

Q2 2021 VF Ukraine Group Results



August «27», 2021



Disclaimer

For the purposes of this important information and disclaimer, the presentation shall mean and include the slides, the oral presentation of the slides by Private Joint Stock Company “VF Ukraine” (the “Company”, and jointly with its subsidiaries, the “Group”) or any person on its behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed in connection with the presentation.

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED FOR INFORMATION PURPOSES ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. BY ATTENDING THE PRESENTATION OR BY READING THE PRESENTATION SLIDES YOU ACKNOWLEDGE AND AGREE TO BE BOUND AS FOLLOWS:

This presentation is intended to provide a general overview of the Group’s business and does not purport to deal with all aspects and details regarding the Group. The information contained in this presentation is only current as at the date of the presentation and is subject to further verification and amendment in any way without liability or notice to any person. The contents of this presentation have not been verified by or on behalf of the Company or any of its advisers or by any independent third party. Accordingly, neither of the Group nor any of its affiliates, directors, officers, employees or advisers make any representation or warranty, express or implied, as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained in this presentation or of the views given or implied. None of the foregoing shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any securities in any jurisdiction, any form of financial opinion, recommendation or investment advice with respect to any securities, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with any investment decision. No reliance may be placed for any purpose whatsoever on the information contained in this presentation, or any other material discussed verbally, or on its completeness, accuracy or fairness.

This presentation is strictly confidential to the recipient, may not be distributed to the press or any other person, and may not be reproduced in any form. Failure to comply with this restriction may constitute a violation of applicable securities laws. Misuse of some or all of the information contained in this document (and any other information which may be provided to the recipient) or of any other confidential matters relating to a possible securities offering may constitute behavior amounting to market abuse and a breach of applicable laws. Any such information is given in confidence. All confidentiality obligations stated in this disclaimer will be in force indefinitely as from the date the recipient receives the present document.

Certain information contained in this presentation constitutes “forward-looking statements”. Forward-looking statements include potential for future growth, liquidity, capital resources and capital expenditures, growth in demand for products, economic outlook and industry trends, development of markets, the impact of regulatory initiatives and the strength of competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in the company’s records and other data available from third parties. These assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control and it may not achieve or accomplish these expectations, beliefs or projections.

CONTINUED ON THE NEXT SLIDE



Disclaimer

CONTINUED FROM THE PREVIOUS SLIDE

In addition, important factors that, in the view of the company, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of profitability, growth, cost and its recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals, and the impact of general business and global economic conditions. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. These forward looking statements speak only as at the date as of which they are made, and none of the Company, the advisers or any of their respective members, directors, officers, employees, agents or advisers intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation, or to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statements are based or to update or to keep current any other information contained in this presentation.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers ("QIBs") in reliance on the exemption from registration provided by Rule 144A under the Securities Act ("Rule 144A") that are also qualified purchasers ("QPs") within the meaning of Section 2(A)(51) of the U.S. Investment Company Act of 1940, and to certain non-U.S. persons in "offshore transactions" in reliance on Regulation S under the Securities Act. Accordingly, this presentation is being provided only to persons that are (i) QIBs that are also QPs or (ii) non-U.S. persons outside the United States in accordance with Regulation S under the Securities Act. By accepting this information, you warrant that you are (i) a non-U.S. person outside the United States (within the meaning of Regulation S) or (ii) a QIB that is also a QP. No public offering of the securities will be made in the United States of America or in any other jurisdiction where such an offering is restricted or prohibited. Any failure to comply with this restriction may constitute a violation of United States securities laws.

This presentation is made to and is directed only at persons in the United Kingdom having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, and to those persons to whom it can otherwise lawfully be distributed.

In addition, this presentation is only directed at, and being distributed in the European Economic Area ("EEA"), to persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129.



Solid track records in 2Q 2021

Changes in key indicators

	UAH (mln)			USD (mln) ¹		
	2Q 2020	2Q 2021	↑↓	2Q 2020	2Q 2021	↑↓
Revenue	4 125	4 912	19%	153	178	16%
OIBDA	2 170	2 844	31%	81	103	28%
OIBDA, %	52,6%	57,9%	5,3%	52,6%	57,9%	5,3%
Net profit	1 012	1 211	20%	38	44	17%
CAPEX	709	584	-18%	26	21	-20%

¹ Average rate for quarter:
2Q 2021 – 27,59 UAH/USD

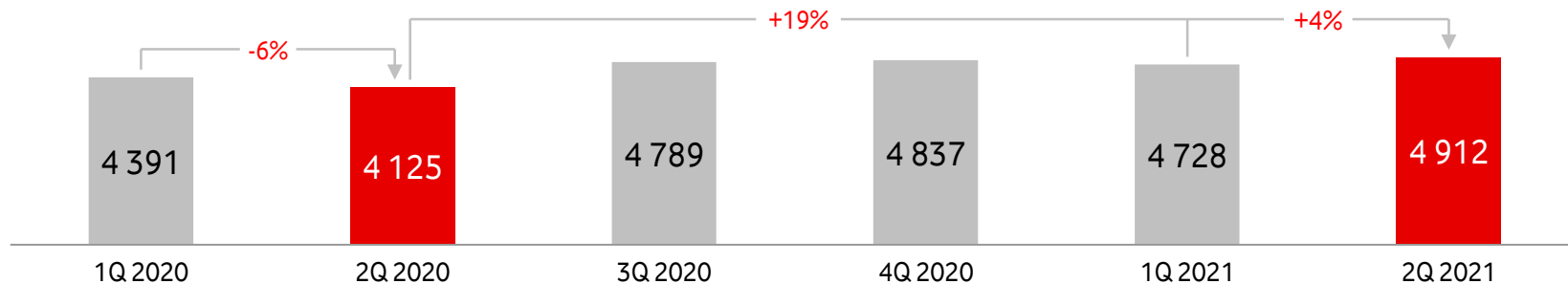
2Q 2020 – 26,91 UAH/USD



Group performance

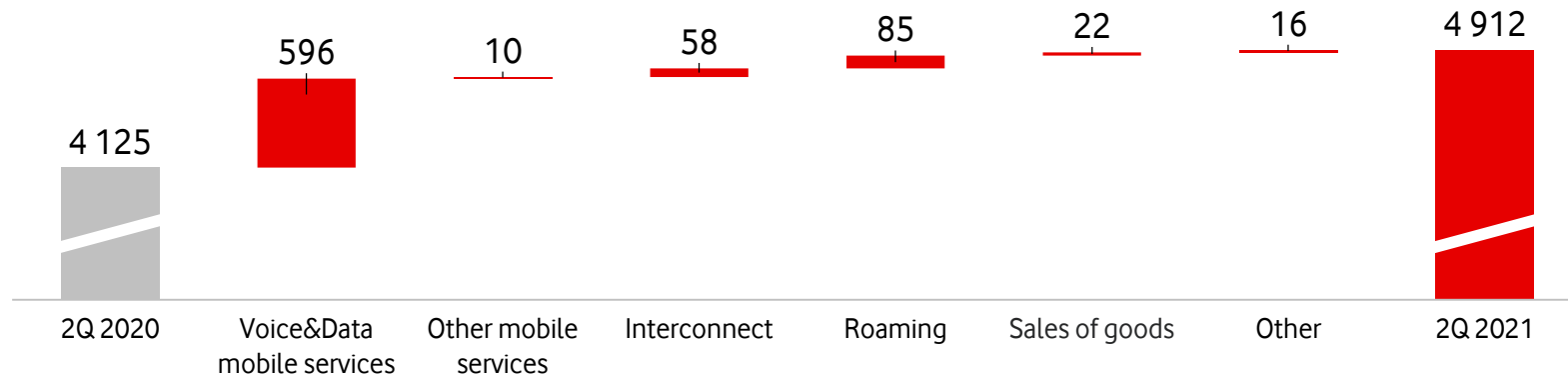
Group revenue

(UAH mln)



Group revenue: factor analysis

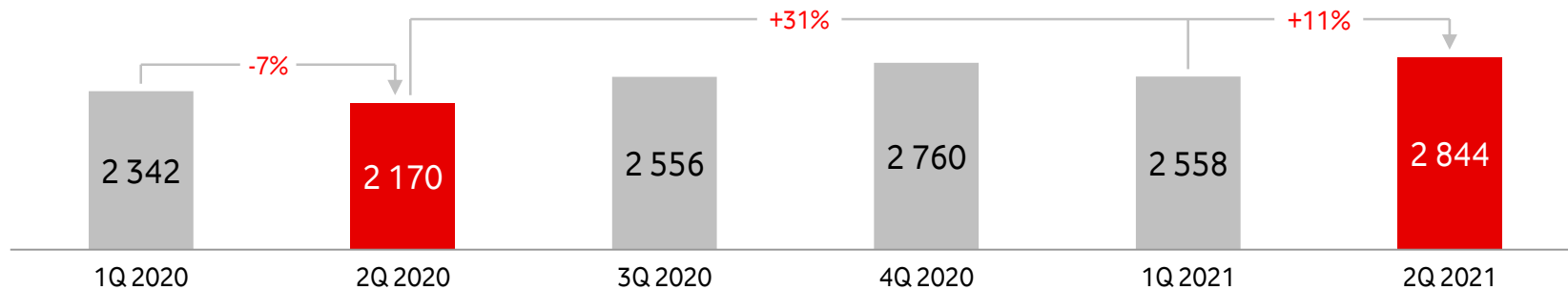
(UAH mln)



Group performance

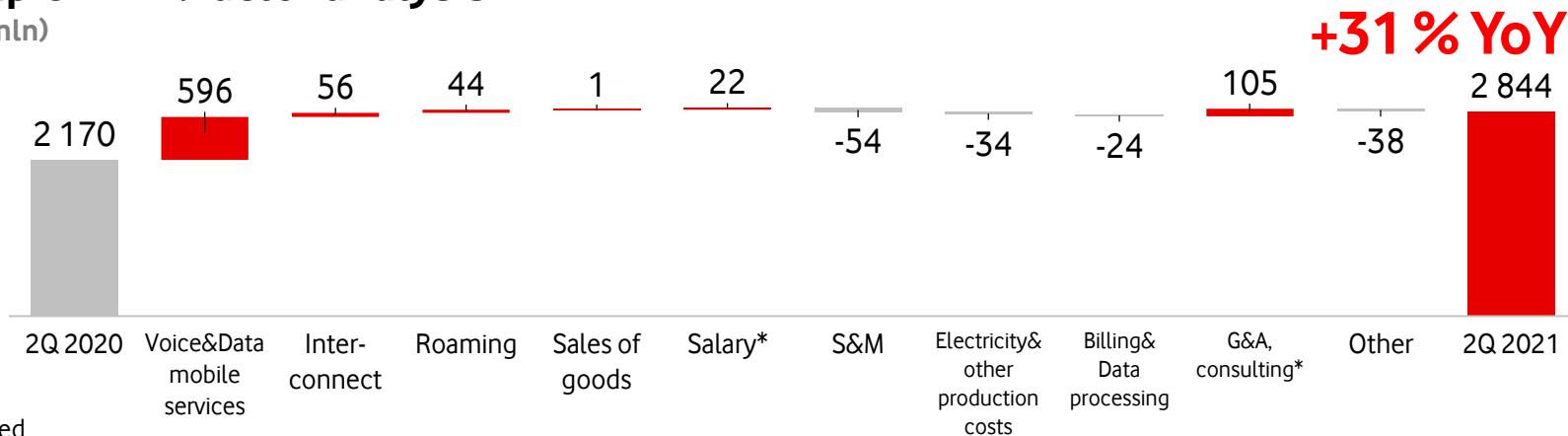
Group OIBDA

(UAH mln)



Group OIBDA : factor analysis

(UAH mln)



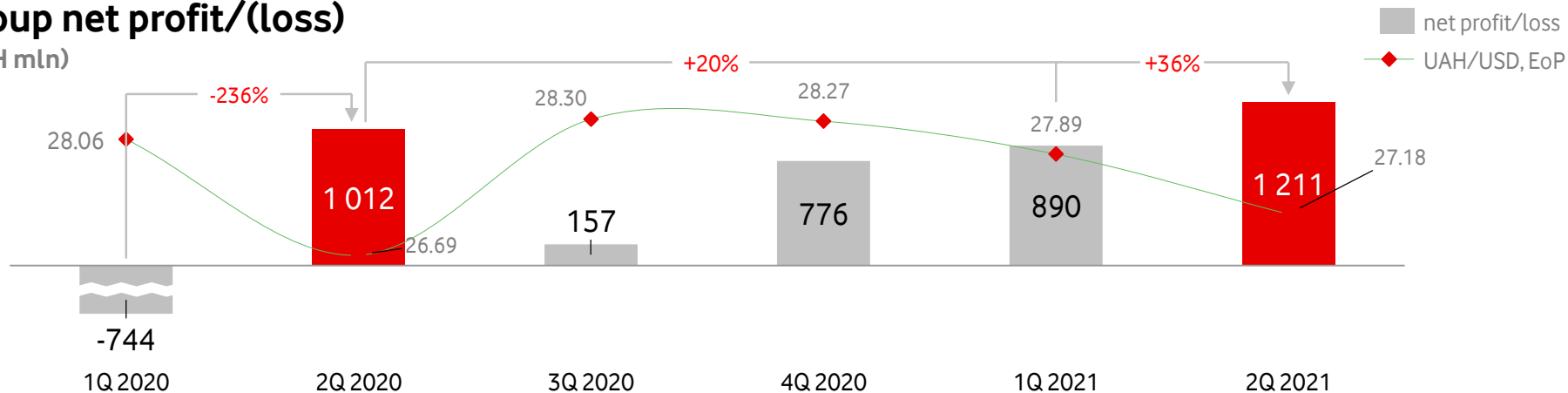
* adjusted



Group performance

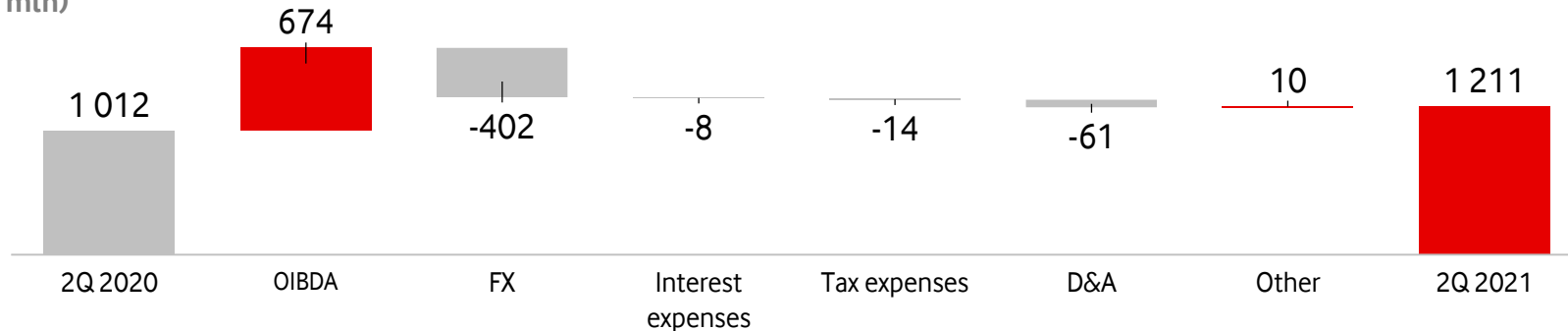
Group net profit/(loss)

(UAH mln)



Group net profit: factor analysis

(UAH mln)



* other includes interest income , income from disposal of assets



Capitalization

Debt profile

- On 5-th February 2020 the Group successfully issued debut Eurobonds a 5- years tranches in amount of USD 500 million with a coupon rate of 6.2%
- Maximum consolidated leverage ratio for period ending prior to (and including) 11 February 2022 has to be 2,75 and 2,5 for any other period
- As of 30.06.2021 the total face amount of pay off Eurobonds is USD 49 million
- In August 2021, VF has entered into a derivatives management contract with Raiffeisen Bank International AG (as of today no actions were executed within this agreement)
- Other debt in main part is Lease obligation (related to right-of-use assets recorded as a result of the application of IFRS 'Leases' standard).

CREDIT RATINGS as of 30.06.2021

Fitch B / Positive

S&P B / Stable

As of 30 June 2021

	USD, mln	UAH, mln	UAH, mln	
			-10%	+10%
Cash, cash equivalents and deposits ¹	163	4 433	4 060	4 807
Total debt	617	16 781	15 394	18 169
Notes payable (Eurobond issue, principal)	439	11 945	10 751	13 139
Notes payable (Eurobond issue, %)	11	293	264	323
Other debt (Lease obligations (under IFRS 16))	167	4 543	4 379	4 707
Net debt	454	12 348	11 334	13 362
OIBDA LTM ²	383	10 719	10 737	10 701
Net Debt/OIBDA	1,2x	1,2x	1,1x	1,2

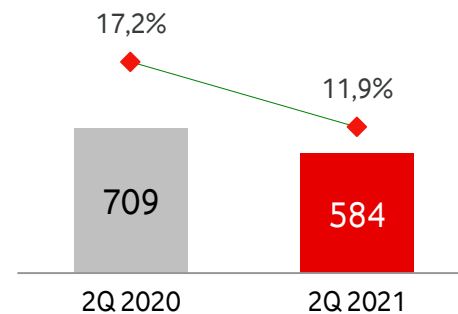
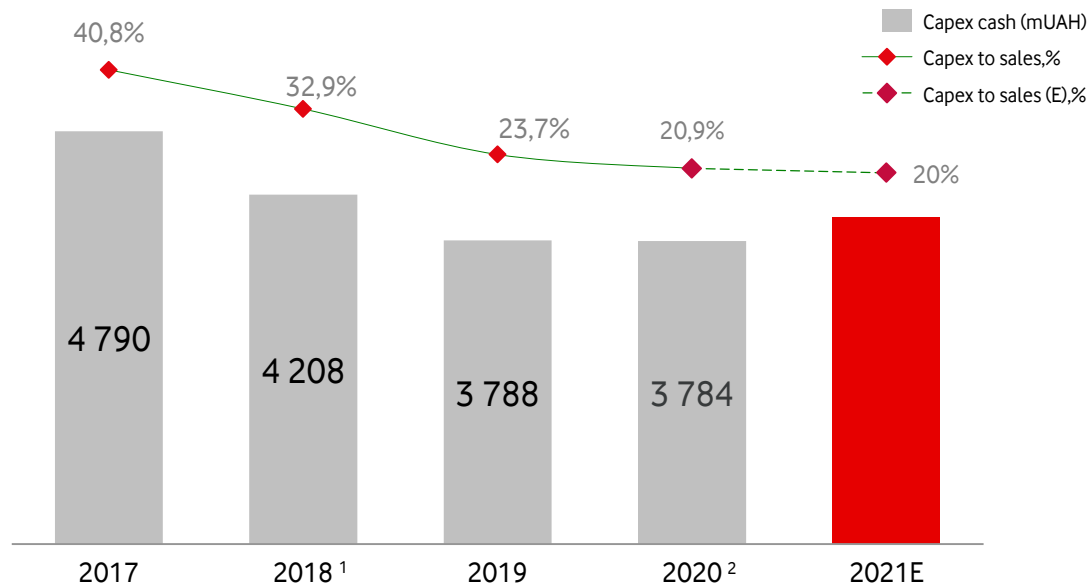
¹ Structure: 16 % UAH; 54 % USD; 30 % EUR

² OIBDA LTM = OIBDA (EBITDA) for last twelve months, (av. NBU exch. rate for 2 Q.2021 27,59 UAH/USD)



Group CAPEX

CAPEX dynamic (UAH, mln)



¹ excluding costs UAH 2,433 million related to the purchase of 4G licenses in 2018

² excluding costs UAH 267 million related to the purchase of spectrum licenses in 2020

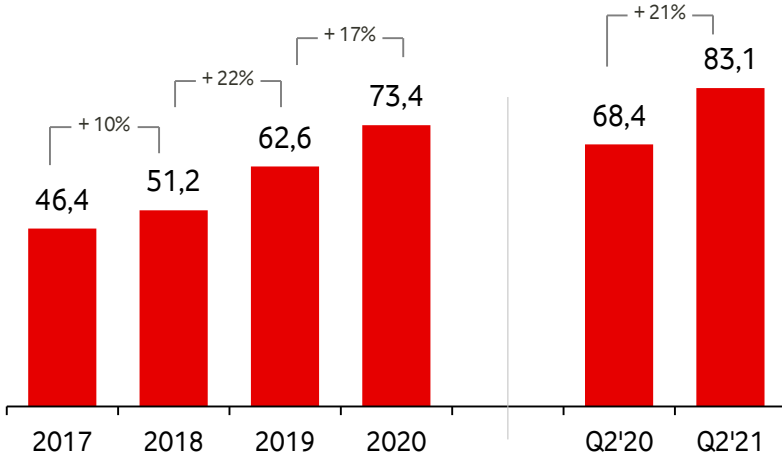


Group Operational Performance

(ARPU & Customer base)

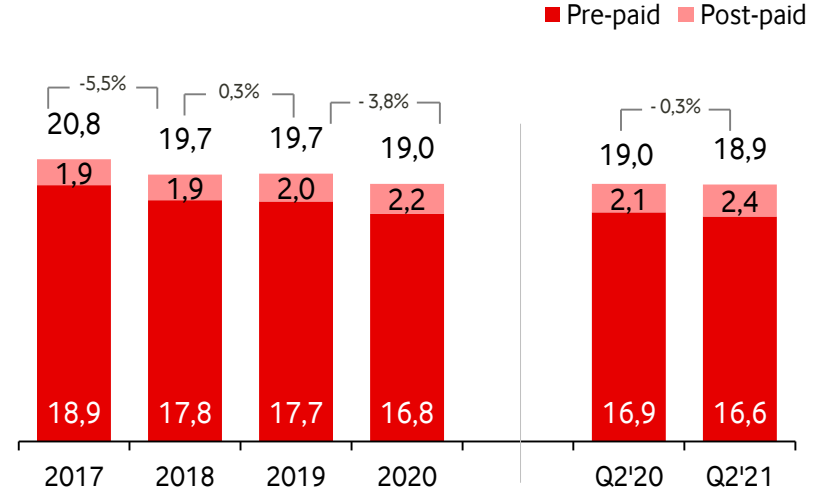
ARPU evolution (UAH)

Q2'21 vs Q2'20 **↑ 21% / UAH 14,7**



Customer base, EoP (mln)

Q2'21 vs Q2'20 **↓ (0,3)% / (0,1) mln**



The focus on 4G network and digital users development was reflected in data usage and ARPU (21% YoY).

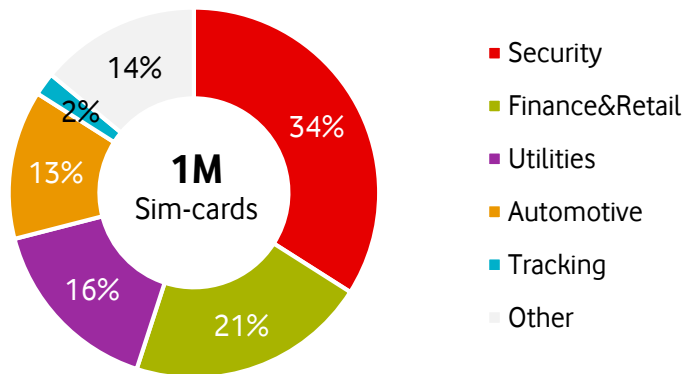
The customer base was almost stable in Q2'21 vs. Q2'20: -0,3%. CVM measures and tariff policy influenced the churn.

The Post-paid base has a growing trend especially through the higher level of IoT activations.



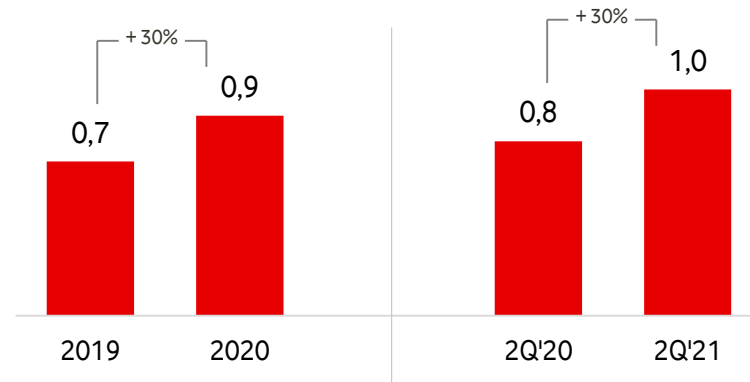
IoT base grew up by 30% YoY and reached 1 mln connections...

Major IoT segments and customers, 2Q'21



IoT users (mln)

Q2'21 vs Q2'20 **↑ 30% / 0,2 mln**

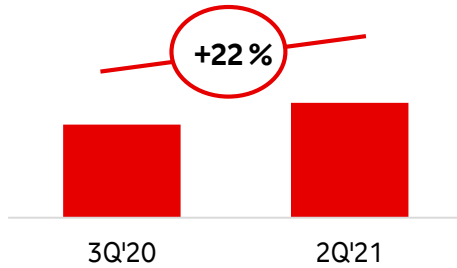


- IoT is a fast growing segment in Vodafone Ukraine portfolio.
- The major segments are security, finance services and utilities.
- We estimate that we will have up to 2 mln connections in 3 years perspective (incl. ~25% of IoT platforms users).



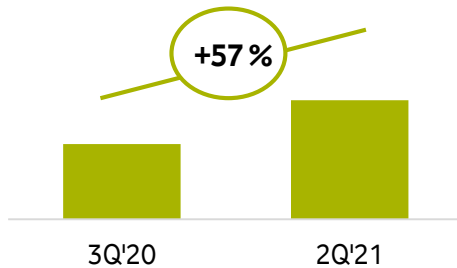
... while outbound roaming revenue is gradually recovering

Roaming revenue¹, UAH mln



- Roaming revenue is gradually recovering after strict quarantine measures
- In 2Q' 21 revenue exceeded by 22% the volume of 3Q'20 (the busiest roaming period)
- Continuing this trend, we expect to reach pre-Covid levels next year

Roaming¹ data usage, Mb mln



- Data usage in 2Q'21 has already overtook the volume for the same period in 2019
- Usage growth Q2'21 vs Q3'20 is 57%



Top roaming destinations, 2021

- 1 Turkey
- 2 Egypt
- 3 Russian Federation
- 4 Poland
- 5 Germany

¹ own subscribers

Q&A

