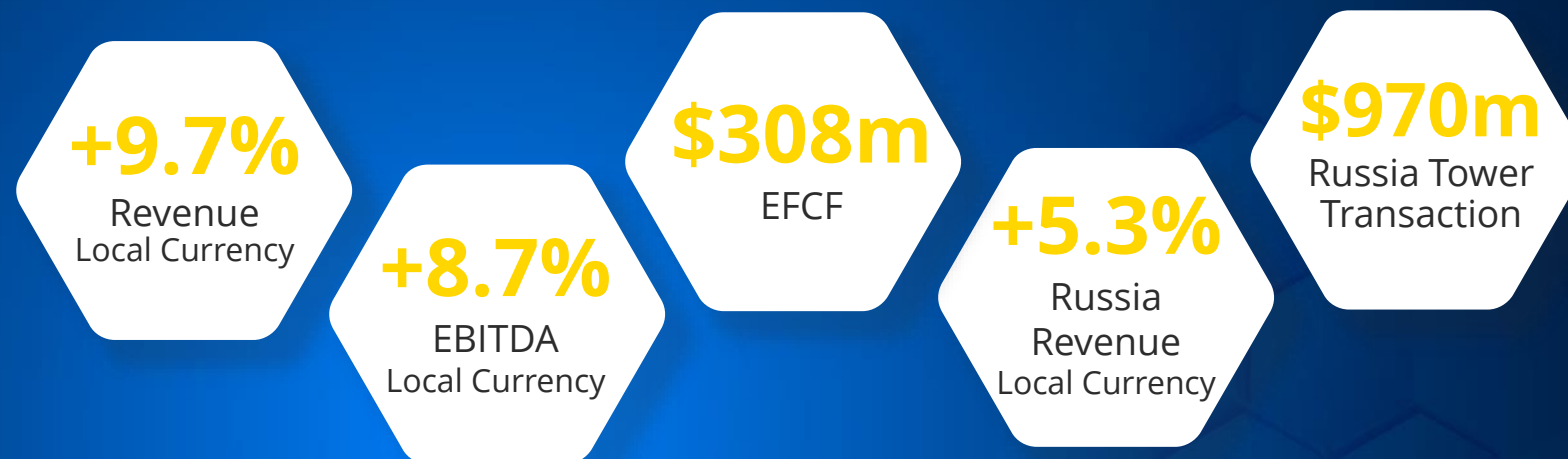
Note: MOEX and SBPE are exchange sponsored listings

# 2021: SOLID EXECUTION DELIVERING RESULTS



## PROMISES MADE, RESULTS DELIVERED

*First 9 months*



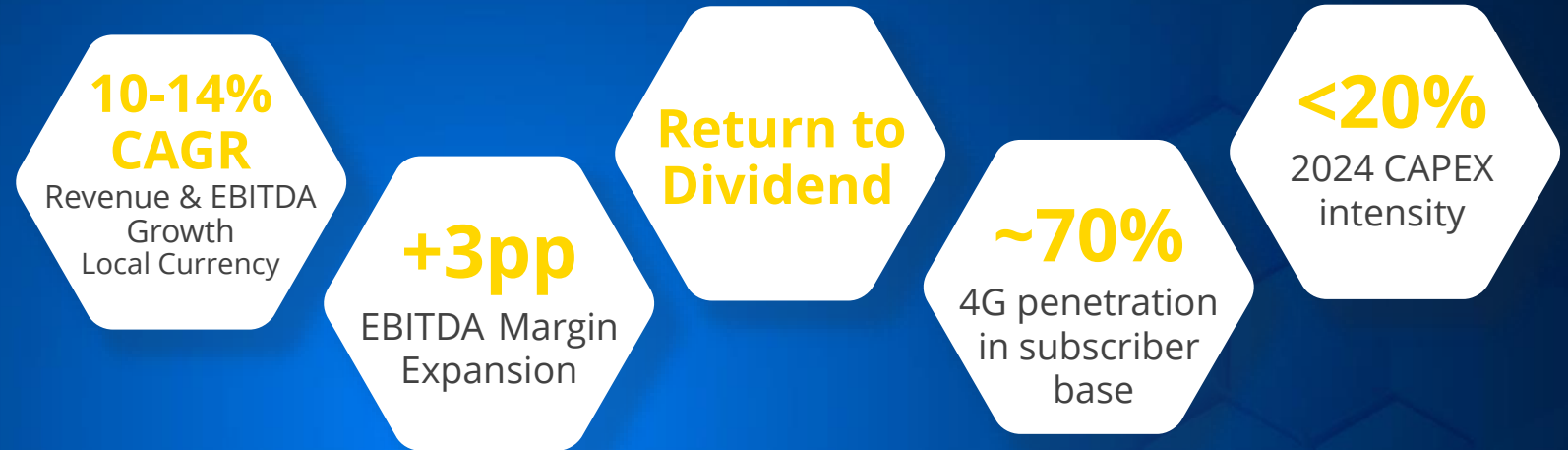
## 2021 EXECUTION ENGINES

- Country-driven decision making
- 4G for all: cornerstone of operational strategy
- Digital Operator execution: behavior-focused view of customer
- Targeted CAPEX investments & financial discipline
- Active portfolio management: asset-light strategy

# 2022-2024: THE WAY FORWARD



## 3-YEAR AMBITION



## EXECUTION ENGINES

- Management rewards aligned to shareholder value
- Digital operator customer offers roll-out
- Continue to execute on infra value crystallisation
- Unlock Value of High-Potential Digital Assets
- Financial and Operational Discipline



# THREE VECTORS OF VALUE CREATION



## Infrastructure

- Future-ready infrastructure
- Asset-light strategy
- Monetisation opportunities



## Digital Operator

- From Mins/GBs to Experience
- A new kind of “core business”
- Double-digit revenue growth



## Ventures

- High potential digital assets
- JazzCash & Toffee
- Value creation opportunities: e.g., minority monetisation, IPOs, partnerships

# VECTOR 1: CRYSTALLISING INFRASTRUCTURE VALUE



## Value Generation Potential

- Large and populous countries
- Network densification and expansion opportunity
- Limited number of independent tower companies
- 50K+ assets across our footprint in project scope + 20k built-to-suit



## Russia tower transaction delivered

- Deal with Service-Telecom successfully closed on December 1<sup>st</sup>
- 11.7x EV/EBITDA
- Beeline Russia to continue strengthening network quality



## Moving ahead in other VEON markets

- Strategic model based on market-specific conditions
- Ukraine and Pakistan: separate legal entities established
- Other countries: assessment of optimal operational and structural approach

Aiming for more value crystallisation deals in 2022

# VECTOR 2: DIGITAL OPERATOR



**TRADITIONAL TELCO**

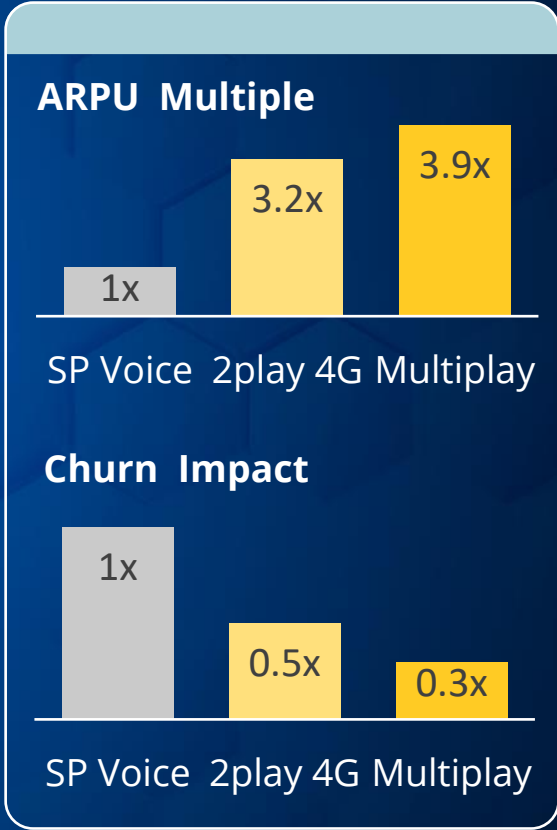
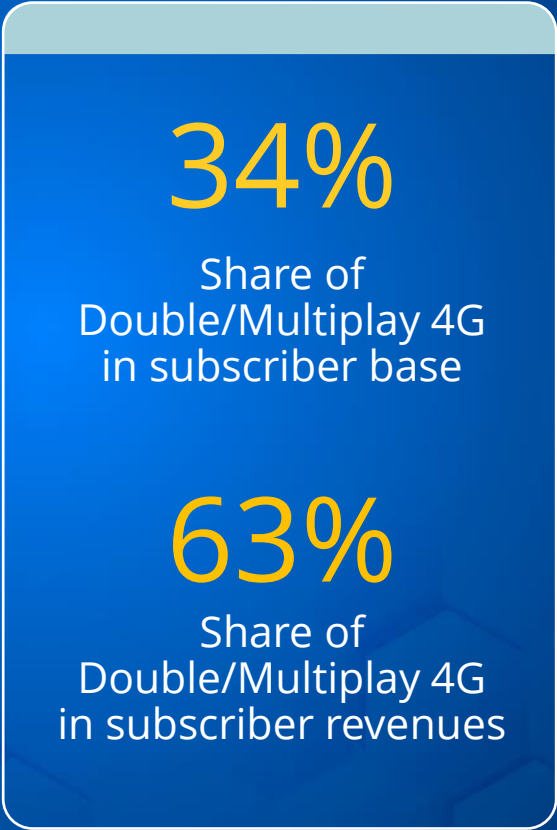
- Minutes and GBs
- Commoditised customer relationship
- Lower ARPU
- Higher churn

**DIGITAL OPERATOR**

- Digital experiences
- Relevant to customer
- 1440 minutes a day
- Higher ARPU
- Lower churn
- Irreplicable Offer



# DIGITAL OPERATOR ALREADY DELIVERING RESULTS

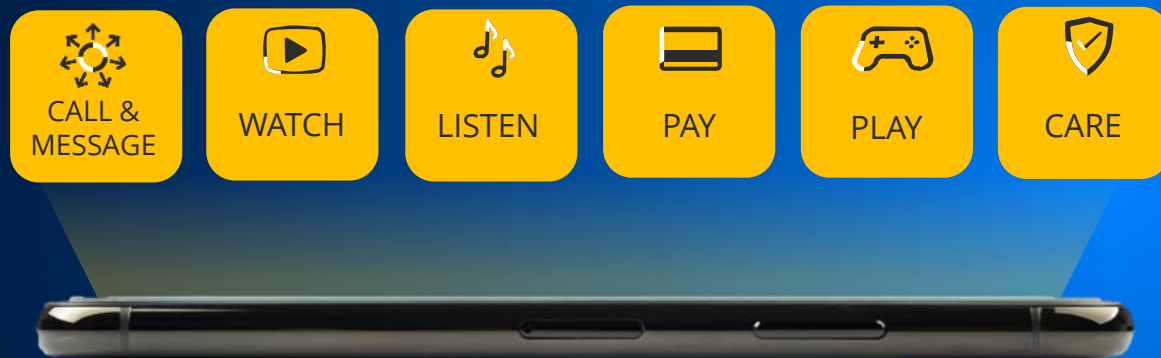


Notes: Customer segmentation numbers reflect Oct'21 values for 1-month-active B2C customers. SP Voice – Singleplay voice customers, 2play 4G – Doubleplay 4G customers, Multiplay – Multiplay 4G customers

# DIGITAL OPERATOR: A NEW B2C VALUE PROPOSITION



## DIGITAL EXPERIENCE OFFERS



## DIGITAL SALES CHANNEL

## ONE MODEL, MARKET-SPECIFIC PLAYBOOKS

- Integrated telco and digital customer value
- Locally relevant digital products
- Unique value proposition for each market
- Develop product portfolio via different means:
  - In-house development, acquisitions, technological or commercial partnerships
- Stronger self-care channels for customer interaction



# DIGITAL OPERATOR: UNLOCKING B2B OPPORTUNITIES



## Digital Capabilities

- Credit scoring
- Digital marketing
- Data Storage
- CRM storage
- Mobile ID authentication
- Data protection
- ATM video analytics
- Cloud PABX

## Connectivity Services

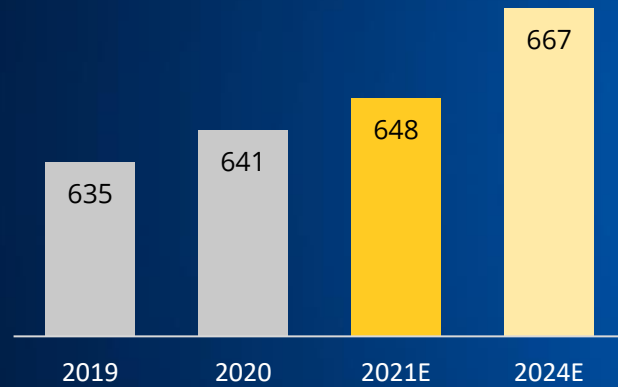
- A2P notifications
- ATM connectivity
- Employee SIM (voice/data)
- Fixed network lines

# DIGITAL OPERATOR: EXPONENTIAL GROWTH WITH NEW CORE



## Grow with Our Markets

Population Growth  
VEON Markets



**+95m**

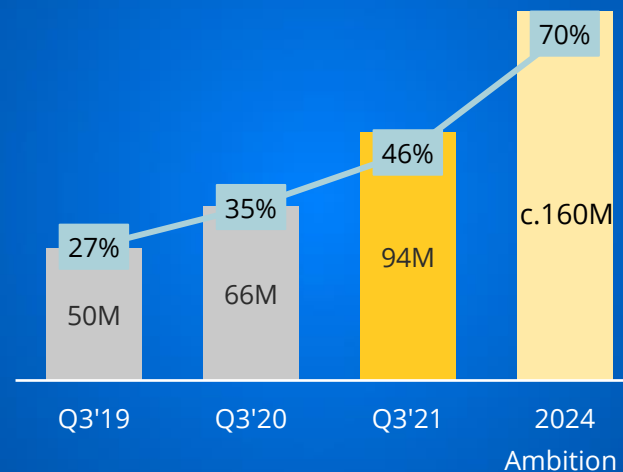
Smartphone connections  
2024 vs 2021

**+78m**

More 4G subscribers  
in VEON 4G footprint  
2024 vs 2021

## Grow with 4G

VEON A3M 4G Subscribers



**70%**

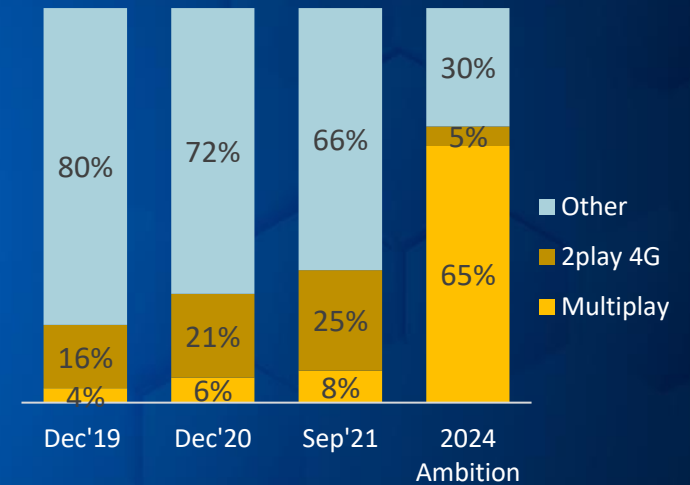
Data users in  
subscriber base  
Q3'21

**3x**

Double/Multiplay 4G  
ARPU vs Voice  
singleplay

## Grow with Multiplay

A1M Base Composition



**22%**

Multiplay ARPU  
upside vs  
Doubleplay 4G

**up to 2 pp**

Multiplay churn  
reduction vs  
Doubleplay 4G

# VECTOR 3: VENTURES- JAZZ CASH



14.4m

Active wallets  
30% YoY growth

110k

Active merchants  
124% YoY growth

50%

YoY Growth

Number of transactions  
in November

27%

YoY Growth

Total value of transactions  
in November

# VECTOR 3: VENTURES - TOFFEE



**6.3m**

Monthly  
Active Users

3.6x YoY growth  
in user base in 3Q21

**5.1x**

YoY growth

Number of watch sessions  
9M21

**22**

minutes

Average watch time  
per user per day

**User  
Generated  
Content**

"Toffee Creators"  
platform launched



# STRONG LEADERSHIP TEAM TO DELIVER OUR STRATEGY



## Group



**Kaan Terzioglu**  
CEO



**Serkan Okandan**  
CFO



**Dmitry Shvets**  
PORTFOLIO  
MANAGEMENT



**Michael Schulz**  
PEOPLE



**Joop Brakenhoff**  
INTERNAL AUDIT &  
COMPLIANCE



**Alex Bolis**  
CORPORATE DEVELOPMENT,  
IR AND COMMS



**Scott Dresser**  
GENERAL COUNSEL



**V-Pulse**  
DASHBOARD

## Countries



**Alexander  
Torbakhov**  
RUSSIA



**Erik  
Aas**  
BANGLADESH



**Yevgeniy  
Nastradin**  
KAZAKHSTAN



**Matthieu  
Galvani**  
ALGERIA



**Lasha  
Tabidze**  
GEORGIA



**Andrzej  
Malinowski**  
UZBEKISTAN



**Aleksandr  
Komarov**  
UKRAINE



**Aamir  
Ibrahim**  
PAKISTAN



**TBA**  
VENTURES



# EXECUTIVE REWARDS ALIGNED TO SHAREHOLDER VALUE



## Increase linkage between pay and long-term performance

- A renewed Long Term Incentive plan for Executives, delivered in VEON shares
- 3 year vesting and delivery in Performance shares, restricted through performance conditions which need to be met

## Align management rewards and shareholder value creation

- 53% of Total remuneration for Executives in VEON shares
- Shareholding requirement for Executives: 2x of annual salary, 6x for Group CEO
- 50% of Short Term Incentive delivered in VEON shares with 2-year deferral

## Create team alignment around consistent goals & simplify incentives

- Team motivated to work collaboratively, aligned to common performance goals
- Held to account for performance of the business
- Paid for performance in transparent, robust, fair & competitive way

## Incentives in line with market best practice & anchored on market competitiveness

- Compensation system developed in line with the best market practice
- Direct oversight and guidance of VEON Compensation and Talent Committee
- Regular compensation reviews set in Committee roadmap

# PROMOTING ESG LEADERSHIP ACROSS OUR GROUP



## MSCI RECOGNITION



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

- Privacy policy enhancing consumer rights over their individual data
- Cybersecurity strategy to effectively mitigate potential cyber risks
- VEON outperforms peers in corporate governance, with its strong structures and practices
- Board has an independent majority, and is recognized for dedication to VEON
- Wide shareholder support for VEON's new Governance model

## SUSTAINABLE DEVELOPMENT FOCUS

- Country-led initiatives supporting UN Sustainable Development Goals



- 38% decline in CO2 emissions per unit of data transmitted in 2020
- CO2 reduction through systematic infrastructure sharing
- Supporting GSMA's net zero industry emissions goal by 2050
- Diversity & Inclusion Policy, flexible working arrangements
- Stock-based long-term incentive program

# OUR THREE-YEAR AMBITION

**10-14% Revenue & EBITDA CAGR**  
In Local Currency

**Mid-Single Digit Rev CAGR**  
In Reporting Currency

**+3 pp EBITDA Margin**  
EBITDA Margin Expansion

**<20% Capex/Revenue**  
2024 CAPEX intensity

**Return to Dividend**

At least 50% Equity FCF post spectrum if  
leverage  $\leq$  2.4x post IFRS16

# ON THE AGENDA TODAY



Kaan  
Terzioğlu

**Group CEO  
VEON**



Erik  
Aas

**CEO  
Banglalink  
Bangladesh**



Aleksandr  
Komarov

**CEO  
Kyivstar  
Ukraine**



Yevgeniy  
Nastradin

**CEO  
Beeline  
Kazakhstan**



Aamir  
Ibrahim

**CEO  
Jazz  
Pakistan**



Alexander  
Torbakhov

**CEO  
Beeline  
Russia**



Serkan  
Okandan

**Group CFO  
VEON**

# BANGLALINK



Erik Aas  
CEO, Bangladesh



# FAVORABLE MACRO-ECONOMICS WITH DATA-HUNGRY MARKET



**165m**

Population in 2020

**62%**

Rural population

**45%**

Under 25 years of age

**6.8%**

Real GDP CAGR 2015-20

**2026**

To graduate from Least Developed Countries (LCD)

**\$46bn**

Foreign reserves in Oct 2021

**4.0%**

FX change versus USD 2017-2021

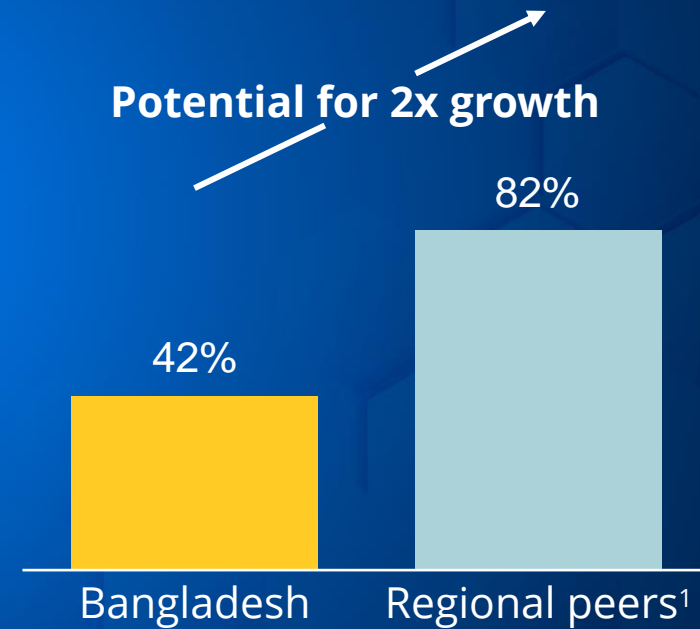
**\$37bn**

Infra. investment in Dhaka & Chittagong

# BANGLALINK ACCELERATING SHIFT TO 4G AND DATA



## MARKET SMARTPHONE PENETRATION



<sup>1</sup> Cambodia, India, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam as of 30 September 2021, GSMA



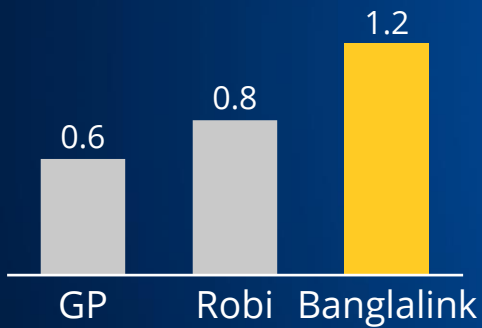
# RESILIENT CHALLENGER, MARKET-LEADING DATA PRODUCT



## MARKET LEADING DATA NETWORK...

### MHz / Million Subs

As of 30 September, GSMA



**Up to 2x spectrum advantage** over competitors



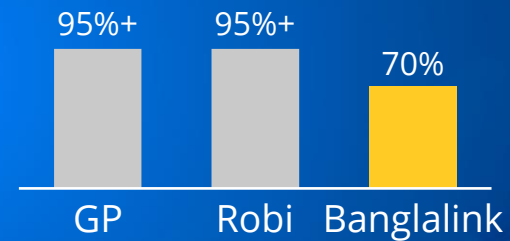
**Ookla fastest network** three times in a row



## ...PROVES RESILIENT AGAINST STRUCTURAL CHALLENGES

### 4G population coverage

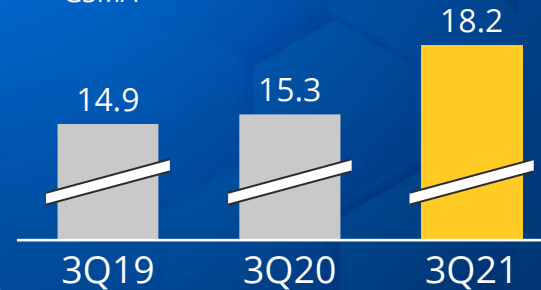
as of 30 September 2021, GSMA



**Disadvantaged coverage as #3 player...**

### Data Revenue Market Share

GSMA

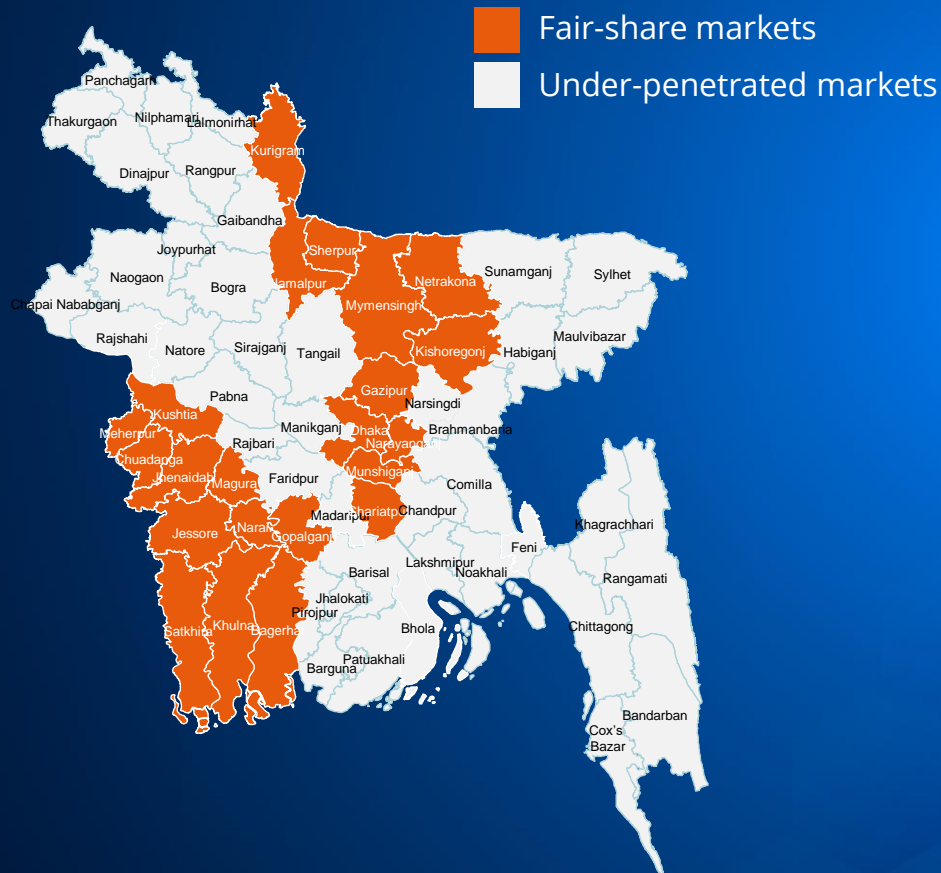


**...but GAINING data revenue market**

# EXPANDING INTO UNDER-PENETRATED REGIONS



## OUR SEGMENTATION



## OUR WINNING PLAN

From

- ~70% 4G population coverage
- 12% share in under-penetrated markets (60% of population)

To...

- Leading 4G data product nationwide (~95%)
- Capturing fair share<sup>1</sup> (22-25%) across Bangladesh

How...

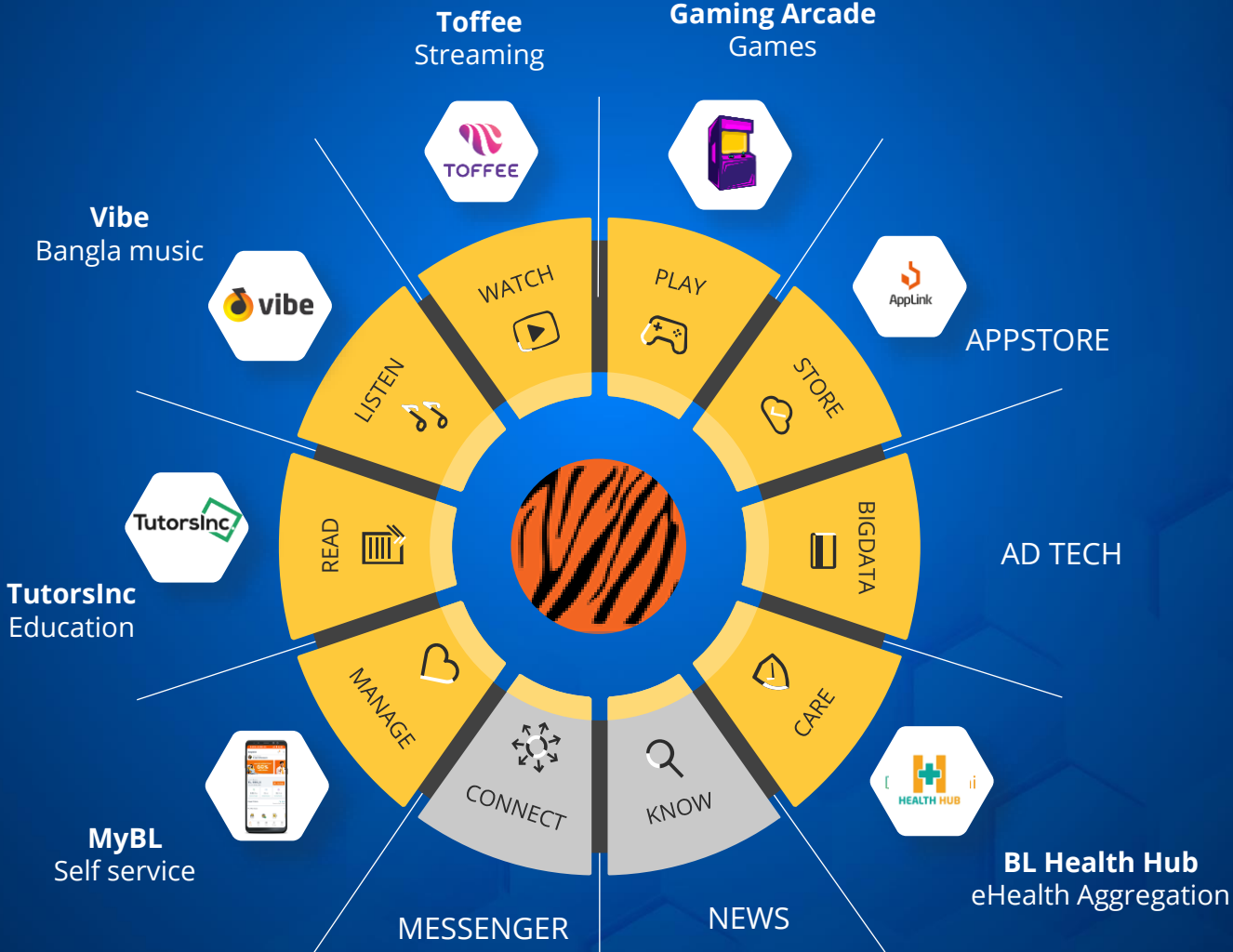
- **Essential** capex commitment to 4G expansion
- Vendor deals with **SIGNIFICANT** cost savings

<sup>1</sup> Currently hold 22% share in "fair-share" markets; long-term fair-share to align with spectrum share (25%)

# BANGLALINK IS THE MARKET FORERUNNER IN DIGITAL WITH MORE TO COME



- Launched
- In production
- In planning





# TOFFEE HAS TAKEN THE MARKET BY STORM

83 CONSECUTIVE WEEKS AS THE #1 ENTERTAINMENT APP IN BANGLADESH



# HOLISTIC VALUE CREATION MODEL

## ENABLING DOUBLE-DIGIT LC REVENUE GROWTH AMBITION



**1x%**

**Double digit LC revenue growth by 2024**

# KYIVSTAR



Alexander Komarov  
CEO, Ukraine



# UKRAINE PROFILE:

## UKRAINE HAS ALL CAPACITIES TO FURTHER DEVELOPMENT AND GROWTH



**3.1%**

**Expected GDP growth in 2021**

**#7**

In Europe

**44m population in 2020**

**89%**

covered by LTE

**Rapid adoption of 4G as of 30 September 2021**

**70%**

**Smartphone penetration as of 30 September 2021**

**\$3**

**Strong ARPU growth potential as of 30 September 2021**

**11m**

**Active users DIYA case**

As of 30 September 2021

**300k**

**IT specialists**

as of 30 September 2021

**Startups developed in Ukraine:**

 depositphotos

 people.ai

 grammarly

 GitLab

 AJAX

 Restream.io



# WHAT IS KYIVSTAR?



## A WORLD-CLASS PERFORMER

- **UNDISPUTED MARKET LEADER**
- **DOUBLE DIGIT REVENUE GROWTH**
- **OUTSTANDING PROFITABILITY**
- **INFRASTRUCTURE LEADER**
- **UNIQUE LOW-CHURN RATE**
- **CONVERGENT DNA**
- **ONE OF UKRAINE'S MOST VALUABLE BRANDS**
- **BEST EMPLOYER IN UKRAINE<sup>1</sup>**

1. <https://chamber.ua/news/kyivstar-is-recognized-as-the-best-employer-in-ukraine/>



# BOOSTING TELCO OPPORTUNITIES

## VALUE CREATION FOR CUSTOMERS AND SHAREHOLDERS



**New value approach to value proposition for customer engagement**



**Strengthening our tech leadership**



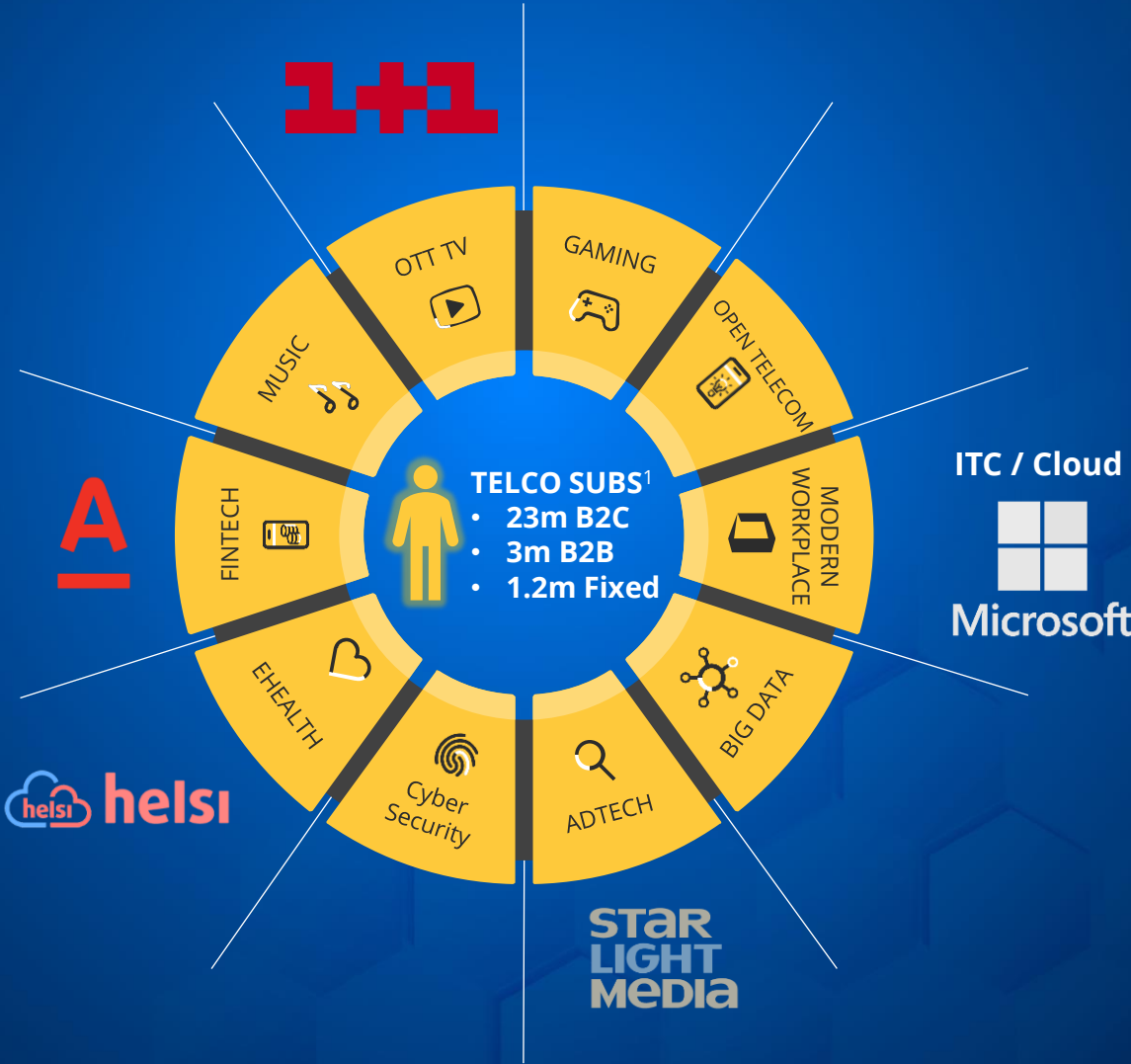
**Fixed broadband market consolidation**



**TowerCo creation and further monetization**

# BOOSTING DIGITAL OPPORTUNITIES

## TRANSFORMATION FROM TELCO TO DIGITAL OPERATOR



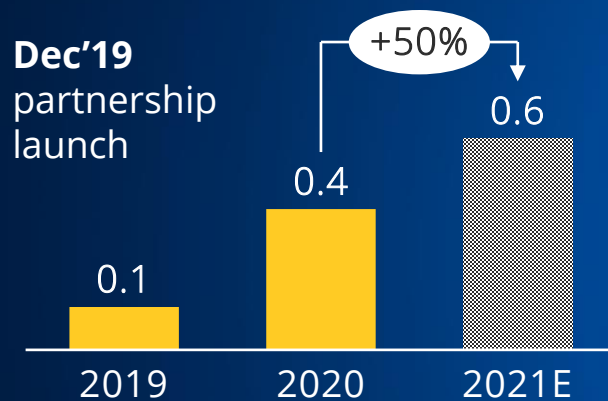
1. As of 30 September 2021

# KYIVSTAR TV PARTNERSHIP

WORKING WITH 1+1 MEDIA, LEADING LOCAL CONTENT PROVIDER



## KYIVSTAR TV MAU, M



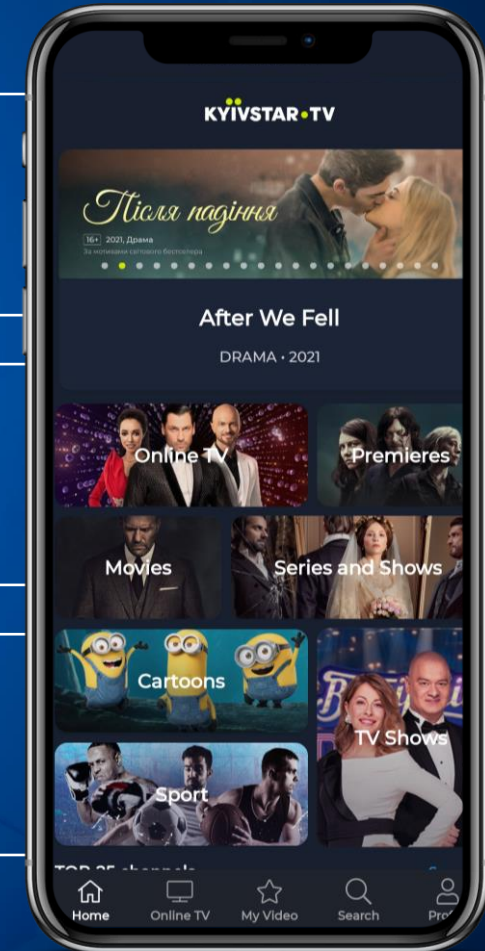
**#2** OTT TV platform  
**25%** market share  
**0.6m** monthly active subs

**All platforms**, including iOS, Android Smart TV, web

**300+** TV channels (30+ own)  
**20k+** video on demand content  
**1+1** media exclusive content

1+1 MEDIA is:

- **One of TOP-3** media groups in Ukraine
- **#1** by channels views
- **#1** local content factory



# 2024 AMBITION: 8 MILLION ACTIVE USERS OF THE KYIVSTAR DIGITAL ECOSYSTEM



Target of

**8M**

Customers using  
KYIVSTAR digital  
ecosystem in 2024

To  
Further  
Support

**DOUBLE  
DIGIT**  
2022 - 2024  
**LC REVENUE  
GROWTH**  
**Ambition**

# BEELINE KAZAKHSTAN



Evgeniy Nastradin  
CEO, Kazakhstan



# KAZAKHSTAN'S GROWING MARKET

## SOLID FOUNDATIONS FOR DIGITAL EVOLUTION



**19m**

Population in 2020  
(+2.5m in 10Y)

**\$1.1bn**

Mobile market revenue

**\$355m**

Fixed market revenue

**129%**

SIM penetration

**78%**

Smartphone penetration

**43%**

Fixed internet penetration of total households

**81%**

4G population coverage

**77%**

Mobile data users

**9.5**

GB per mobile subscriber



# GROWING OUR MARKET SHARE

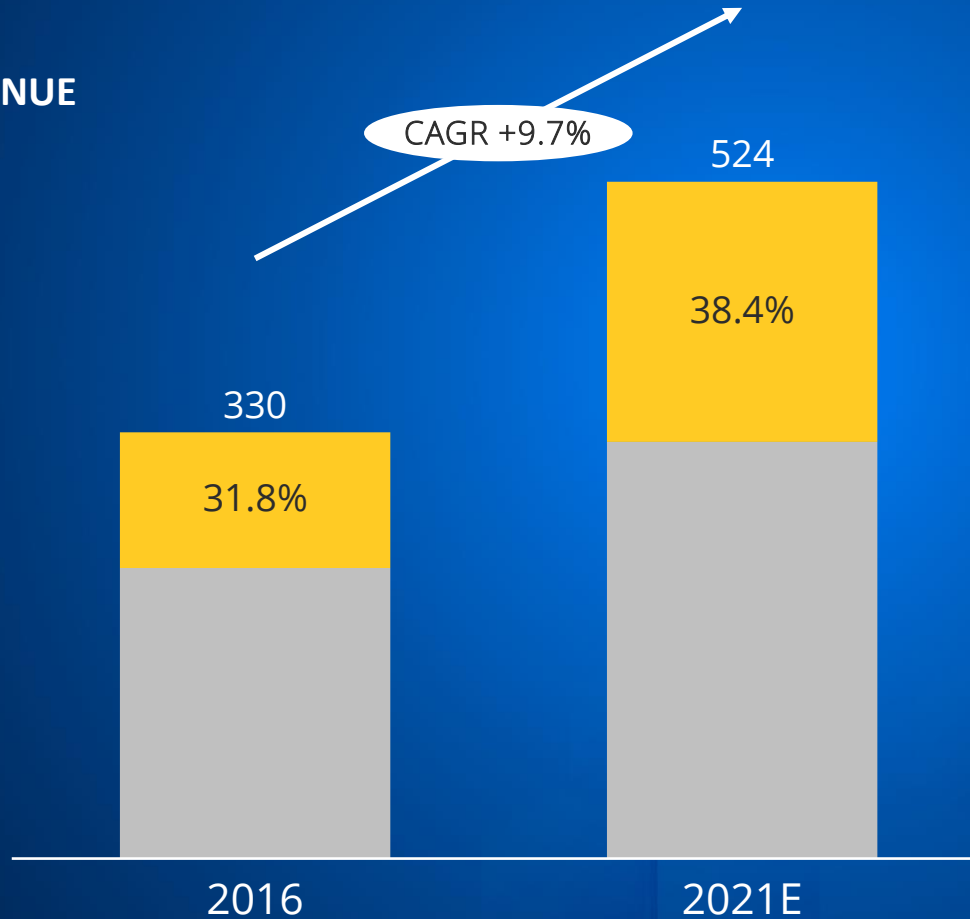
## INCREASING SHARE IN A GROWING MARKET



### MOBILE MARKET REVENUE

KZT billion

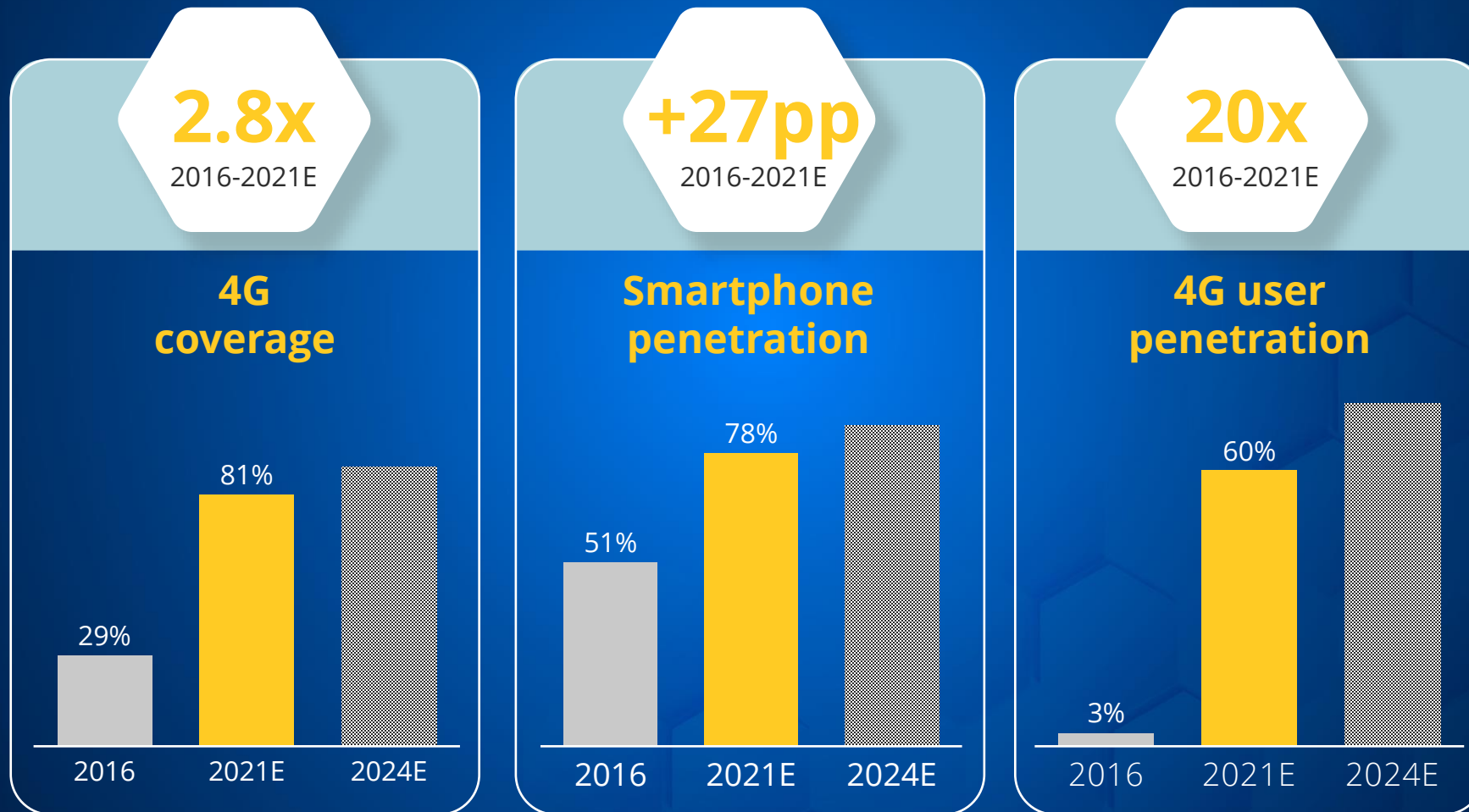
Beeline revenue share



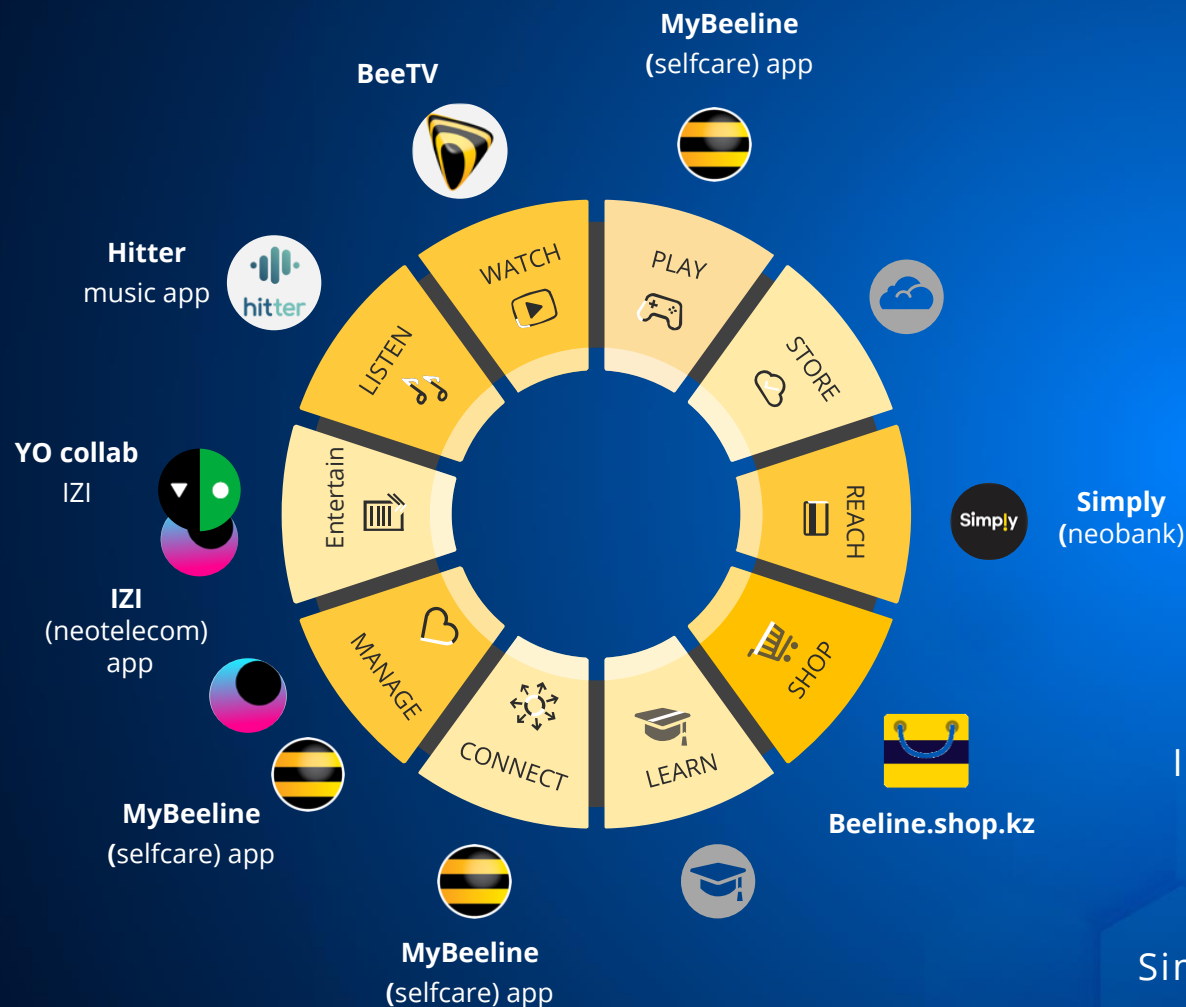
Delivering a **50%+** EBITDA margin in 9M21

# 5 YEARS OF FOCUSED INVESTMENTS

## DRIVING CONNECTIVITY FOR DIGITAL OPERATOR



# TRANSFORMING INTO A DIGITAL OPERATOR



Launched  
 In production

IN 2021<sup>1</sup>

**6.7bn KZT**  
 TV revenue  
**+33% YoY**  
 (3% of Total revenue,  
 47x in 2016-2021E)

**2.7mln**  
 MyBeeline MAU  
**+40% YoY**  
 (30% penetration  
 in A1M base)

**90K+**  
 IZI monthly active users  
**+146% YoY**

**200K**  
 Simply cards issued to date  
 since launch in June 2021

- We put the customer at the centre, building an ecosystem of digital experiences around each client
- Our digital portfolio gradually evolves into our main driver of value creation via multiple connectivity-agnostic brands
- We are building a Digital Operator model enabled by digital IT stack and in-house development

<sup>1</sup> Company estimates



# OUR EVOLVING DIGITAL JOURNEY

MOVING TO CONNECTIVITY-AGNOSTIC OFFERING WITH STRONG VALUE CREATION



Digital onboarding & service + Unique pricing

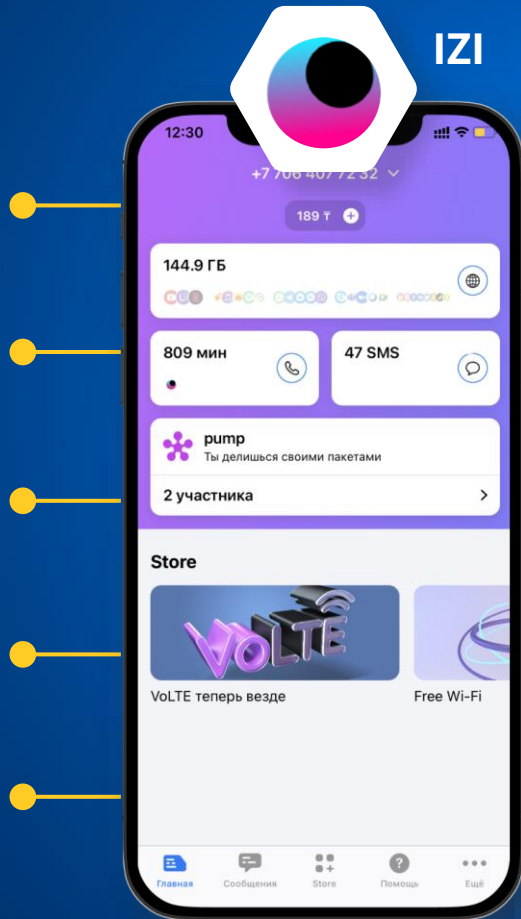
Lego-like offer management

E-sim or SIM delivery in 3 hours

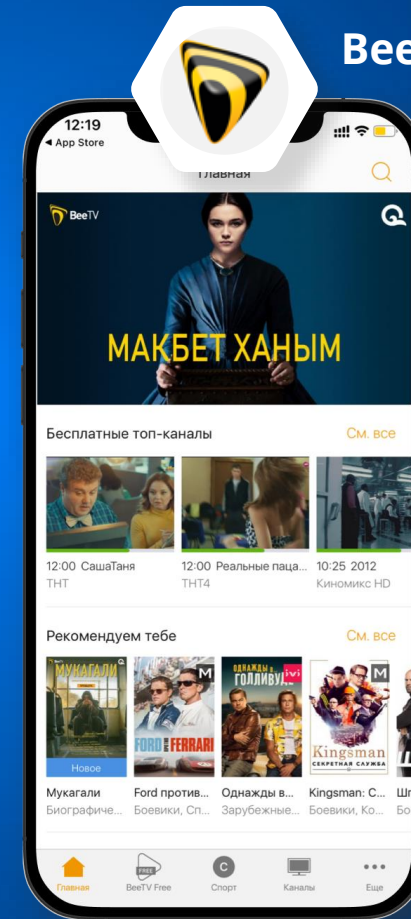
Referral program

Family subs-in

JOURNEY →



FROM Neotelecom operator INTO Teletainment app



FROM Beeline TV bundled service INTO TV+ & VoD agnostic app

All platforms (iOS, Android, web, SmartTV)

Adaptive stream

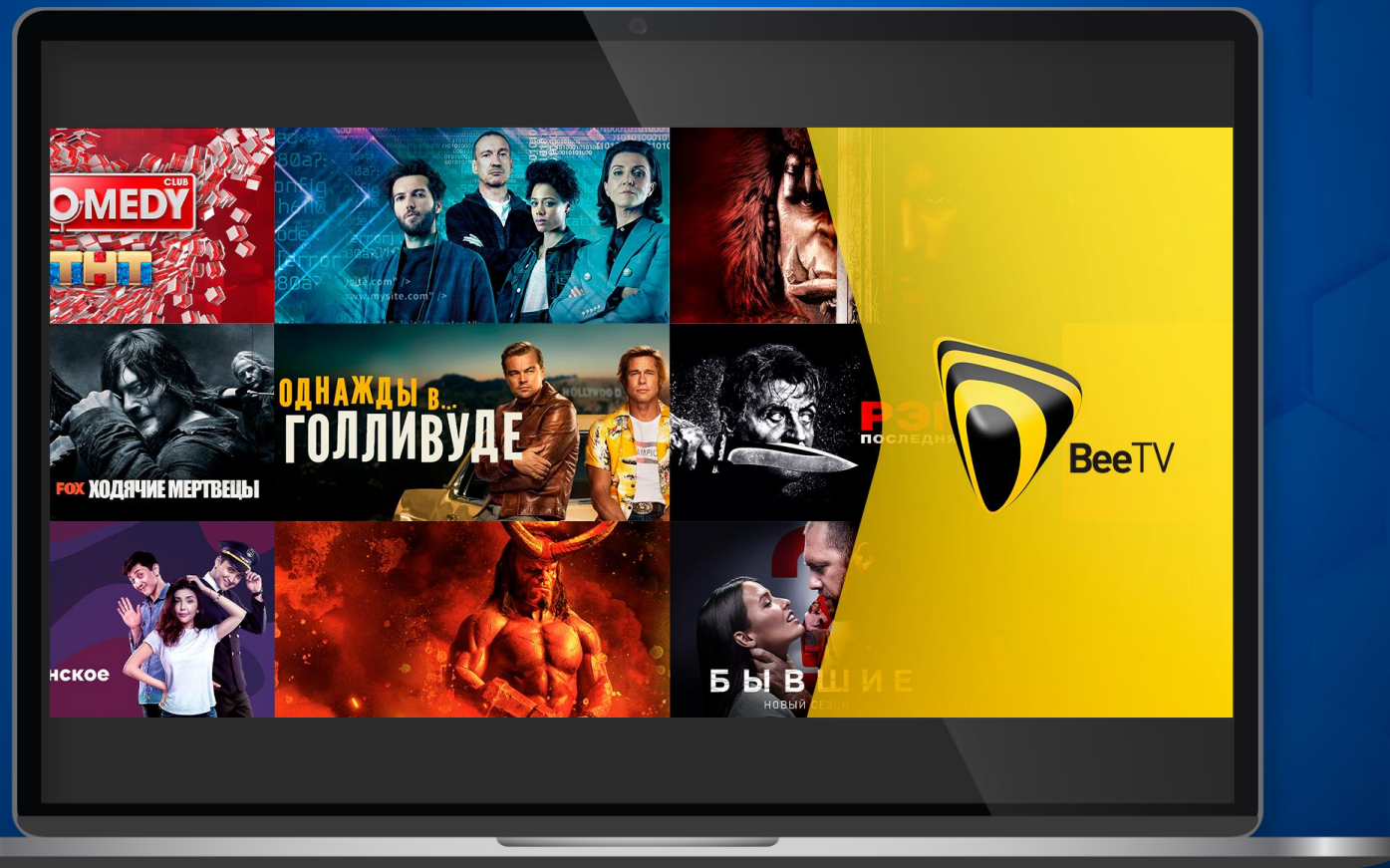
Casting

Picture-in-picture

Telco services bundling

# BEE TV

## MOVING TO CONNECTIVITY-AGNOSTIC OFFERING WITH STRONG VALUE CREATION

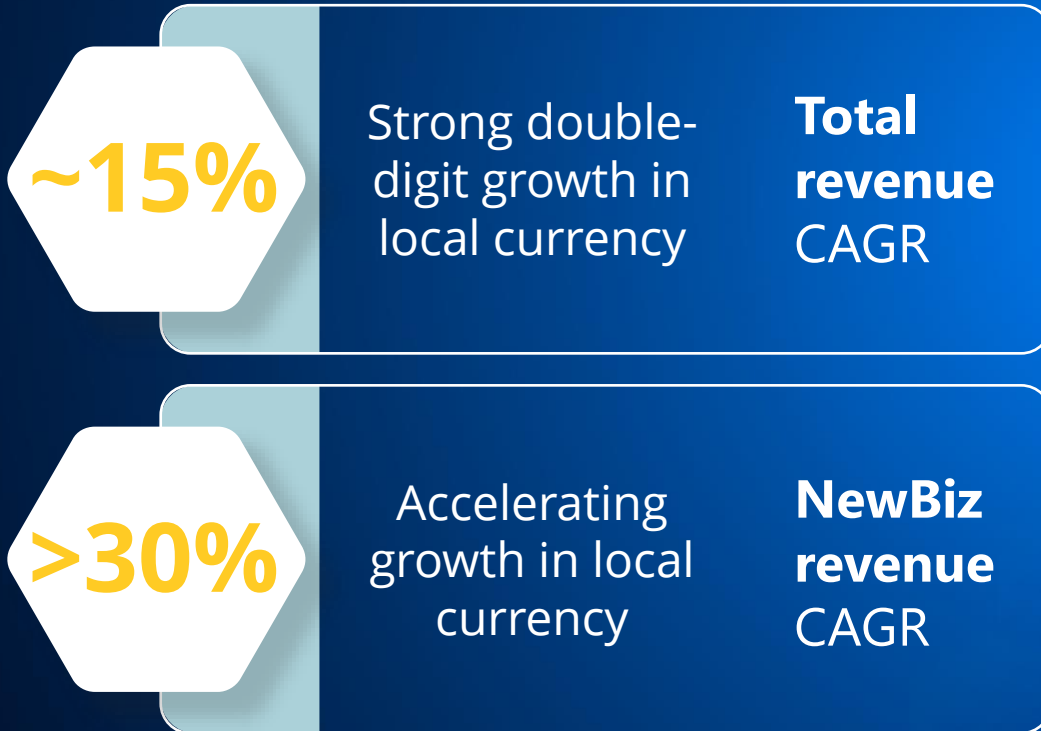


# OUR DOUBLE-DIGIT GROWTH AMBITION

SUPPORTED BY ACCELERATED DEVELOPMENT OF NEW BUSINESS OPPORTUNITIES



## 2022-2024 AMBITION



## GROWTH AGENDA

- Strong market leadership
- Focus on Multiplay & new business growth contribution
- Fully digital Back & Front
- Culture for growth & sustainability

# VEON INVESTOR DAY

## AGENDA



Time (CET)	Duration, min	Speaker / Topic
14:00 – 14:10	10	<b>Welcome</b>
14:10 – 14:40	30	<b>Kaan Terzioğlu</b> , Group CEO
14:40 – 14:55	15	<b>Erik Aas</b> , CEO Bangladesh
14:55 – 15:10	15	<b>Aleksandr Komarov</b> , CEO Ukraine
15:10 – 15:25	15	<b>Yevgeniy Nastradin</b> , CEO Kazakhstan
15:25 – 15:40	15	Coffee break
15:40 – 15:55	15	<b>Aamir Ibrahim</b> , CEO Pakistan
15:55 – 16:10	15	<b>Alexander Torbakhov</b> , CEO Russia
16:10 – 16:30	20	<b>Serkan Okandan</b> , Group CFO
16:30 – 16:40	10	<b>Kaan Terzioğlu</b> , Group CEO
16:40 – 16:50	10	Coffee break
16:50 – 17:30	40	<b>Q&amp;A session</b>



JAZZ



Aamir Ibrahim  
CEO, Pakistan



# PAKISTAN, LAND OF DIGITAL OPPORTUNITIES



**221m**  
(+2% p.a.)

Population in 2020 5<sup>th</sup> largest in the world<sup>1</sup>

**68%**  
< 30 years

Demographic dividend as of 2020<sup>2</sup>

**4.5%**

GDP projection 2021-25<sup>2</sup>

**187m**

Mobile subscribers<sup>3</sup> (85% population) as of 30 September 2021

**5.0%**

Unemployment rate in 2020<sup>2</sup>

**109m**

Internet users<sup>3</sup> (49% penetration) as of 30 September 2021

**3rd**  
largest

Unbanked population as of 2020<sup>4</sup>

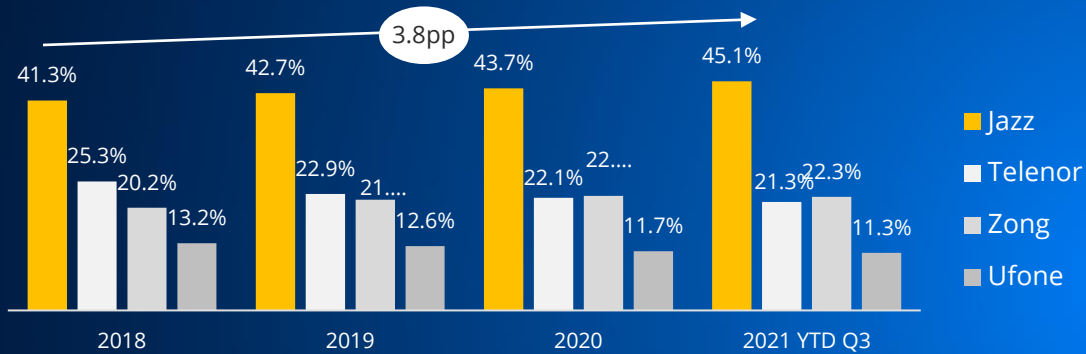
**21%**

Adults having accounts with financial institutions as of 2020<sup>2</sup>

# WITH JAZZ IN POLE POSITION ...



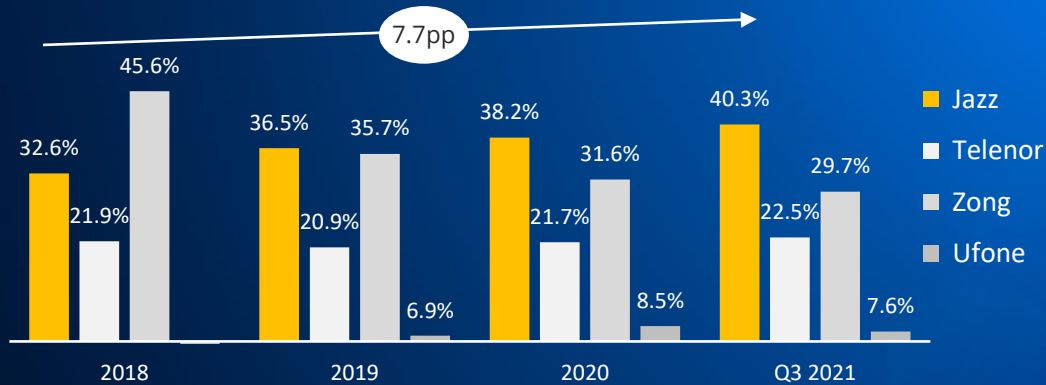
## TOTAL REVENUE MARKET SHARE <sup>1</sup>



**72m** Total Subscribers  
as of 31 October 2021

**34m** Active 4G subscriber base  
as of 31 October 2021

## 4G MARKET SHARE <sup>2</sup>



**3.8pp** Increase in Revenue Market share since 2018

**47%** Share of 4G net additions in 2021

**7.7pp** Increase in 4G Market Share since 2018

**48%** 4G Penetration  
as of 31 October 2021

<sup>1</sup> Source: Market Intelligence

<sup>2</sup> Source: PTA market share - National players only



# WITH CLEARLY DEFINED FOCUS AREAS



## Infrastructure

- Fund **digital investments** through proceeds from TowerCo monetisation
- **Multi-Tenant Discounts:** Reduced Jazz opex
- **Progress:** Transaction structure finalised, IM being initiated for sales process



## Digital Operator

- Sustain **Market Leadership**
- Keep investing in 4G (**4G for All**)
- Optimise for **Revenue**, Improve Efficiency (Project Optimum)



## Digital Assets

- Grow **Digital Platforms**
- Focus on **Multi-Play** engagement
- Expand the **Rainbow**

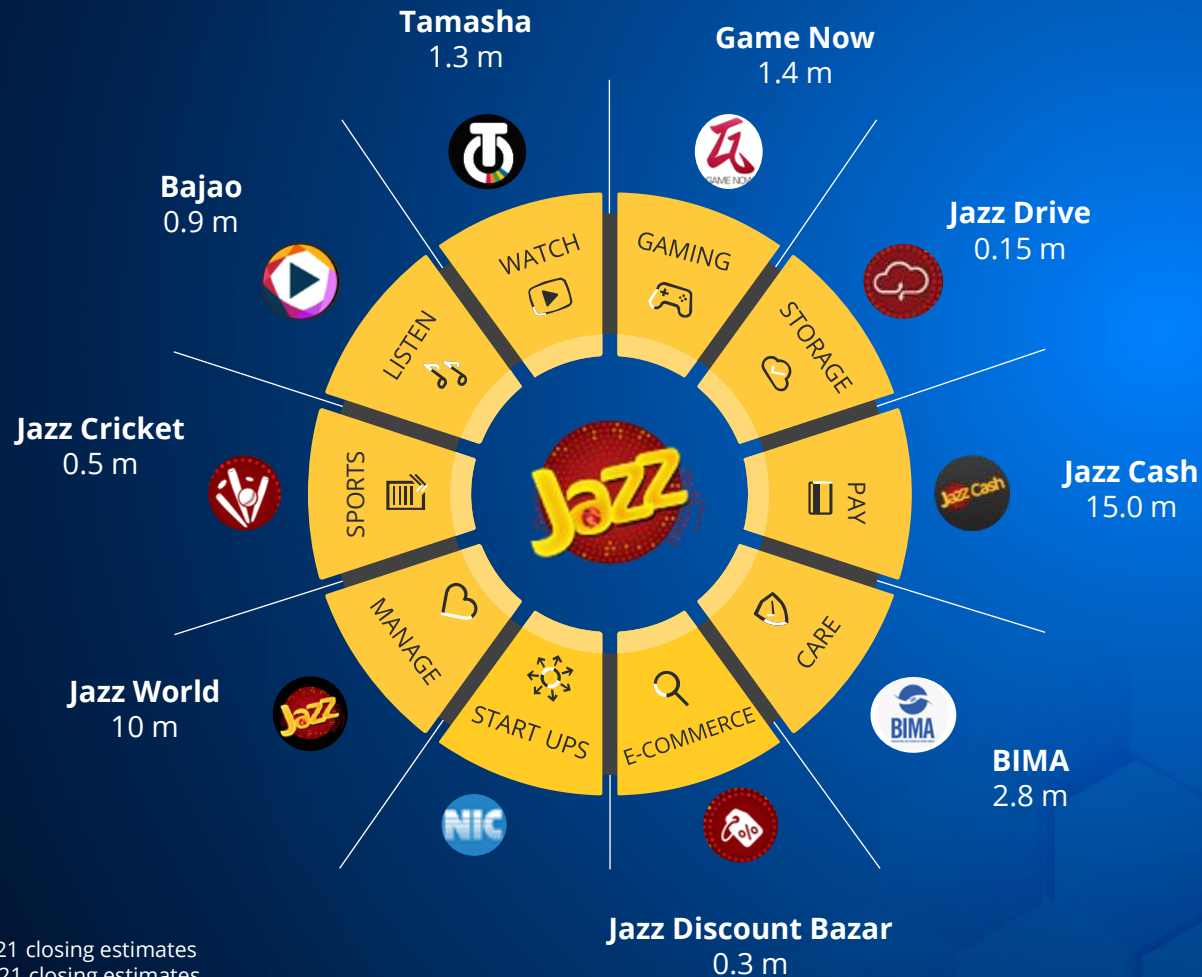




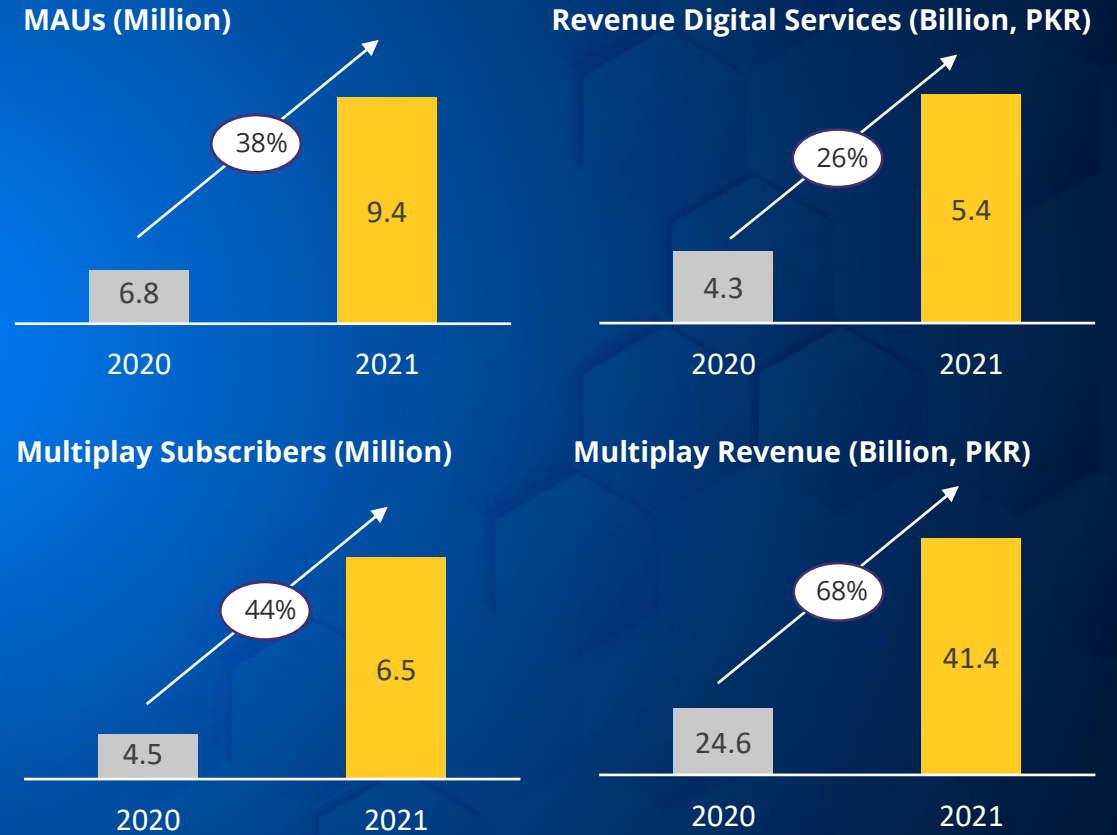
# AND A DIGITAL OPERATOR MINDSET



## “1440 ENGAGEMENT MODEL” MAU<sup>1</sup>



## DOUBLE DIGIT YOY GROWTH ON DIGITAL<sup>2</sup>



<sup>1</sup>2021 closing estimates  
<sup>2</sup>2021 closing estimates

# TAMASHA – LIVE TV & VIDEO ON DEMAND PLATFORM



## Tamasha

- Defragmented video offering with updated platform
- Modernized app with enhanced CX features
- Lead the local VoD and live TV market
- Promote hyper-local content

**60+**  
Live Channels

**100+**  
VOD Titles

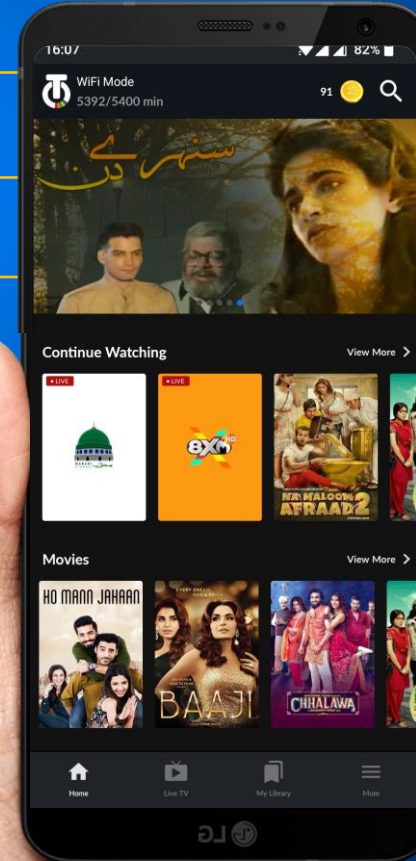
**300+** **FEATURES**  
Hours

### OTT AMBITION

Separate Legal Entity

Own Platform IP & Licenses

Potential Valuation Play



Adaptive Stream

Casting

Picture-in-Picture

Rewards & Gifts

GSM Bundling

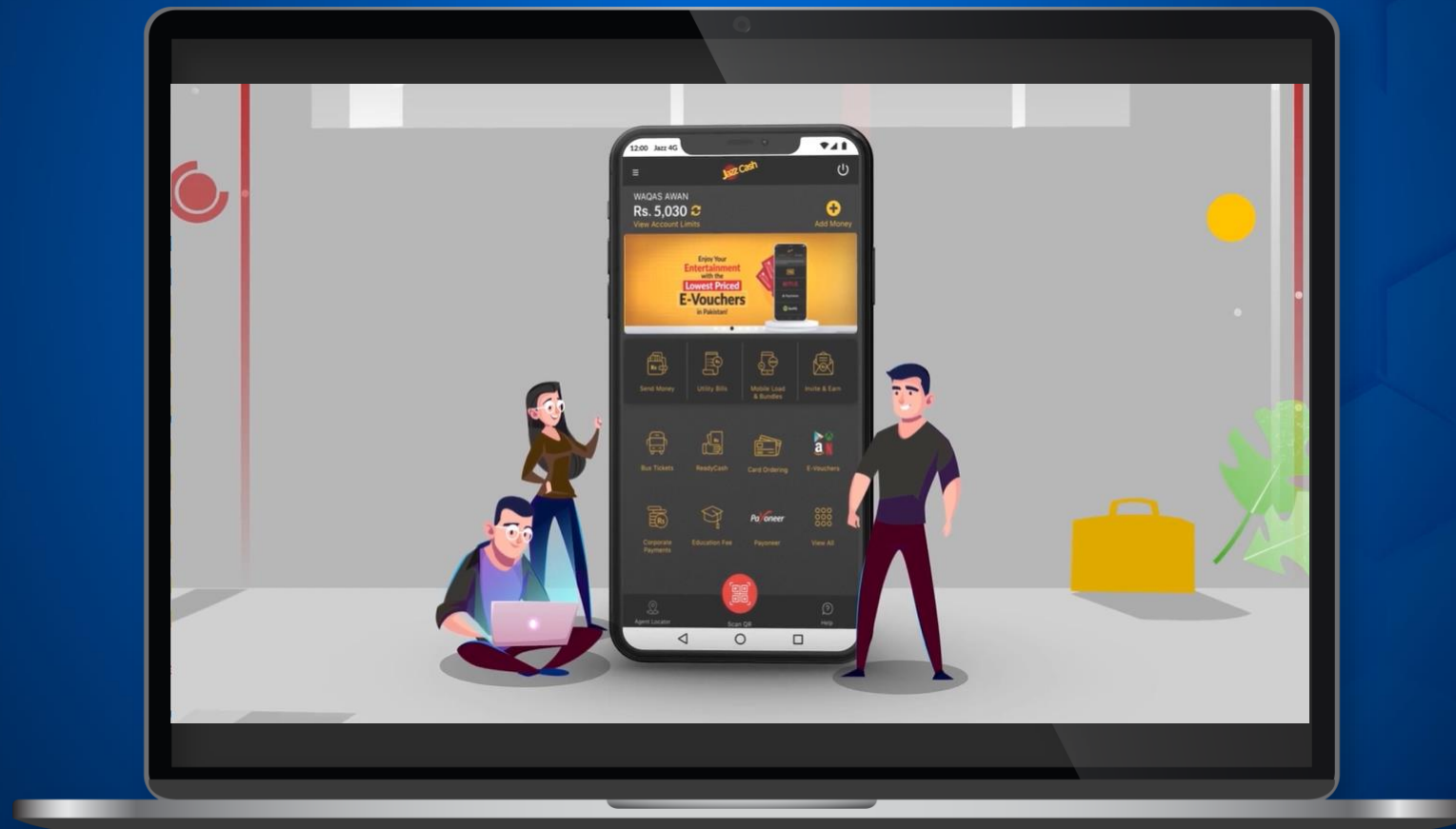
AdTech

### ACCESS MEDIUMS



# JAZZCASH

## IT'S ALL POSSIBLE WITH JAZZCASH APP



# JAZZCASH LEADING THE PAYMENTS MARKET...



## Multiple opportunities for value creation





# ... AS WELL AS DEVELOPING THE FINTECH ECOSYSTEM



## Products & Services

Financial Lending Services

Deposits

Float Income



Platform Advertising

Payments Specialist

## Ecosystem



**Commercial / Branchless Banking players**



**EMI License & Other FinTech Players**



**E Commerce / Lifestyle**



# DOUBLE DIGIT GROWTH



Digital Assets



Digital Operator



Infrastructure



OUR AMBITION

**>10%**

CAGR 2022 - 2024  
local currency

Total Revenue

**>40%**

CAGR 2022 - 2024  
local currency

Digital Services Revenue<sup>1</sup>

1. Jazz Cash and 11 existing digital services in the portfolio

# BEELINE RUSSIA



Alexander Torbakhov  
CEO, Russia



# RUSSIA PROFILE:

## MACROECONOMICS, DEMOGRAPHICS, TELECOM SECTOR



**146m** Population

**27%** Population under 24

**25%** Share of rural population

**3.4%** GDP per capita CAGR 2021-2024

**50%** 4G penetration (country average)

**74%** Smartphone penetration

**96%** 4G coverage, by population

**64%** Digital literacy rate

Sources: RosStat, World Bank, International Monetary Fund, GSMA. Population and demographics as of 31 December 2020, GDP per capita CAGR – expected, 4G penetration and coverage, smartphone penetration and digital literacy rate data as of 30 September 2021



# TOPLINE GROWTH IN LINE OR BETTER THAN MARKET



3Q21 YoY

# Back in the game

**+4.5%**



Mobile service revenue

**+6.1%**



Total B2C revenue

**+6.2%**

Fixed service revenue

**+16%**

Total B2B revenue

**+38%**

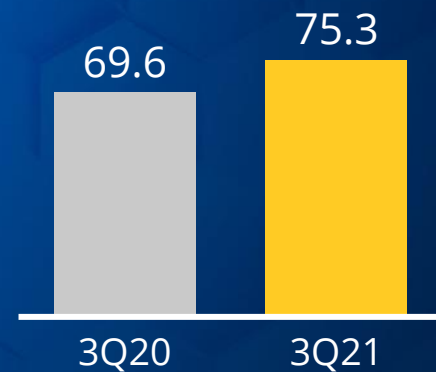


Device sales revenue



**Total Revenue**

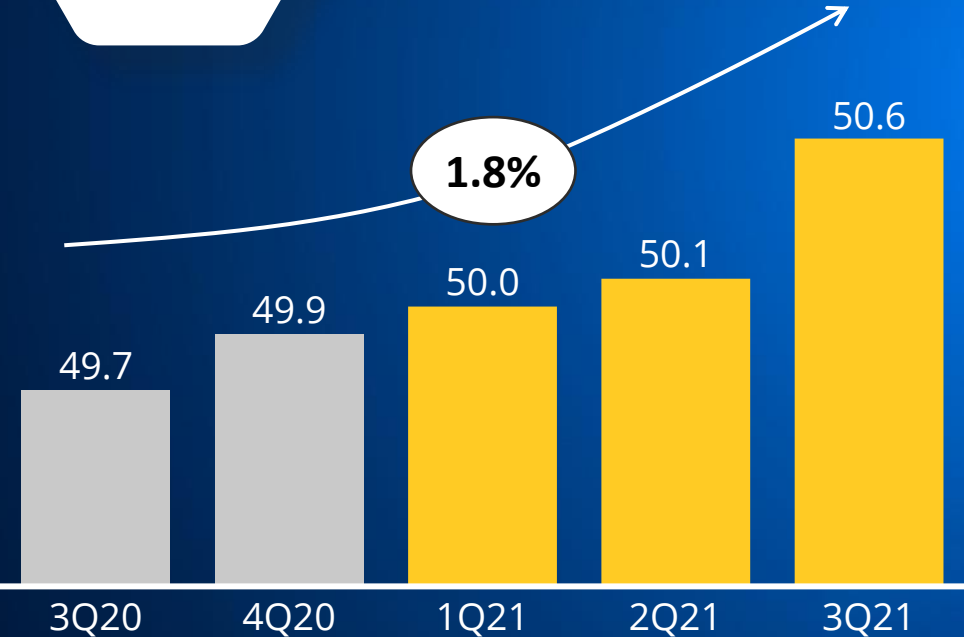
**+8%**



# STRONG #3 PLAYER IN BOTH SUBS AND REVENUE



SUBS BASE BACK TO GROWTH



CUSTOMER SATISFACTION IS SKYROCKETING

+15pt

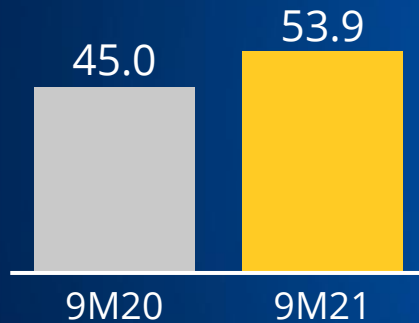
NPS growth in Moscow region 3Q21 YoY



# CAPEX DRIVING GROWTH

Operational CAPEX,  
9M21 vs 9M20  
local currency

**+20%**



less appetite for  
investment going  
forward →

**CAPEX Intensity**



**+22%**

new 4G BS on air  
9M21 vs 9M20

**+60%**

sites launched  
9M21 vs 9M20

**×1.5**

data traffic growth  
3Q21YoY

**+35%**

average speed increase  
3Q21 YoY

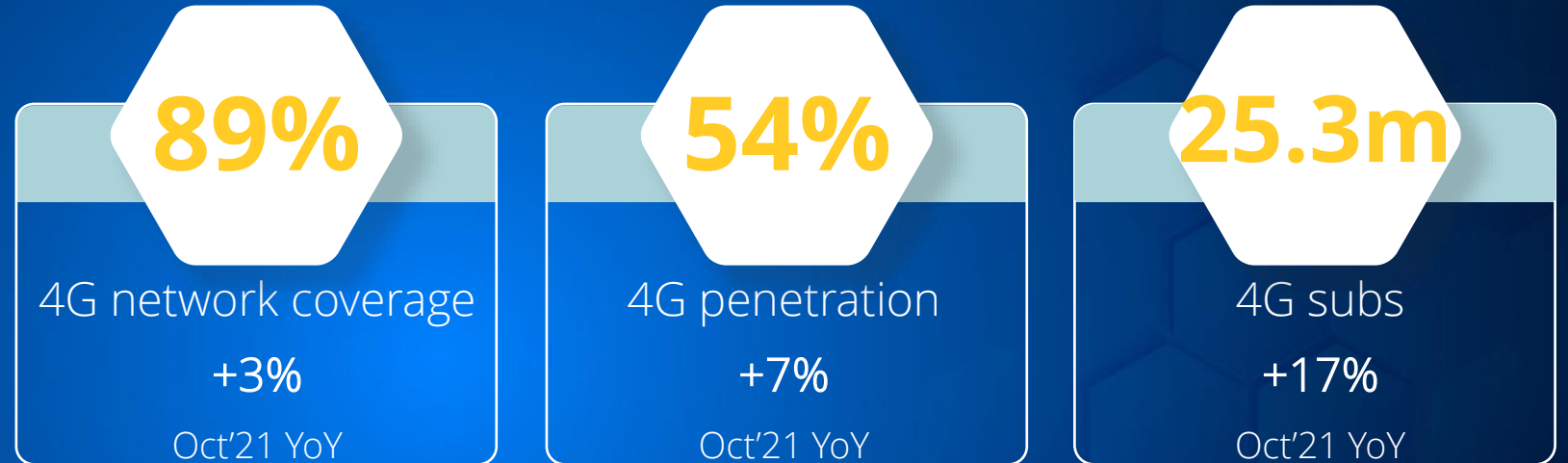
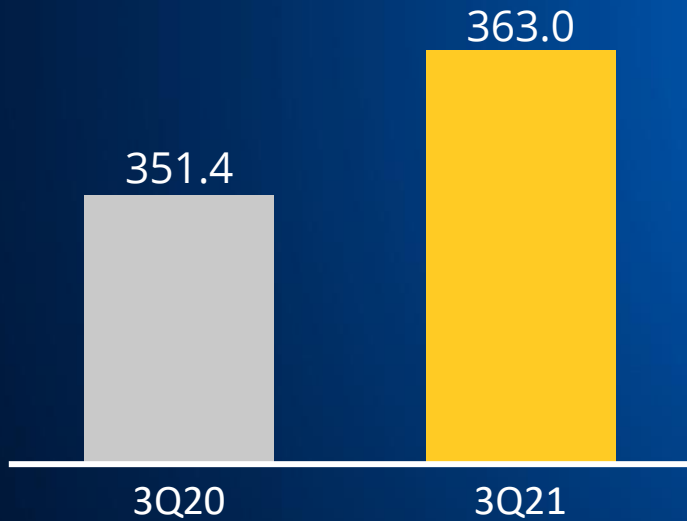
# INCREASED USAGE AND QUALITY DRIVE ARPU



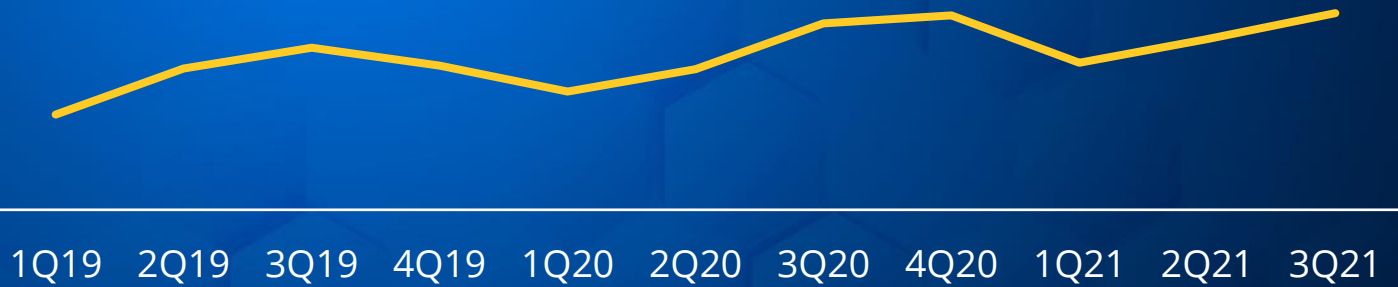
beeline ARPU

# +3.3%

YoY growth  
in local currency



## AVERAGE MARKET ARPU DEMONSTRATES SIGNS OF RECOVERY



<sup>2</sup> 3m active subscribers



# STRONG GROWTH BEYOND CONNECTIVITY



**+13.9%**

Mobile app MAU YoY growth in 3Q21

**+16.7%**

Beeline TV MAU YoY growth in 3Q21

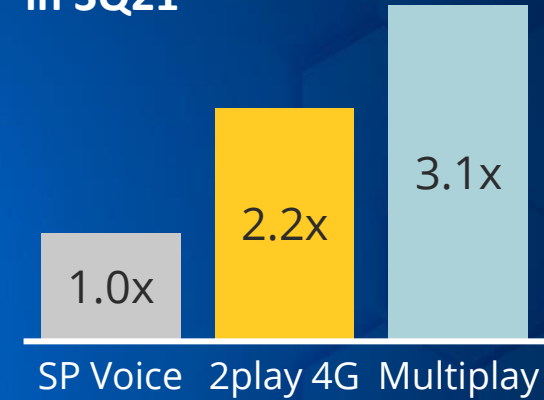
**+38%**

debit cards issued QoQ in 3Q21

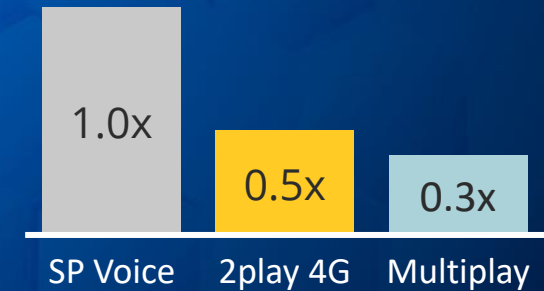
**+13%**

credit cards issued QoQ in 3Q21

## ARPU MULTIPLE in 3Q21



## CHURN IMPACT In 3Q21



# FOR THE FIRST TIME IN 15 YEARS WE RENEWED THE BRAND



after 15 years 'living on the bright side', today we have an improved proposition:

**each customer is unique, and we strive to provide exceptional service supporting their individualities.**

**beeline. on your side**

90%

feel the brand is still  
recognisable

63%

feel **more trust** in the  
brand after seeing the  
new commercials

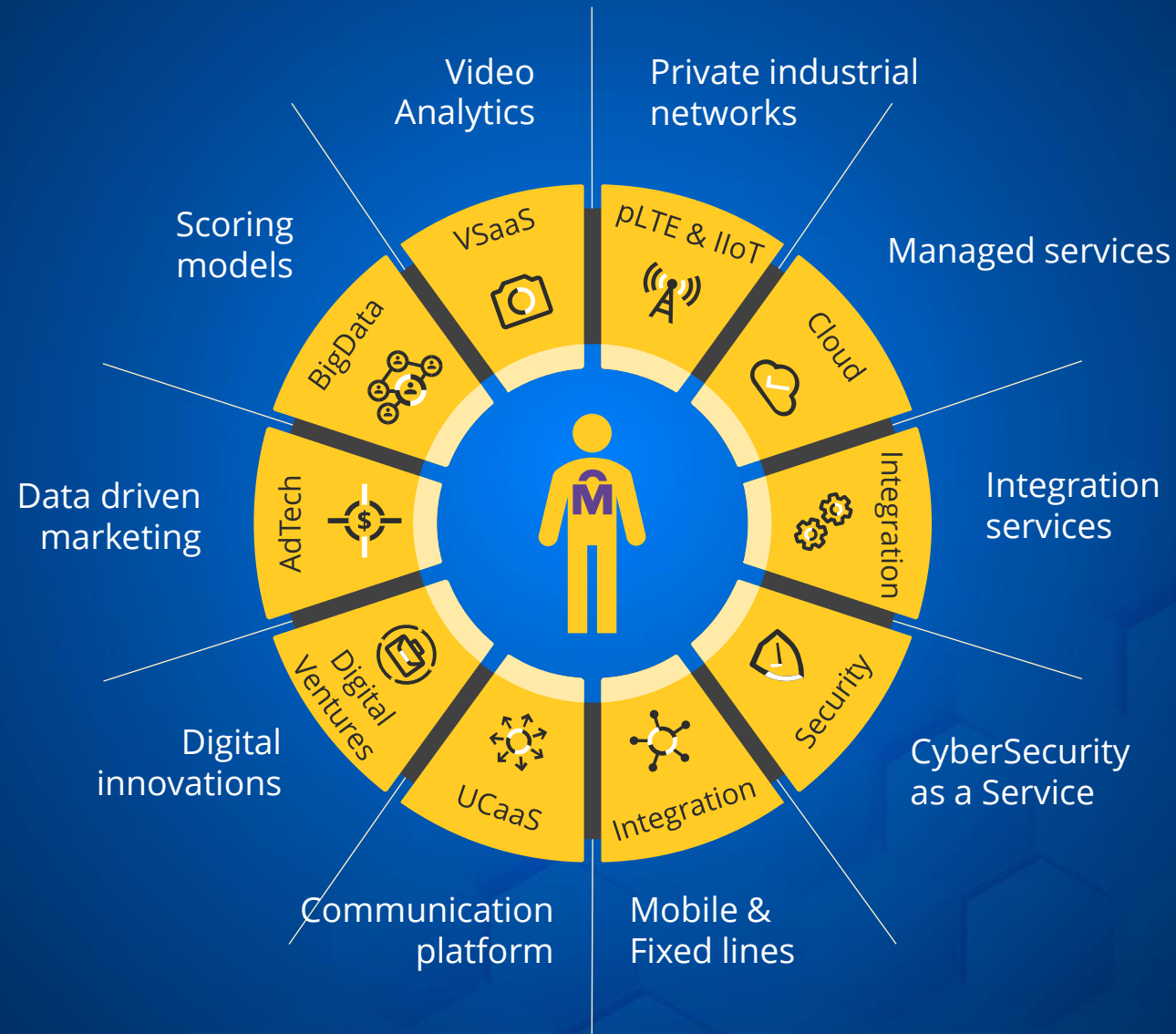
59%

believe the new  
commercials improve  
brand perception

85%

positive and neutral  
mentions in social  
media

# WIDE B2B PORTFOLIO



# MULTIPLY VALUE WITH STRONG PARTNERSHIPS





# RELIABLE INFRASTRUCTURE PARTNER — THE TOWER DEAL



**15.4k**

Towers

Immediate access to TowerCo market in Russia

Nationwide portfolio with unparalleled geographical coverage hard to replicate

Up to  
**1.8x**  
In Russia

Untapped potential to increase colocation ratio

High revenue visibility through long-term strategic partnership with VIP

**35%**

of total sites vs.  
15% today

First mover advantage TowerCo market to account

Unique platform for further consolidation of the tower market in Russia

# REINVENTING OURSELVES FOR GROWTH & EFFICIENCY



Towers



Brand refresh



Network investments



Non-connectivity



Project 'optimum'



Partnerships

Revenue  
EBITDA

Revenue 2022–24  
local currency  
growth ambition

**moving  
towards  
double  
digit**



Serkan Okandan  
GROUP CFO

# THREE-YEAR AMBITION



**10-14% Revenue & EBITDA CAGR**  
In Local Currency

**Mid-Single Digit Rev CAGR**  
In Reporting Currency

**+3 pp EBITDA Margin**  
EBITDA Margin Expansion

**<20% Capex/Revenue**  
2024 CAPEX intensity

**Return to Dividend**

At least 50% Equity FCF post spectrum if  
leverage  $\leq$  2.4x post IFRS16



# KEY MESSAGES



## 1. Risk management and financing

Proactive enterprise risk management, supporting operational results also through inflationary pricing

Manage through financial policies, appropriate balance sheet structure



## 2. Group-wide cost efficiency plan

**Project Optimum:**  
Group-wide program to improve EBITDA margin by at least 3 p.p.



## 3. Disciplined capital allocation policy

**Principled investment:**  
Guided by returns, saying no to opportunities not matching return priorities



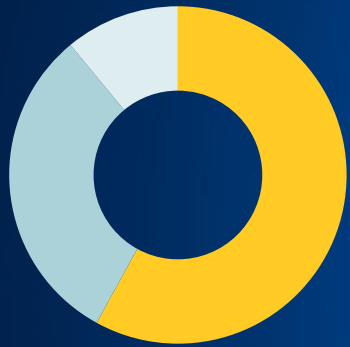
## 4. Forward-looking ambition

**Three-year ambition:**  
Double digit revenue and EBITDA growth in local currency terms

# 1. RISK MANAGEMENT AND FINANCING

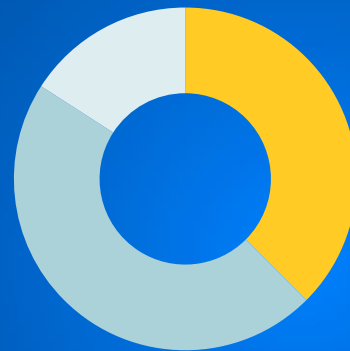
## A YEAR OF ACHIEVEMENTS IN DEBT CAPITAL MARKETS

### AS OF 30 SEPTEMBER 2021



- Gross debt excl leases USD7.7bn
- Average cost of debt 6.3%
  - Dollar debt 5.0%
  - Other funding 8.2%
- Tenor 3.2 years
- Lease debt USD1.9bn

### MID-TERM AMBITION



- Materially reduce USD-denominated debt to below 40% of net debt
- Further optimize average cost of debt vs benchmarks
- Further increase debt average tenor to 4 years

### 2021 HIGHLIGHTS

- Outside dollar and ruble other local currency funding increased from \$572mn to \$893mn-equivalent over past year
- Debt average tenor from 2.8 years to 3.2 years over past year to 3Q21
- Average cost of funding from 6.1% to 6.3% over past year to 3Q21

■ USD ■ RUB ■ OTHER

# 1. RISK MANAGEMENT AND FINANCING

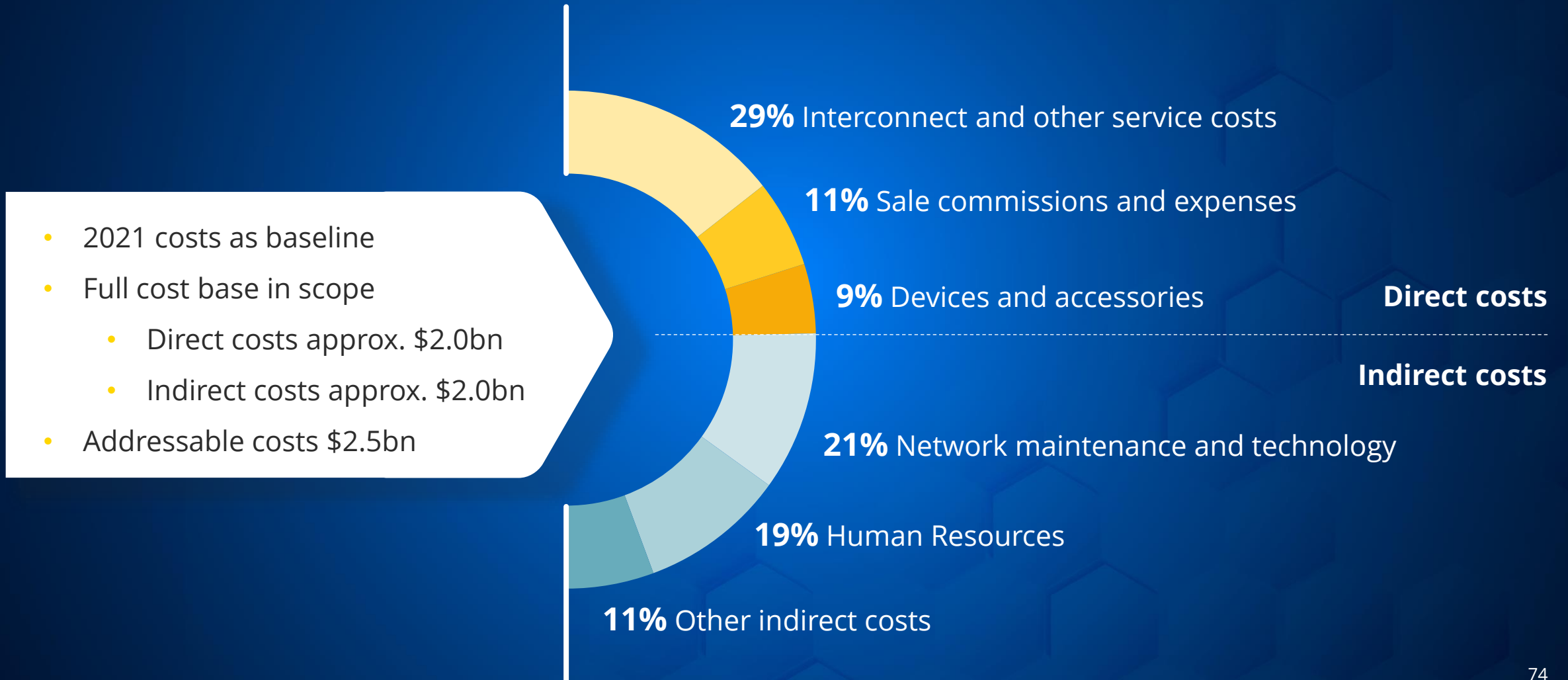
## RUSSIA TOWER TRANSACTION DE-RISKS VEON FINANCIAL POSITION



- An effective switch from dollar to ruble funding
- Cash inflow reduces group dollar debt by approximately \$850m<sup>1</sup>
- Net dollar debt reduction from 53% (post hedges) to 45% (Proforma 3Q21)
- Group debt average tenor increase from 3.2 years to 3.4 years (Proforma 3Q21)
- Proforma cost of external debt remains stable, with reduced balance sheet risk
- Group net debt to reduce by approximately \$340m

<sup>1</sup> VEON received a payment of RUB64.4bn (USD872mn equivalent) at closing and the balance of certain deferred amounts will be due and payable over the next three years

## 2. GROUP-WIDE COST EFFICIENCY PLAN





## 2. GROUP-WIDE COST EFFICIENCY PLAN

### PROJECT OPTIMUM GAINS TRACTION

- Launched in 1Q21 to drive sustainable cost efficiency with P&L impact
- Full cost base in scope, including all structural operating costs and headquarters
- Country management incentives aligned to project optimum
- Group-wide governance driving short-term tactical improvement and long-term structural savings
- Program will reach run-rate at the end of 2024, with targets locked in countries' latest business plans

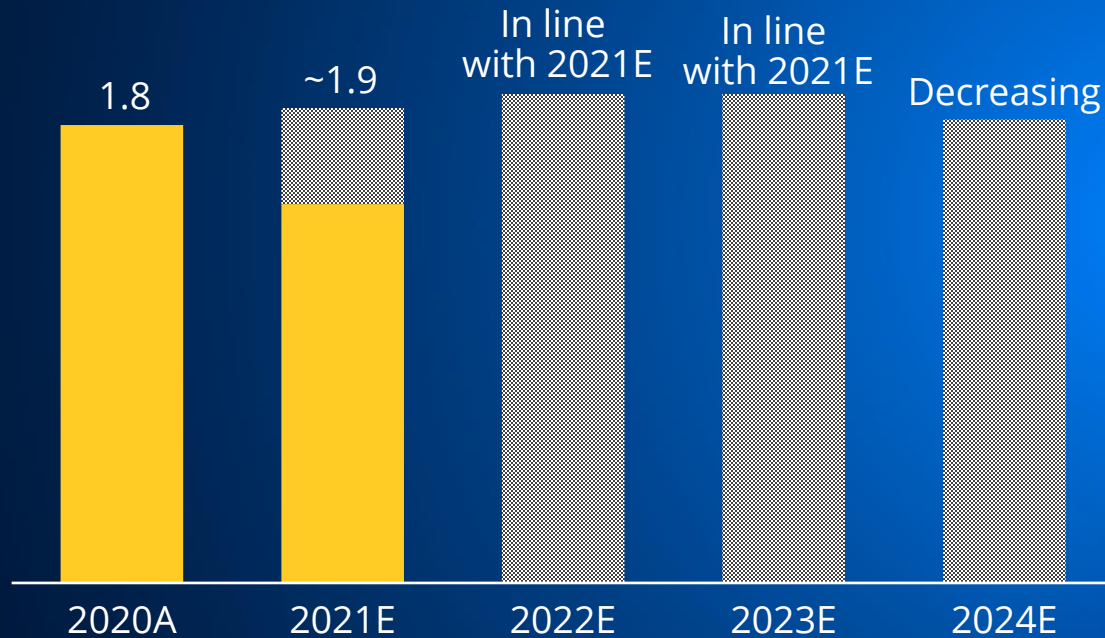


<sup>1</sup> Versus 2020 base, of which cost parity vs. top line growth to contribute to ca. half of cost intensity reduction

# 3. DISCIPLINED CAPITAL ALLOCATION POLICY

## CAPEX INTENSITY TO NORMALIZE BELOW 20%

### GROUP CAPEX EXCL. LICENSES USD BILLIONS







Capex intensity to reach <20% by 2024





- Investments in absolute terms would remain on similar level in first phase of 2022-2024 Plan
- Capex intensity will reduce marginally as revenues increase
- In 2024 capex intensity to fall below 20%
- Improving returns as EBITDA margin increases and capex intensity falls

# 4. FORWARD LOOKING AMBITION

GROWTH TRANSLATES INTO SHAREHOLDER VALUE

-  **10-14% local currency revenue & EBITDA CAGR**
-  **3p.p. EBITDA margin improvement (project Optimum)**
-  **CAPEX intensity to decline to below 20%**
-  **EBITDA less CAPEX**

**Building increased dividend capacity**

-  **Cash inflow from tower transactions**
-  **Cash inflow from exercise of Algeria put**
-  **Cash inflow from monetization of digital assets**
-  **Investments for Spectrum**

## Dividend Policy

This policy targets paying at least 50% of prior year equity free cash flow after licenses in dividends to shareholders. Dividend payments will always remain subject to review by VEON's Board of Directors, taking into account medium-term investment opportunities and the Group's capital structure. The Group's internal comfort level is to keep Net Debt/EBITDA inside 2.4x post-IFRS16.

# Closing remarks



Kaan Terzioğlu  
Group Chief Executive Officer



# TAKE-AWAYS OF THE DAY



## Double Digit CAGR Local Currency Ambition

10-14% CAGR  
Rev & EBITDA Growth  
+3pp EBITDA margin

## Mid-Single Digit USD CAGR Ambition

Hard-currency growth  
with inflationary pricing  
& tail-risk hedging

## Russia Back in Game

From 2021 turnaround  
to sustained growth

## Digital Operator

New kind of core  
business with  
digital transformation

## Towers Monetisation

Russia deal completed  
Further execution in  
2022

## Digital Assets

JazzCash & Toffee:  
Sizeable business &  
Room for growth

## Financial Discipline

Opex cost savings  
Normalising Capex/Rev  
Balance Sheet & Capital  
Management

## Return to Dividend

Cash generation  
Dividend ambition in  
line with policy

## Index Inclusion

Accessibility, access to  
passive investors

## Leadership Team & Shareholder Value

Strong team aligned to  
shareholder value

# Q&A



# VEON



THANK YOU!

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