



September 1, 2020

Vodafone in the 2nd quarter: \$2mil to help country during pandemic and the fastest mobile Internet in Ukraine

Vodafone improved the key financials according to the Q2 2020 results. The company's revenue in April-June 2020 amounted to UAH 4.1 billion, 9% more than for the same period last year. Vodafone demonstrates the highest revenue growth dynamics on the market due to the increased consumption of data services and mobile broadband coverage extension.

In the first half of the year, Vodafone became the leading mobile Internet provider in Ukraine, demonstrating the highest speed among Ukrainian mobile networks according to a study by the French company nPerf. The study is based on data from 37,779 tests from user devices measuring speed in the nPerf application during the first six months of 2020.

The volume of Internet traffic in the first half of 2020 increased by 42% as compared to the same period last year. The main reasons for the growth in speed and traffic are increase in 4G coverage, network capacity and the number of data users.

During the quarantine, Vodafone did not stop building new coverage and expanding network capacity using new equipment and technologies such as AirScale, CloudAIR, LTE1800 4x4 MIMO + LTE2600 4x4 MIMO Carrier Aggregation. During this period, Vodafone expanded the network capacity in the Transcarpathian region, Odessa and Odessa region, in Dnieper and Dnipropetrovsk region, Zhytomyr region, Kherson, Kharkov, Chernivtsi regions, Poltava, Volyn regions, in Cherkasy region, in Kiev, Sumy, Chernigov and Uman, Ivano-Frankivsk, Zaporozhye and Kropyvnytskyi. In general, the modernization covered more than 10 thousand sectors of base stations at 4 thousand sites. According to the results of the 2nd quarter, Vodafone's 4G network is available to 74% of Ukrainians, 86% of the population can use 3G coverage.

Vodafone invested around UAH 1.9 billion in the network in H1 2020, including UAH265 mil license cost in the 900 MHz spectrum band. The Company's total investment in the broadband mobile Internet networks amounted to UAH 27.3 billion.

«We understand that digital accessibility is becoming a vital necessity today. Therefore, despite the difficult conditions for any business, we have not stopped investments in the development of the network. - comments Olga Ustinova, CEO of Vodafone Ukraine on the results of the 2nd quarter. - Moreover, together with our shareholder - the NEQSOL Holding group of companies - we have allocated over \$2 million to help the country in a pandemic. The allocated funds were to support Ukrainian hospitals and doctors. We also launched and continue to implement initiatives that can support Ukraine and Ukrainians during quarantine».

The negative factors that influenced the company's operations in Q2 – a significant decrease in roaming revenues and a decrease in revenues from Vodafone's retail network, caused by partial closings of stores under quarantine – were offset by the growth in data revenues.

In the 2nd quarter ARPU amounted to UAH 68.4 which indicates Vodafone tariffs to be the most affordable in the market.

The operating efficiency indicators show the growth: OIBDA increased by 11% compared to Q2 2019 and exceeded UAH 2.1 billion. OIBDA margin increased to 52.6%. In the second quarter. Operating efficiency was improved due to cost optimization and increased revenue from data services. The net profit of Vodafone Ukraine increased by 97% to UAH 1 billion.



In view of the Q22020 results, the company's subscriber base amounts to 19 million, the annual fluctuations are 3.2%, which is associated with a decrease in the dynamics of new connections as a result of the partial closure of retail outlets during quarantine. At the same time, there is an increase in the contract and corporate adds segments, as well as in connected IoT cards.

The pandemic stimulates the growth in demand for Vodafone's digital business solutions in the first half of the year. In a quarantine environment, business customers turn to process automation, implementing IoT solutions, using services based on big data analytics, and resorting to cloud solutions.

Another highlight of Q2 was the collaboration between Vodafone and YouTube. In June 2020, two global international brands entered into a cooperation agreement, which resulted in a unique promo offer for the Ukrainian telecom market. Thanks to an exclusive partnership, Vodafone customers can enjoy 4-month free trial of YouTube Premium, YouTube Music, YouTube Kids with unlim video traffic from Vodafone.

On September 1, 2020, the Vodafone UA management will be holding a conference call to discuss its 2Q 2020 results. Please find more details for [joining the conference](#).

For additional information, please contact:

Vodafone

Investor Relations

IR@vodafone.ua

About Vodafone

Vodafone is one of the world's largest telecommunications companies and provides a range of services including mobile voice, data, messaging, fixed broadband and cable television. The operator has mobile operations in 22 countries, partners with mobile networks in 42 countries, and fixed broadband operations in 17 markets. As of 30 June 2020, Vodafone had over 300 million mobile customers, 27 million fixed broadband customers. For more information, please visit www.vodafone.com.

Vodafone Ukraine is a leading mobile operator in Ukraine that provides high-speed 3G and 4G Internet services. Vodafone's investments during the active construction of high-speed Internet networks in 2015-1H2020 exceeded UAH 27.3 bil. Currently, Vodafone provides 3G coverage for 86% of Ukraine's residents and 4G for more than 74% of Ukraine's residents.

Record investments allowed to provide technological leadership and to develop new technological services – Internet of Things (IoT), technologies and solutions for Smart City, big data analytics, Mobile ID, Fintech services, cloud services. Vodafone has 19 million customers in Ukraine. See our website www.vodafone.ua for more details.