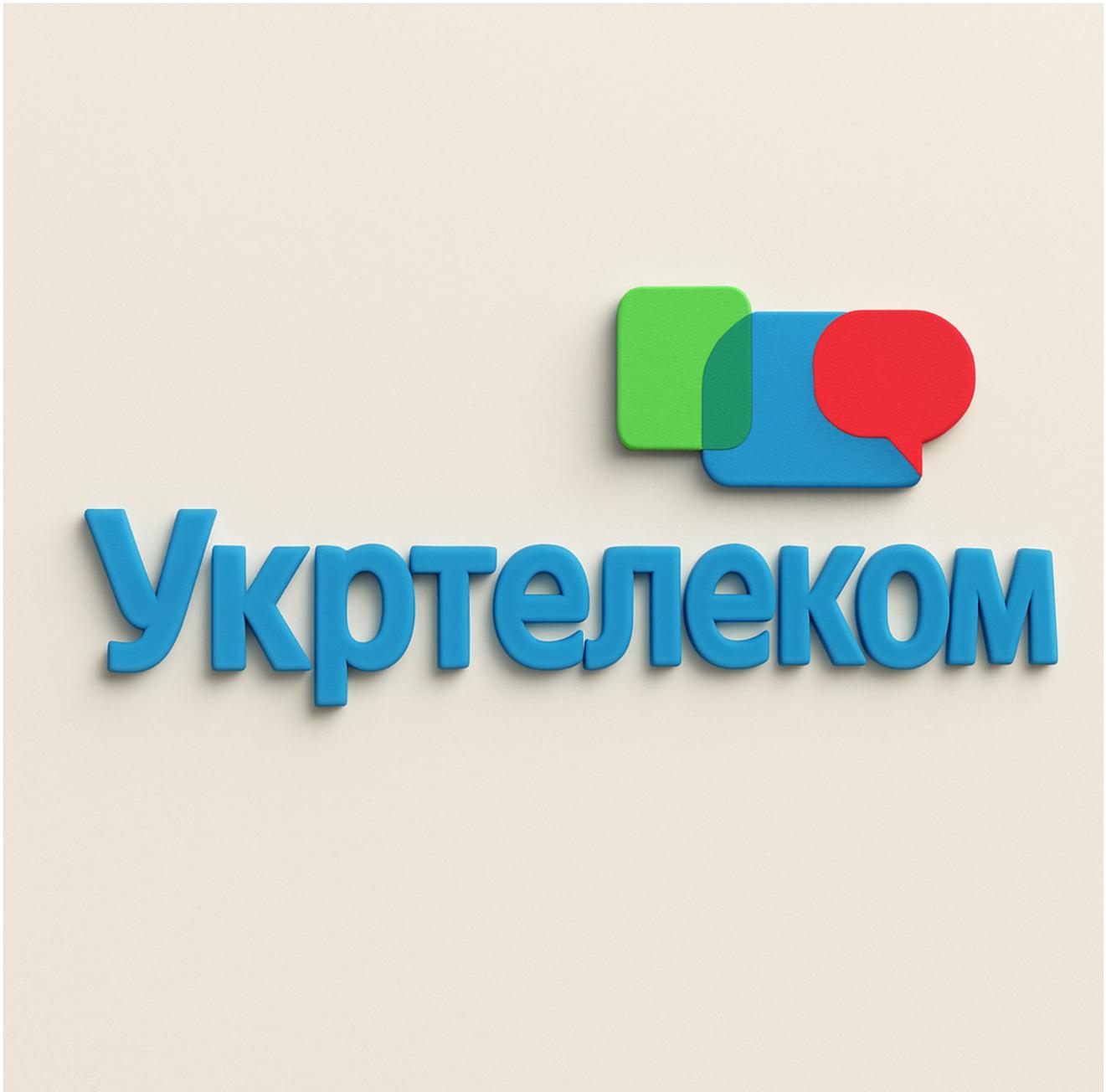


05 March

Ukrtelecom in 2023: Despite Russia's full-scale invasion, optical network expansion continues



In 2023, Ukrtelecom managed to maintain internet access across 90% of localities covered by the operator's network before the onset of the all-out Russian invasion. The company not only restored communications in liberated areas but also expanded its optical infrastructure and carried out several key projects aimed at ensuring continuous and high-quality telecommunications services for the Ukrainian Armed Forces, government agencies, businesses, and civilians.

From the start of the full-scale conflict, Ukrtelecom has been actively supporting the Defence Forces as part of the Rinat Akhmetov's Steel Front initiative, channelling over UAH 210 million in charitable donations towards defence needs.

Financial performance

In 2023*, Ukrtelecom reported total revenues exceeding UAH 5 billion, marking a 10% decrease from the previous year.

EBITDA surpassed UAH 1 billion, with an EBITDA margin of 21.1%.

Capital investments for the year reached nearly UAH 500 million.

As the leading taxpayer among fixed communication operators and providers in Ukraine, Ukrtelecom contributed over UAH 1.35 billion in taxes and levies to various levels of government budget in 2023.

Losses from the full-scale war

During the course of Russia's full-scale invasion, Ukrtelecom has incurred substantial losses.

Preliminary assessments show that the company's direct losses, including destroyed buildings, lost equipment, telecommunication networks, and other assets in territories that are temporarily occupied, total around UAH 700 million.

The overall destructive impact of the Russian aggression on Ukrtelecom amounts to UAH 2.8 billion. This figure is primarily attributed to the economic devaluation of operational assets.

Due to hostilities, approximately 260 company buildings were damaged, with about 50 completely destroyed.

Restoration

The emergency repair works to restore the communication services continue wherever possible, in particular in the localities along the front line and in the liberated areas.

In 2023, the company allocated UAH 20 million to rebuild the infrastructure, restoring almost 430 km of optical fibre and 16 km of copper cables, along with 10 regional communication equipment sites.

Ukrtelecom provides internet access in 90% of Ukrainian localities covered by its network at the onset of the full-scale invasion.

Optical infrastructure development

Ukrtelecom continues to develop its optical infrastructure and funds the deployment of FTTH/P network based on GPON, which has proved to be the best architecture and technology for uninterrupted and high-quality telecommunication services, including internet access that does not rely on the customer's power supply.

In 2023, the company laid nearly 5,300 km of fibre optics, thereby extending state-of-the-art connectivity to over two million households across nationwide.

With the enhancements made to the optical infrastructure, the total new connections grew by more than 15%, and the 2023 revenues from optical network services rose 18% year-over-year.

Ukrtelecom extended its optical network coverage to an additional 150+ medical facilities and 185 educational institutions. This expansion means that now, a total of 1,250 healthcare and almost 1,700 educational establishments benefit from high-speed optical internet.

Assistance to defenders

Ukrtelecom has been consistently and comprehensively supporting the Ukrainian military.

In its continued effort to aid the Ukrainian Armed Forces, Ukrtelecom has allocated over UAH 210 million in charitable donations for defence needs since the onset of the full-scale Russian invasion.

As part of Rinat Akhmetov's Steel Front initiative, Ukrtelecom has supplied the Defence Forces with numerous UAVs, including the Valkyrie and Leleka models, along with hundreds of smaller drones, thousands of specialized command and control devices, medical supplies, hundreds of vehicles among other essential items.

Furthermore, nearly 400 Ukrtelecom employees have enlisted in the Armed Forces of Ukraine.

* 2023 figures are based on unaudited financial statements.