Special purpose
Unaudited interim condensed
consolidated financial statements

VEON Holdings B.V.
(a wholly-owned subsidiary of
VEON Ltd.)

As of and for the six and three-month periods
ended June 30, 2024

Notice to Reader: VEON's results presented in these financial statements are, unless otherwise stated, prepared in accordance with International Financial Reporting Standards as adopted by IASB ("IFRS-IASB") based on internal management reporting, are the responsibility of management, and have not been externally audited, reviewed, or verified.

TABLE OF CONTENTS

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

for the six and three-month periods ended June 30:

		Six-month period		Three-month period	
(In millions of U.S. dollars, except per share amounts)	**Note**	**2024**	**2023***	**2024**	**2023***
Service revenues		1,890	1,743	987	887
Sale of equipment and accessories		11	7	6	3
Other revenue		65	49	32	25
Total operating revenues	2	**1,966**	**1,799**	**1,025**	**915**
Other operating income		1	1	1	1
Service costs		(228)	(220)	(115)	(107)
Cost of equipment and accessories		(12)	(7)	(6)	(3)
Selling, general and administrative expenses		(809)	(703)	(410)	(353)
Depreciation		(271)	(268)	(134)	(136)
Amortization		(98)	(103)	(48)	(51)
Impairment (loss) / reversal		(2)	10	(1)	7
(Loss) / gain on disposal of non-current assets		(1)	—	(1)	(1)
Gain on disposal of subsidiaries		—	—	—	3
Operating profit		**546**	**509**	**311**	**275**
Finance costs		(265)	(302)	(125)	(149)
Finance income		71	73	35	35
Other non-operating gain, net		23	14	6	12
Net foreign exchange (loss) / gain		(12)	10	(35)	58
Profit before tax from continuing operations		**363**	**304**	**192**	**231**
Income taxes	3	(89)	(60)	(50)	(40)
Profit from continuing operations		**274**	**244**	**142**	**191**
Profit after tax from discontinued operations	5	—	470	—	123
Profit for the period		**274**	**714**	**142**	**314**
Attributable to:					
The owners of the parent (continuing operations)		232	206	482	147
The owners of the parent (discontinued operations)		—	470	(361)	146
Non-controlling interest		42	38	21	21
		274	**714**	**142**	**314**

* *Certain prior period comparatives have been represented to conform with the current year presentation.*

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six and three-month periods ended June 30:

		Six-month period		Three-month period	
(In millions of U.S. dollars)	**Note**	**2024**	**2023**	**2024**	**2023**
Profit for the period		**274**	**714**	**142**	**314**
Items that may be reclassified to profit or loss					
Foreign currency translation	4	(70)	(382)	(54)	(169)
Fair value re-measurement of financial instruments		96	—	7	(1)
Items that will not be reclassified to profit or loss					
Other		(6)	(2)	(4)	(2)
Other comprehensive loss, net of tax		**20**	**(384)**	**(51)**	**(172)**
Total comprehensive income, net of tax		**294**	**330**	**91**	**142**
Attributable to:					
The owners of the parent		254	292	75	123
Non-controlling interests		40	38	16	19
		294	**330**	**91**	**142**
Total comprehensive income for the period, net of tax from:					
Continuing operations		294	110	91	158
Discontinued operations	5	—	220	—	(16)
		294	**330**	**91**	**142**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of:

(In millions of U.S. dollars)	Note	June 30, 2024	December 31, 2023
Assets			
Non-current assets			
Property and equipment	6	2,923	2,971
Intangible assets	7	1,509	1,612
Investments and derivatives	8	1,595	1,485
Deferred tax assets		344	311
Other assets		145	152
Total non-current assets		**6,516**	**6,531**
Current assets			
Inventories		22	23
Trade and other receivables		614	650
Investments and derivatives	8	969	738
Current income tax assets		59	58
Other assets		221	194
Cash and cash equivalents	9	827	1,876
Total current assets		**2,712**	**3,539**
Assets classified as held for sale	5	151	—
Total assets		**9,379**	**10,070**
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent		2,840	2,587
Non-controlling interests		214	213
Total equity		**3,054**	**2,800**
Non-current liabilities			
Debt and derivatives	8	3,067	3,537
Provisions		43	44
Deferred tax liabilities		19	26
Other liabilities		23	25
Total non-current liabilities		**3,152**	**3,632**
Current liabilities			
Trade and other payables		1,100	1,274
Debt and derivatives	8	1,396	1,720
Provisions		52	50
Current income tax payables		164	151
Other liabilities		409	443
Total current liabilities		**3,121**	**3,638**
Liabilities associated with assets held for sale	5	52	—
Total equity and liabilities		**9,379**	**10,070**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six-month period ended June 30, 2024:

(In millions of U.S. dollars)	Note	Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit	Foreign currency translation	Total	Non-controlling interests	Total equity
		Attributable to equity owners of the parent								
As of January 1, 2024		**30,099,998**	**39**	**13,028**	**(2,659)**	**(4,032)**	**(3,789)**	**2,587**	**213**	**2,800**
Profit for the period		—	—	—	—	232	—	232	42	274
Fair value re-measurement of financial instruments		—	—	—	96	—	—	96	—	96
Other comprehensive loss		—	—	—	(3)	(3)	(68)	(74)	(2)	(76)
Total comprehensive income / (loss)		—	—	—	93	229	(68)	254	40	294
Dividends declared	10	—	—	—	—	—	—	—	(39)	(39)
Other		—	—	—	1	(2)	—	(1)	—	(1)
As of June 30, 2024		**30,099,998**	**39**	**13,028**	**(2,565)**	**(3,805)**	**(3,857)**	**2,840**	**214**	**3,054**

for the six-month period ended June 30, 2023:

(In millions of U.S. dollars)	Note	Number of shares outstanding	Issued capital	Capital Surplus	Other capital reserves	Accumulated deficit	Foreign currency translation	Total	Non-controlling interests	Total equity
		Attributable to equity owners of the parent								
As of January 1, 2023		**30,099,998**	**39**	**13,028**	**(2,654)**	**(1,694)**	**(6,610)**	**2,109**	**198**	**2,307**
Profit / (loss) for the period		—	—	—	—	676	—	676	38	714
Transfer from OCI to income statement on disposal of subsidiary		—	—	—	—	—	—	—	—	—
Other comprehensive income / (loss)		—	—	—	(2)	(2)	(380)	(384)	—	(384)
Total comprehensive income / (loss)		—	—	—	(2)	674	(380)	292	38	330
Dividends declared	10	—	—	—	—	—	—	—	(30)	(30)
Changes in ownership interest in a subsidiary that do not result in a loss of control		—	—	—	—	—	—	—	—	—
Other		—	—	—	2	(2)	—	—	—	—
As of June 30, 2023		**30,099,998**	**39**	**13,028**	**(2,654)**	**(1,022)**	**(6,990)**	**2,401**	**206**	**2,607**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six-month period ended June 30:

		Six-month period	
(In millions of U.S. dollars)	**Note**	**2024**	**2023***
Operating activities			
Profit before tax		363	304
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation, amortization and impairment loss / (reversal)		371	361
(Gain) / loss on disposal of non-current assets		1	—
Finance costs		265	302
Finance income		(71)	(73)
Other non-operating (gain) / loss		(23)	(14)
Net foreign exchange (gain) / loss		12	(10)
Changes in trade and other receivables and prepayments		(102)	(66)
Changes in inventories		(5)	(9)
Changes in trade and other payables		(63)	3
Changes in provisions, pensions and other		45	60
Interest paid		(217)	(284)
Interest received		17	40
Income tax paid		(127)	(129)
Net cash flows from operating activities from continuing operations		**466**	**485**
Net cash flows from operating activities from discontinued operations		**—**	**630**
Investing activities			
Purchase of property, plant and equipment		(328)	(262)
Purchase of intangible assets		(116)	(151)
Outflows on Loans granted		(64)	(54)
Payment on deposits		(29)	(39)
Investment in financial assets		(131)	(9)
Proceeds from sales of property, plant and equipment		106	—
Other proceeds from investing activities, net		1	1
Net cash flows from / (used in) investing activities from continuing operations		**(561)**	**(514)**
Net cash flows from / (used in) investing activities from discontinued operations		**—**	**(372)**
Financing activities			
Proceeds from borrowings, net of fees paid**	8	388	82
Repayment of debt		(1,288)	(689)
Dividends paid to non-controlling interests		(6)	—
Net cash flows from / (used in) financing activities from continuing operations		**(906)**	**(607)**
Net cash flows from / (used in) financing activities from discontinued operations		**—**	**(153)**
Net (decrease) in cash and cash equivalents		(1,001)	(531)
Net foreign exchange difference related to continuing operations		(13)	(23)
Net foreign exchange difference related to discontinued operations		—	(19)
Cash and cash equivalents classified as held for sale at the beginning of the period		—	146
Cash and cash equivalents classified as held for sale at the end of the period		(35)	(223)
Cash and cash equivalents at beginning of period, net of overdrafts		1,876	3,076
Cash and cash equivalents at end of period, net of overdrafts	**9**	**827**	**2,426**

* *Certain comparatives have been represented to conform with the current year classification.*

** *Fees paid for borrowings were US$7 (2023: US$12).*

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GENERAL INFORMATION ABOUT THE GROUP

1 GENERAL INFORMATION

VEON Holdings B.V. ("VEON", the "Company" and together with its consolidated subsidiaries, the "Group" or "we") was established as a private company with limited liability under the laws of the Netherlands on June 29, 2009. The registered office and principal place of business of VEON is located at Claude Debussylaan 88, 1082 MD Amsterdam, the Netherlands. The Company is an indirectly wholly-owned subsidiary of VEON Ltd.

VEON generates revenue from the provision of voice, data, digital and other telecommunication services through a range of mobile and fixed-line technologies, as well as selling equipment and accessories.

The special purpose unaudited interim condensed consolidated financial statements were authorized by the Directors for issuance on August 30, 2024. The Company has the ability to amend and reissue the interim condensed consolidated financial statements.

The special purpose unaudited interim condensed consolidated financial statements are presented in United States dollars ("U.S. dollar" or "US$"). In these notes, U.S. dollar amounts are presented in millions, unless otherwise indicated.

Due to the ongoing war in Ukraine, material uncertainties have been identified that may cast significant doubt on the Company's ability to continue as a going concern which are discussed in detail in Note 14 of these interim and condensed consolidated financial statements.

The special purpose unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2022, and once available, the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2023 (which are expected to be published in the last quarter of 2024 due to the delay the Group experienced in appointing an independent external auditor for the year ended December 31, 2023).

Major developments during the six-month period ended June 30, 2024

Cash consideration received for sale of Bangladesh tower portfolio in 2023

On November 15, 2023, VEON announced that its wholly owned subsidiary, Banglalink, entered into an Asset Sale and Purchase Agreement ("APA") and Master Tower Agreement ("MTA"), to sell a portion of its tower portfolio (2,012 towers, nearly one-third of Banglalink's infrastructure portfolio) in Bangladesh to the buyer, Summit Towers Limited ("Summit"), for BDT 11 billion (US$97). The closing of the transaction was subject to regulatory approval which was received on December 21, 2023. Subsequently, the deal closed on December 31, 2023. Under the terms of the deal, Banglalink entered into a long-term lease agreement with Summit under which Banglalink will lease space upon the sold towers for a period of twelve years, with up to seven optional renewal periods of ten years each. The lease agreement became effective upon the closing of the sale.

As a result of the closing of the sale on December 31, 2023, control of the towers was transferred to Summit and Banglalink recognized the purchase consideration of BDT 11 billion (US$97) net of cost of disposals containing legal, regulatory and investment bankers costs amounting BDT 855 million (US$8). The consideration was receivable as of December 31, 2023. Accordingly, in 2023, as a result of applying sale and leaseback accounting principles to the lease agreement under the terms of the deal, Banglalink recognized a gain on sale of assets of BDT 4 billion (US$34), total right-of-use assets of BDT 550 million (US$5) representing the proportional fair value of assets (towers) retained with respect to the book value of assets (towers) sold amounting to BDT 950 million (US$9) and lease liabilities of BDT 10 billion (US$91) based on a twelve years lease term, which are at market rates.

On January 31, 2024, Banglalink obtained the cash consideration for the sale from Summit.

Repayment of Revolving Credit Facility ("RCF")

For the US$1,055 RCF, US$250 of commitments maturing in March 2024 and were repaid during February 2024, and in March 2024, the remaining amounts outstanding and commitments of US$805, originally due in March 2025, were repaid and the RCF was cancelled.

Announcement of issuance of new shares

On March 1, 2024, VEON Ltd. (the ultimate parent of the Company) announced the issuance of 92,459,532 ordinary shares, after approval from the VEON Board, to fund its existing and future equity incentive-based compensation plans ("Incentive Plans"). As a result of the issuance, VEON Ltd. now has 1,849,190,667 issued and outstanding ordinary shares. The issuance of the ordinary shares represents approximately 4.99% of VEON Ltd.'s authorized ordinary shares. The shares are expected to be allocated to VEON Ltd.'s Incentive Plans, which are designed to align the interests of VEON Ltd.'s senior managers and employees with those of its shareholders and to support the company's long-term growth and performance. The shares were initially issued to the Company (and in accordance with Bermuda law are considered fully issued and outstanding shares), and then subsequently allocated to satisfy awards under the Incentive Plans as and when needed. The ordinary shares were issued at a price of USD 0.001 per share, which is equal to the nominal value of VEON Ltd.'s ordinary shares (refer to Note 8 for further details).

Appointment of PricewaterhouseCoopers N.V. ("PwC Netherlands") as 2023 auditor

On March 14, 2024, VEON announced that it appointed PricewaterhouseCoopers Accountants N.V. for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 in accordance with International Standards on Auditing (the "ISA Audit"). The delay in appointment due to difficulties that the Company has faced in identifying a suitable auditor due to the material changes in the Group's portfolio of assets has resulted in a delay in filing its annual report on Form 20-F with the U.S. Securities and Exchange Commission (the "SEC") and filing its annual report with the Dutch Authority for the Financial Markets ("AFM").

As a result of the consents obtained from the holders of the VEON Holdings Notes (refer to VEON Holdings B.V consent solicitations to noteholders section for further details), VEON expects to deliver the audited consolidated financial statements for the year ended December 31, 2023, of the Company, to the holders of the outstanding notes of the Company in Q4 2024.

VEON increases management's and directors' ownership

On April 12, 2024, VEON announced an increase in management's and directors' ownership in VEON shares through awards under its existing equity-based compensation plans. VEON is utilizing certain of the 92,459,532 common shares issued to VEON Holdings B.V., as disclosed above, to satisfy the awards made. VEON's Group Executive Committee ("GEC") received a total of 2,853,375 VEON common shares (equal to 114,135 VEON ADSs) within the scope of the VEON's Deferred Share plans, and a total of 1,839,895 VEON common shares (equal to 73,596 ADSs) within the scope of the VEON's Short Term Incentive Plan. The members of the VEON Board of Directors received a total of 1,648,225 VEON common shares (equal to 65,929 ADSs) within the scope of their compensation.

Share-based awards to VEON's Group Executive Committee ("GEC") and Board of Directors

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common shares in VEON Ltd. (equal to 128,050 ADSs) under the Company's 2021 Long-Term Incentive Plan ("LTIP"). In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common shares in VEON Ltd. (equal to 57,249 ADSs) under the 2021 Deferred Share Plan ("2021 DSP") for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common shares in VEON Ltd. (equal to 95,731 ADSs) related to 3,662,240 common shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,965 common shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd. shares' relative Target Shareholder Return ("TSR") performance against VEON Ltd's peer group which will be assessed at the end of the three year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled common shares in VEON Ltd. (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common shares in VEON Ltd. (equal to 19,293 ADSs), while 472,743 common shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common shares in VEON Ltd. (equal to 2,102 ADSs) related to 104,047 common shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,497 common shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common shares in VEON Ltd. (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common shares in VEON Ltd. (equal to 11,485 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON granted a total of 1,821,475 equity-settled awards in VEON Ltd. and 3,095,300 cash-settled awards in VEON Ltd. in common shares (equal to 72,859 and 123,812 ADSs, respectively) under the 2021 DSP to its current and former

Board of Directors. By June 2024, 1,648,225 of the equity-settled common shares in VEON Ltd. (equal to 65,929 ADSs) were vested and transferred to the Board members and 173,250 common shares (equal to 6,930 ADSs) were withheld for tax purposes.

VEON Holdings B.V consent solicitations to noteholders

In April 2024, VEON launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of the Issuer for the years ended 2023 and 2024 on a reasonable best effort by December 31, 2024 and by December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings subsequently issued new notes for April 2025, June 2025, and November 2027 to the noteholders ("New Notes") who participated in the consent process. The original notes ("Old Notes") were exchanged for the new notes and subsequently (economically) cancelled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings B.V. subsequently redeemed these notes in June 2024 (Refer to the Make Whole call section below).

VEON Holdings B.V. has continued and will need to continue to provide the remaining holders of old notes maturing in April 2025, June 2025 and November 2027 further opportunities to convert their old notes into corresponding New April 2025, June 2025 and November 2027 notes.

As of June 30, 2024, US$1,551 of New April 2025, June 2025 and November 2027 notes were outstanding and there were US$134 of remaining old notes subject to potential conversion to new notes.

Following further conversions in July and August 2024, US$20 equivalent of April 2025, June 2025 and November 2027 old notes exchanged for new notes. As of August 28, 2024, the equivalent amount of new notes outstanding is US$1,565 and the remaining old notes that are subject to potential conversion to new notes is US$113.

VEON Holdings is not required to make any further principal or coupon payments under these old notes.

Make-whole call

In June 2024, VEON Holdings B.V. executed an early redemption of the September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$53).

VEON Announces Its New Board

On May 31, 2024, VEON held its Annual General Meeting (AGM), during which the Company's shareholders approved the recommended slate of seven directors as VEON's new Board of Directors (the "Board"). The new members consist of former U.S. Secretary of State Michael R. Pompeo, Sir Brandon Lewis and Duncan Perry, who will serve alongside the incumbent directors Augie K. Fabela II, Andrei Gusev, Michiel Soeting and VEON Group CEO Kaan Terzioglu on the Board.

Cybersecurity incident in Ukraine

On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement and government agencies and the Security Service of Ukraine, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, and that mobile voice and internet, fixed connectivity and SMS services as well as the MyKyivstar self-care application were active and available across Ukraine.

After stabilizing the network, although there was no legal obligation to do so, Kyivstar immediately launched offers to thank its customers for their loyalty, initiating a *"Free of Charge"* program offering one month of free services on certain types of contracts. Furthermore, on December 21, 2023, Kyivstar announced a donation of UAH 100 million (US$3) would be made towards Ukrainian charity initiatives.

Largely due to the limited period during which the critical services were down, there was no material financial impact on our consolidated results for the year ended December 31, 2023 due to these service disruptions, or due to costs associated with additional IT capabilities required for restoring services, replacing lost equipment, or compensating external consultants and partners in 2023. The incident had a significant impact on consolidated revenue results for the six-months ended June 30, 2024 associated with the revenue loss arising from the customer loyalty measures taken by Kyivstar in order to compensate for the inconvenience caused during the disruptions. The impact of these offers on operating revenue for the six-months ended June 30, 2024 was US$46).

As announced on December 12, 2023, VEON and Kyivstar conducted a thorough investigation, together with outside cybersecurity firms, to determine the full nature, extent and impact of the incident and to implement additional security measures to protect against any recurrence. The Ukrainian government also conducted an investigation to support the recovery efforts. All investigations were concluded as of June 30, 2024, and has resulted in an in depth analysis into details of how the attack was executed and how this can be prevented in the future.

Kyivstar has initiated remediation and mitigation actions to reduce current risks and establish a robust framework to withstand evolving cyber threats, ensure business continuity and maintain customer trust by investing in immediate response actions, enhanced security infrastructure, proactive threat management, compliance with cybersecurity regulations and standards, employee awareness, and long-term adaptive measures. Further, VEON Group has executed a group-wide assessment of cybersecurity maturity in alignment with the U.S. National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST2).

For other significant investing and financing activities during the six-month period ended June 30, 2024, refer to the sections "Investing activities of the Group" and "Financing activities of the Group" included here within.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

OPERATING ACTIVITIES OF THE GROUP

2 SEGMENT INFORMATION

Management analyzes the Company's operating segments separately because of different economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies.

Management evaluates the performance of the Company's segments on a regular basis, primarily based on earnings 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 (**"Adjusted EBITDA"**) along with assessing the capital expenditures excluding certain costs such as those for telecommunication licenses and right-of-use assets (**"CAPEX excl. licenses and ROU"**). Management does not analyze assets or liabilities by reportable segments.

Reportable segments in accordance with IFRS 8, *Operating Segments*, consist of Pakistan, Ukraine, Kazakhstan, Uzbekistan and Bangladesh.

We also present our results of operations for "Others" and "HQ and eliminations" separately, although these are not reportable segments. "Others" represents our operations in Kyrgyzstan (refer to Note 4) and "HQ and eliminations" represents transactions related to management activities within the Group.

Financial information by reportable segment for the six and three-month periods ended June 30, is presented in the following tables. Inter-segment transactions are not material, and are made on terms which are comparable to transactions with third parties.

For the six-month period ended June 30:

	Service revenue				Sale of equipment and accessories		Other revenue		Total Revenue	
	Mobile		Fixed							
	2024	2023*	2024	2023	2024	2023	2024	2023*	2024	2023*
Pakistan	597	502	13	—	5	2	53	36	668	540
Ukraine	394	435	25	26	—	—	5	3	424	464
Kazakhstan	343	279	83	72	6	5	7	7	439	363
Uzbekistan	133	129	—	—	—	—	—	—	133	129
Bangladesh	279	278	—	—	—	—	3	4	282	282
Others	27	26	—	—	—	—	—	—	27	26
HQ and eliminations	(2)	(3)	(2)	(1)	—	—	(3)	(1)	(7)	(5)
Total segments	**1,771**	**1,646**	**119**	**97**	**11**	**7**	**65**	**49**	**1,966**	**1,799**

* *Certain prior period comparatives have been represented to conform with the current year presentation in Pakistan within other revenue and service revenue.*

	Adjusted EBITDA		CAPEX exc. licenses and ROU	
	2024	2023	2024	2023
Pakistan	301	250	71	50
Ukraine	235	274	85	56
Kazakhstan	243	196	50	42
Uzbekistan	48	56	57	36
Bangladesh	96	105	35	67
Others	9	10	7	4
HQ and eliminations	(14)	(21)	(11)	(4)
Total segments	**918**	**870**	**294**	**251**

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

For the three-month period ended June 30:

	Service revenue Mobile		Service revenue Fixed		Sale of equipment and accessories		Other revenue		Total Revenue	
	2024	2023*	2024	2023	2024	2023	2024	2023*	2024	2023*
Pakistan	312	252	7	—	3	—	26	18	348	270
Ukraine	220	221	14	13	—	—	3	2	237	236
Kazakhstan	176	145	42	36	3	3	5	4	226	188
Uzbekistan	67	66	—	—	—	—	—	—	67	66
Bangladesh	140	142	—	—	—	—	2	2	142	144
Others	13	13	—	—	—	—	—	—	13	13
HQ and eliminations	(4)	(1)	—	—	—	—	(4)	(1)	(8)	(2)
Total segments	**924**	**838**	**63**	**49**	**6**	**3**	**32**	**25**	**1,025**	**915**

* *Certain prior period comparatives have been represented to conform with the current year presentation in Pakistan within other revenue and service revenue.*

	Adjusted EBITDA		CAPEX exc. licenses and ROU	
	2024	2023	2024	2023
Pakistan	158	128	52	35
Ukraine	140	139	57	36
Kazakhstan	125	104	30	26
Uzbekistan	24	28	17	28
Bangladesh	52	55	21	36
Others	4	5	5	3
HQ and eliminations	(8)	(6)	(7)	(1)
Total segments	**495**	**453**	**175**	**163**

The following table provides the reconciliation of Profit / (loss) before tax from continuing operations to Total Adjusted EBITDA for the six and three-month periods ended June 30:

	Six-month period		Three-month period	
	2024	2023	2024	2023
Profit before tax from continuing operations	**363**	**304**	**192**	**231**
Adjustments to reconcile Profit / (loss) before tax to Total Adjusted EBITDA				
Depreciation	271	268	134	136
Amortization	98	103	48	51
Impairment loss / (reversal)	2	(10)	1	(7)
(Gain) / loss on disposal of non-current assets	1	—	1	1
(Gain) / loss on disposal of subsidiaries	—	—	—	(3)
Finance costs	265	302	125	149
Finance income	(71)	(73)	(35)	(35)
Other non-operating (gain) / loss	(23)	(14)	(6)	(12)
Net foreign exchange (gain) / loss	12	(10)	35	(58)
Total Adjusted EBITDA	**918**	**870**	**495**	**453**

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

3 INCOME TAXES

Income tax expense is the total of the current and deferred income taxes. Current income tax is the expected tax expense, payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. Deferred income tax is the tax asset or liability resulting from a difference in income recognition between enacted or substantively enacted local tax law and group IFRS accounting.

Income tax expense consisted of the following for the six and three-month periods ended June 30:

	Six-month period		Three-month period	
	2024	**2023**	**2024**	**2023**
Current income taxes	(142)	(138)	(87)	(76)
Deferred income taxes	53	78	37	36
Income taxes	**(89)**	**(60)**	**(50)**	**(40)**
Effective tax rate	(24.5)%	(19.7)%	(26.0)%	(17.3)%

The difference between the statutory tax rate in the Netherlands (25.8%) and the effective corporate income tax rate for the Group in the six and three-month periods ended June 30, 2024 (24.5)% and (26.0)%, was primarily driven by a number of non-deductible expenses of US$10 incurred by the Group in various countries, as well as withholding taxes on dividends from our operating companies of US$12, and a change in deferred tax assets recognition of US$3.

The difference between the statutory tax rate in the Netherlands (25.8%) and the effective corporate income tax rate for the Group in the six and three-month periods ended June 30, 2023 (19.7)% and (17.3)%, respectively was primarily driven by a number of non-deductible expenses of US$20 incurred by the Group in various countries, as well as withholding taxes on interest received from our operating companies of US$16, and a change in deferred tax assets recognition of US$11.

Global Minimum Tax

The Group is in scope of the enacted Pillar Two legislation and has performed an assessment of the Group's exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in majority of jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The Group has accumulated US$7,062 of tax losses and US$120 of other tax attributes in various jurisdictions which can be taken into account for Pillar Two purposes.

The Group has applied the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

INVESTING ACTIVITIES OF THE GROUP

4 SIGNIFICANT TRANSACTIONS

During the six-month period ended June 30, 2024

VEON announces sale of stake in Beeline Kyrgyzstan

On March 26, 2024, VEON announced that it signed a share purchase agreement ("SPA") for the sale of its 50.1% indirect stake in Beeline Kyrgyzstan to CG Cell Technologies, which is wholly owned by CG Corp Global for cash consideration of US$32. Completion of the sale of VEON's stake in Beeline Kyrgyzstan, which is held by VIP Kyrgyzstan Holding AG (an indirect subsidiary of the Company), is subject to customary regulatory approvals and preemption right of the Government of Kyrgyzstan in relation to acquisition of the stake. VEON is currently liaising with Kyrgyzstan public authorities regarding the regulatory approvals and the Government's preemption right.

As a result of this anticipated transaction and assessment that control of the Kyrgyzstan operations will be transferred, as from the date of the SPA signing, the Company classified its Kyrgyzstan operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for Kyrgyzstan operations. Refer to Note 5 for the detailed breakdown of the assets and liabilities held for sale relating to the Kyrgyzstan operations.

Sale of TNS+ in Kazakhstan

On May 28, 2024, VEON announced that it signed share purchase agreement ("SPA") for the sale of its 49% stake in Kazakh wholesale telecommunications infrastructure services provider, TNS Plus LLP (TNS+), included within the Kazakhstan operating segment, to its joint venture partner, the DAR group of companies for the sale consideration of US$138. The closing of the transaction is subject to customary regulatory approvals in Kazakhstan. As a result of this anticipated transaction and assessment that control of TNS+ will be transferred, as from the date of the SPA signing, the Company classified its TNS+ operations as held for sale. Following the classification as held for sale, the Company no longer accounts for depreciation and amortization for TNS+ operations. Refer to Note 5 for the detailed breakdown of the assets and liabilities held for sale relating to the TNS+ operations.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

5 HELD FOR SALE AND DISCONTINUED OPERATIONS

HELD FOR SALE during six-month period ended June 30, 2024

As disclosed in Note 4, the following table provides the details over assets and liabilities classified as held-for-sale as of June 30, 2024:

	Kyrgyzstan	TNS-Plus LLP	Total
Property and equipment	26	43	68
Intangible assets excl. goodwill	8	1	9
Other non-current assets	3	2	5
Other current assets			
Inventories	1	—	1
Trade and other receivables	5	19	24
Cash and cash equivalents	18	15	33
Other current assets	7	3	10
Total assets held for sale	**68**	**83**	**150**
Non-current liabilities			
Debt and Derivatives - NCL	6	2	8
Other non-current liabilities	—	4	4
Current liabilities			
Trade and other payables	11	10	21
Other non-financial liabilities	6	12	18
Total liabilities held for sale	**23**	**28**	**51**

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

Sale of stake in Beeline Kyrgyzstan

Net assets of the held for sale operations of Kyrgyzstan include US$99 of cumulative currency translation losses as of June 30, 2024, which is accumulated in equity through other comprehensive income and will be recycled through the consolidated income statement upon the completion of the sale.

The fair value less cost of disposal ("FVLCD") for the Kyrgyzstan operations as of June 30, 2024 was based on the sales consideration as reflected in the SPA signed on March 26, 2024 (Level 2 in the fair value hierarchy). The fair value represented by the SPA exceeded the carrying value of the Kyrgyzstan CGU as of June 30, 2024, therefore no impairment was recorded. There were no triggering events indicating any impairment or decline in the fair value of Kyrgyzstan operations subsequent to its measurement as held for sale.

Sale of TNS+ in Kazakhstan

Net assets of the held for sale for TNS+ operations include US$43 of cumulative currency translation losses as of June 30, 2024, which is accumulated in equity through other comprehensive income and will be recycled through the consolidated income statement upon the completion of the sale.

The fair value less cost of disposal ("FVLCD") for TNS-Plus LLP operations as of June 30, 2024 was based on the sales consideration as reflected in the SPA signed on May 28, 2024 (Level 2 in the fair value hierarchy). The fair value represented by the SPA exceeded the carrying value of the TNS-Plus LLP operations as of June 30, 2024, therefore no impairment was recorded. There were no triggering events indicating any impairment or decline in the fair value of TNS-Plus LLP operations subsequent to its measurement as held for sale.

HELD FOR SALE during six-month period ended June 30, 2023

Sale of Russia operations

On November 24, 2022, VEON entered into the Share Purchase Agreement ("SPA") to sell VEON's Russian operations to certain senior members of the management team of PJSC VimpelCom ("VimpelCom"), led by its current CEO, Aleksander Torbakhov. Under the agreement, the purchase price consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023), which was expected to be settled primarily by VimpelCom taking on and discharging certain VEON Holdings B.V.'s debt, thus significantly deleveraging VEON's balance sheet. The SPA contained provisions amongst others that in the event VimpelCom acquires VEON Holdings B.V.'s debt in excess of the sales consideration, VEON will work with the purchasers to satisfy its obligations to them as a bondholder. The transaction was subject to certain closing conditions including the receipt of requisite regulatory approvals and licenses from relevant government authorities in Russia and Western jurisdictions (United States, United Kingdom, European Union, and Bermuda) for the proposed structure of the sale.

On November 24, 2022, the signing date of the SPA, the Company classified its Russian operations as a disposal group held-for-sale and discontinued operations. Following the classification as disposal group held-for-sale, the Company did not account for depreciation and amortization expenses of Russia's assets.

On September 13, 2023, VEON agreed with the buyer, owned by certain senior members of PJSC VimpelCom's management team, amendments to the SPA, which had no material impact on the economic terms of the original transaction announced on November 24, 2022. With the amendments to the sale agreement, the entire consideration for the sale was agreed to be satisfied by transferring the agreed value of VEON Holdings bonds acquired by PJSC VimpelCom to a wholly owned subsidiary of VEON Holdings (Unitel LLC) on or prior to the closing of the sale, which will hold such notes until their cancellation or maturity. U.S. and other regulatory approvals were received for the transfer of approximately 95% of such VEON Holdings bonds. The remaining VEON Holdings bonds will be transferred as soon as the outstanding regulatory approval have been obtained. As of September 30, 2023, US$274 of VEON Holdings bonds were transferred to Unitel LLC from PJSC VimpelCom.

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. Upon completion of the sale, control of VimpelCom was transferred to the buyer, and accordingly, a loss of US$3.7 billion recorded within "Profit / (loss) after Tax from Discontinued Operations" in the Consolidated Income Statement was recognized, primarily due to US$3.4 billion of cumulative currency translation losses which accumulated in equity through other comprehensive income and recycled through the consolidated income statement on the date of the disposal. Additionally, the remaining agreed amount of the bonds of VEON Holdings acquired by PJSC VimpelCom representing an aggregate total nominal value of US$1,576 were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023). The remaining deferred consideration of US$72 as of December 31, 2023 will be offset against VEON Holdings bonds acquired by PJSC VimpelCom representing a nominal value of US$72, subject to regulatory approval. The regulatory approval in June 2024, to offset the remaining deferred purchase price for PJSC VimpelCom in July 2024.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

The following table shows the profit/(loss) and other comprehensive income relating to Russia operations for the six-month period ended June 30, 2023:

	Six-month period
Income statement and statement of comprehensive income	**2023**
Operating revenue	1,881
Operating expenses	(1,355)
Other expenses	(2)
Profit / (loss) before tax for the period	524
Income tax benefit / (expense)	(54)
Profit / (loss) after tax for the period	470
Other comprehensive income / (loss) *	(246)
Total comprehensive income / (loss)	**224**

** Other comprehensive income is relating to the foreign currency translation of discontinued operations.*

Russia impairment losses 2023

As of June 30, 2023, VEON recorded an impairment of US$281 against the carrying value of goodwill in Russia, resulting in a reduced carrying value of US$168 at the reporting date of which the VEON share amounts to US$152, excluding non-controlling interest.

The recoverable amount of the net assets held for sale of US$152 as of June 30, 2023 was determined based on the fair value less costs of disposal and represents the remaining portion of the sales proceeds as per SPA (Level 2 in the fair value hierarchy). This equates to the value of the VEON bonds remaining to be purchased by PJSC VimpelCom to reach the sales consideration of RUB 130 billion.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

6 PROPERTY AND EQUIPMENT

The following table summarizes the movement in the net book value of property and equipment for the six-month period ended June 30:

	2024	2023
Balance as of January 1	**2,971**	**2,892**
Additions	408	395
Disposals	(18)	(9)
Divestment and reclassification as held for sale	(64)	—
Depreciation	(274)	(268)
(Impairment) / reversal of impairment	(1)	11
Currency translation	(99)	(239)
Other	—	(1)
Balance as of June 30	**2,923**	**2,781**

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

7 INTANGIBLE ASSETS

The following table summarizes the movement in the net book value of intangible assets, including goodwill for the six-month period ended June 30:

	2024	2023
Balance as of January 1	**1,612**	**1,953**
Additions	38	39
Disposals and write offs	(3)	—
Divestment and reclassification to held for sale	(8)	
Amortization	(99)	(103)
Currency translation	(34)	(236)
Other	3	1
Balance as of June 30	**1,509**	**1,654**

Goodwill

Included within total intangible asset movements for the six-month period ended June 30, 2024, as shown above, are the following movements in goodwill for the group, per cash generating unit **("CGU")**:

CGU	June 30, 2024	Currency translation	January 1, 2024
Pakistan	181	2	179
Kazakhstan	125	(4)	129
Uzbekistan	9	(1)	10
Ukraine	30	(1)	31
Total	**345**	**(4)**	**349**

Impairment analysis

Goodwill is tested for impairment annually or when circumstances indicate the carrying value may be impaired. When reviewing for indicators of impairment in interim periods, the Company considers, among other things, the relationship between its market capitalization and its book value, as well as the weighted average cost of capital and the quarterly financial performance of each cash-generating unit ("CGU"). Refer to the table above for an overview of the carrying value of goodwill per CGU.

VEON performed its annual impairment testing at September 30, 2023. For further details regarding calculations and assumptions used for impairment testing, refer to the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2022, and once available, the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2023 (which are expected to be published in the last quarter of 2024 due to the delay the Group experienced in appointing an auditor for 2023).

Impairment losses in 2024

The Company performed an assessment of whether a goodwill impairment existed in any of the CGUs during the six-month period ended June 30, 2024. Based on the analysis performed, no impairment was identified for any CGU's.

The Company also performed impairment testing for the Bangladesh CGU during the six-month period ended June 30, 2024. Based on the testing performed, no tangible and intangible asset impairment loss was recorded.

Impairment losses in 2023

The Company performed an assessment of whether a goodwill impairment exists in any of the CGUs during the six-month period ended June 30, 2023. Based on the analysis performed, no impairment was identified for any CGUs.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

FINANCING ACTIVITIES OF THE GROUP

8 INVESTMENTS, DEBT AND DERIVATIVES

The Company holds the following investments and derivative assets:

	June 30, 2024	December 31, 2023
At fair value		
Other investments	97	14
	97	**14**
At amortized cost		
Loans granted to subsidiaries of ultimate parent	1,872	1,770
Security deposits and cash collateral	128	103
Other investments	466	333
	2,467	**2,208**
Total investments and derivatives	**2,564**	**2,222**
Non-current	1,595	23
Current	969	2,199

Security deposits and cash collateral

Security deposits and cash collateral measured at amortized cost mainly consist of restricted bank deposits of US$56 (2023: US$39) and restricted cash of US$63 (2023: US$57) at our banking operations in Pakistan and our operating company in Ukraine, respectively.

Other Investments

In March 2024, VEON Ltd. issued 92,459,532 ordinary shares to the Company at par value which were subsequently re-measured at June 30, 2024 at fair value for an investment of US$86 (2023: Nil) included within Other investments at fair value.

Other investments measured at amortized cost include a US$64 (2023: US$64) loan granted by VIP Kazakhstan Holdings AG to minority shareholder Crowell Investments Limited, US$258 (2023: US$150) sovereign bonds held by our operating company in Ukraine, US$88 (2023:US$84) deferred receivable from sale of Russia and US$31 (2023: US$26) short term lending at our banking operations in Pakistan.

Loans granted to subsidiaries of the ultimate parent include Loans to VEON Amsterdam B.V. amounting US$1,658 (including principal and interest) at June 30, 2024, are callable on demand. As of June 30, 2024, the Company did not expect to call the loan or collect repayments within 12 month following the balance sheet date. In August 2023, the Company entered into a deed of amendment with VEON Amsterdam B.V. to extend the term of this facility to maximum of nine years from the original signing date of August 16, 2018 with an automatic extension of 12 months. The interest rate was fixed at 6% as compared to previous variable rate of LIBOR +0.4%.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

The Company holds the following debt and derivative liabilities:

	June 30, 2024	December 31, 2023
At fair value		
Derivatives not designated as hedges	—	1
	—	**1**
At amortized cost		
Borrowing, of which	2,950	3,707
i) Principal amount outstanding	2,774	3,559
ii) Other Borrowings	176	148
Interest accrued	81	84
Discounts and unamortized fees	(12)	(6)
Bank loans and bonds	**3,019**	**3,785**
Lease liabilities	1,110	1,078
Loans received from subsidiaries of the ultimate parent	14	—
Other financial liabilities	320	393
	4,463	**5,256**
Total debt and derivatives	**4,463**	**5,257**
Non-current	3,067	3,537
Current	1,396	1,720

Other borrowings include long-term capex accounts payables of US$113 (2023: US$88), deferred consideration of US$72 (2023: US$72) related to the sale of Russian operations (refer to Note 13 for further details), and its related foreign currency exchange gain of US$9 (2023: US$12).

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

Significant changes in financial assets and financial liabilities

The increase in financial assets is mainly attributable to additional purchase of sovereign bonds by our operating company in Ukraine, while the decrease in financial liabilities is due to the repayment of the VEON Holdings B.V. RCF offset by new loan facilities in Pakistan and Bangladesh (refer to section below) during the six-month period ended June 30, 2024. Furthermore, there were no changes in risk management policies as disclosed in the Group's annual consolidated financial statements as of and for the year ended December 31, 2022.

Financing activities during the six-month period ended June 30, 2024

Banglalink Digital Communications Ltd. ("BDCL") syndicated credit facility

BDCL utilized remaining BDT 3 billion (US$27) under existing syndicate credit facility of BDT 8 billion (US$73) during January 2024 and February 2024.

Repayment of Revolving Credit Facility ("RCF")

For the US$1,055 RCF, US$250 of commitments maturing in March 2024 and were repaid during February 2024, and in March 2024, the remaining amounts outstanding and commitments of US$805, originally due in March 2025, were repaid and the RCF was cancelled.

Issuance of PKR bond by Pakistan Mobile Communication Limited ("PMCL")

In April 2024, Pakistan Mobile Communication Limited ("PMCL") issued short term PKR bond of PKR 15 billion (US$52) with a maturity of six months. Coupon rate is 3 months Karachi Interbank Offered Rate (KIBOR) plus 25 bps per annum.

Pakistan Mobile Communication Limited ("PMCL") syndicated credit facility

In May 2024, PMCL secured a syndicated credit facility of up to PKR 75 billion (US$270) including green shoe option of PKR 15 billion with a tenure of 10 years. PMCL withdrew currently committed amount of PKR 43 billion (US$154) from this facility through drawdowns in May and June 2024 with a further PKR 22 billion (US$78) drawn in July 2024.

Pakistan Mobile Communication Limited ("PMCL") Bilateral credit facilities

In May 2024, PMCL utilized PKR 15 billion (US$54) from three other bilateral ten years credit facilities of PKR 5 billion (US$18) each.

VEON Holdings B.V consent solicitations to noteholders

In April 2024, VEON launched a consent solicitation process to its noteholders, seeking their consent for certain proposals regarding its notes. The most notable proposals were to extend the deadline for the provision of audited consolidated financial statements of the Issuer for the years ended 2023 and 2024 on a reasonable best effort by December 31, 2024 and by December 31, 2025, respectively, and to halt further payments of principal or interest on the notes of the relevant series that remain outstanding.

Consent was achieved on the April 2025, June 2025, and November 2027 notes and VEON Holdings subsequently issued new notes for April 2025, June 2025, and November 2027 to the noteholders ("New Notes") who participated in the consent process. The original notes ("Old Notes") were exchanged for the new notes and subsequently (economically) cancelled. For the September 2025 and September 2026 notes VEON Holdings was unable to achieve consent; however, VEON Holdings B.V. subsequently redeemed these notes in June 2024 (Refer to the Make Whole call section below).

VEON Holdings B.V. has continued and will need to continue to provide the remaining holders of Old Notes maturing in April 2025, June 2025 and November 2027 further opportunities to convert their old notes into corresponding New April 2025, June 2025 and November 2027 notes.

As of June 30, 2024, US$1,551 of New April 2025, June 2025 and November 2027 notes were outstanding and there were US$134 of remaining old notes subject to potential conversion to new notes.

Following further conversions in July and August 2024, US$20 equivalent of April 2025, June 2025 and November 2027 old notes exchanged for new notes. As of August 28, 2024, the equivalent amount of new notes outstanding is US$1,565 and the remaining old notes that are subject to potential conversion to new notes is US$113.

VEON Holdings is not required to make any further principal or coupon payments under these old notes.

Make-whole call

In June 2024, VEON Holdings B.V. executed an early redemption of the September 2025 and September 2026 notes. These notes were fully repaid on June 18, 2024. Aggregate cash outflow including premium was RUB 5 billion (US$53).

Financing activities during the six-month period ended June 30, 2023

VEON's Scheme of creditors

Following the announcement made by VEON on November 24, 2022 to launch a scheme of arrangement to extend the maturity of the 2023 Notes, the initial proposed scheme was amended on January 11, 2023 and on January 24, 2023, the Scheme Meeting was held and the amended Scheme was approved by 97.59% of the Scheme creditors present and voting.

On January 30, 2023, VEON announced that the Scheme Sanction Hearing had taken place, at which the Court made an order sanctioning the Scheme in respect of VEON Holdings' 2023 Notes (the "Order"). On January 31, 2023, VEON confirmed that the Order had been delivered to the Registrar of Companies and became effective. The amendments to the 2023 Notes were subject to the receipt of relevant licenses to become effective, at which time the maturity dates of the February 2023 and April 2023 notes will be amended to October and December 2023, respectively.

On April 3, 2023, VEON announced that each of the conditions has been satisfied in accordance with the terms of the Scheme, including receipt of all authorizations and/or licenses necessary to implement the amendments to the 2023 Notes (as set out in the Scheme). On April 4, 2023, the Scheme became effective.

Pursuant to the amendments, Noteholders are entitled to payment of an amendment fee of 200bps payable on the 2023 Notes outstanding on their respective amended maturity dates and a put right will be granted requiring VEON Holdings to repurchase 2023 Notes held by 2023 Noteholders exercising such right, at a purchase price of 102% of the principal amount ("2023 Put Option"), together with accrued and unpaid interest. The 2023 Put Option closed on April 19, 2023 with holders of US$165 of the October 2023 Notes and holders of US$294 of the December 2023 Notes exercising the Put Option.

On April 20, 2023, VEON announced that subject to the terms of the 2023 Put Option, VEON Holdings will pay to the Holders of Notes accepted for purchase the Repurchase Price for their Notes on April 26, 2023.

We accounted for the scheme of arrangement as a modification of the amortized cost of the 2023 Notes and in Q2 recognized a US$20 finance gain that will reverse over the remainder of the year and not have any full year impact.

Purchase of VEON Group Debt

During the six months ended June 30, 2023, PJSC VimpelCom independently purchased US$1,572 equivalent of VEON Holdings B.V. Notes in order to satisfy certain Russian regulatory obligations. These Notes were reclassified to intercompany debt with the equivalent reduction in gross debt for VEON Group. PJSC VimpelCom has funded the purchase primarily by issuing new notes of longer maturity which is reflected in 'Liabilities Held for Sale' on the interim condensed consolidated statement of financial position.

VEON US$1,250 million multi-currency revolving credit facility agreement

On April 20, 2023 and May 30, 2023, the outstanding amounts under RCF facility have been rolled-over until October, US$692 and November, US$363, 2023.

Ukraine prepayment

In April 2023, Kyivstar fully prepaid its external debt which included a UAH 1,400 million (US$38) loan with Raiffeisen Bank and UAH 760 million loan with OTP Bank (US$21).

PMCL syndicated credit facility

Pakistan Mobile Communication Limited ("PMCL") fully utilized the remaining PKR 10 billion (US$41) under existing PKR 40 billion facility through drawdowns in January and April 2023.

Fair values

The carrying amounts of all financial assets and liabilities are equal to or approximate their respective fair values as shown in the table above within this note, with the exception of:

- 'Bank loans and bonds, including interest accrued', for which fair value is equal to US$2,636 at June 30, 2024 (December 31, 2023: US$3,333); and
- 'Lease liabilities', for which fair value has not been determined.

Fair values are estimated based on quoted market prices for our bonds, derived from market prices or by discounting contractual cash flows at the rate applicable for the instruments with similar maturity and risk profile. Observable inputs (Level 2) used in valuation techniques include interbank interest rates, bond yields, swap curves, basis swap spreads, foreign exchange rates and credit default spreads.

(in millions of U.S. dollars unless otherwise stated)

On a quarterly basis, the Company reviews if there are any indicators for a possible transfer between fair value hierarchy levels. This depends on how the Company is able to obtain the underlying inputs when assessing the fair valuations During the six-month period ended June 30, 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following items:

	June 30, 2024	December 31, 2023
Cash at banks and on hand	360	423
Short-term deposits with original maturity of less than three months	467	1,453
Cash and cash equivalents* (as presented in the consolidated statement of cash flows)	**827**	**1,876**

** Cash and cash equivalents include an amount of US$140 (December 31, 2023: US$165)relating to banking operations in Pakistan.*

As of June 30, 2024 and December 31, 2023, there was no restricted cash and cash equivalents. Cash balances as of June 30, 2024 include investments in money market funds of US$248 (December 31, 2023: US$1,175).

The imposition of currency exchange controls or other similar restrictions on currency convertibility in the countries in which VEON operates could limit VEON's ability to convert local currencies or repatriate local cash in a timely manner or at all, as well as remit dividends from the respective countries. As of June 30, 2024, US$155 (2023: US$151) of cash at the level of Ukraine was subject to currency restrictions that limited ability to upstream the cash or make certain payments outside the country, but these balances are otherwise freely available to the Ukrainian operations.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

10 DIVIDENDS AND CAPITAL DISTRIBUTIONS

There were no dividends paid or capital distributions paid during the six-month period ended June 30, 2024 and June 30, 2023, respectively.

There were US$39 and US$30 dividends declared by subsidiaries within the VEON Group to non-controlling interests in the six-month period ended June 30, 2024 and June 30, 2023, respectively.

ADDITIONAL INFORMATION

11 RELATED PARTIES

The immediate parent and ultimate controlling shareholder of the Company are, respectively, VEON Amsterdam B.V. and VEON Ltd.

For the six-month period ended June 30, 2024

In January 2024, Mr. Kaan Terzioglu was granted 3,201,250 common shares in VEON Ltd. (equal to 128,050 ADSs) under the Company's 2021 Long-Term Incentive Plan ("LTIP"). In July 2024, these shares vested after meeting the required performance objectives whereby a portion was settled in cash and the remaining shares are expected to be transferred in 2025. In April 2024, Mr. Terzioglu vested 1,431,220 equity-settled common shares in VEON Ltd. (equal to 57,249 ADSs) under the 2021 Deferred Share Plan ("2021 DSP") for Short-Term Incentive ("STI") 2023, which were transferred in June 2024. In June 2024, Mr. Terzioglu also received 2,393,275 common shares in VEON Ltd. (equal to 95,731 ADSs) related to 3,662,240 common shares (equal to 146,490 ADSs) that had vested in September 2023 under the 2021 DSP. The remaining 1,268,965 common shares (equal to 50,759 ADSs) were withheld for tax purposes.

In April 2024, 10,457,359 equity-settled awards in common shares in VEON Ltd. (equal to 418,294 ADSs) were granted to the GEC under the LTIP. The vesting of these shares is linked to the VEON Ltd. shares' relative Target Shareholder Return ("TSR") performance against VEON Ltd's peer group which will be assessed at the end of the three year performance period, on December 31, 2026.

In April 2024, Mr. Joop Brakenhoff was granted and immediately vested in 434,549 equity settled common shares in VEON Ltd. (equal to 17,382 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 520,519 equity-settled common shares in VEON Ltd. (equal to 20,821 ADSs) were granted and vested immediately under the same plan for STI 2023. In June 2024, Mr. Brakenhoff received 482,325 common shares in VEON Ltd. (equal to 19,293 ADSs), while 472,743 common shares (equal to 18,910 ADSs) were withheld for tax purposes related to the April 2024 grants. Also, in June 2024, Mr. Brakenhoff received 52,550 common shares in VEON Ltd. (equal to 2,102 ADSs) related to 104,047 common shares (equal to 4,162 ADSs) that vested in December 2023 under the 2021 DSP. The remaining 51,497 common shares (equal to 2,060 ADSs) were withheld for tax purposes.

In April 2024, Ms. Omiyinka Doris was granted and immediately vested in 372,470 equity-settled awards in common shares in VEON Ltd. (equal to 14,899 ADSs) under the 2021 DSP for successfully completing key projects. Additionally, 288,703 equity-settled awards in common shares in VEON Ltd. (equal to 11,485 ADSs) were granted and vested immediately under the 2021 DSP in April 2024 for STI 2023. In June 2024, 333,900 common shares (equal to 13,356 ADSs) of the vested awards were transferred to Ms. Omiyinka Doris while 327,273 common shares (equal to 13,091 ADSs) were withheld for tax purposes.

In April 2024, VEON granted a total of 1,821,475 equity-settled awards in VEON Ltd. and 3,095,300 cash-settled awards in VEON Ltd. in common shares (equal to 72,859 and 123,812 ADSs, respectively) under the 2021 DSP to its current and former Board of Directors. By June 2024, 1,648,225 of the equity-settled common shares in VEON Ltd. (equal to 65,929 ADSs) were vested and transferred to the Board members and 173,250 common shares (equal to 6,930 ADSs) were withheld for tax purposes.

For the six-month period ended June 30, 2023

In February 2023, 52,543 common shares, or the equivalent of 2,102 American Depositary Shares ("ADS"), in the Company were transferred to Mr. Joop Brakenhoff from shares held by a subsidiary of VEON Ltd. and 51,504 common shares, or 2,060 ADS, were withheld to cover local withholding tax for equity-settled awards granted under the 2021 Deferred Share Plan that vested in 2022.

In March 2023, equity-settled and cash-settled awards were granted to five members of VEON Ltd.'s Group Executive Committee under the Short-Term Incentive Scheme (154,876 ADS) and the Long-Term Incentive Plan (643,286 ADS).

The following table provides the total amount of transactions that have been entered into with related parties and their affiliates for the six and three-month periods ended June 30:

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

	Six-month period		Three-month period	
	2024	**2023**	**2024**	**2023**
Revenue from				
OTM WW LLC	—	1	—	1
Finance income	139	12	114	7
	139	**13**	**114**	**8**
Services from				
OTM WW LLC	—	—	—	(1)
VEON Wholesale Services B.V	—	(3)	—	(3)
Finance cost	19	(7)	19	(10)
	19	**(10)**	**19**	**(14)**

The following table provides the total balance of accounts with related parties and their affiliates at the end of the relevant period:

	June 30, 2024	December 31, 2023
Accounts receivable from		
VEON Ltd.	80	78
VEON Amsterdam B.V.	22	22
Others	33	24
Financial assets receivable from		
VEON Ltd.	202	160
VEON Amsterdam B.V.	1,471	1,462
VEON Digital Amsterdam B.V.	—	—
VEON Digital Limited	—	—
Ukraine Tower Company	—	—
Interest accrued	199	149
	2,007	**1,895**
Accounts payable to		
VEON Ltd.	40	55
VEON Ventures B.V.	25	25
Others	18	31
Financial liabilities to		
VEON Digital Amsterdam B.V.	8	—
Ukraine Tower Company	145	125
Interest accrued	—	—
	236	**236**

12 RISKS, COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES

Other than disclosed below and elsewhere in these interim condensed consolidated financial statements, there were no material changes to risks, commitments, contingencies and uncertainties that occurred during the six-month period ended June 30, 2024.

VEON is involved in a number of disputes, litigation and regulatory proceedings in the ordinary course of its business pertaining to income tax claims. The total value of these individual income tax claims related contingencies that are able to be quantified amounts to US$216 as at June 30, 2024 (US$216 at December 31, 2023) Due to the high level of estimation uncertainty, it is not practicable for the Company to reliably estimate the financial effect for certain contingencies and therefore no financial effect has been included within the preceding disclosure. The Company does not expect any liability arising from these contingencies to have a material effect on the results of operations, liquidity, capital resources or financial position of the Company, however we note that an unfavorable outcome of some or all of the specific matters could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on our current understanding of relevant facts and circumstances. As such, our view of these matters is subject to inherent uncertainties and may change in the future.

13 EVENTS AFTER THE REPORTING PERIOD

Sale of Russian operations deferred consideration settlement

On October 9, 2023, VEON announced the completion of its exit from Russia with closing of the sale of its Russian operations. Upon completion of the sale, control of VimpelCom was transferred to the buyer. Additionally, the agreed amount of the bonds of VEON Holdings acquired by PJSC VimpelCom representing an aggregate total nominal value of US$1,576 were transferred to Unitel LLC (a wholly owned subsidiary of the Company) and offset against the purchase consideration of RUB 130 billion (approximately US$1,294 on October 9, 2023).

The remaining US$72 equivalent bonds were transferred to Unitel LLC, a wholly owned subsidiary of VEON Holdings B.V., upon receipt of the OFAC license in June 2024, to offset the remaining deferred purchase price for PJSC VimpelCom in July 2024.

Notes to the interim condensed consolidated financial statements

(in millions of U.S. dollars unless otherwise stated)

14 BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

The interim condensed special purpose consolidated financial statements for the six and three-month periods ended June 30, 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (**"IASB"**). The term "income statement" as used in these financial statements is considered interchangeable with the term "statement of profit and loss" as defined in IAS 1 *Presentation of Financial Statements*.

The interim condensed special purpose consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2022, and once available, the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2023 (which are expected to be published in the last quarter of 2024 due to the delay the Group experienced in appointing an auditor for 2023).

The preparation of these interim condensed consolidated financial statements has required management to apply accounting policies and methodologies based on complex and subjective judgments, estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The use of these judgments, estimates and assumptions affects the amounts reported in the statement of financial position, income statement, statement of cash flows, statement of changes in equity, as well as the notes. The final amounts for items for which estimates and assumptions were made in the consolidated financial statements may differ from those reported in these statements due to the uncertainties that characterize the assumptions and conditions on which the estimates are based.

Ongoing War Between Ukraine and Russia

As of August 30, 2024, hostilities continue in Ukraine. Currently, we have 24 million subscribers in Ukraine, where they are supported by 4,000 employees. VEON's priority is to protect the safety and well-being of our employees and their families. We have developed and, in some cases, implemented additional contingency plans to relocate work and/or personnel to other geographies and add new locations, as appropriate. As of August 30, 2024, most of our Ukraine subsidiary's employees remain in the country. As of August 30, 2024, millions of people have fled Ukraine and the country has sustained significant damage to infrastructure and assets.

As the war persists, we could lose a greater percentage of our customer base in Ukraine. If Ukrainian refugees choose to relocate permanently outside of Ukraine and switch to local providers, this could have a significant impact on their use and spending on our services. Due to the efforts of our Ukrainian team as well as collaboration with other telecommunications operators in the region, network capacity has remained stable with minimal disruptions since the beginning of the war. On December 12, 2023, VEON announced that the network of its Ukrainian subsidiary Kyivstar had been the target of a widespread external cyber-attack, causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad. The Company's technical teams, working relentlessly and in collaboration with the Ukrainian law enforcement agencies, the Security Service of Ukraine and government agencies, restored services in multiple stages starting with voice and data connectivity. On December 19, 2023, VEON announced that Kyivstar had restored services in all categories of its communication services, with mobile voice and internet, fixed connectivity, SMS and MyKyivstar self-care application active and available across Ukraine. Refer to Note 1 for further details. We have incurred and will continue to incur additional expenditures to maintain and repair our mobile and fixed-line telecommunications infrastructure in Ukraine as a result of any damage inflicted on our infrastructure due to the ongoing war, as well as for security, increased energy costs, and related operational and capital expenditures. In addition, our ability to provide services in Ukraine may be impaired if we are unable to maintain key personnel within Ukraine and/or our infrastructure within Ukraine is significantly damaged or destroyed.

In response to the events in Ukraine, the United States, European Union (and individual EU member states) and, the United Kingdom, as well as other countries have imposed wide-ranging economic sanctions and trade restrictions which have targeted individuals and entities as well as large aspects of the Russian economy, including freezing the assets of Russia's central bank, other Russian financial institutions, and individuals, removing selected Russian banks from the Swift banking system, and curbing certain products exported to Russia.

Effective October 9, 2023, PJSC VimpelCom was deconsolidated from the VEON Group and, as such, the VEON Group no longer has operations in Russia. The risks related to sanctions, trade restrictions, and export bans targeting the Russian Federation and PJSC VimpelCom itself as well as risks related to counter-sanctions imposed by Russia, including the potential risk of imposing administration over Russian assets, have been sufficiently mitigated. As a result of the PJSC VimpelCom disposal, cybersecurity risk has been significantly reduced.

Ukraine has also implemented and may implement further sanctions or measures on individuals or entities with close ties to Russia, which may negatively impact Kyivstar if VEON is considered by local Ukrainian authorities as being a company controlled by sanctioned persons. For example, in October 2022, Ukraine imposed sanctions for a ten-year period against Mikhail Fridman, Petr Aven and Andriy Kosogov, who are some of the beneficial owners of LetterOne, which, in turn, is one of VEON's shareholders. These Ukrainian sanctions apply exclusively to the sanctioned individuals and do not have a direct impact on the Company, however, the Company cannot rule out their impact on banks' and other parties readiness to engage in transactions involving the Company. Furthermore, these sanctions may make it difficult for the Company to obtain local financing in Ukrainian hryvnia, which could make it more difficult for us to naturally hedge any debt required for our Ukrainian operations moving forward to the currency in which we generate revenue. On October 6, 2023, the Security Services of Ukraine (SSU) announced that the Ukrainian courts froze all “corporate rights” of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings against Mikhail Fridman and which are unrelated to VEON or any of our subsidiaries are in progress. This announcement was incorrectly characterized by some Ukrainian media as a “seizure” or “freezing” of “Kyivstar’s assets”. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly identified Kyivstar, that the Ministry of Justice of Ukraine was separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding. On October 30, 2023 VEON announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and Ukraine Tower Company, noting that corporate rights in Kyivstar and Ukraine Tower Company belong exclusively to VEON, and that their full or partial freezing or seizure directly violates the rights of VEON and its international debt and equity investors, and requesting the lifting of the freezing of its corporate rights in Kyivstar and Ukraine Tower Company. In December 2023, the court rejected the Company’s appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freezing of corporate rights in Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. VEON is continuing significant government affairs efforts to protect our assets in Ukraine.

Restrictions applicable in Ukraine to all foreign-owned companies have already led to restrictions on the upstreaming of dividends from Ukraine to VEON. Additionally, to the extent that VEON and/or Kyivstar are deemed to be controlled by persons sanctioned in Ukraine, potential prohibitions on (i) the transfer of technology and intellectual rights to Kyivstar from VEON, renting of state property and land, and (iii) prohibitions on participation in public procurement impacting B2G revenue would apply.

The ongoing war in Ukraine, and the sanctions imposed by the various jurisdictions, counter sanctions and other legal and regulatory measures, as well as responses by our service providers, partners, suppliers and other counterparties, including certain professional service providers we rely on, and the consequences of all the foregoing, have negatively impacted and, if the war, sanctions and such responses continue or escalate, will continue to negatively impact aspects of our operations and results in Ukraine, and may affect aspects of our operations and results in the other countries in which we operate.

The war has resulted in the following events and conditions that may cast significant doubt on the Company’s ability to continue as a going concern:

- The current events in the regions where we operate in Ukraine and where we derive a significant amount of our business may pose security risks to our people, our facilities, our operations, and infrastructure, such as utilities and network services, and the disruption of any or all of them could significantly affect our business, financial conditions and results of operations in Ukraine, and cause volatility in the value of our securities. The war has also had a marked impact on the economy of Ukraine. However, since the beginning of the war, a significant majority of Ukraine’s network infrastructure has been operating effectively and disruptions in service have been limited to specific areas where the war is most intense. As mentioned above, in December 2023, Kyivstar was the target of a widespread external cyber-attack, causing a technical failure. This resulted in a temporary disruption of Kyivstar's network and services, interrupting the provision of voice and data connectivity on mobile and fixed networks, international roaming, and SMS services, amongst others, for Kyivstar customers in Ukraine and abroad, which were subsequently restored. It cannot be ruled out that the war and related damage could escalate within Ukraine.
- We may need to record future impairment charges in Ukraine or CGUs, which could be material, if the war continues or escalates and/or due to macroeconomic conditions.
- As of August 30, 2024, the Company continues to conclude that neither VEON Ltd. nor any of its subsidiaries is targeted by sanctions imposed by any of the United States, European Union (and individual EU member states) and the United Kingdom. However, the interpretation and enforcement of these new sanctions and counter-sanctions may result in unanticipated outcomes and could give rise to material uncertainties, which could complicate our business decisions. For example, to protect U.S. foreign policy and national security interests, the U.S. government has broad discretion to

at times impose a broad range of extraterritorial “secondary” sanctions under which non-U.S. persons carrying out certain activities may be penalized or designated as sanctioned parties, even if the activities have no ties, contact with, or nexus to the United States or the U.S. financial system at all. These secondary sanctions could be imposed on the Company or any of the Company’s subsidiaries if they were to engage in activity that the U.S. government determined was undertaken knowingly and rose to the level of material or significant support to, for, or on behalf of certain sanctioned parties.

- Based on the current state of affairs, the Company currently has sufficient liquidity to satisfy our current obligations at least over the next twelve months from the issuance of the financial statements without the need of additional financing assuming no early repayments of our long-term debt. In addition, cash on hand was US$912 as of July 31, 2024 after the full repayment of the RCF (refer to details in Note 1). As a result of the full repayment and cancellation of the RCF, the Company no longer has any financial covenants. However, these continue to be uncertain times and it is not possible to predict with certainty how certain developments will impact our liquidity position, non-financial provisions in our debt agreements, and our equity levels on a regular and continuous basis both at the group and operating company levels. We may also be impacted by conditions or local legal requirements in international markets that could make it more difficult to service our existing debt obligations or refinance existing debt. If the assumptions behind our liquidity forecast are not correct, we may not have sufficient liquidity to continue to operate as outlined above. If we are unable to raise additional capital in the markets in which we seek to raise it, or at all, or if the cost of raising additional capital significantly increases, which has been the case since the onset of the ongoing war due to monetary policy in response to global inflationary pressures and a number of other factors, we may be unable to make necessary or desired capital expenditures, take advantage of investment opportunities, refinance existing indebtedness or meet unexpected financial requirements, and our growth strategy and liquidity may be negatively affected. This could cause us to be unable to repay indebtedness as it comes due, to delay or abandon anticipated expenditures and investments or otherwise limit operations. For example, the ongoing war in Ukraine has caused us to reconsider our capital outlay to ensure we have sufficient liquidity for maintenance capital expenditures and other key operational spend while at the same time servicing our indebtedness. As a result, capital expenditures that are more discretionary in nature may be put on hold until the impact of the ongoing war in Ukraine, and particularly its effects on our liquidity and financial profile, becomes more certain.
- In response to the geopolitical and economic situation in Ukraine, there is a risk of the country imposing external administration over foreign companies or assets or nationalizing them. For example, as part of the measures that the Ukrainian government has adopted in response to the ongoing war with Russia, several Nationalization Laws Amendments have been passed by the Ukrainian Parliament and, as of June 26, 2024, are awaiting signature by the President of Ukraine. Among other things, the Nationalization Laws Amendments extend the definition of “residents” whose property in Ukraine (whether owned directly or indirectly) can be seized under the Nationalization Laws to include property owned by the Russian state, Russian citizens, other nationals with close relationships to Russia, residing or having a main place of business in Russia, or legal entities operating in Ukraine whose founder or ultimate beneficial owner is the Russian state or are controlled or managed by any of the individuals identified above. Pursuant to the Nationalization Laws, in May 2023, President Zelensky signed an initial package of restrictive measures relating to 41 entities, including against Zaporizhstal, one of Ukraine’s largest metallurgical companies, due to Russian ownership in the company’s structure. In April 2023, the Ukrainian Parliament voted for similar measures to allow for the nationalization of Sense Bank, one of Ukraine’s largest commercial banks.
- Furthermore, in November 2022, the Ukrainian government invoked martial law, which allows the Ukrainian government to take control of stakes in strategic companies in Ukraine in order to meet the needs of the defense sector. The Security Council Secretary indicated that at the end of the application of martial law, the assets can be returned or their owners can be appropriately compensated.
- As noted above, on October 6, 2023, the Security Service of Ukraine (SSU) announced that the Ukrainian courts froze all “corporate rights” of Mikhail Fridman in 20 Ukrainian companies in which he holds a beneficial interest, while criminal proceedings against Mikhail Fridman and, which are unrelated to Kyivstar or VEON, are in progress. This announcement was incorrectly characterized by some Ukrainian media as a “seizure” or “freezing” of “Kyivstar’s assets”. On October 9, 2023, Ukrainian media further reported, with a headline which incorrectly identified Kyivstar, that the Ministry of Justice of Ukraine is separately finalizing a lawsuit in the Ukraine High Anti-Corruption Court to confiscate any Ukrainian assets of Mikhail Fridman. We have received notification from our local custodian that the following percentages of the corporate rights in our Ukrainian subsidiaries have been frozen: (i) 47.85% of Kyivstar, (ii) 100% of Ukraine Tower Company, (iii) 100% of Kyivstar.Tech, and (iv) 69.99% of Helsi Ukraine. The freezing of these corporate rights prevents any transactions involving our shares in such subsidiaries from proceeding.
- If further measures are adopted and applied in relation to our Ukrainian subsidiary, this could lead to the involuntary deconsolidation of our Ukrainian operations, and could trigger certain financial covenants or non-financial provisions in our debt agreements, requiring accelerated repayment, potentially triggering a cross-default across other debt agreements and the revolving credit facility and negatively impact our liquidity.

Management's actions to address these events and conditions are as follows:

- As mentioned above, on October 9, 2023, the sale of our Russian operations was completed and PJSC VimpelCom was deconsolidated from the VEON Group. The sale of PJSC VimpelCom has sufficiently mitigated risks related to sanctions, trade restrictions, and export bans imposed against Russia as well as risks related to counter-sanctions imposed by Russia including Decree 302 and Decree 430. The sale of PJSC VimpelCom has also significantly reduced the VEON Group's exposure to cybersecurity attacks.
- We have implemented business continuity plans to address known contingency scenarios to ensure that we have adequate processes and practices in place to protect the safety of our people and to handle potential impacts to our operations in Ukraine.
- The Company has performed sensitivity analyses on the volatility of the Pakistani Rupee as well as other currencies in our operating markets with respect to the impact on our financial results and does not expect currency fluctuations to have a significant impact. In the normal course of business, the Company manages its foreign currency risk by selectively hedging committed exposures and hedges part of its exposure to fluctuations on the translation into U.S. dollars of its foreign operations by holding the borrowings in foreign currencies or by foreign exchange swaps and forwards.
- Management is actively monitoring any new developments in applicable sanctions to ensure that we continue to be in compliance and to evaluate any potential impact on the Company's financial performance, operations, and governance. Management has actively engaged with sanctions authorities where appropriate. Management is engaging with authorities in Ukraine to address any concerns they have about the ownership and management of Kyivstar and to provide all necessary assurances to confirm that Russian nationals, including any beneficial owners of LetterOne, do not participate in the management of Kyivstar nor are they able to derive any benefits from VEON's assets in Ukraine.
- On October 30, 2023, we announced that two appeals were filed with the relevant Kyiv courts, challenging the freezing of the corporate rights in Kyivstar and our subsidiary Ukraine Tower. Noting that corporate rights in Kyivstar and Ukraine Tower Company belong exclusively to VEON, and that their full or partial freezing or seizure directly violates the rights of VEON and its international debt and equity investors, VEON requested the lifting of the freezing of its corporate rights in Kyivstar and Ukraine Tower Company. In its filings, the Company also reiterated that any action aimed at the rights, benefits or funds of sanctioned individuals - the alleged reason for freezing of corporate rights as per the SSU statement - cannot legitimately be directed toward VEON or its subsidiaries. Sanctioned individuals do not own any shares in VEON or its subsidiaries; they cannot exercise any rights regarding VEON or any of its subsidiaries; are not a part of any VEON group company governance mechanisms, including boards; do not have the ability to control or influence decisions made by VEON or any of its subsidiaries; and do not derive any economic benefits from VEON or any of its operating companies. In December 2023, the court of appeals rejected VEON's appeals. On June 4, 2024, the CEO of VEON, in his capacity as a shareholder of VEON, filed a motion with Shevchenkivskiy District Court of Kyiv requesting cancellation of the freeze of corporate rights in the VEON group's subsidiary Ukraine Tower Company. On June 26, 2024, the motion was supplemented to request cancellation of the freezing of corporate rights in the VEON group's other Ukrainian subsidiaries: Kyivstar, Kyivstar.Tech and Helsi Ukraine. VEON is continuing significant government affairs efforts to protest our assets in Ukraine. Based on the above development, VEON assessed whether the court order and subsequent motions result in an event that VEON has lost control over its Ukrainian subsidiary ("Kyivstar") and concluded that, under the requirements of relevant reporting standards (IFRS 10, Consolidated financial Statements), VEON continues to control Kyivstar and as such, will continue to consolidate Kyivstar in these financial statements.
- Management actively monitors the Company's liquidity position, our non-financial provisions in our debt agreements, and our equity levels on a regular and continuous basis both at the group and operating company levels and should they reach a level considered at-risk, management will take actions to ensure our liquidity position is sufficient and our non-financial provisions in our debt agreements are met.
- On March 28, 2024, VEON announced that it repaid in full the outstanding balance of US$805 (principal, excluding accrued interest) and cancelled its RCF, after paying the matured portion of US$250 in February 2024.
- As of March 14, 2024, the Company appointed PwC Netherlands for the audit of the Group's consolidated financial statements for the year ended December 31, 2023 for the ISA Audit. The Company confirms that it continues to work

diligently, together with PwC Netherlands, in order to complete and file its 2023 Annual Report in the fourth quarter of 2024. Further, as a result of the consent solicitation, consent was obtained to extend the deadline for the provision of audited financial statements for the years ended 2023 and 2024 for the Company to the holders of the outstanding notes of the Company. As such, the Company. Refer to Note 1 for further developments and details.

The accompanying consolidated financial statements have been prepared on a going concern basis. In accordance with International Accounting Standards ("IAS") 1, Presentation of Financial Statements, the Company has determined that the aforementioned conditions and events, considered in the aggregate, may cast significant doubt about the Company's ability to continue as a going concern for at least 12 months after the date these interim consolidated financial statements were authorized for issuance. Management expects the actions it has taken or will take will mitigate the risk associated with the identified events and conditions. However, given the uncertainty and exogenous nature of the ongoing war and potential future imposed sanctions as well as potential new counter-sanctions, and given the possible future imposition of external administration over our Ukrainian operations in particular, management concluded that a material uncertainty remains related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, such that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2022, and once available, the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2023 (which are expected to be published in the last quarter of 2024 due to the delay the Group experienced in appointing an auditor for 2023).

A number of new and amended standards became effective as of January 1, 2024, which did not have a material impact on VEON financial statements. The Group has not early adopted any other standards, interpretations or amendments that have been issued but have not yet become effective.

Amsterdam, August 30, 2024

VEON Holdings B.V.