



VF Ukraine Group 1H 2023 Results

Presented by VF Ukraine
September 6, 2023



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Solid track records in 1H2023

Changes in key indicators

	UAH			USD		
	1H 2022	1H 2023	↑↓	1H 2022	1H 2023	↑↓
Revenue, mln	9,916	10,404	+5%	343	284	-17%
OIBDA, mln	5,764	5,934	+3%	199	162	-19%
OIBDA, %	58.1%	57.0%	-1,1	58.1%	57.0%	-1,1
Net profit, mln	663	2,266	+242%	23	62	+170%
CAPEX, mln	1,276	2,231	+75%	44	61	+38%
ExRate UAH/USD, average				28.91	36.57	+27%



Group performance

Group revenue: factor analysis

(UAH mln)



Group performance

Group OIBDA: factor analysis

(UAH mln)

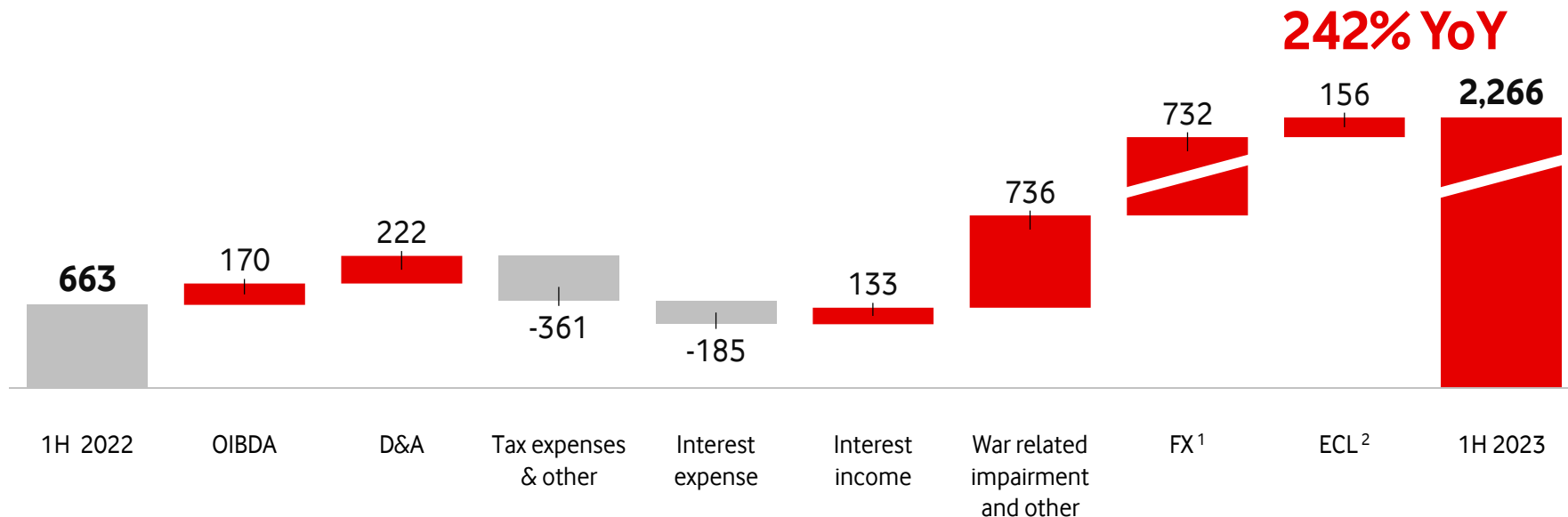
3% YoY



Group performance

Group net profit: factor analysis

(UAH mln)



¹ FX, Exchange rate UAH/USD

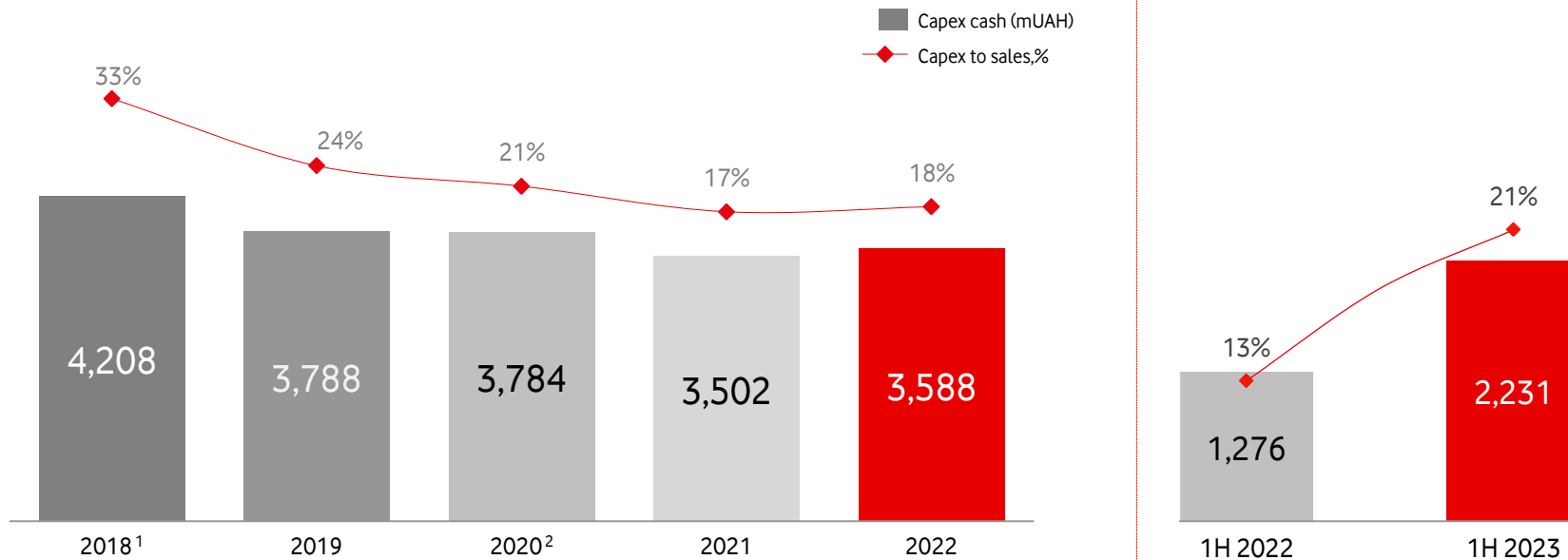
	bop	eop	↑↓
1H 2022	27.28	29.25	1.97
1H 2023	36.57	36.57	-

²ECL - allowance for expected credit losses on cash and cash equivalents balances



Group CAPEX

CAPEX dynamic



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

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



Capitalization

Debt profile

- On February 5, 2020 the Group successfully issued debut Eurobonds: a 5-year tranche in the amount of USD 500 million with a coupon rate of 6.2%
- Maximum consolidated leverage ratio for the period ending before (and including) February 11, 2022 had to be 2,75 and 2,5 for any other period. On September 3, 2021 the Group entered into the covenant change agreement, allowing to pay out dividends and other restricted payments, ensuring that there is no Event of Default and the Consolidated leverage ratio is not 2x exceeded as a result of such payments
- As of June 30, 2023 the total face amount of Eurobonds pay off was USD 100,1 million
- In August 2023 the Group made interest payment under the terms of the Loan Agreement.
- In August 2023 the Group paid UAH 1,810 million as part of the dividends payment

Credit ratings as of June 30, 2023

Fitch	CCC
S&P	CCC+

As of June 30, 2023

	USD, mln	UAH, mln	UAH, mln	
			+20%	+30%
		36.57	43.88	47.54
Cash, cash equivalents and deposits¹ <i>(incl. government bonds)</i>	256	9,350	10,518	11,102
Total debt	528	19,281	22,515	24,133
Notes payable² <i>(Eurobond issue, principal)</i>	395	14,445	17,333	18,778
Notes payable <i>(Eurobond issue, %)</i>	10	351	420	455
Other debt <i>(Lease obligations (under IFRS 16))</i>	123	4,485	4,762	4,900
Net debt	272	9,931	11,997	13,031
OIBDA³	316	11,447	11,348	11,298
Net Debt/OIBDA	0.9	0.9	1.1	1.2

¹ Structure: UAH 37 %; USD48 %; EUR 15 %

² Fair value (according to the FS under IFRS used by standard 9 “Financial instruments”) was initially recognized as face amount less transaction costs that were directly attributable to the issue (‘ USD16mln)

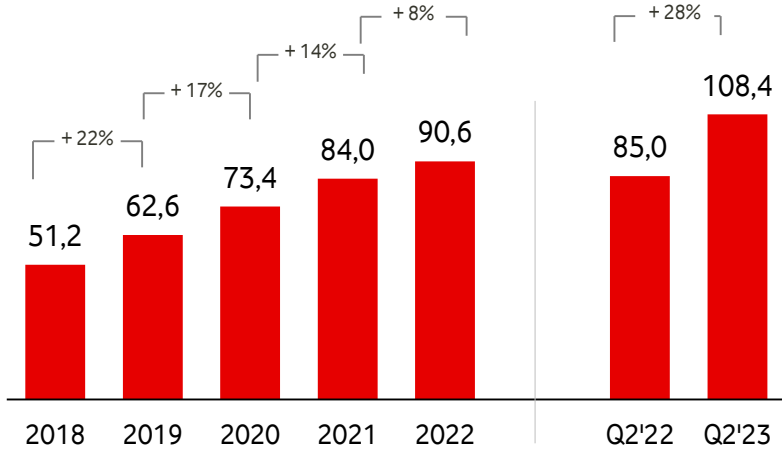
³ OIBDA = EBITDA (average LTM NBU exchange rate for 1H2023 was 36.17 UAH/USD)



Mobile business operational performance (ARPU & Customer base)

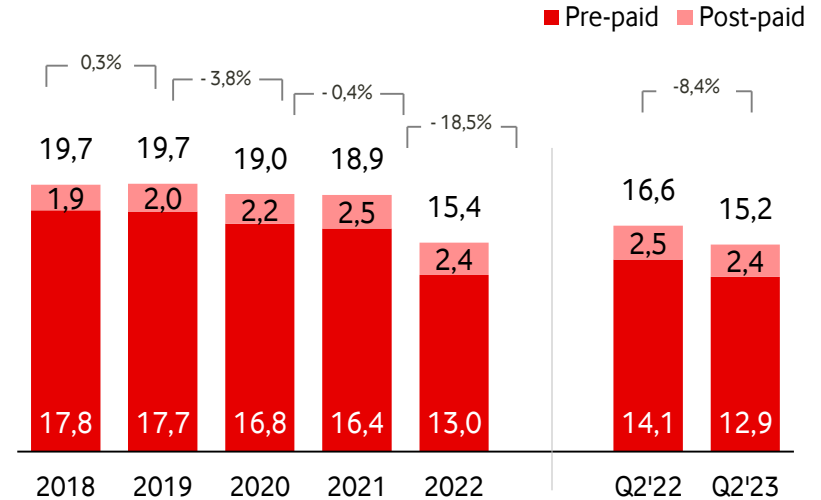
ARPU evolution (UAH)

Q2'23 vs Q2'22 **↑ 28 % / UAH 23,4**



Customer base, EoP (mln)



Q2'23 vs Q2'22 **↓ -8,4 % / (1,4) mln**



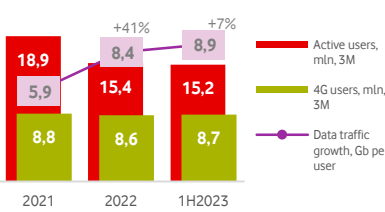
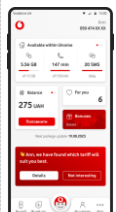




The Russia-Ukraine war caused mass migration of Ukrainian people abroad, which significantly influenced Q2 2023 customer base. The main War Factors were: customer migration abroad; customer internal migration; customers in the military zone; economic factors; Vodafone network outage in the occupied territories.



Snapshot of key operational figures

 Network		 Retail	
Total macrosites	12 599 as of 30.06.2023	Total number of retail stores (owned and franchised)	109 (owned) and 386 (franchised) as of 30.06.2023
Macrosites on air	11 242 as of 30.06.2023	Opened stores	94 (owned) and 320 (franchised) as of 30.06.2023
Recovered macrosites	132 (during 1H2023)	Recovered stores	5 (during 2022) 1 (during 1H2023)
Network Availability		Owned Retail chain openness	
89%		86%	

 Digital growth		 Social contribution																	
 <p> Active users, mln, 3M 4G users, mln, 3M Data traffic growth, Gb per user </p> <table border="1"> <thead> <tr> <th>Year</th> <th>Active users (mln, 3M)</th> <th>4G users (mln, 3M)</th> <th>Data traffic growth (Gb per user)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>18,9</td> <td>8,8</td> <td>5,9</td> </tr> <tr> <td>2022</td> <td>15,4 (+41%)</td> <td>8,6</td> <td>8,4</td> </tr> <tr> <td>1H2023</td> <td>15,2</td> <td>8,7</td> <td>8,9 (+7%)</td> </tr> </tbody> </table>	Year	Active users (mln, 3M)	4G users (mln, 3M)	Data traffic growth (Gb per user)	2021	18,9	8,8	5,9	2022	15,4 (+41%)	8,6	8,4	1H2023	15,2	8,7	8,9 (+7%)	 <p>My Vodafone (a self service application for the customers) was upgraded and developed</p> <p>Vodafone TV (a branded OTT TV product) was relaunched</p>	 Available Roaming	<p>30 countries in the project 85% of roamers or 1,34 mln people during 1H2023 used the service</p>
Year	Active users (mln, 3M)	4G users (mln, 3M)	Data traffic growth (Gb per user)																
2021	18,9	8,8	5,9																
2022	15,4 (+41%)	8,6	8,4																
1H2023	15,2	8,7	8,9 (+7%)																
		 Supporting people	<p>Network development and recovery (connectivity ensuring), social projects (Liga Tepla, etc.), Geo-search project development, other activities</p>																

The Company successfully continues operating its network and servicing the customers. The growth of data consumption is driving our development in building and recovery of the network and digital products.



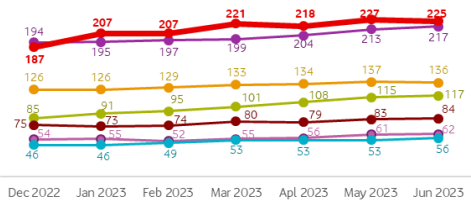
Vodafone Gigabit Net (home Internet launch)

Vodafone Ukraine has launched a fixed Internet with a gigabit speed under the Vodafone brand name. The offer was started 01.06.2023. Up to this time the services were provided only under the Vega Telecom brand name.

VODAFONE GIGABIT NET OFFER TERMS AND CONDITIONS:	
TECHNOLOGY	GPON
SPEED	up to 1 Gbit/s
LIMITS	NO
ARPU (For first 6 months)	Min 125 UAH/month
ARPU (After 6 months)	250 UAH/month

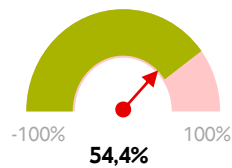
Users may take advantage of a high-speed gigabit Internet and general package of TV services (depending on the selected package). 1Gb/s speed will allow connecting of television, telephony, video surveillance, Smart Home control, etc. to one router in the future. It provides the possibility to increase the speed in the future up to a 10 gigabits by merely replacing the subscriber's equipment. **During 1H2023 the speed and quality of the Vega network has been demonstrating a leading position in Ukraine:**

The best Internet speed on the market by OOKLA, Mbit/s



— Vega Telecom Other colors – TOP 10 market players

Best NPS/GPON speedup up to 1Gb/sec



Thanks to the Vega Telecom network and Vodafone unique sales tools (digital, retail network, call center, My Vodafone, SMS, etc.) 3,500 users have already become new customers of Vodafone Gigabit Net (during the first 2 months since the service launch).



The Freenet Deal completion announcement



On August 23, PrJSC “VFU” has entered into the Share Purchase Agreement with LLC “KAPITAL INVEST LTD” under which it undertook to purchase the controlling participatory interest of the fixed-line telecommunications business, namely 90,60% in the charter capital of LLC “FREENET”. The required payment was made in Ukrainian Hryvna on the same date and the transaction was completed and registered in accordance with the applicable law.

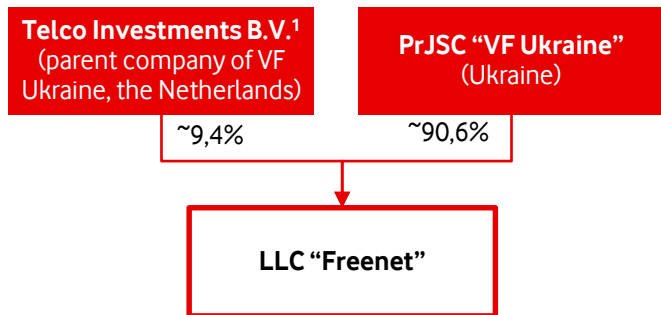
About the company and Deal structure

- LLC “Freenet” was established in 1996 .
- Since 2008 the company has been operating under the **O₃**
- LLC “Freenet” is a national broadband Internet access provider in Ukraine. The company has 18 regional offices and serves customers in more than 250 locations.

Main activity

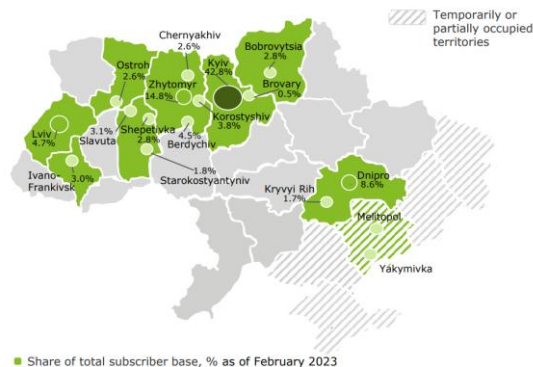
The company operates the network based on FTtx and GPON technologies using 10 and 40 gigabit fiber optic lines and modern equipment from leading manufacturers. This allows to provide an Internet access channel at up to 1 Gbit/s speed. The company’s customer base is about 163K of subscribers. Combined subs. base (Vega and Freenet) is more than 200 ths. (both technologies: GPON and FTTb(h)), market share is about 3% in Ukraine.

Corporate M&A Structure (Equity deal)



¹ – Telco Investment B.V. is an owner of remaining shares of LLC “Freenet”

LLC “Freenet” network coverage



The purchase of LLC “FREENET” is part of the Vodafone Ukraine’s strategy aimed at development of convergent services and tariffs.



Q&A





Together we can