



VEON

DIGITAL TRANSFORMATION:

from Telco to Tech

Sky Mobile | Kyrgyzstan |

ITU | Moscow | 7-8 September 2017

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GROUP DIGITAL GOALS

AS A GROUP WE ARE SHIFTING FROM DEFENSIVE TELCO
TO DISRUPTIVE DIGITAL



VEON

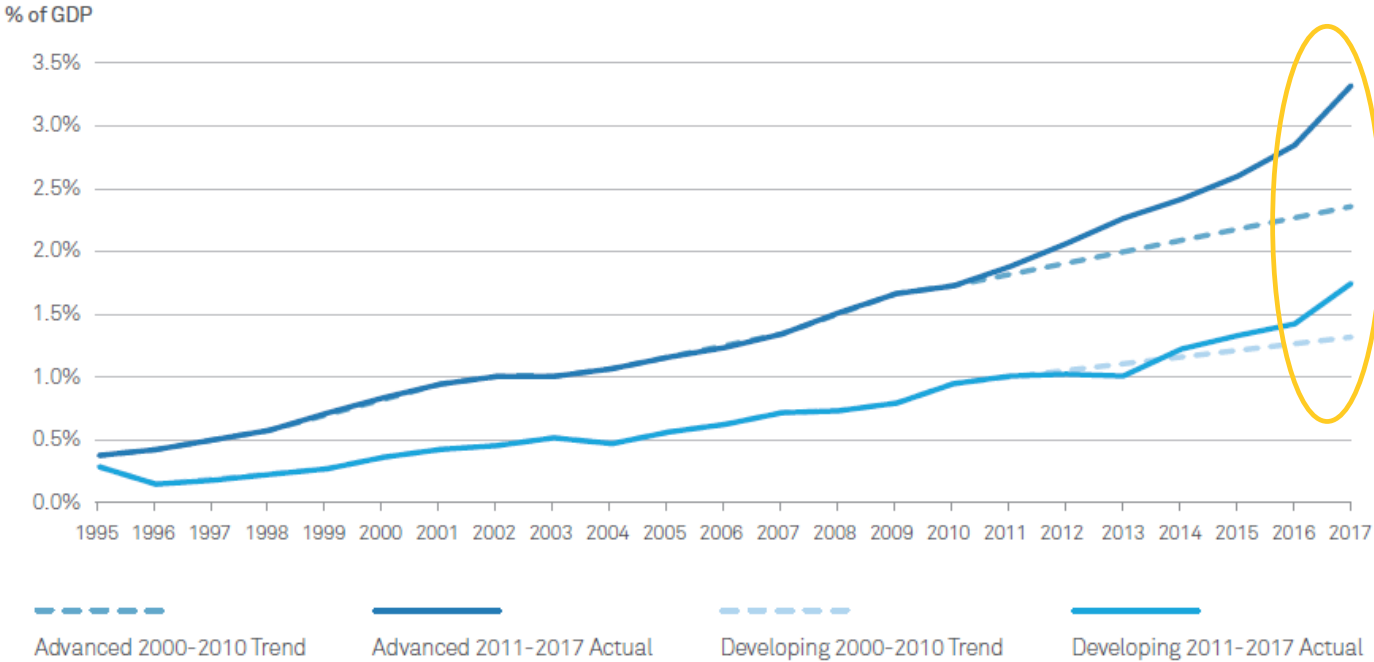
LOCAL ACT GLOBAL

LIVING DIARY

TRULY FREE

ACCELERATING DIGITAL INVESTMENT

DIGITAL INVESTMENT AS PERCENTAGE OF GDP



Source: Conference Board, Oxford Economics

LOCAL MARKET CULTURAL READINESS

LOCAL CULTURAL SPECIFICATIONS MAKE A GREAT FIT FOR THE DIGITAL PROGRESS...

SPIRIT OF FREEDOM

MOST DEMOCRATIC IN CENTRAL ASIAN REGION
5.9
index of democracy
HERITAGE OF NOMAD CULTURE

ENTREPRENEURIAL MINDSET

2nd IN CENTRAL ASIAN REGION
doing business index
DEVELOPED MARKET OF SMALL AND MEDIUM ENTERPRISE

OPEN ECONOMY

73.7 ECONOMIC FREEDOM INDEX:
• 2ND IN POST SOVIET REGION
• 19TH IN ASIAN REGION
index of business freedom
MOSTLY FREE

INTERNET FREEDOM

PARTLY FREE IN ACCESS TO INFORMATION
35/100
INTERNET FREEDOM INDEX
STRONG WORD OF MOUTH

LOCAL MARKET REGULATORY READINESS

... AND THERE ARE NO STRONG REGULATORY OBSTACLE.

FREEDOM

SUPPORT



Digital signature



Cross border data transfer



No VAT for cashless payments



High tech Park



TazaKoom

LOCAL MARKET BUSINESS READINESS

HOWEVER, AS PIONEERS WE WILL FACE CHALLENGES WITH ABSENCE OF READY DIGITAL INFRASTRUCTURE.



CASH-BASED

99%

RETAIL CASH
TRANSACTIONS

2.4%

OF GDP ON
25 BANKS

25_k

CARD POS



NO E-COMMERCE

<1%

SHARE OF ONLINE
TRANSACTIONS

NO INTERNATIONALS

(UBER, AIRBNB, TINDER)

NON-DIGITAL ECONOMY

NO HABIT,
NO CULTURE



NO LOCAL DIGITAL
PRODUCTS

15_k

MAX MAU
PER LOCAL APP

0%

DIGITAL PUBLIC
SERVICES

0%

OF LOCAL DIGITAL IN
TOP 20 IN IOS &
ANDROID

BIG OPPORTUNITIES

THE CHALLENGE IS OUR OPPORTUNITY: LOCAL DIGITAL MARKET IS A GREENFIELD FOR US.

Entrepreneurial mindset

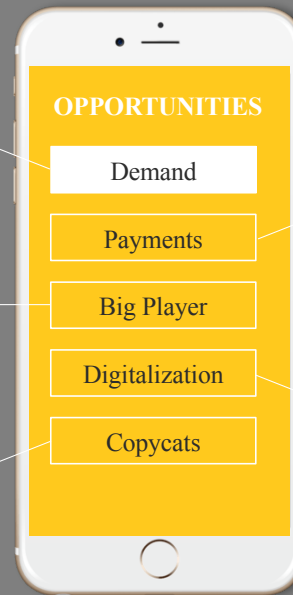
SME share in GDP: >40%

Veon Group

3 mln local potential
Data access & management
Power of network
Credibility to brand

Success cases with copycats

MeetApp as Tinder
Hata.kg as Airbnb
Lalafo marketplace
Namba delivery
BeSmart coupons



Infrastructure

2.5 k card POS vs 2.5 mln smartphones
3.5k ATMs vs 25 k Top-up POS

Country digital transformation

TazaKoom
Digital Strategy 2017
High Tech Park

HIDDEN DEMAND

AREAS FOR PIONEERING IN DIGITAL

LOCAL DIGITAL



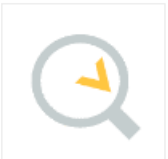
- THRIVING DIGITAL ENVIRONMENT
- MARKETPLACE INFRASTRUCTURE
- NEW REVENUE STREAMS

MFS



- MARKETPLACE VITAL ELEMENT
- ACCES TO REVENUE SHARING
- NEW REVENUE STREAMS

DMP



- THE 'WHAT YOU WANT'
- THE 'WHEN YOU WANT'
- THE 'WHERE YOU WANT'



LAUNCH

DOWNLOADS

USAGE

HABITS

CONTEXTUAL DATA

POWER OF NETWORK



S C A L E

B U D G E T

P E O P L E

B R A N D



VEON IS A NEW DISRUPTIVE PERSONAL INTERNET PLATFORM

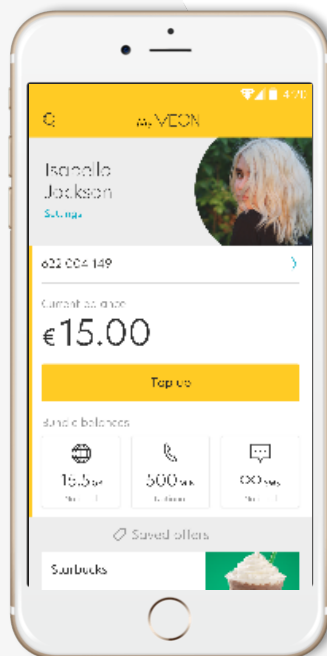
FREE COMMUNICATION

Free to use
...even when you're out of credit



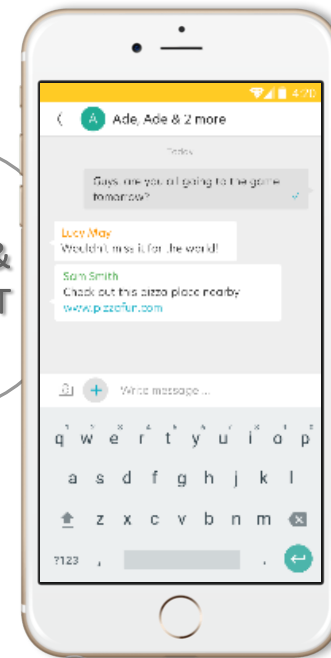
MY ACCOUNT

Access to Self Care, Always in control,
Contextual and easy



CONTEXTUAL INTERNET

Everything the Internet has to offer -
from a given context



OFFERS &
CONTENT

MARKET
PLACE

MFS
PAYMENT
SYSTEM

GLOBAL PLATFORM WITH LOCAL PARTNERS



Local
80%

LENTA.RU



ЧЕМПИОНАТ

express
شعبان

hungama.

zvoog

PATARI



MUBI

Cinepax

КиноПоиск.Ru
найди своё кино!

Global
20%



twitch



YouTube

DEEZER

Nintendo



The
New York
Times

BuzzFeed

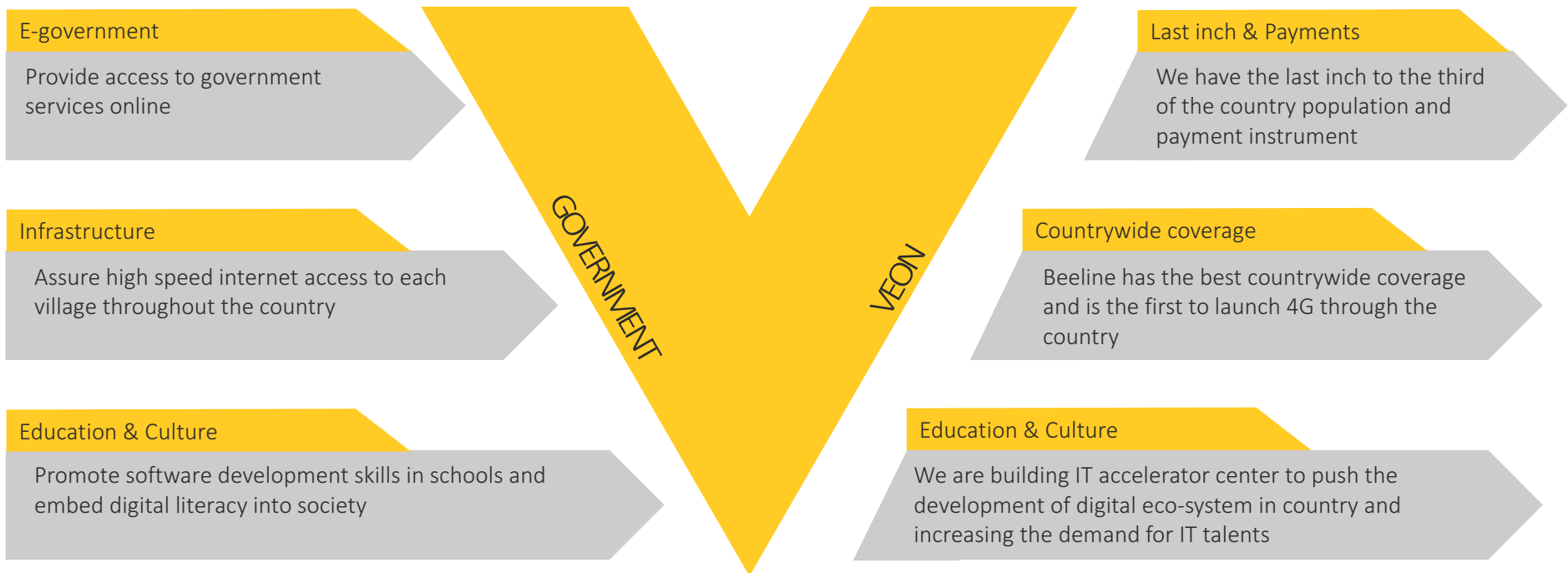


NETFLIX



TC TechCrunch

TAZA KOOM IS UNIQUE OPPORTUNITY TO COOPERATE WITH GOVERNMENT WITHIN NATIONWIDE DIGITAL TRANSFORMATION



REASONS FOR WHY

BIG OPPORTUNITIES & NEED FOR VEON ENVIRONMENT INSPIRE US TO GO FOR LOCAL DIGITAL

1

Global trends

Inevitable shift in consumption habits indicate new revenue stream potentials

2

Greenfield

Success case of Ukrainian player Lalafo & local Namba (BeSmart) proves the First mover effect on even copycats

3

Accelerator integrator as VEON

Veon will accelerate the local digital go-to-market acting as an integrator & one-access-point as well as local digital will form an engaging environment for Veon

4

Positive image enhancement

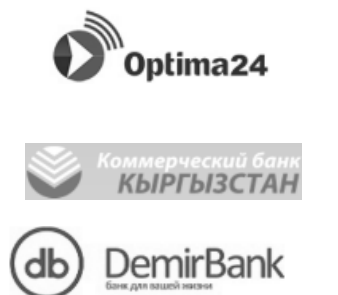
Local Digital will facilitate & be a reason for peoples' believe in Beeline shifting from Telco to Digital

5

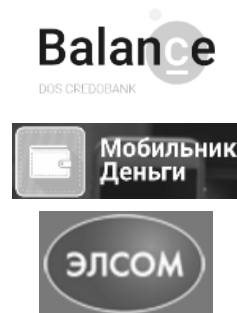
Brand & Big Player

Unlike small enterprises, we have power of big player when access to resources & brand image matter on local market

MFS SCOPING AND KEY TERMS



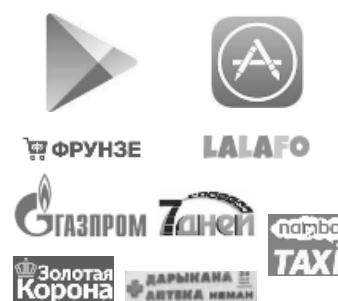
Mobile banking payments, transfers, and other uses of bank/card accounts rendered via mobile device



Mobile wallets payments, transfers and any use of e-money accounts from or via mobile device



MFS cash in/cash out infrastructure top up terminals, ATMs, payment cards, POS (bank, non-bank), Retail mobile wallet agents

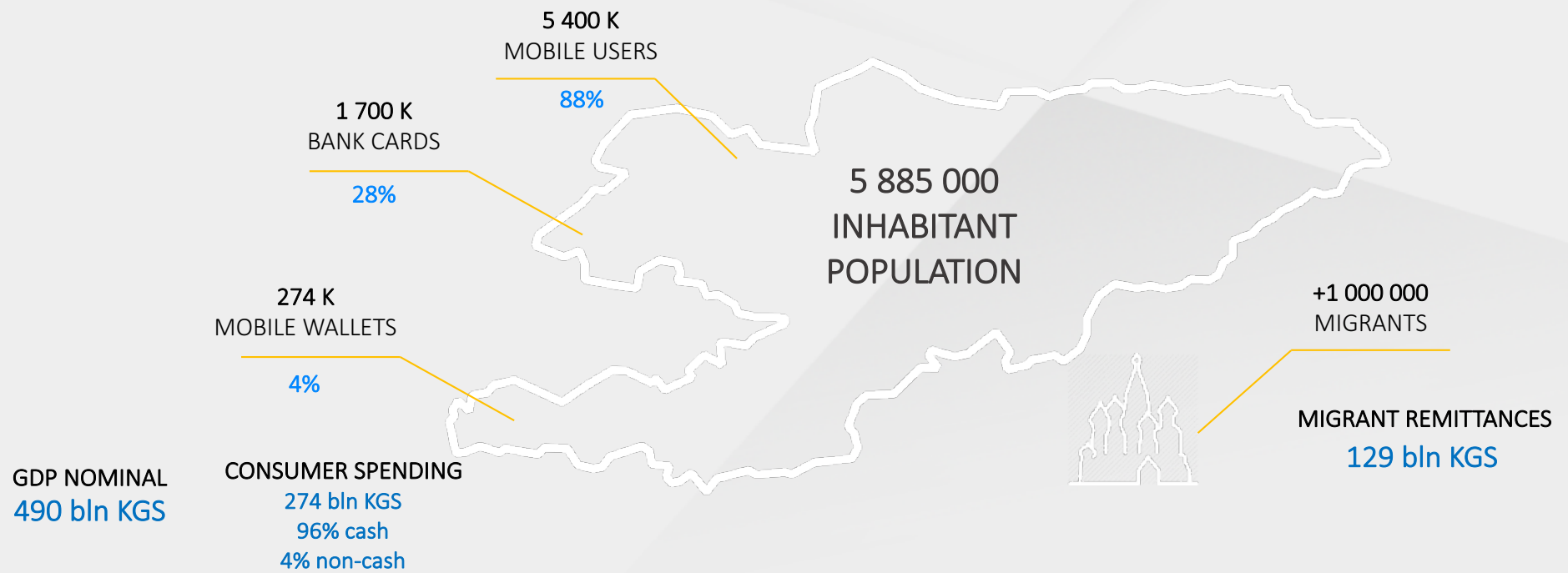


MFS transactional streams E-commerce, payment services for consumer basket, international remittances and regional money transfers



Loans, savings sales of credit scoring services through partnerships to financial institutions

CASH ECONOMY | MIGRANT COUNTRY



MFS ECO-SYSTEM 2020

WE CAN COVER:

CONSUMER BASKET

Café and delivery; Taxi and gas station; Retail; Services

ONLINE SHOPPING

Online payments; "Tazakoom"; Advertising; Utilities;



ONLINE SHOPPING



Advertising



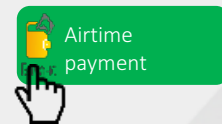
Utilities



Online payments



"Tazakoom"



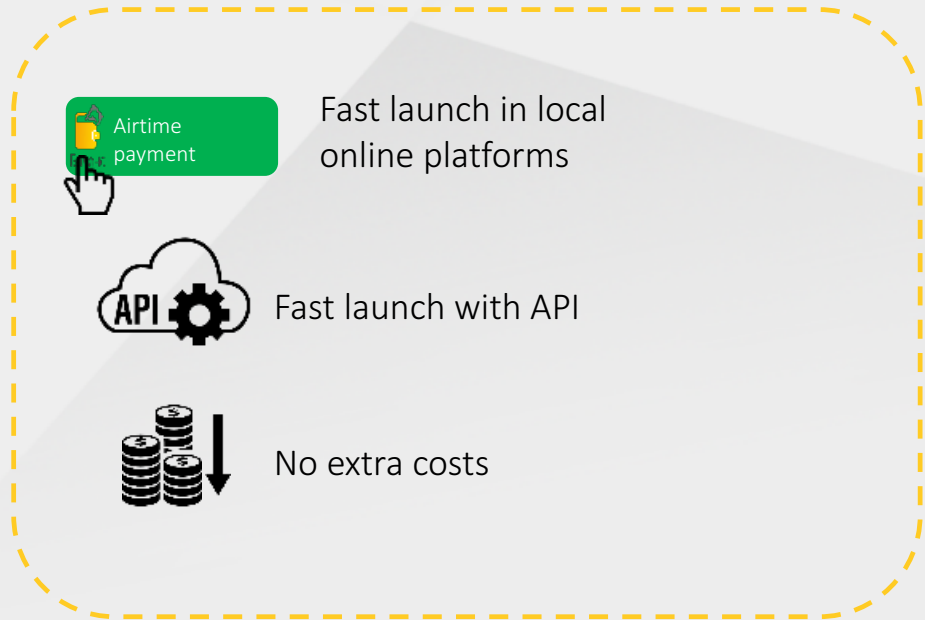
Fast launch in local online platforms



Fast launch with API



No extra costs



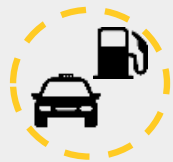
CONSUMER BASKET



Retail



Café and delivery



Taxi and gas station



Services



Motivational program
push&pull



No additional
equipment needed



Easy payment

WE ARE IN ENJOYABLE JOURNEY!

JOIN US!

