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EXERCISE OF ALGERIA PUT: TECHNICAL IFRS MATTERS

15 October 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 Ltd.’s (“VEON”) assessment of the impact of the exercise of the put option for its stake in its Algeria operations on its current and future operations and financial condition. The forward-looking statements 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. 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 FINANCIAL INFORMATION:

All non-IFRS measures disclosed further in this presentation (including, without limitation, EBITDA and EBITDA Margin) are being defined and reconciled to comparable IFRS measures in VEON Ltd.’s 2Q21 earnings releases published on its website on August 30, 2021. 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.

Following the exercise of the PUT option for our stake in Algeria on 1st July 2021, the Algerian business will, in line with the IFRS 5 requirements, become a discontinued operation, and will be accounted for as “Asset held for sale”.

This will imply that its operations will not contribute to the base performance of VEON for both the current and prior year, and from the balance sheet perspective, it will be measured at the lower of the carrying amount of the discontinued business and its fair market value less costs to sell. Any deviation from this value in respect of the final valuation would result in a gain/loss, which would be accounted for as a profit/loss from discontinued operations. The discontinued classification under IFRS means that results of discontinued operations will be presented separately in current and prior year income statements and will have no impact on prior year balance sheet amounts.

Algeria contributed USD 668m in revenues and USD 296m in EBITDA to the VEON group over the 12 months ending June 2021. These amounts will not contribute to both the comparison base and the actual reported numbers, without obviously any change in the net economic value of this business.

Balance Sheet - All the assets and liabilities of Algeria will be shown as held for sale in a single line item under current assets and liabilities

Income Statement - Profit and loss from Algerian operations will be shown as a separate line item on face of income statement as “profit/loss from discontinued operations”.

Also, the comparative information in income statement will be restated to corroborate with the current quarter disclosures.

Notes to the financials - a separate disclosure will be required in the notes to disclose the details of the deal together with a snapshot of the summarized balance sheet and the income statement relating to the Algerian operations.

ALGERIA (Key financial data after Algeria reported as discontinued operations)

YTD Q2-21 Vs Q2-20 - unaudited

YTD Q2-21 USD in million	Q2-21 Reported	Proforma Q2-21 without Algeria	Algeria	Q2-20 Reported	Proforma Q2-20 without Algeria	Algeria
Revenue	4,054	3,731	323	3,988	3,643	345
EBITDA*	1,755	1,616	139	1,729	1,584	145
EBITDA Margin*	43.29%	43.31%	43.07%	43.36%	43.49%	41.95%

QTD Q2-21 Vs Q2-20 - unaudited

QTD Q2-21 USD in million	Q2-21 Reported	Proforma Q2-21 without Algeria	Algeria	Q2-20 Reported	Proforma Q2-20 without Algeria	Algeria
Revenue	2,065	1,902	163	1,892	1,732	160
EBITDA*	879	808	71	809	745	64
EBITDA Margin*	42.57%	42.49%	43.45%	42.76%	43.01%	40.02%

QTD Q1-21 Vs Q1-20 - unaudited

QTD Q1-21 USD in million	Q1-21 Reported	Proforma Q1-21 without Algeria	Algeria	Q1-20 Reported	Proforma Q1-20 without Algeria	Algeria
Revenue	1,989	1,830	159	2,097	1,912	185
EBITDA*	876	808	68	921	840	81
EBITDA Margin*	44.04%	44.16%	42.69%	43.92%	43.95%	43.63%

*1) Non-IFRS (non-GAAP)