

VEON 1Q26 Results:

Digital Revenue Surge & New Spectrum Win Show VEON in Pole Position

VEON US · TELECOM

TICKER	VEON US
MARKET CAP	US\$4.10bn
CURRENT PRICE	US\$55.45
TARGET PRICE	US\$82.00
RATING	Structural Long™

Vincent Fernando, CFA
Executive Director
vincent@01.co

25.2%DIGITAL % OF
GROUP REVENUE**+57.7%**DIGITAL REVENUE
YOY**+17.0%**TOTAL REVENUE
YOY**1.07x**ADJ. NET DEBT
/EBITDA

KEY TAKEAWAYS

- Digital revenue exceeds 25% of Group in 1Q26; Management sets ambitious 50% target**
VEON's digital revenue hit US\$303m in 1Q26, rising 57.7% YoY. Digital now represents 25.2% of Group revenue, up from 18.7% in 1Q25. Excluding an enterprise revenue reclassification, digital grew even faster, at 75% YoY in 1Q26. Moreover, VEON raised its digital revenue target to 50%+ of total revenue by end-2029E, up from a prior 30%+ target for end-2027E. While high organic growth is expected to achieve half of the expansion, management said it will pursue M&A to achieve the remainder. We view VEON in pole position for digital infrastructure and services growth across Pakistan, Ukraine, Bangladesh, and Kazakhstan.
- 1Q26 revenue tracking ahead of Street consensus FY26E estimates**
We believe FY26E revenue is on track to come in at US\$5.1bn, about 6% above current Bloomberg consensus. Management's raised its FY26E revenue guidance to 11-14% YoY growth (from 9-12% previously), which already implies US\$4,883m to US\$5,015m; we sit at the higher end due to stronger digital growth expectations driven by what we see in the 1Q26 trajectory plus the recent performance of acquisitions such as Uklon and Tabletki.

3 New spectrum win a positive catalyst for Pakistan, VEON's largest market

Pakistan revenue grew 20.4% in USD to US\$465m in 1Q26, making it the Group's largest geography. VEON's massive new 190 MHz spectrum award for US\$239.5m in March 2026 positions the company for Pakistan's 5G era, while also enabling expansion of 4G capacity. Pakistan consumers remains dramatically under-served by data capacity in our view; hence VEON's new spectrum win is likely to catalyze demand growth from pent-up demand. We note that VEON's multiplay revenue rose to 63% of Pakistan consumer revenue in 1Q26, up from 52% two years ago. This represents a large existing cohort for data usage expansion.

4 EBIT rose 27.8% YoY; but reported net profit was flat due to tax-line normalization

1Q26 operating profit rose 28% to US\$306m, driven by operating leverage in core telecom plus digital margin expansion. Net profit attributable to shareholders was flat YoY however, mostly due to the Group effective tax rate coming in at 32.7% in 1Q26 versus 9.2% in 1Q25 (lower due to previous one-off tax benefits).

5 Capital return formalized at ≥US\$100m annually; adjusted leverage now 1.07x

Management formalized a permanent buyback program of at least US\$100m annually and committed that all shares repurchased under future programs will be cancelled rather than held in treasury. Net debt ex-leases improved to 1.07x of LTM EBITDAaL, well below management's 1.5x ceiling. Equity FCF grew 73.4% to US\$246m. VEON's capital allocation posture has progressed from deleveraging to one with balance sheet optionality.

Company snapshot

VEON Ltd (Nasdaq: VEON) is a Nasdaq-listed emerging-markets digital operator headquartered in Dubai, with operations spanning five countries: Pakistan, Ukraine, Kazakhstan, Bangladesh and Uzbekistan. The group reports two pillars: a Telecom & Infrastructure business that operates mobile and fixed networks under brands including Jazz (Pakistan), Kyivstar (Ukraine), Beeline (Kazakhstan and Uzbekistan) and Banglalink (Bangladesh), and a Digital business spanning financial services (JazzCash, Beeline Bank, Simply, MMBL), entertainment (Tamasha, Hoory.ai), classifieds (OLX Kazakhstan, OLX Uzbekistan), healthcare (Tabletki) and ride-hailing (Uklon).

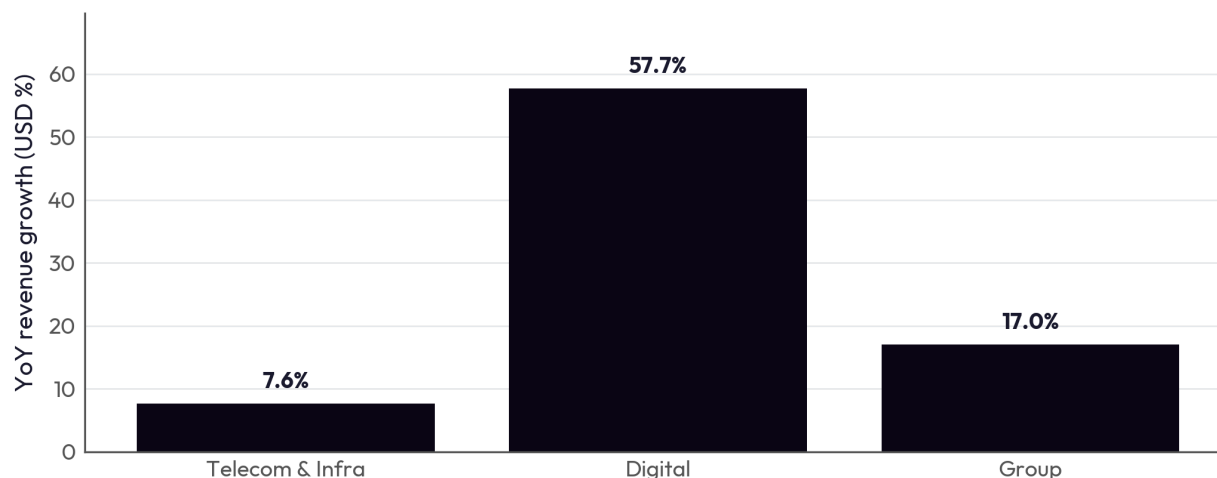
Results snapshot

METRIC	1Q26	YOY	NEXT-PERIOD / GUIDE
Group revenue	US\$1,201m	+17.0%	FY26 guide 11-14% (raised)
Group EBITDA	US\$517m	+17.7%	FY26 guide 7-10%
Group EBITDA margin	43.0%	+0.2pp	no specific guide
EPS per ADS	US\$1.39	+1.8%	no specific guide
Equity FCF (post lease/license)	US\$246m	+73.4%	no specific guide
Digital revenue	US\$303m	+57.7%	FY29 target ≥50% of group
Digital % of revenue	25.2%	+6.5pp	FY29 target ≥50%
Net debt ex-leases / LTM EBITDAaL	1.07x	improved from 1.23x	ceiling 1.5x
Capex intensity (LTM ex-Ukraine)	15.8%	in range	FY26 guide 15-17% (raised)
Mobile customers (group)	150.5m	-1.3%	no specific guide
Mobile ARPU (group)	US\$2.30	+17.3%	no specific guide
Multiplay customers (group)	45.8m	+7.4%	no specific guide
Multiplay ARPU (group)	US\$3.60	+7.7%	no specific guide
Digital active customers (group)	228.9m	+11.0% QoQ	no specific guide

Source: Company disclosures, Zero One Investment Research

1. 1Q26 revenue grew 17% YoY via robust telco performance and surging digital

Digital grew 57.7% in 1Q26 versus telecom 7.6%



Source: Company disclosures, Zero One Investment Research

Digital revenue grew 57.7% YoY in 1Q26, more than seven times the 7.6% telecom growth pace; the gap is what lifts the digital share of group revenue.

VEON 1Q26 INCOME STATEMENT HIGHLIGHTS

	1Q26	1Q25	YOY	FY25	1Q26 VS FY25 PACE
Revenue (US\$m)	1,201	1,026	+17.0%	4,399	27.3%
Telecom & Infra (US\$m)	898	834	+7.6%	n.d.	n.d.
Digital (US\$m)	303	192	+57.7%	n.d.	n.d.
EBITDA (US\$m)	517	439	+17.7%	2,009	25.7%
EBITDA margin	43.0%	42.8%	+0.2pp	45.7%	n.m.
Operating profit (US\$m)	306	239	+27.8%	1,439	21.3%
Net profit attributable (US\$m)	99	99	+0.2%	532	18.6%
EPS per ADS (US\$)	1.39	1.36	+1.8%	7.41	18.8%
Effective tax rate	32.7%	9.2%	+23.5pp	24.7%	n.m.

Source: Company disclosures, Zero One Investment Research

VEON reported 1Q26 group revenue of US\$1,201m, up 17.0% YoY in USD and 17.3% in local currency. The result ran well ahead of the prior FY26E guide of 9-12% YoY revenue growth that management had set in March 2026, and was the trigger for the upward revision to a new FY26E guide of 11-14%. Telecom and Infrastructure revenue grew 7.6% to US\$898m, and Digital revenue grew 57.7% to US\$303m, lifting the digital share of group revenue to 25.2% from 18.7% in 1Q25.

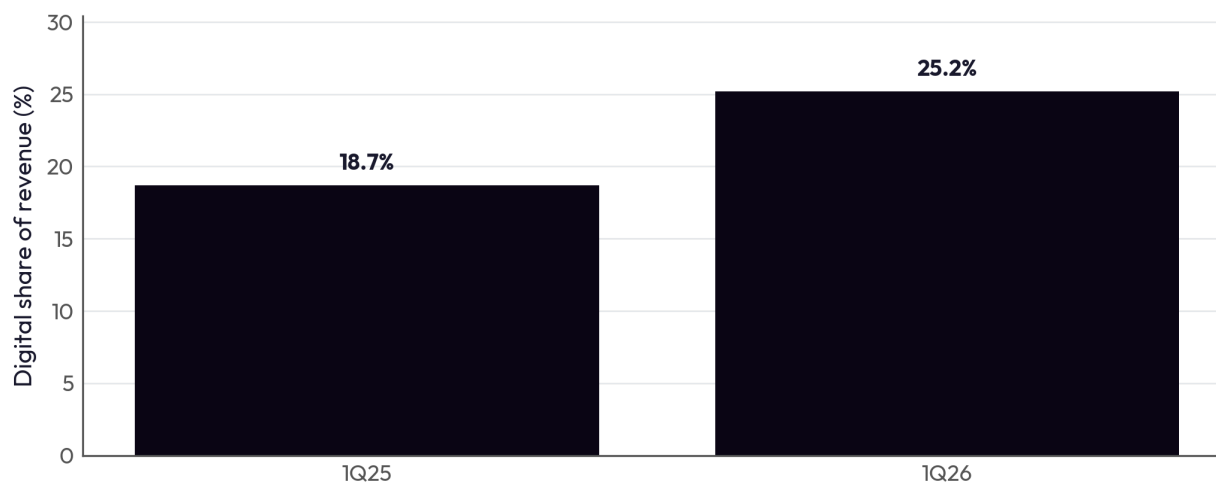
Group EBITDA grew 17.7% to US\$517m with the group margin essentially flat at 43.0% versus 42.8% in 1Q25. Telecom margin expanded 1.0pp to 45.9% on pricing discipline, while Digital margin expanded 1.1pp to 34.6% on operating leverage in the larger verticals. Operating profit grew 27.8% to US\$306m as depreciation and amortization grew at a slower pace than revenue.

Reported attributable net profit was flat at US\$99m despite the 27.8% growth in operating profit. The single line that explains the gap is the effective tax rate, at 32.7% in 1Q26 versus 9.2% in 1Q25. The prior-year quarter benefited from one-off tax reliefs that did not recur. We do not interpret the flat headline as an operating performance signal; the underlying operational picture for 1Q26 is the EBIT growth of 27.8%, with the tax line as a comparison artifact rather than a forward indicator.

Like-for-like growth, adjusting for Pakistan Towers, Kyrgyzstan, Uklon and Tabletki, was 15.4% on revenue and 15.0% on EBITDA per CEO Kaan Terzioglu. The reported and like-for-like figures sit close together: roughly 1.5pp of the headline growth came from M&A or perimeter changes, leaving the bulk of the print as organic.

2. Pakistan and Ukraine lead growth; digital revenue scaling across all verticals

Digital share of group revenue rose to 25.2% in 1Q26 from 18.7%



Source: Company disclosures, Zero One Investment Research

Digital share of group revenue rose to 25.2% in 1Q26 from 18.7% a year earlier; management has set a 50%+ target by end-2029.

VEON SEGMENT SUMMARY, 1Q26

SEGMENT	REVENUE (US\$M)	YOY USD	YOY LCY	EBITDA (US\$M)	YOY EBITDA USD	EBITDA MARGIN	DIGITAL % REV
Pakistan	465	+20.4%	+20.6%	209	+29.2%	44.9%	36.9%
Ukraine	325	+26.7%	+31.4%	174	+21.8%	53.5%	20.7%

SEGMENT	REVENUE (US\$M)	YOY USD	YOY LCY	EBITDA (US\$M)	YOY EBITDA USD	EBITDA MARGIN	DIGITAL % REV
Kazakhstan	212	+13.1%	+10.3%	91	-3.9%	42.9%	17.1%
Bangladesh	116	+4.2%	+4.9%	46	+23.1%	39.7%	12.0%
Uzbekistan	82	+13.6%	+6.6%	30	+8.5%	36.6%	16.4%
Group	1,201	+17.0%	+17.3%	517	+17.7%	43.0%	25.2%

Source: Company disclosures, Zero One Investment Research

Pakistan one of the best performing geographies in 1Q26. Revenue grew 20.4% in USD to US\$465m, with broad-based contribution across the consumer mobile, multiplay and digital businesses. Digital reached 36.9% of Pakistan segment revenue, the highest digital share in the group, on JazzCash and the entertainment platform Tamasha. JazzCash LTM transaction volume reached US\$62.8bn, up 54.5% YoY, with 605k active merchants and 202k daily loans disbursed. The platform's transaction volume is now equivalent to roughly 15% of Pakistan's nominal GDP.

Pakistan March 2026 spectrum one of the most significant recent investment commitments. Jazz acquired 190 MHz of new spectrum for US\$239.5m, comprising 50 MHz at 3,500 MHz, 70 MHz at 2,600 MHz, 50 MHz at 2,300 MHz and 20 MHz at 700 MHz. The 700 MHz block is the coverage layer for 5G and 4G non-standard usage; the higher-frequency blocks are the capacity layer. Payment is structured in PKR with a grace period before payments begin in 2027. CEO Kaan Terzioglu described Pakistan data usage at 7.5 GB per month as "one-third of what it should be," framing the deployment as supply catching up to under-served demand rather than the speculative capacity build that has characterized some EM 5G launches. With VEON's multiplay revenue at 63% of Pakistan consumer revenue in 1Q26, up from 52% two years ago, we see a large established cohort for data demand expansion.

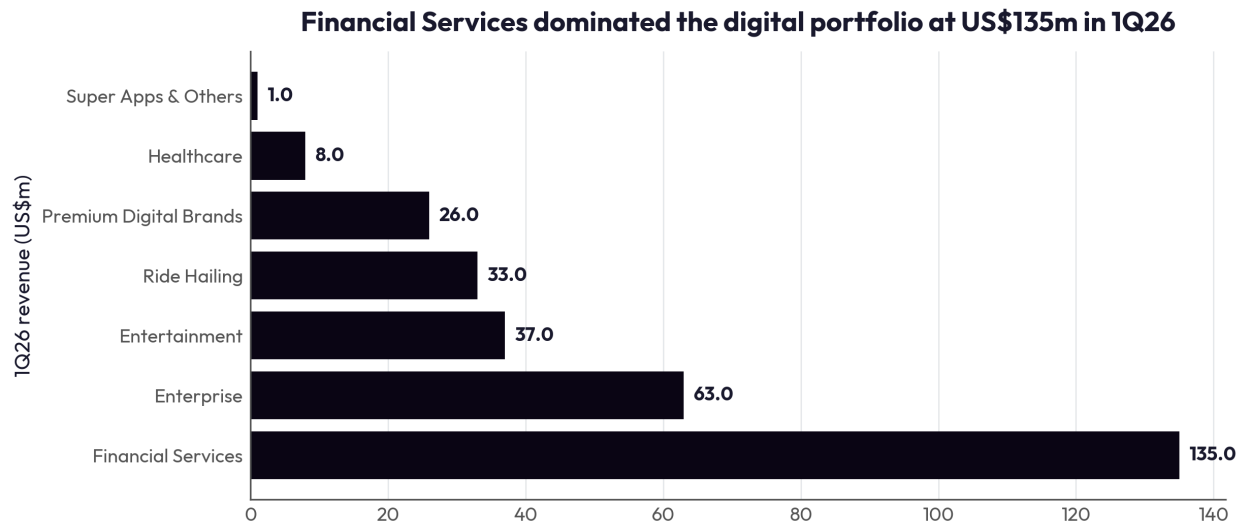
Ukraine grew 26.7% on USD basis and 31.4% on LCY basis, the strongest segment growth rate.

Digital revenue grew 257% YoY in USD, driven by two M&A consolidations: Uklon (the country's leading ride-hailing platform, contributing UAH1.4bn revenue and UAH539m EBITDA in 1Q26) and Tabletki (the online pharmacy marketplace consolidated in February 2026, contributing UAH234m revenue and UAH196m EBITDA in its first two months of consolidation). Mobile ARPU rose 36.8% YoY in UAH to UAH197 on usage growth and the high-margin Kyivstar Cloud (UTC) business that joined the segment in 2H25. Ukraine group EBITDA margin compressed 2.1pp on digital-mix dilution (Uklon and Tabletki carry lower margin than core telecom) and the EU "Roam-like-at-home" framework effective January 2026; core telecom margin actually expanded 0.2pp, isolating the dilution effect.

Bangladesh delivered its second consecutive YoY growth quarter after five quarters of decline.

Telecom revenue was still down 6.3% in LCY but EBITDA grew 23.1% in USD on aggressive cost discipline including commission restructuring and channel outsourcing. Segment EBITDA margin expanded 6.1pp to 39.7%. The Banglalink-Starlink direct-to-device agreement signed in April 2026 extends the segment's rural reach without proportionate capex; digital revenue grew 7.5x from a low base.

Uzbekistan grew 13.6% in USD on a 6.6% LCY revenue growth supported by FX effects. Mobile subscribers fell 6.6% YoY but ARPU grew 11.4% in LCY, lifting revenue. Segment margin compressed 1.7pp to 36.6% on direct-cost mix changes (mobile financial services costs, content procurement, SIM-related taxes).



Source: Company disclosures, Zero One Investment Research

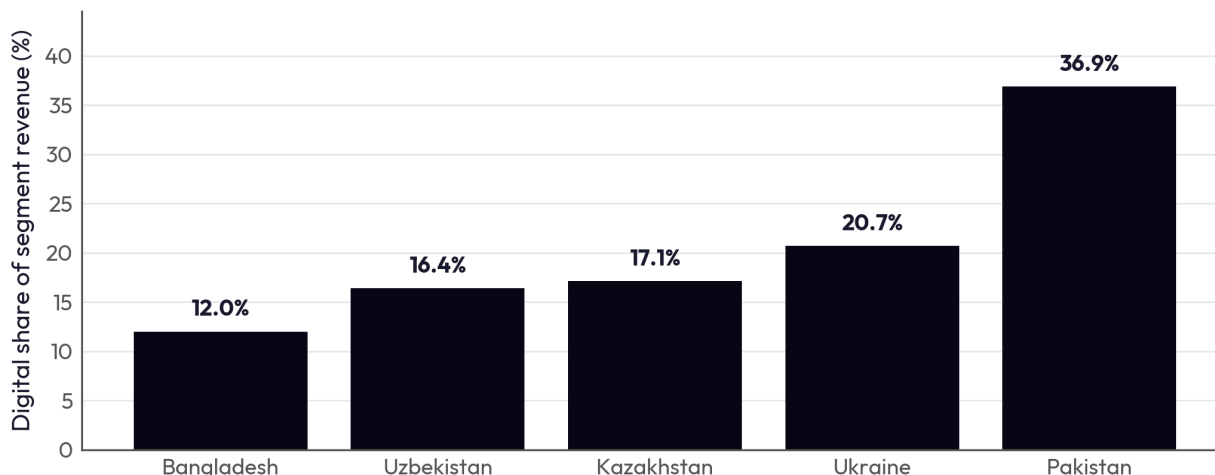
Financial Services dominated the 1Q26 digital mix at US\$135m, more than 2x the next-largest vertical; Healthcare grew 369% off a low base on the Tabletki consolidation.

Group digital revenue grew 57.7% to US\$303m, with Financial Services the dominant vertical.

JazzCash, MMBL and Beeline Bank carry the financial services line at US\$135m, more than two times the next-largest vertical. Healthcare grew 369% off a low base on Tabletki consolidation; Premium

Digital Brands grew 104%; Entertainment grew 88.9% on Tamasha's 48.9m monthly users (up 45% QoQ, World Cup driven).

Pakistan led on segment digital share at 36.9% in 1Q26

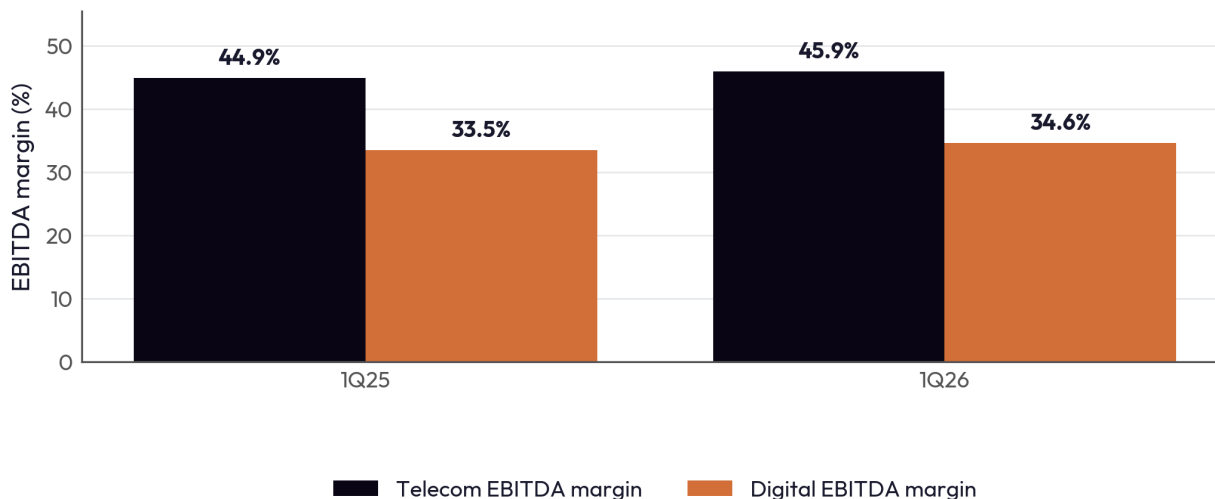


Source: Company disclosures, Zero One Investment Research

Pakistan leads the group on digital share at 36.9% of segment revenue; Ukraine at 20.7% has the highest absolute growth rate this quarter.

3. Group EBITDA margin held at 43.0% as digital margin expanded; Kazakhstan compressed on cost inflation and VAT

Digital margin expanded 1.1pp alongside telecom expansion of 1.0pp



Source: Company disclosures, Zero One Investment Research

Group Digital EBITDA margin expanded 1.1pp to 34.6% in 1Q26; telecom margin expanded 1.0pp to 45.9% on pricing discipline.

Group EBITDA margin held at 43.0%, essentially flat YoY. Beneath the stable group figure are three distinct segment dynamics. Pakistan and Ukraine drove margin expansion: Pakistan EBITDA margin

reached 44.9% (+3.0pp YoY) on operating leverage from the digital scale; Ukraine reached 53.5% on the high-incremental-margin profile of Uklon and Tabletki digital revenue alongside cost discipline in telecom.

Kazakhstan is the soft spot. The segment was the only one with a YoY EBITDA decline (-3.9% in USD, -6.9% in LCY), and the segment EBITDA margin compressed 7.9pp. Two drivers explain the compression: cost inflation in personnel, marketing, IT and utilities running above revenue growth, and a January 2026 standard VAT increase from 12% to 16% that depressed headline revenue while operating costs scaled. Management committed to progressive margin recovery through the course of FY26.

Bangladesh delivered the largest margin improvement in the group at +6.1pp to 39.7%. The improvement came almost entirely from cost discipline: commission restructuring, channel outsourcing and the absence of one-off items that had compressed prior-year margins. The segment was loss-making at the EBITDA line two years ago; the 1Q26 EBITDA margin is now within 3pp of group average.

Digital margin expansion held the group steady. Group Digital EBITDA margin reached 34.6% (+1.1pp YoY) on scale in financial services and the high-margin profile of premium digital brands. As digital share of group revenue rises toward management's FY29 target of 50%+, the structural margin question is whether digital EBITDA margin can sustain mid-30s as the mix shifts; the 1Q26 data point is consistent with that, with no margin compression as digital revenue accelerated.

4. Capex stepping up to deploy Pakistan spectrum; intensity guide raised to 15-17%

VEON CAPEX PROFILE, 1Q26

CAPEX LINE	1Q26	1Q25	YOY	FY26 GUIDE
Capex (US\$m)	138	135	+2.5%	see below
LTM Capex intensity (group)	20.4%	20.4%	flat	capex peaks in 2H26
LTM Capex intensity (ex-Ukraine)	15.8%	n.d.	n.d.	15-17% (raised from 14-16%)

Source: Company disclosures, Zero One Investment Research

Reported 1Q26 capex of US\$138m grew only 2.5% YoY, well below the revenue growth rate of 17.0%. The capex intensity guide raise from 14-16% to 15-17% for FY26 ex-Ukraine signals that the increase comes through the year, with 2H26 carrying the heavier lift. The driver is the Pakistan 190 MHz spectrum deployment: the spectrum was awarded in March 2026 and equipment orders, site selection and roll-out spending sequence through the back half of FY26.

Pakistan capex direction is the most consequential capital decision in the quarter. The 190 MHz spectrum award itself was US\$239.5m (paid in PKR with payments starting after a grace period in 2027), and management is sequencing deployment to address what CEO Kaan Terzioglu has

consistently characterized as a structurally under-served capacity position. The 700 MHz block becomes the coverage layer for 5G plus the support layer for 4G non-standard, materially extending rural and indoor coverage.

Ukraine capex intensity remains elevated at 33.0% LTM on the continuing fibre build and the merged network rebuilds from the 2022-2024 destruction period. Excluding Ukraine, group capex intensity is 15.8% LTM. The reason management splits the disclosure is that Ukraine capex intensity carries a structurally different multiplier in the current cycle, and a blended group view distorts the read on the four other markets.

The capital investment pipeline beyond capex includes the Tabletki consolidation (February 2026), the OLX Kazakhstan acquisition (announced, US\$75m, pending close) and the TPL Insurance majority stake in Pakistan (announced April 2026, ~PKR4.15bn / ~US\$14.6m for 69.66%).

5. FY26E revenue tracking above current consensus; bottom-line cascade closer to consensus on tax-rate normalization

FY26 AND FY27 TRAJECTORY VS BLOOMBERG CONSENSUS

US\$M	FY26E	BLOOMBERG CONS FY26	VS CONS	FY27E	BLOOMBERG CONS FY27	VS CONS
Revenue	5,018	4,734	+6.0%	5,560	5,069	+9.7%
EBIT	1,303	1,320	-1.3%	1,492	1,491	+0.0%
PBT	937	906	+3.3%	1,146	1,094	+4.7%
Attributable NPAT	552	581	-4.9%	676	704	-4.0%
EPS per ADS (US\$)	7.69	7.96	-3.3%	9.42	7.67	+22.8%

Source: Zero One Investment Research Financial Model, Bloomberg

FY26E revenue is on track to come in at US\$5,018m based on our estimates, +6.0% above the current Bloomberg consensus of US\$4,734m. Management's raised FY26E revenue guide of 11-14% growth (from the prior 9-12%) already implies a range of US\$4,883m to US\$5,015m off the FY25 base of US\$4,399m, with the bottom of the new guide already sitting above current consensus and the top of the range where our estimates sit. The differentiation is concentrated in two segments: Pakistan, where the 1Q26 print of +20.4% YoY USD and strong digital growth; and Ukraine, where the Uklon consolidation (full-year contribution in FY26 versus partial in FY25) and the Tabletki consolidation from February 2026 each add a step-up that consensus numbers may have not yet fully included.

6. Management raised revenue and capex guidance and held EBITDA pending geopolitical clarity

VEON FY26 GUIDANCE REVISION

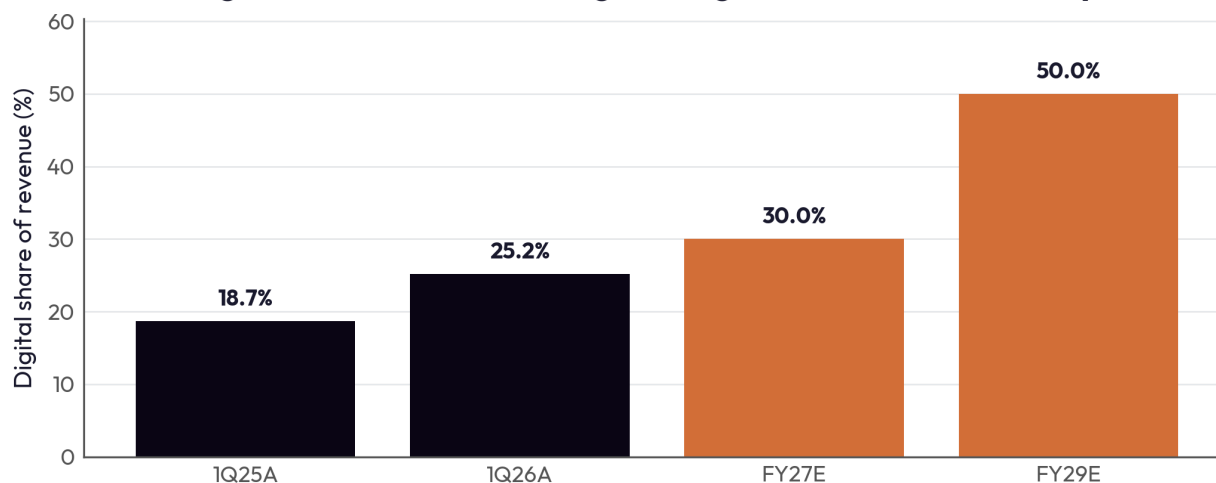
METRIC	PRIOR GUIDE	NEW GUIDE (1Q26)	DIRECTION	1Q26 ACTUAL
Revenue growth YoY (USD)	9-12%	11-14%	RAISED	+17.0%
EBITDA growth YoY (USD)	7-10%	7-10%	maintained	+17.7%
Capex intensity (ex-Ukraine)	14-16%	15-17%	RAISED	15.8% LTM

Source: Company disclosures, Zero One Investment Research

1Q26 results tracked ahead of the prior FY26 top of guidance range and management responded with a 2pp lift to both ends. The capex intensity guidance raise is due to management funding the Pakistan spectrum deployment.

7. Key Themes from the 1Q26 Earnings Call

Management lifted the FY29 digital target to 50%+ from 30%+ by FY27



Source: Company disclosures, Zero One Investment Research forecasts

Management raised the FY29 digital revenue target to 50%+ of group revenue, from a prior 30%+ by FY27 target.

Digital target raised to 50%+ by end-2029. CEO Kaan Terzioglu lifted the long-term digital revenue target on the call: "I see that as a team we look to end of 2029 to achieve more than 50% of our revenues from digital services. And having that insight, I think half of that should come organic, half of that probably will come with acquisitions." The prior framing was 30%+ by end-2027. Both the destination and the path (half organic, half M&A) are explicit. The half-organic half-M&A split positions the buyback-cancellation policy as one element of a broader capital allocation framework that also funds digital acquisitions.

Pakistan financial services revenue mix newly disclosed. Chief Customer & Digital Officer Anand Ramachandran disclosed that lending and interest income accounts for slightly over half of total revenues in the Pakistan financial services business. This was the first explicit disclosure on revenue composition within the Pakistan FS line. Mgmt indicated more color will follow over the next 6-9 months. The lending share is the highest-quality revenue mix in mobile money operations globally, because it carries both a recurring interest stream and a network-effect-driven take rate.

Debt ceiling and 2027 notes refinancing. CFO Burak Ozer addressed the 2027 maturity wall: "Excluding leases, we do not want to cross the 1.5 mark, where we are at 1.07 today." The US\$1,290m of notes at VEON MidCo BV become current in November 2026; management is actively engaging refinancing markets ahead of that reclassification. The 1.07x ex-lease leverage against the 1.5x ceiling implies roughly US\$700m of debt-funded acquisition capacity if needed, before approaching the ceiling.

Insider alignment. VEON disclosed in the release that management collectively owns 1.84% of ADSs as of 27 March 2026, with CEO Kaan Terzioglu individually holding more than 1%. The combination of management alignment, the formalized buyback cancellation policy and the long-dated digital target frames the 1Q26 release as a deliberate capital-allocation statement alongside the operational beat.

8. Balance sheet and cash flow: leverage at 1.07x, capital return formalized

VEON BALANCE SHEET SNAPSHOT

SELECTED LINE	31-MAR-26	31-DEC-25	CHANGE
Cash & deposits (US\$m)	1,755	1,734	+US\$21m
Cash at HQ (US\$m)	457	557	-US\$100m
Gross debt (US\$m)	4,907	4,902	+US\$5m
Net debt (US\$m, incl leases)	3,616	3,510	+US\$106m
Net debt ex-leases (US\$m)	1,764	1,751	+US\$13m
Net debt ex-leases / LTM EBITDAaL	1.07x	1.09x	improved
Weighted avg debt maturity	2.4y	2.5y	n.m.

Source: Company disclosures, Zero One Investment Research

VEON 1Q26 CASH FLOW HIGHLIGHTS

SELECTED CF LINE	1Q26 (US\$M)	1Q25 (US\$M)
Operating cash flow (continuing)	396	433
Capex (PPE + intangibles)	(264)	(209)
Acquisition of subsidiary, net	(165)	0

SELECTED CF LINE	1Q26 (US\$M)	1Q25 (US\$M)
Sale of NCI proceeds	140	0
Lease principal payments	(64)	(40)
Share repurchases	(28)	(24)
ADG resolution	(120)	0
Net change in cash	14	72
Equity FCF (post lease & license)	246	142

Source: Company disclosures, Zero One Investment Research

Group balance sheet posture improved. Net debt ex-leases at 1.07x of LTM EBITDAaL is well below the 1.5x ceiling that CFO Burak Ozer cited on the call. The two-year improvement from 1.23x in 1Q25 reflects EBITDAaL growth (denominator) running ahead of debt reduction (numerator). The headroom of roughly US\$700m to the ceiling provides debt-funded optionality for digital M&A or capital return acceleration.

Equity FCF grew 73.4% to US\$246m post lease and license payments. The driver is a combination of higher EBITDA (+US\$78m YoY) and lower interest costs on the deleveraged base, partially offset by higher lease principal payments. On a pre-lease basis equity FCF was US\$309m, growing 66.2% YoY.

The capital-return framework was formalized in the release. Management committed to at least US\$100m of buybacks annually as a permanent policy, and committed that all shares repurchased under future programs will be cancelled rather than held in treasury. The current US\$100m program (launched 14 November 2025) has bought back 959.3k ADSs for US\$49.6m as of 11 May 2026, plus US\$3m of 2027 notes. The prior US\$100m program (Aug 2024 to Aug 2025) bought back 2.15m ADSs at an average US\$46.48 per ADS. Cumulative since August 2024: 3.1m ADSs / US\$149.6m.

9. Key Risks

Kazakhstan margin recovery pace (persistent, this quarter worse than expected). Kazakhstan EBITDA fell 3.9% in USD (-6.9% LCY) on cost inflation and the VAT increase from 12% to 16% effective January 2026. Segment EBITDA margin compressed 7.9pp. Management committed to progressive margin recovery through FY26, but the visibility on the recovery pace is limited; if cost inflation persists, the segment could continue to drag on group EBITDA through the rest of FY26.

Pakistan capex execution (new). The 190 MHz spectrum deployment is the largest single capital deployment in the group over the next 18 months. Equipment supply, site selection and integration carry execution risk. The capex intensity guide raise is a signal that management expects the deployment to track; a delay would push capex intensity outside the new guide range.

Geopolitical overlay (new emphasis). Management explicitly named three watch-list items: Iran (regional security spillover), South Asia oil at US\$160-180/barrel decoupled from Brent, and

Bangladesh fuel availability. These items underpin the EBITDA guidance hold at 7-10% versus the implicit upside. A material deterioration in any of the three would push EBITDA toward the low end of the range.

2027 notes refinancing (persistent). US\$1,290m at VEON MidCo BV becomes current in November 2026. The 1.07x leverage and the cash position support multiple paths, but execution is the variable. A material widening in EM credit spreads in 2H26 would raise the cost of the refinancing, all else equal.

Mobile customer base attrition (persistent). Group mobile customers fell 1.3% YoY to 150.5m. The decline is concentrated in Bangladesh and Uzbekistan; Pakistan and Ukraine grew. The longer-arc question is whether group mobile customers stabilise as multiplay and digital pull-through compensates, or whether attrition continues. ARPU growth of 17.3% YoY in USD has more than offset the volume decline on the revenue line; the risk is if cost-of-acquisition rises to retain the higher-ARPU base.

Financial Forecasts

CONSOLIDATED INCOME STATEMENT FORECAST

US\$M	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	4,004	4,399	5,018	5,560	6,153
Revenue growth YoY	8.3%	9.9%	14.1%	10.8%	10.7%
Cost of goods sold	(515)	(526)	(602)	(667)	(738)
Depreciation and amortization	(728)	(802)	(902)	(926)	(1,062)
Gross profit	3,489	3,873	4,415	4,893	5,415
Gross margin	87.1%	88.0%	88.0%	88.0%	88.0%
SG&A	(1,799)	(1,883)	(2,389)	(2,705)	(3,034)
EBITDA	1,838	2,009	2,205	2,418	2,644
EBITDA margin	45.9%	45.7%	43.9%	43.5%	43.0%
EBIT	1,110	1,439	1,303	1,492	1,582
Net interest expense	0	0	(412)	(386)	(386)
FX gain / (loss)	9	(41)	0	0	0
Profit before tax	704	785	937	1,146	1,236
Income tax	(217)	(194)	(309)	(378)	(408)
Attributable NPAT	415	532	552	676	729
Net margin	12.2%	13.4%	12.5%	13.8%	13.5%
Shares outstanding (mn)	72	72	72	72	72
EPS per ADS (US\$)	5.73	7.41	7.69	9.42	10.16

Source: Zero One Investment Research Financial Model, Bloomberg

CONSOLIDATED BALANCE SHEET FORECAST

US\$M (PERIOD-END)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and equivalents	1,689	1,732	2,163	2,748	3,466
Accounts receivable	437	584	666	738	817
Inventory	15	32	27	30	33
Other current assets	744	765	861	954	1,055

US\$M (PERIOD-END)	FY24A	FY25A	FY26E	FY27E	FY28E
Total current assets	2,885	3,113	3,716	4,469	5,371
Property, plant and equipment	3,016	3,757	3,859	3,934	3,918
Intangible assets and goodwill	1,172	1,150	1,150	1,150	1,150
Other non-current assets	963	1,195	1,195	1,195	1,195
Total non-current assets	5,151	6,102	6,204	6,279	6,263
Total assets	8,036	9,215	9,920	10,748	11,634
Accounts payable	1,276	1,442	1,555	1,668	1,784
Short-term debt	1,666	1,102	1,102	1,102	1,102
Other current liabilities	684	888	928	967	1,008
Long-term debt	3,028	4,043	4,043	4,043	4,043
Other non-current liabilities	125	106	106	106	106
Total liabilities	6,779	7,581	7,734	7,886	8,043
Total equity	1,257	1,634	2,186	2,862	3,591

Source: Zero One Investment Research Financial Model, Bloomberg

CONSOLIDATED CASH FLOW STATEMENT FORECAST

US\$M	FY24A	FY25A	FY26E	FY27E	FY28E
Attributable NPAT	415	532	552	676	729
Add back: Depreciation and amortization	731	811	902	926	1,062
Change in working capital and other	(69)	(86)	(20)	(16)	(27)
Cash flow from operations	1,150	1,353	1,434	1,586	1,764
Capex	(627)	(733)	(1,004)	(1,001)	(1,046)
Acquisitions and other	(326)	(46)	0	0	0
Cash flow from investing	(778)	(791)	(1,004)	(1,001)	(1,046)
Net ST debt change	0	0	0	0	0
Net LT debt change	0	0	0	0	0
Equity issued / (repaid)	(8)	(105)	0	0	0
Dividends paid	0	0	0	0	0

US\$M	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from financing	(551)	(548)	0	0	0
Ending cash	1,723	1,703	2,163	2,748	3,466

Source: Zero One Investment Research Financial Model, Bloomberg

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