Investor & Analyst presentation

Telenet Q2/H1 2021 results
Investor & Analyst presentation

July 29, 2021

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Private Securities Litigation Reform Act of 1995

Various statements contained in this document constitute “forward-looking statements” as that term is defined under the U.S. Private Securities Litigation Reform Act of 1995. Words like “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expects,” “estimates,” “projects,” “positioned,” “strategy,” and similar expressions identify these forward-looking statements related to our financial and operational outlook; future growth prospects;, strategies; product, network and technology launches and expansion and the anticipated impact of acquisitions on our combined operations and financial performance, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted whether expressed or implied, by these forward-looking statements. These factors include: potential adverse developments with respect to our liquidity or results of operations; potential adverse competitive, economic or regulatory developments, the potential adverse impact of the recent outbreak of the novel coronavirus (COVID-19) pandemic; our significant debt payments and other contractual commitments; our ability to fund and execute our business plan; our ability to generate cash sufficient to service our debt; interest rate and currency exchange rate fluctuations; the impact of new business opportunities requiring significant up-front investments; the potential adverse impact of the recent outbreak of the novel coronavirus (COVID-19) pandemic, our ability to attract and retain customers and increase our overall market penetration; our ability to compete against other communications and content distribution businesses; our ability to maintain contracts that are critical to our operations; our ability to respond adequately to technological developments; our ability to develop and maintain back-up for our critical systems; our ability to continue to design networks, install facilities, obtain and maintain any required governmental licenses or approvals and finance construction and development, in a timely manner at reasonable costs and on satisfactory terms and conditions; our ability to have an impact upon, or to respond effectively to, new or modified laws or regulations; our ability to make value-accretive investments; and our ability to sustain or increase shareholder distributions in future periods. We assume no obligation to update these forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

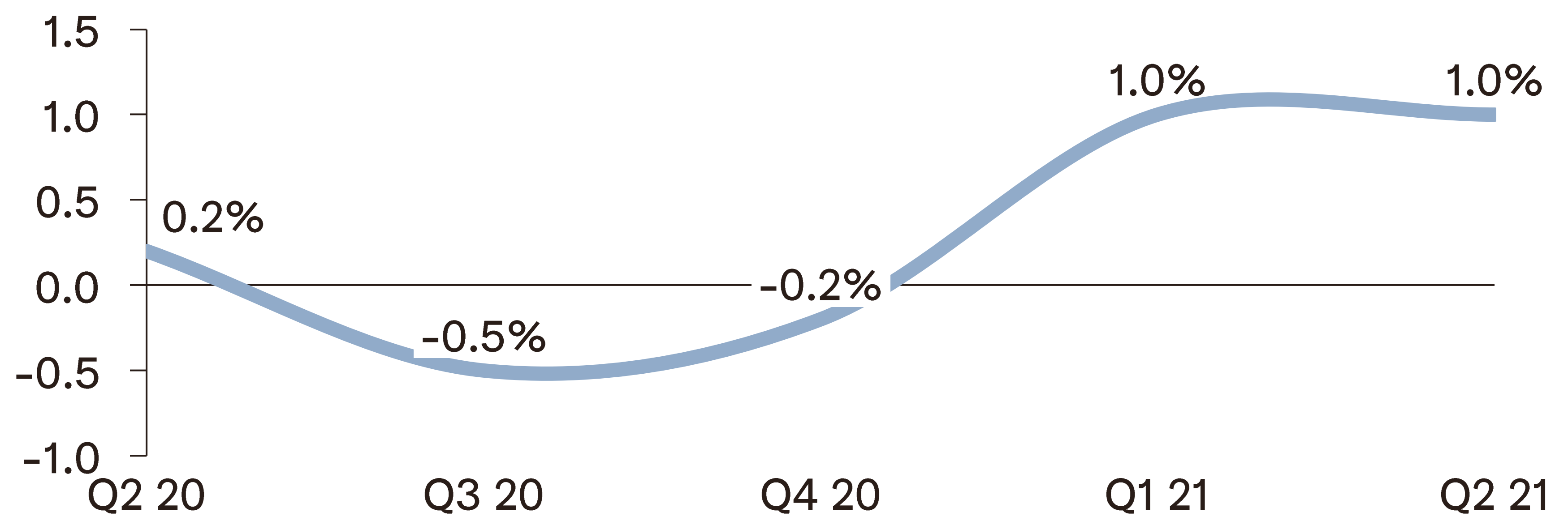
Adjusted EBITDA, Operating Free Cash Flow, Adjusted Free Cash Flow and net total leverage are non-GAAP measures as contemplated by the U.S. Securities and Exchange Commission’s Regulation G. For related definitions and reconciliations, see the Investor Relations section of the Liberty Global plc website (http://www.libertyglobal.com). Liberty Global plc is our controlling shareholder.

Executive summary

CORE OPERATIONS IN GOOD SHAPE, STRONG REBOUND OF ADVERTISING AND PRODUCTION REVENUE, INTERCONNECT REVENUE STILL IMPACTED BY COVID-19

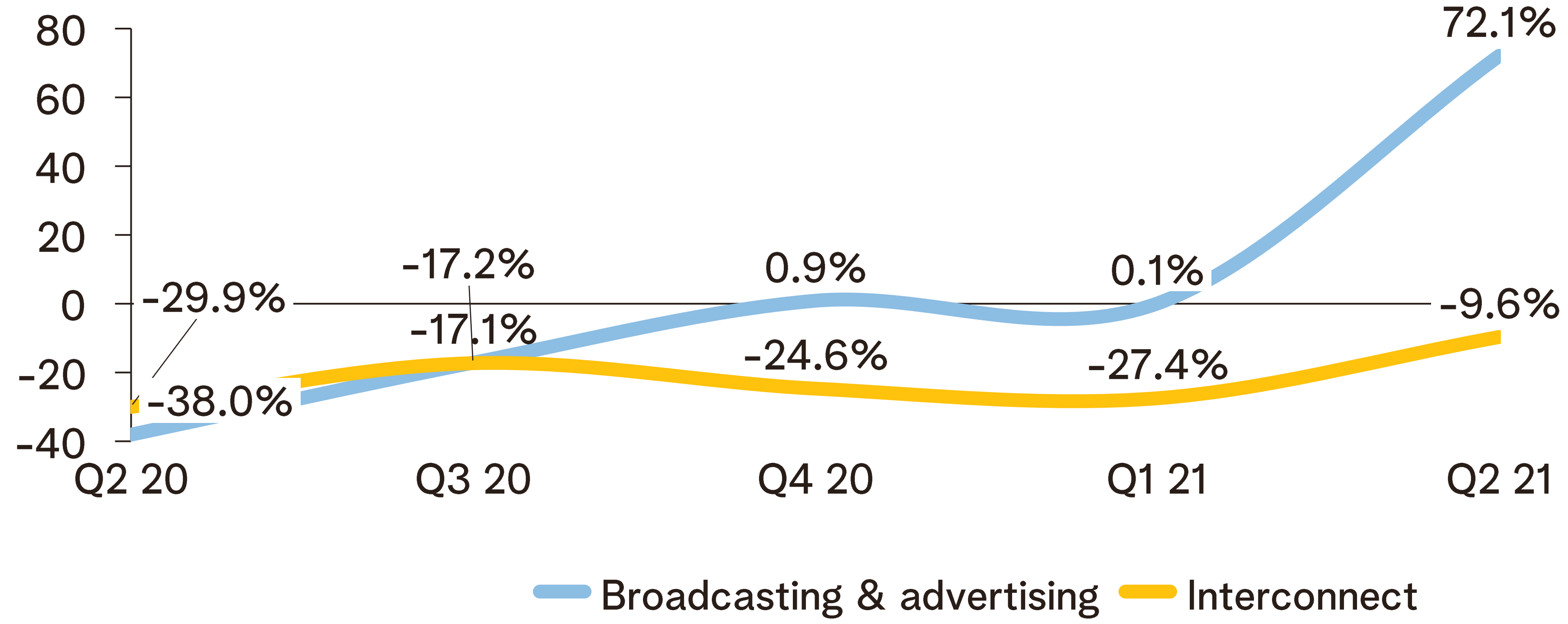
Improved trend in our total subscription revenue

Total subscription revenue, rebased[1] (yoy, %)



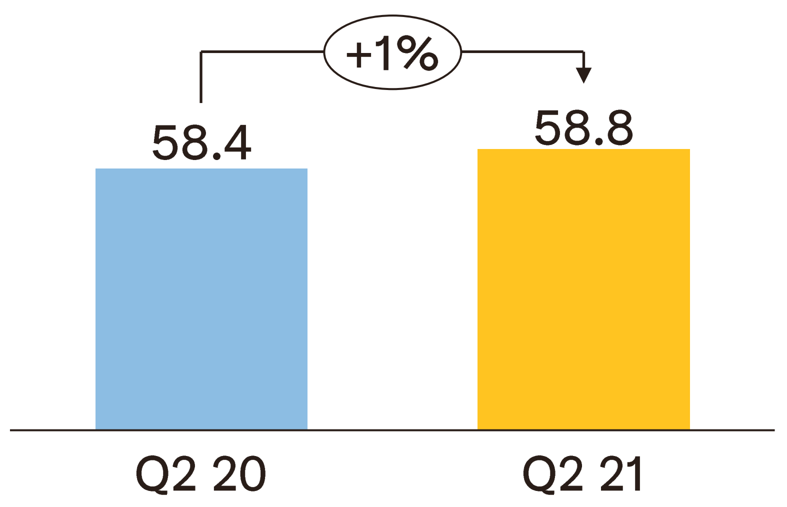
Strong rebound in advertising and production revenue
Interconnect revenue remains impacted by COVID-19

Advertising & production revenue – Interconnect revenue rebased[1] (yoy, %)



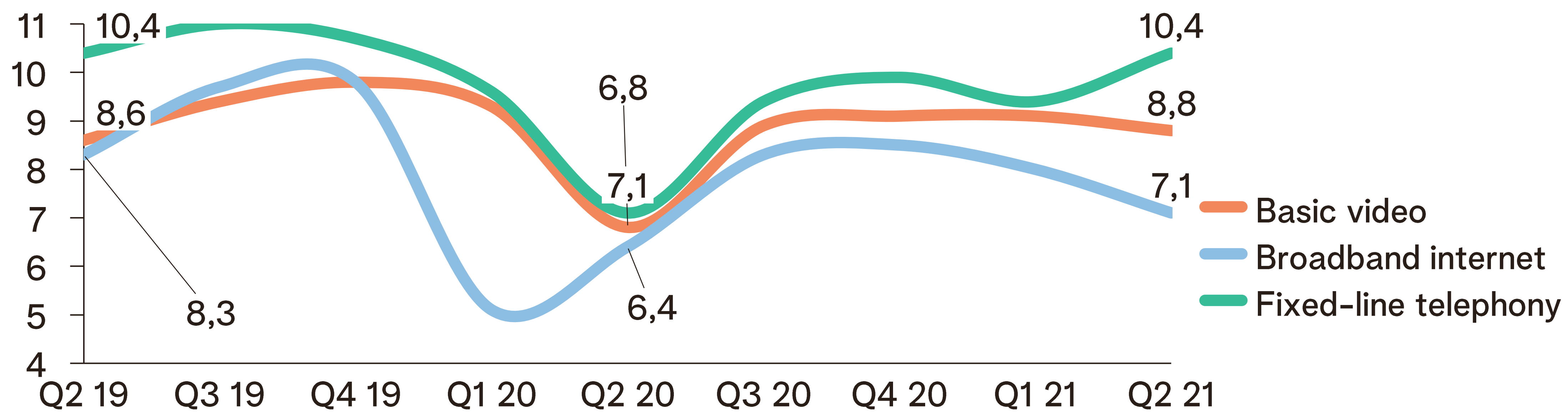
Fixed ARPU per customer relationship up 1% yoy, impacted by bundle revenue allocation from our "ONE" FMC bundles

Fixed customer relationship ARPU[1] (€)



Broadband churn still at sustainable low levels despite return to full commercial environment, TV and fixed-line telephony broadly in line

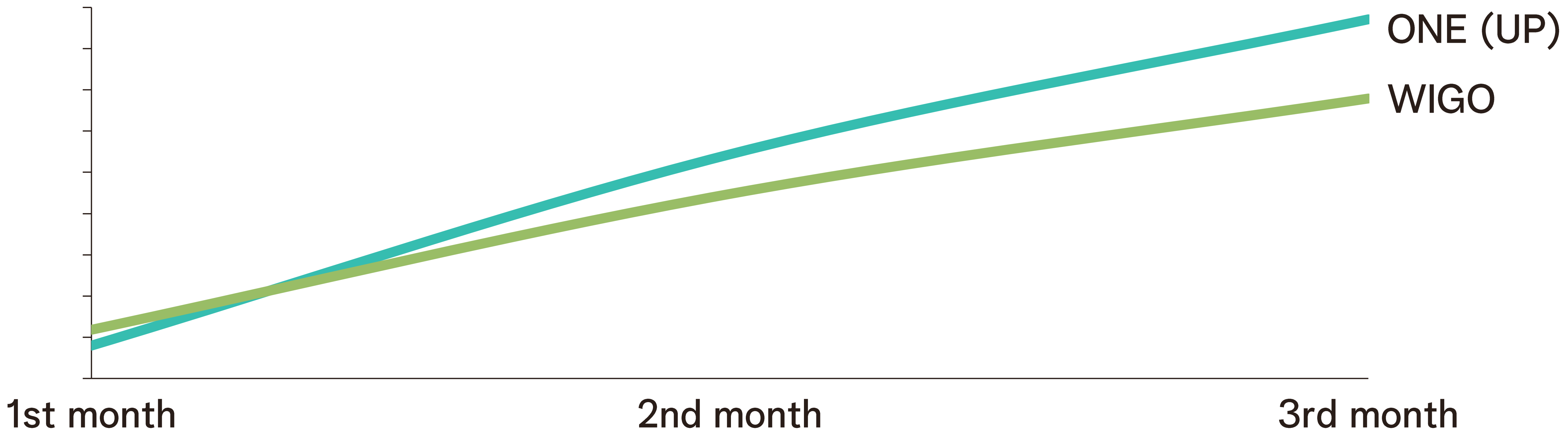
Annualized churn[1] (%)



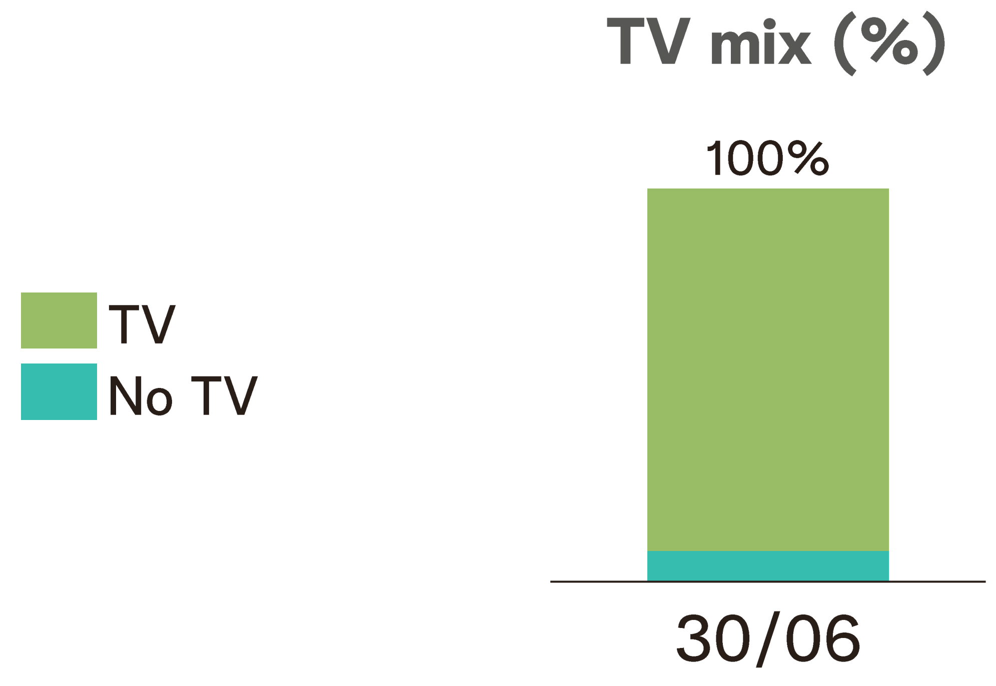
[1] *See Definitions in the Appendix section*

SUCCESSFUL LAUNCH OF OUR NEW FMC BUNDLES "ONE" & "ONE UP", DRIVING ACCELERATED MOBILE ATTACH RATE

ONE(UP) customer base growing faster compared to WIGO[1]

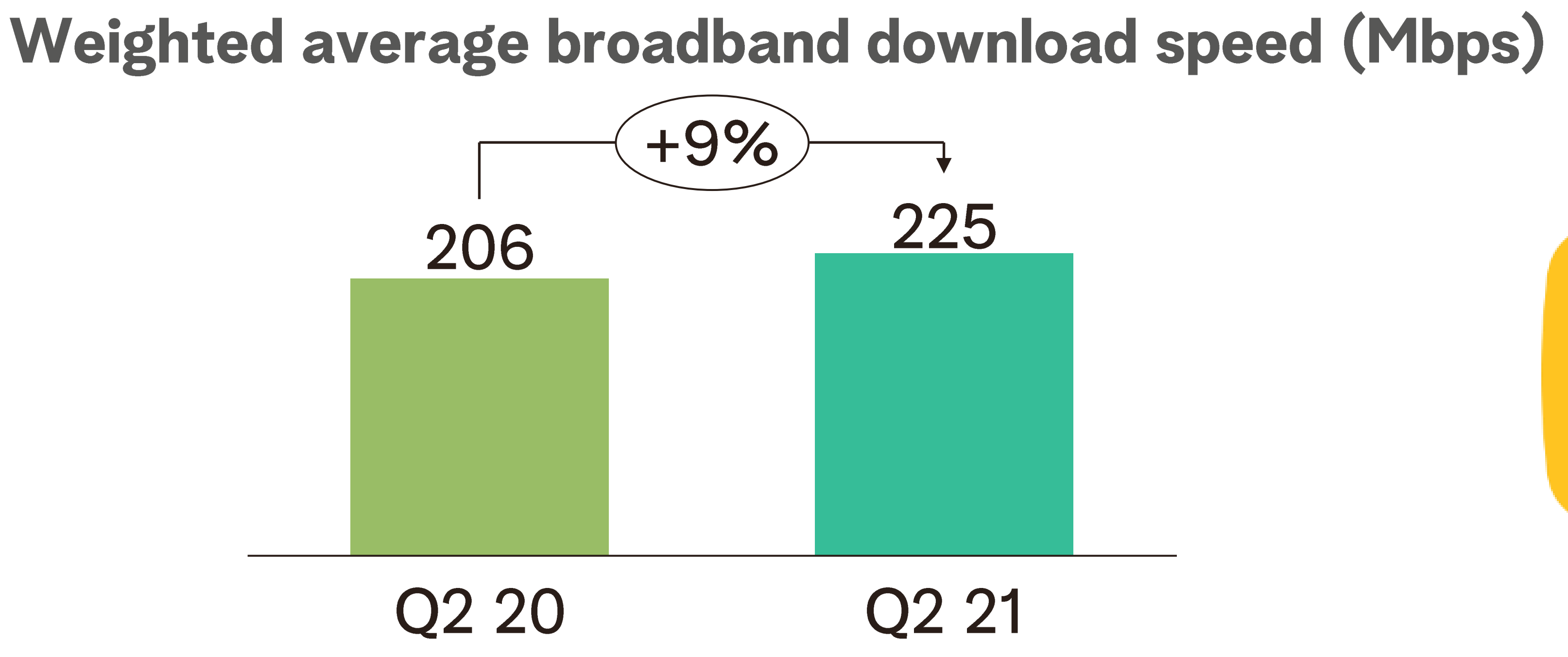


High TV attach rate and limited cord shaving impact[1]



ONE(UP) customers show balanced mix between one and multiple SIMs[1]

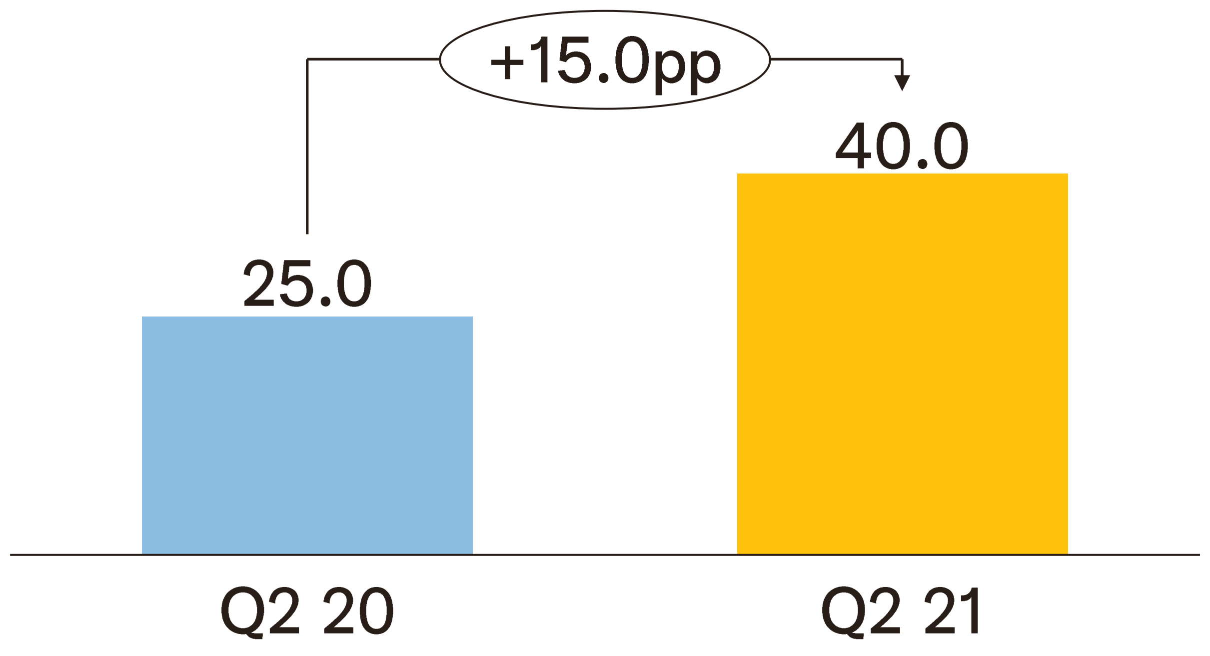
Inclusion of 1 Giga speeds in ONE UP, driving weighted average broadband internet download speed up[1]



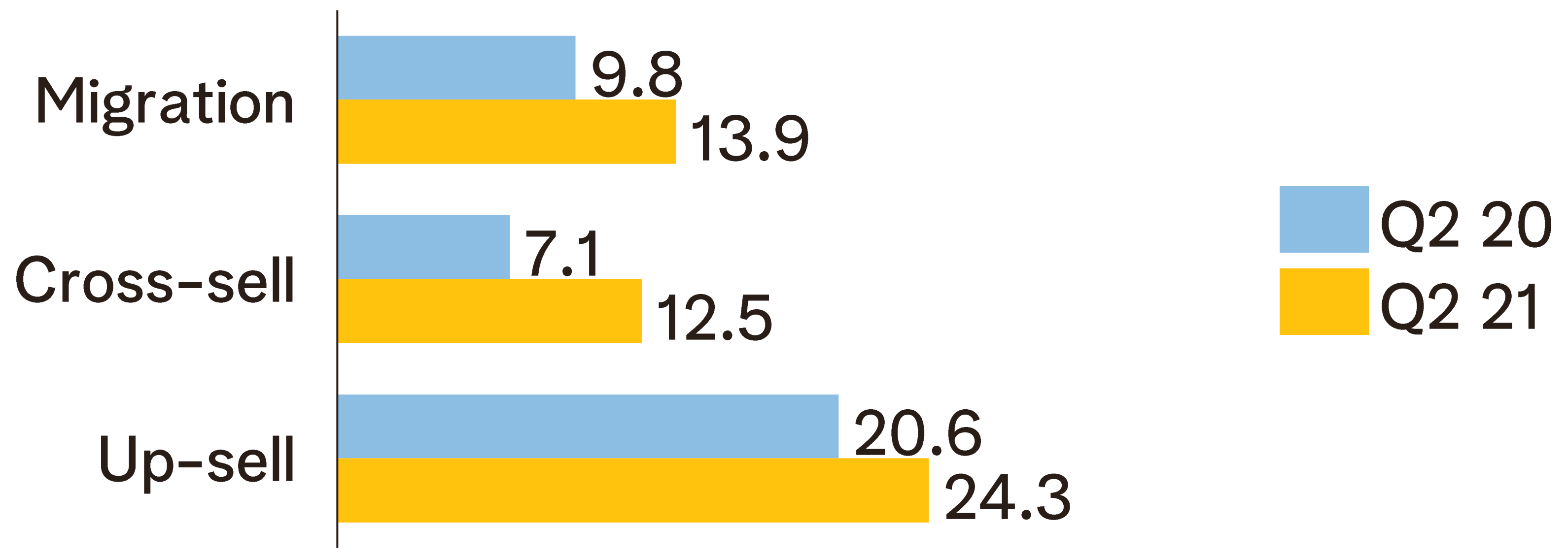
[1] *Source: Internal company data*

CONTINUED FOCUS ON CUSTOMER INTIMACY DRIVEN BY A MORE DIGITIZED CUSTOMER EXPERIENCE

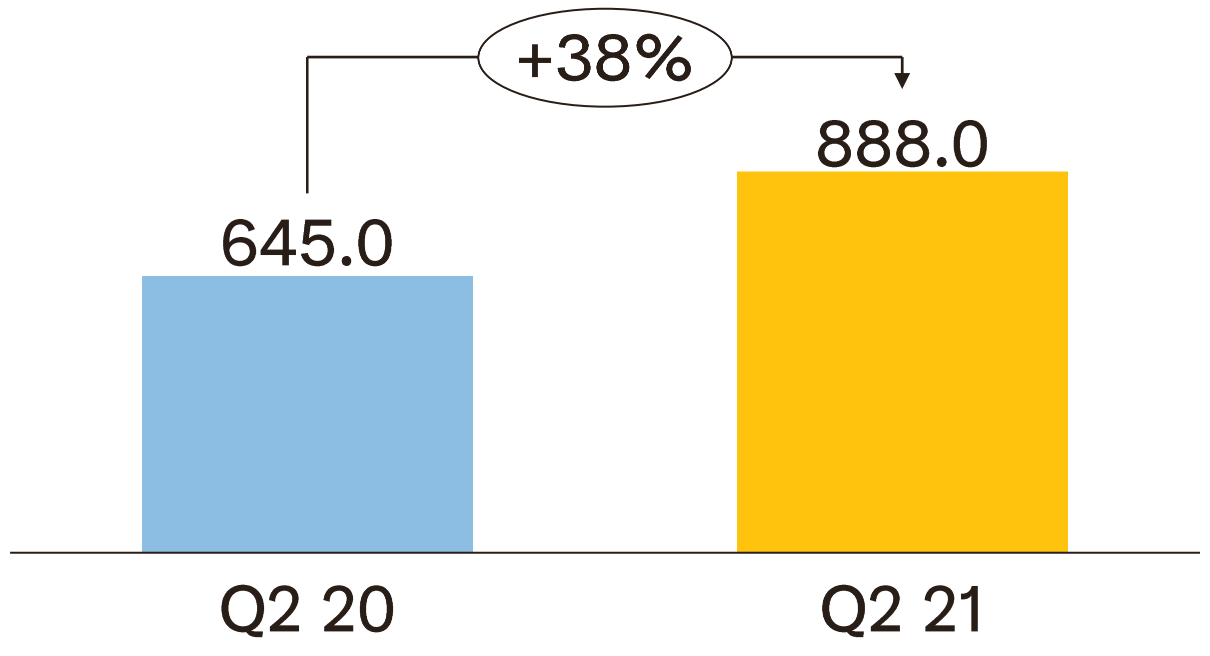
Self-installation (%)[1]



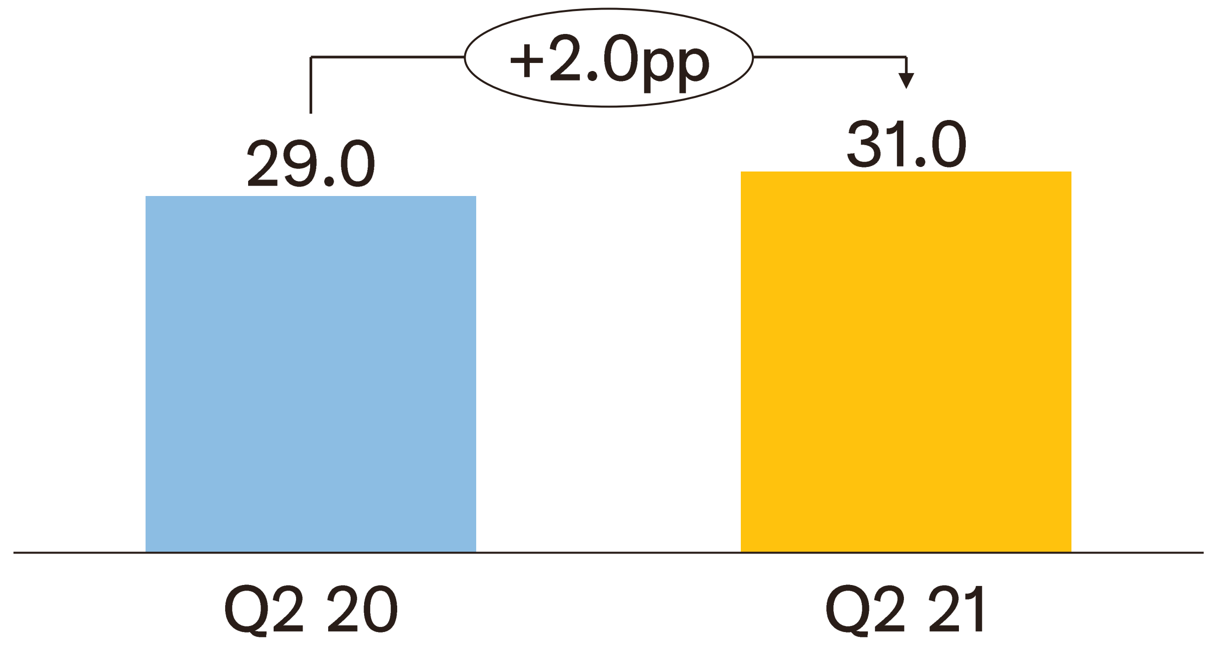
Digital sales extra services (%)[1]



 # Wi-Fi boosters distributed (k)[1]



MyBASE app penetration (%)[1]



[1] *Source: Internal company data*

Continued expansion of our ventures portfolio with clear ambition to grow this business significantly in the coming three years

doccle[1]

- Earlier this year, Telenet signed an agreement with Acerta and the National Health Insurance Fund (Christelijke Mutualiteit', 'CM'), to acquire their shares in Doccle
- Now concluded an agreement with Belgian fintech company Isabel Group to sell 50% of the shares in Doccle, creating a 50/50 JV[1]
- Focus maximally on digitizing the customer experience
- Additional €5 million investment in coming years

THE PARK

- Agreement The Park – Kinepolis for virtual reality experiences
- Expanding The Park's available playing areas
- Linking local films and series with a Virtual Reality experience

yes.be digitalisering van het onderwijs

- Partnership with ICT specialist YES.be
- All-inclusive offer for schools: internet connection, Wi-Fi network, laptops, software, security and technical support

itsme A smarter way to be you

- €24.7 million capital increase joined by new shareholder Federal Holding and Investment Company (SFPI-FPIM) as well as most existing shareholders
- Current shareholders are Belfius Bank, BNP Paribas Fortis, ING Belgium, KBC Bank, Orange Belgium, Proximus, Telenet and SFPI-FPIM
- Authentication app now has 3.5 million users

[1] *Pending regulatory approval by the relevant competition authorities*

INTRODUCING TELENET'S NEW 2021-2025 SUSTAINABILITY STRATEGY

Our Purpose: Staying Ahead

Our Belief: Technology for Human Progress

✓

PROGRESS	EMPOWERMENT	RESONSIBILITY

Our long-term commitment:

PROGRESS

Accelerate 150,000 people and businesses in the digital age by 2030

Telenet Essential Internet

Digital Acceleration

EMPOWERMENT

Be recognized internally and externally as an inclusive and purpose-driven organization

Diversity & Inclusion

Future-proof workforce

RESONSIBILITY

Improve our climate performance by becoming net zero by 2030

Net Zero

Circular Economy

We have reviewed and sharpened our existing sustainability governance principles

1. Manage Environmental, Social & Governance (ESG) criteria as a risk
2. Anchor sustainability in our buisness practice and include ESG targets in executuve remuneration and incentive plans
3. Sharpen the roles and responsibilities of the sustainability governance bodies
4. Disclose our sustainability performance through non-financial reporting and participation in third-party assessments

On track to achieve top line and Adjusted EBITDA[1] inflection point in 2021, including a softer growth profile in H2 relative to H1

	FY 21	H1 21
Revenue growth (rebased)[a,b]	Up to 1%	+1.4%
Adjusted EBITDA (rebased)[a,c]	Between 1-2%	+2.9%
Operating Free Cash Flow (rebased)[a,c,d]	Around -1%	+3.5%
Adjusted Free Cash Flow[c,e]	€420.0 - 440.0 million	202.5 million

On track to deliver towards the lower end of our 2018-2021 Operating Free Cash Flow CAGR[e] of 6.5% to 8.0%

(a) For purposes of calculating rebased growth rates on a comparable basis for the periods shown above, we have adjusted our historical revenue and Adjusted EBITDA to reflect the impact of the following transactions to the same extent revenue and adjusted EBITDA related to these transactions is included in our current results: (i) exclude the revenue and Adjusted EBITDA of our former Luxembourg cable subsidiary Coditel S.à r.l. (deconsolidated as of April 1, 2020) and (ii) reflect changes related to the IFRS accounting outcome of certain content rights agreements entered into during the third quarter of 2020.

(b) Quantitative reconciliations to net profit (including net profit growth rates) and cash flows from operating activities for our Adjusted EBITDA, Operating Free Cash Flow and Adjusted Free Cash Flow guidance cannot be provided without unreasonable efforts as we do not forecast (i) certain non-cash charges including depreciation and amortization and impairment, restructuring and other operating items included in net profit, nor (ii) specific changes in working capital that impact cash flows from operating activities. The items we do not forecast may vary significantly from period to period.

(c) Excluding the recognition of the capitalized football broadcasting rights and mobile spectrum licenses and excluding the impact from certain lease-related capital additions on our accrued capital expenditures.

(d) Relative to our reported revenue for the full year 2020, our revenue growth for the full year 2021 would be equivalent to up to 1%.

(e) Assuming certain payments are made for the temporary prolongation of our current 2G and 3G mobile spectrum licenses in 2021, yet excluding payments on any future spectrum licenses as part of the upcoming multiband auction, and assuming the tax payment on our 2020 tax return will not occur until early 2022.

[1] *See Definitions section in the Appendix for additional disclosure*

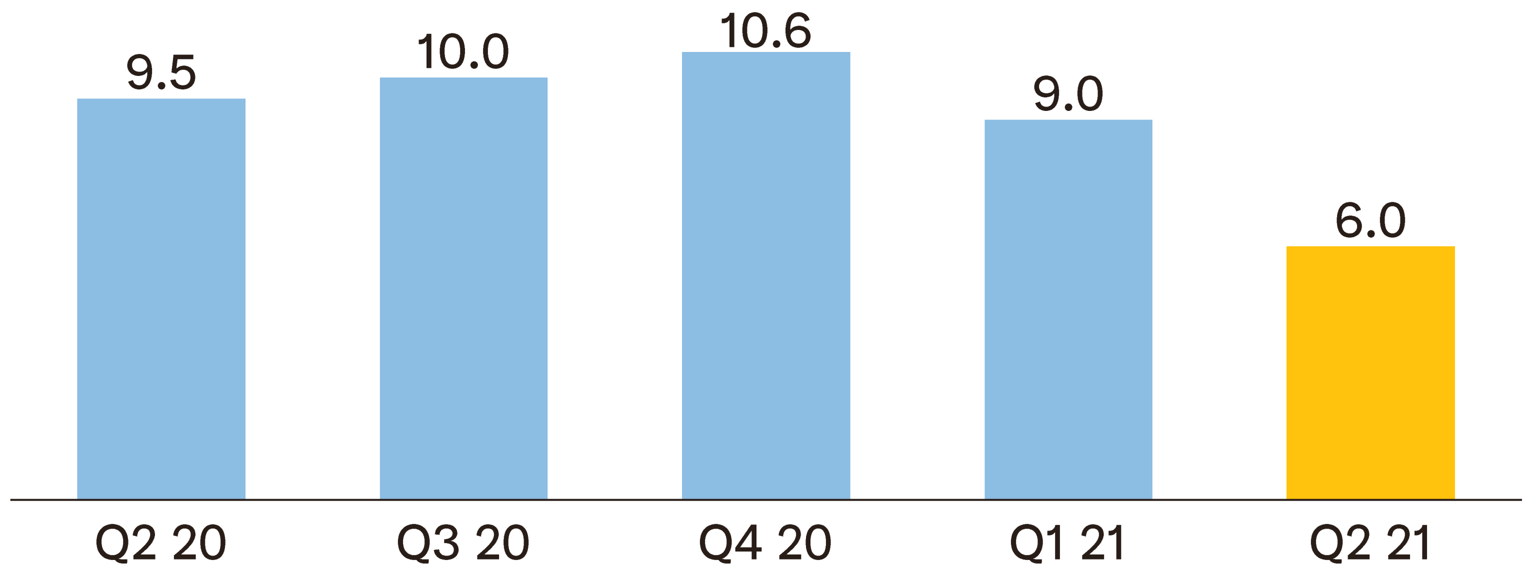
Sustainable and well-diversified building blocks of our equity story

1. Strong underlying operational performance with strong focus on customer intimacy, led by fixed-mobile convergence
2. ...resulting in return to organic revenue and Adjusted EBITDA growth
3. Continued focus on cost control and creating operating leverage
4. Agile operating model driven by digital transformation
5. Exciting optionality related to next-generation networks and territorial expansion
6. Growing ventures portfolio as proven platform for innovation
7. State-of-the-art fixed HFC and mobile 4G+ infrastructure, underpinned by a targeted and well-balanced investment strategy
8. Committed to drive attractive shareholder value, enabled through robust Adjusted Free Cash Flow conversion
9. Strong ESG commitment built around our new 21-25 sustainability strategy

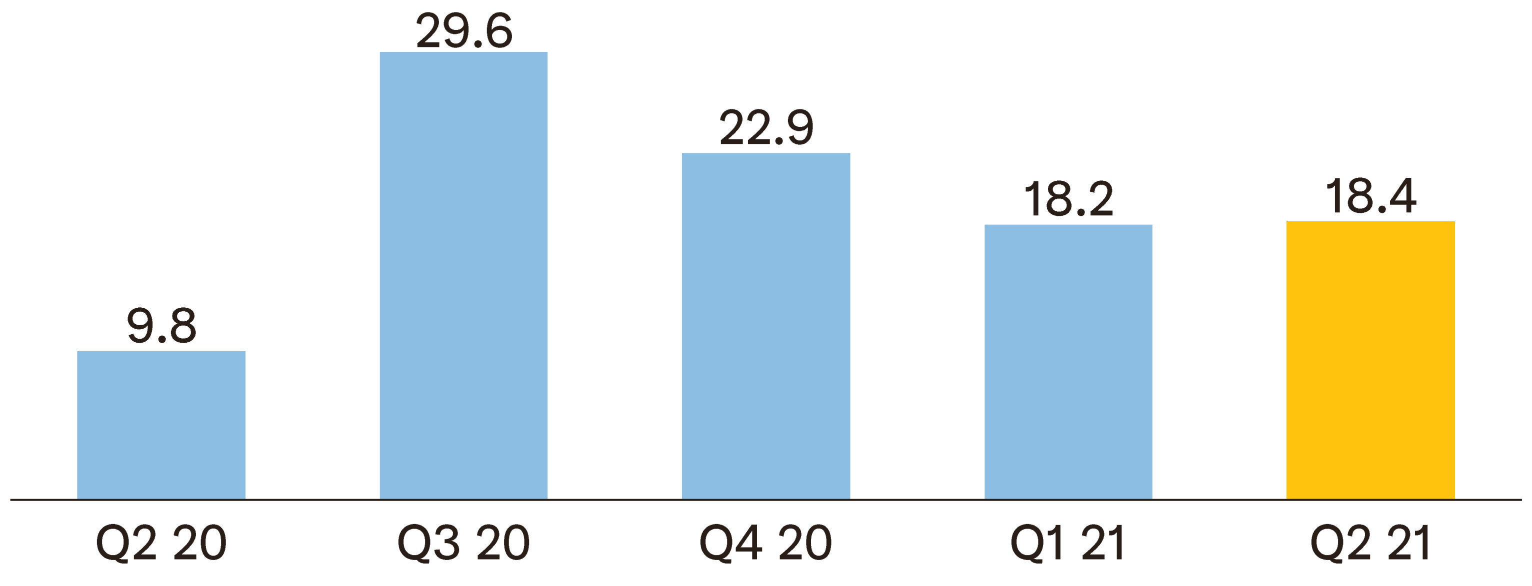
Operational & financial highlights

SOLID OPERATIONAL PERFORMANCE WITH SIGNIFICANT ACCELERATION OF FMC NET ADDS, DRIVEN BY NEW "ONE(UP)" BUNDLES

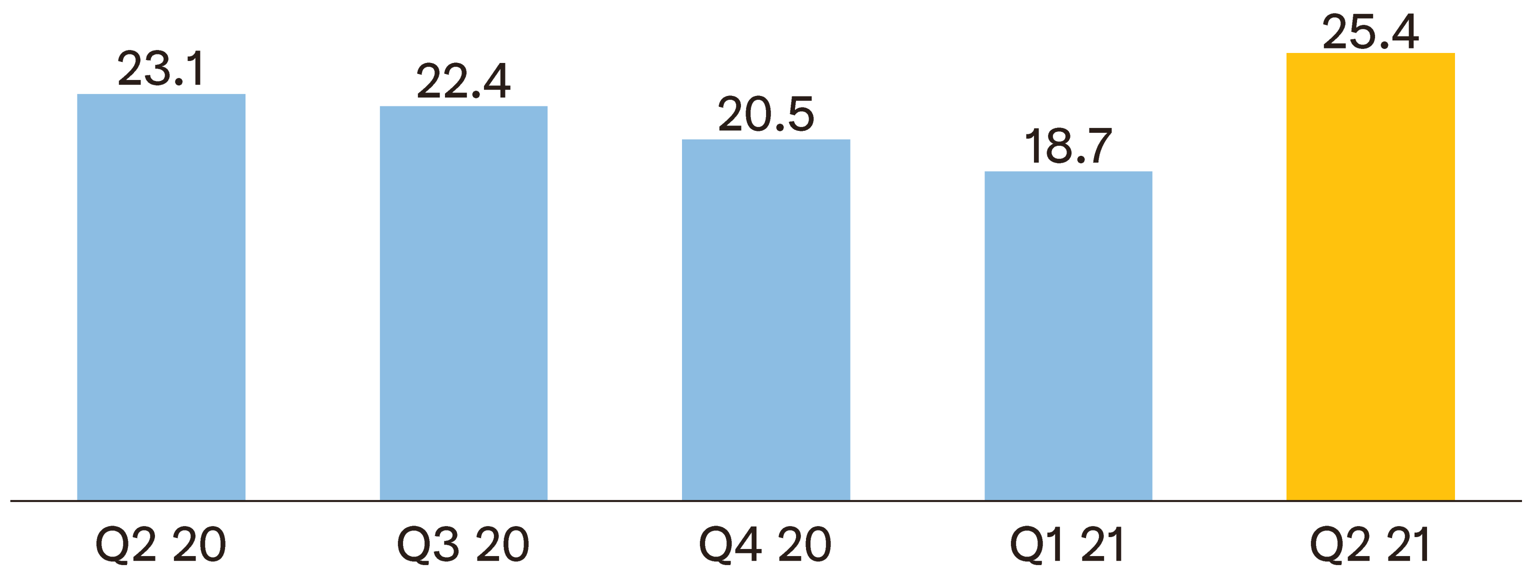
Broadband net adds (k)[1]



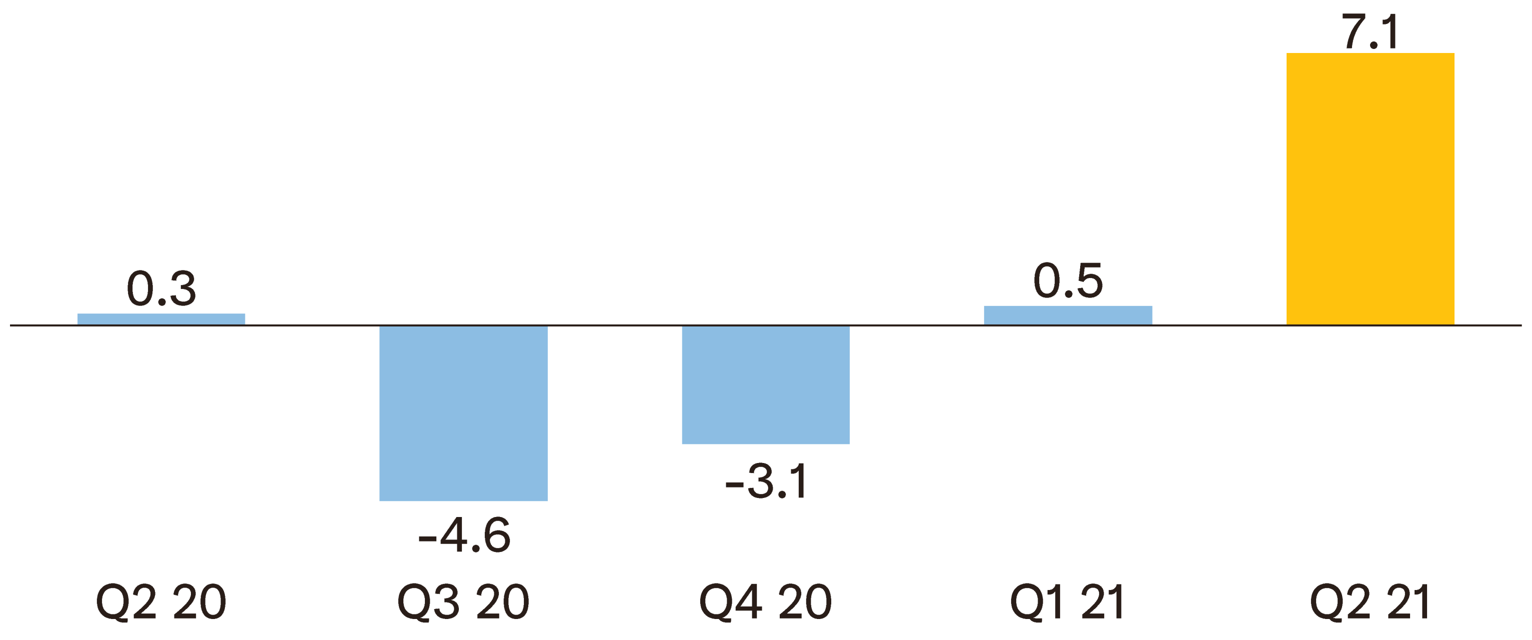
Mobile postpaid net adds (k)[1,2]



FMC net adds (k)[1]



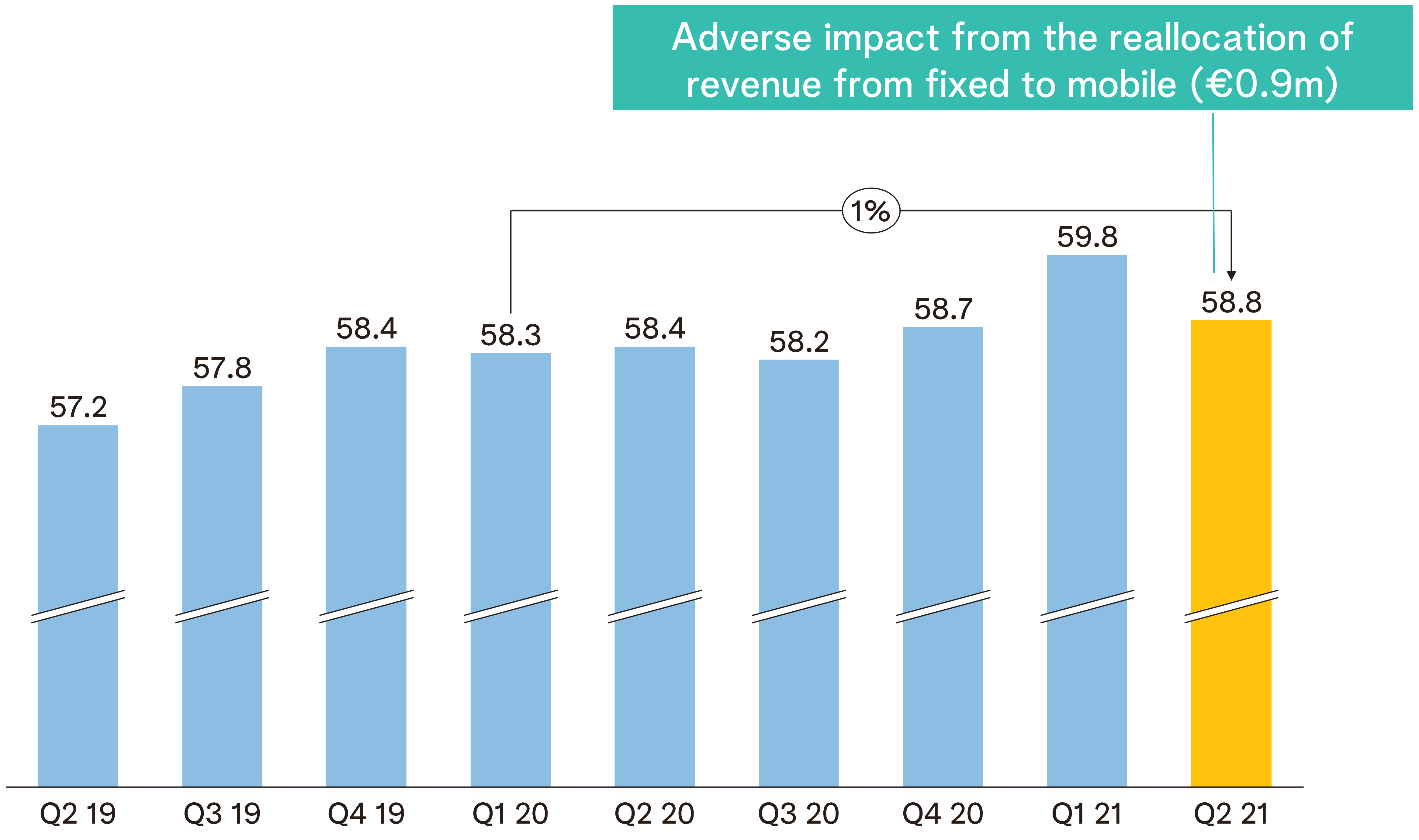
Enhanced TV net adds (k)[1]



[1] Our Q2 2020 quarter-end subscriber numbers included the removal of certain non-paying subscribers in line with our accounting policy, even though we couldn't disconnect such subscribers before July 1, 2020, following specific COVID-19 related regulation imposed by the national telecoms regulator BIPT. Our Q3 2020 subscriber numbers include many of the non-paying subscribers being added back as meanwhile invoices were paid. As of April 1, 2020, our subscriber numbers exclude our former SFR - Coditel customers due to the merger into the Luxembourg cable operator Eltrona.
[2] As of Q2 2021, our postpaid and total mobile subscriber count includes our SME and LE business customers, which were previously not recorded in our SIM count.

CONTINUED FIXED ARPU PER CUSTOMER EXPANSION

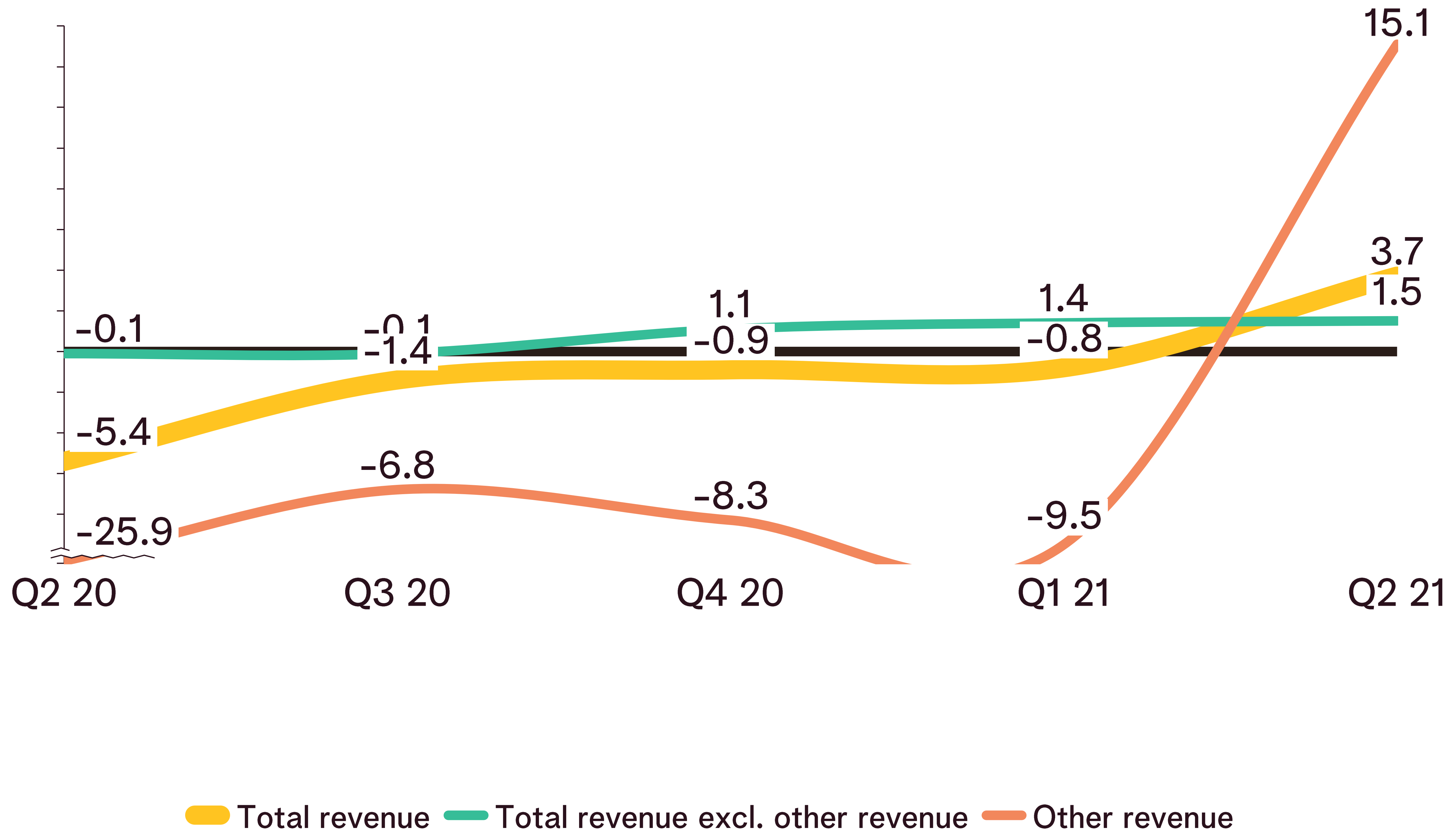
Quarterly fixed customer releationship ARPU (€)[1]



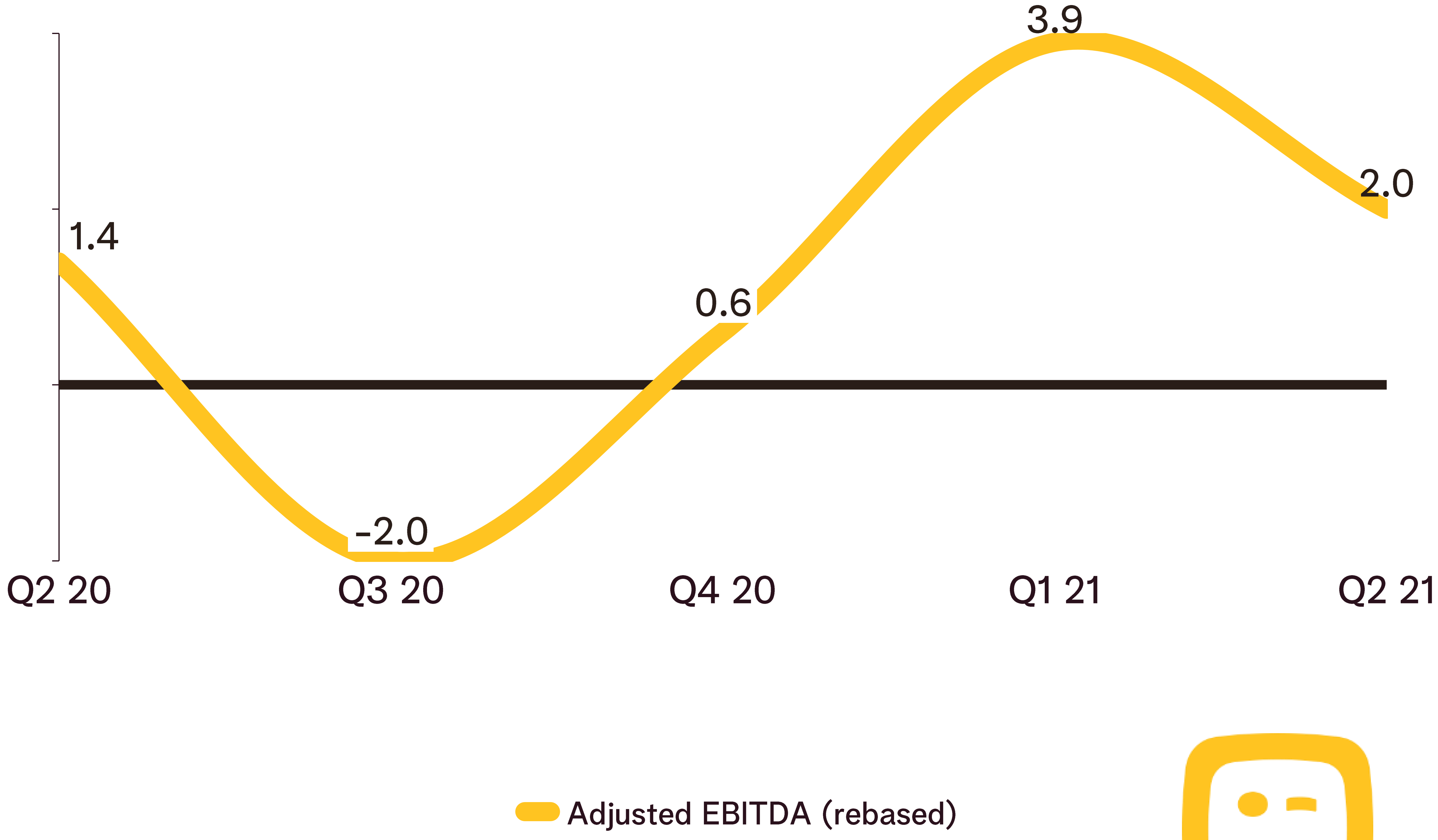
[1] *See Definitions section in the Appendix for additional disclosure*

REVENUE INFLECTION POINT REACHED IN Q2 2021 DRIVEN BY OTHER REVENUE RECOVERY AND SOLID ADJUSTED EBITDA GROWTH DESPITE THOUGHER COMPARISON BASE

Quarterly revenue trend (rebased[1]) (%, yoy)



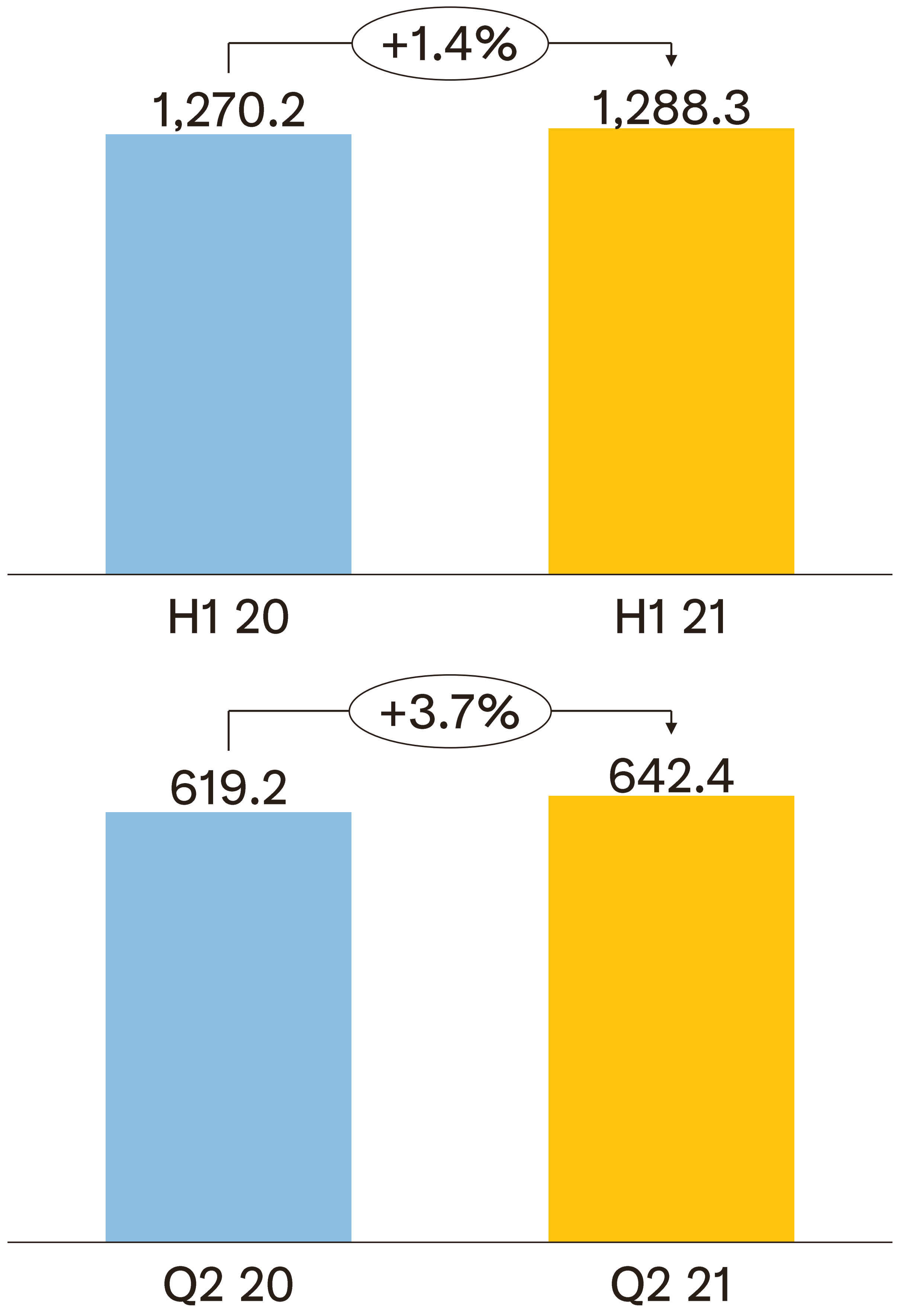
Quarterly EBITDA trend (rebased[1]) (%, yoy)



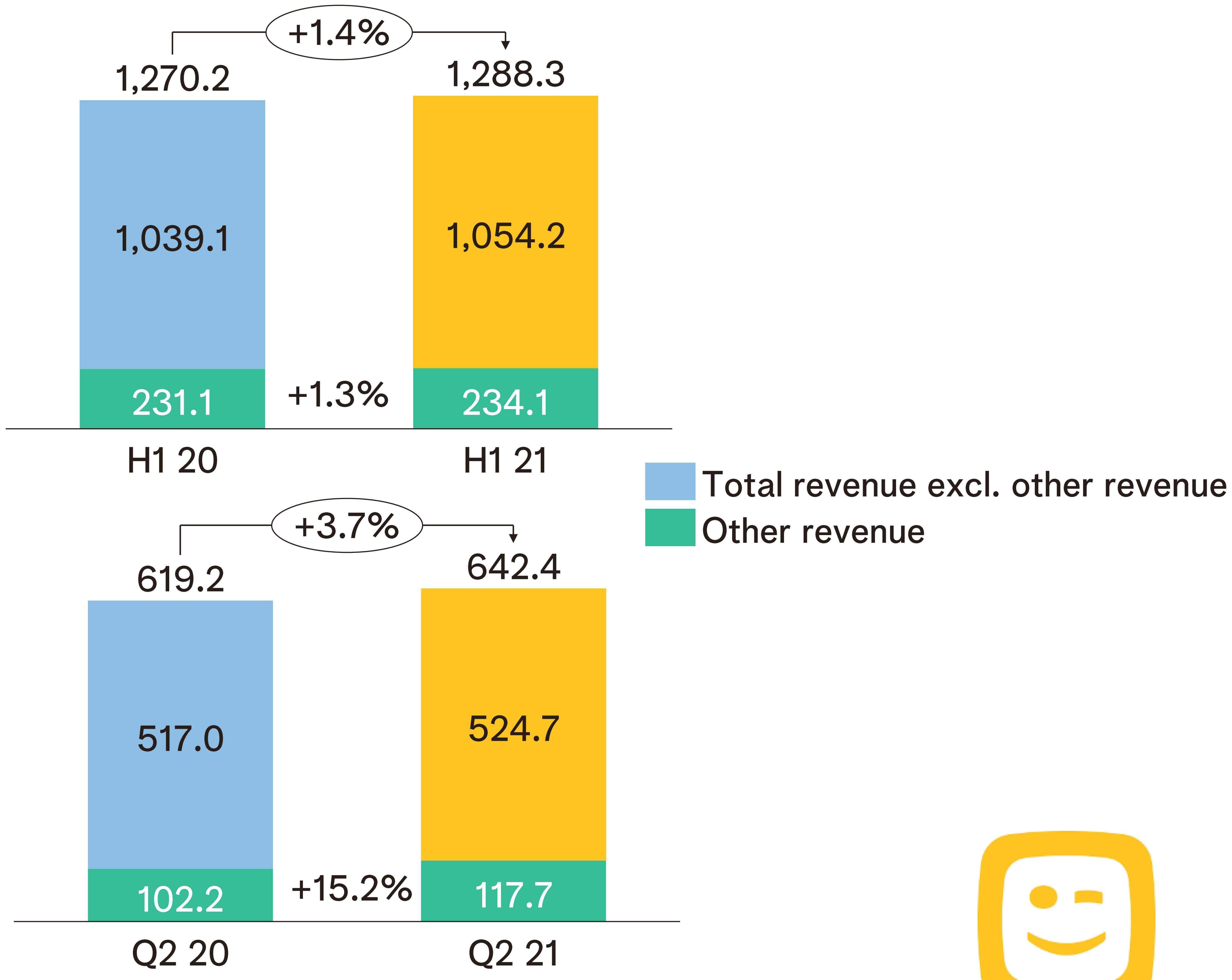
[1] *See Definitions section in the Appendix for additional disclosure*

Q2 2021 REVENUE OF €642.4 MILLION, +4% YOY, DRIVEN BY A STRONG REBOUND OF OUR OTHER REVENUE

Reported revenue (€m)

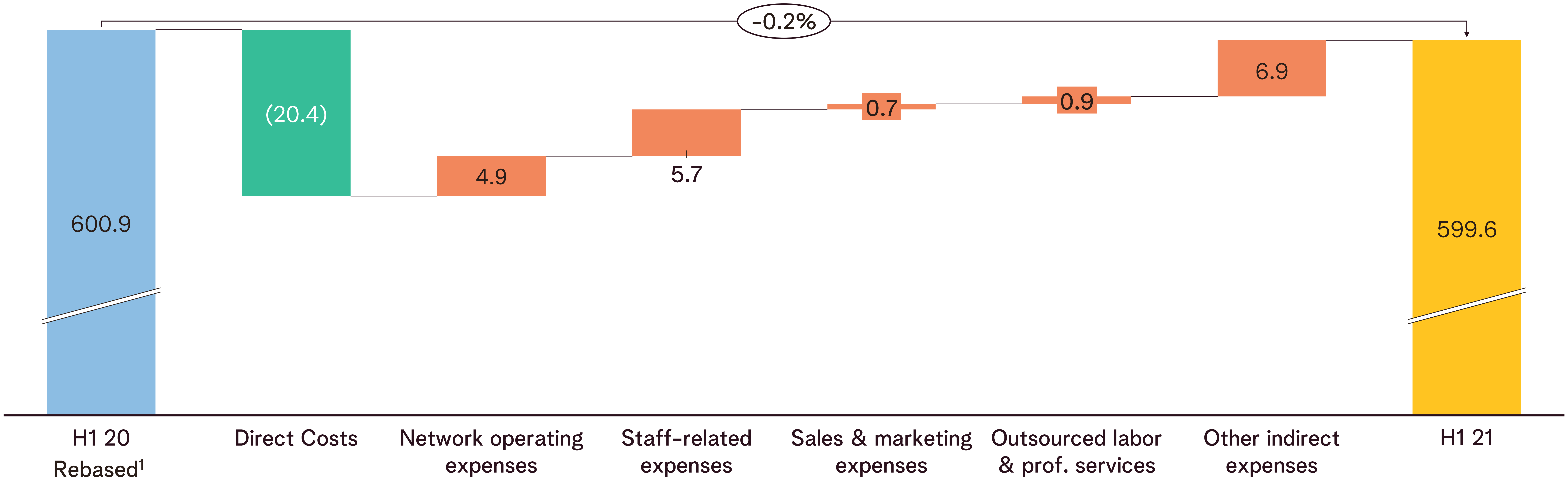


Rebased[1] revenue (€m)



[1] *See Definitions section in the Appendix for additional disclosure*

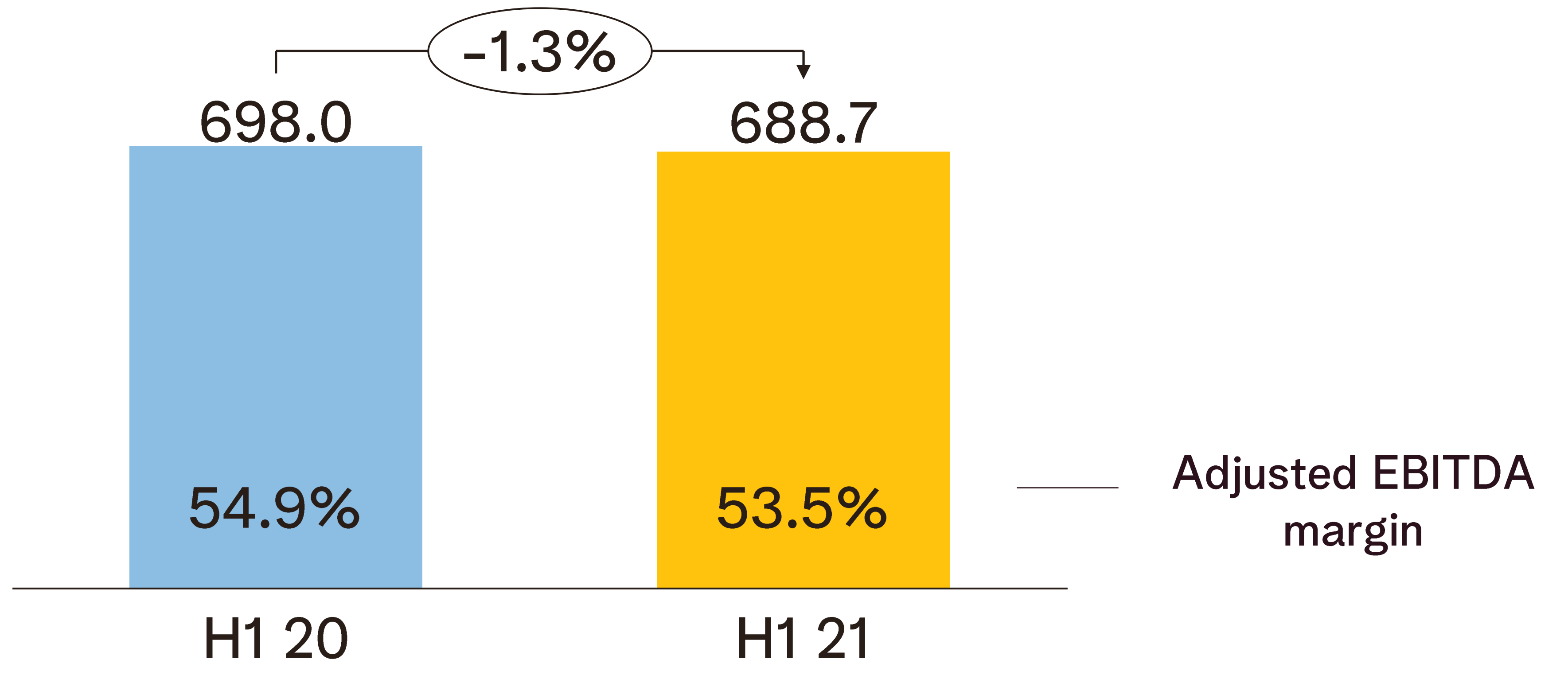
OPERATING EXPENSES BROADLY STABLE IN H1 2021, WITH AN 8% DECREASE IN DIRECT COSTS OFFSETTING INCREASES IN OTHER COST SEGMENTS

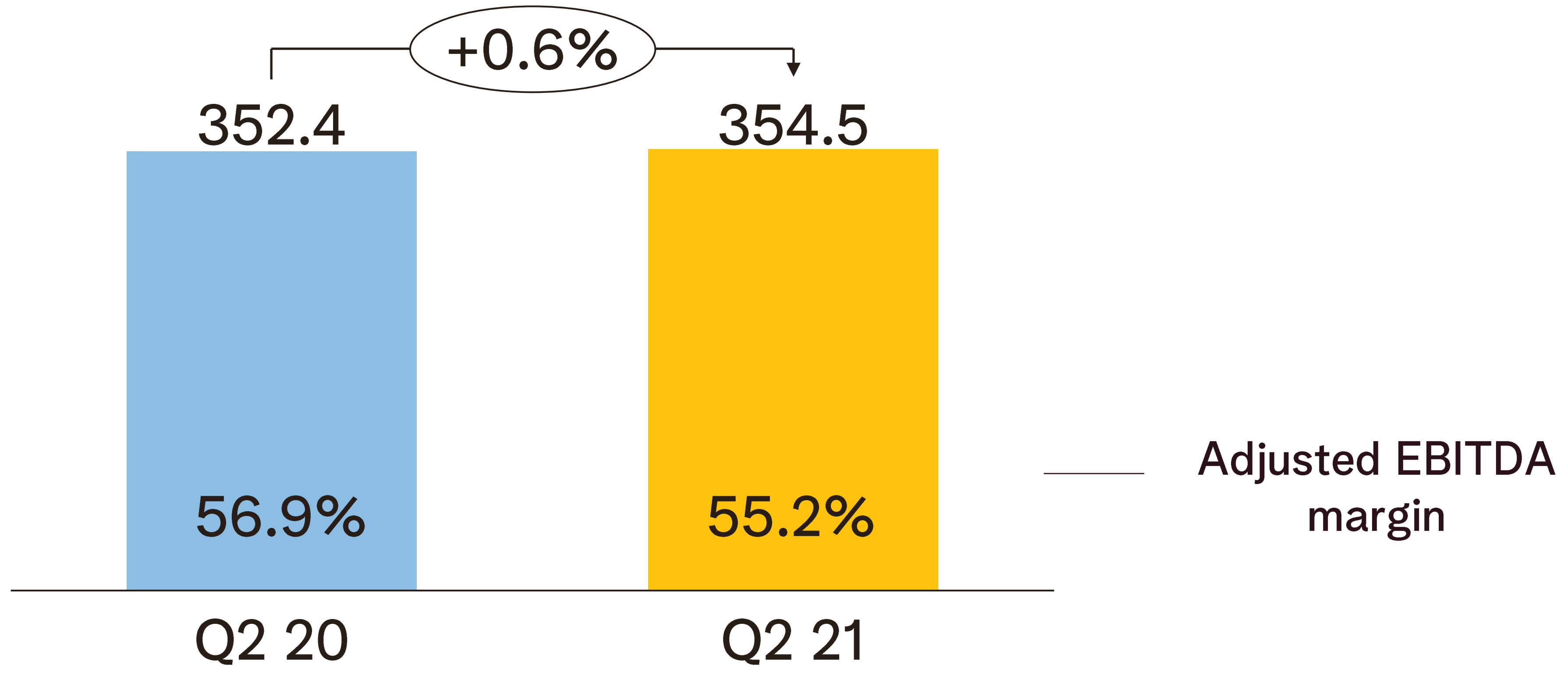


[1] *See Definitions section in the Appendix for additional disclosure*

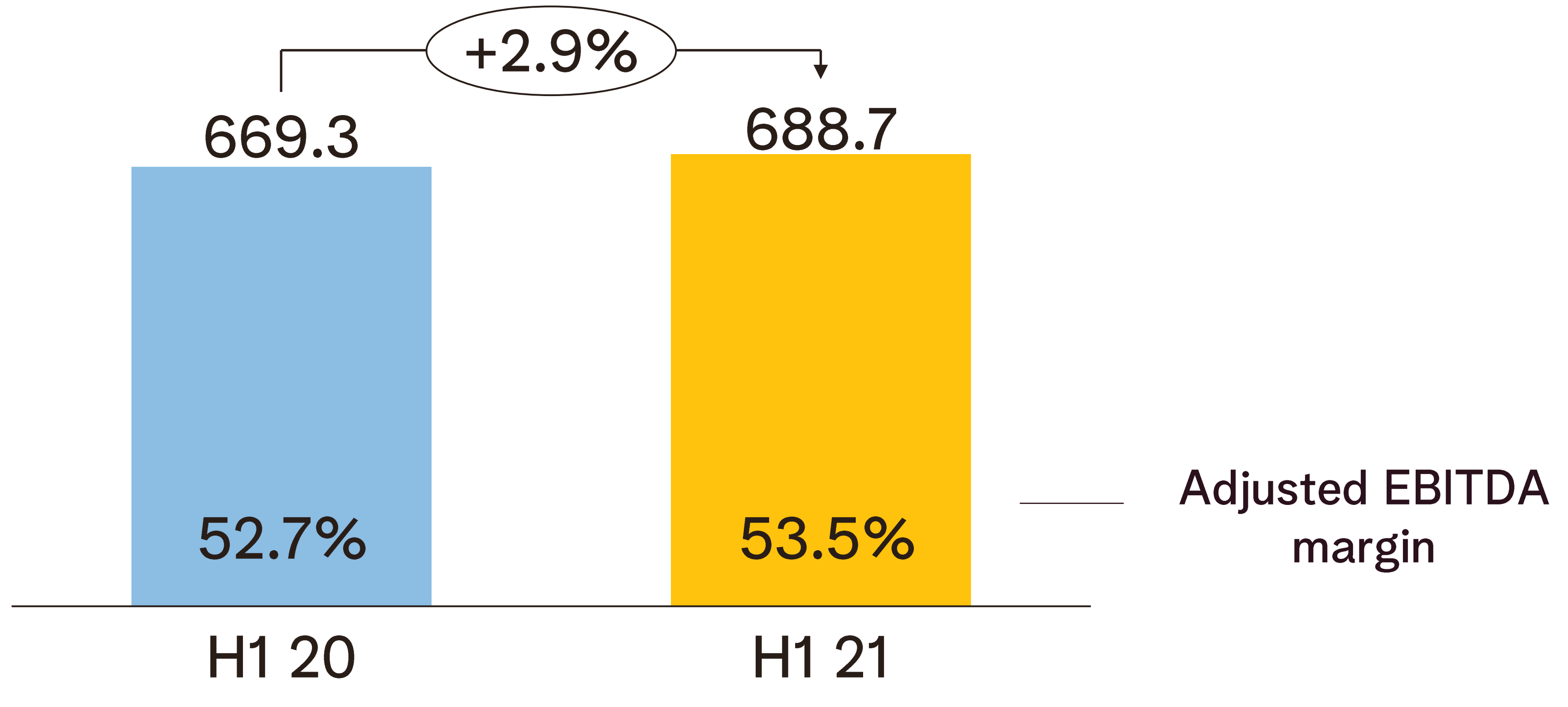
Q2 21 ADJUSTED EBITDA UP 2% YOY REBASED[1] TO €354.5 MILLION DESPITE A TOUGHER COMPARISON BASE COMPARED TO Q2 2020

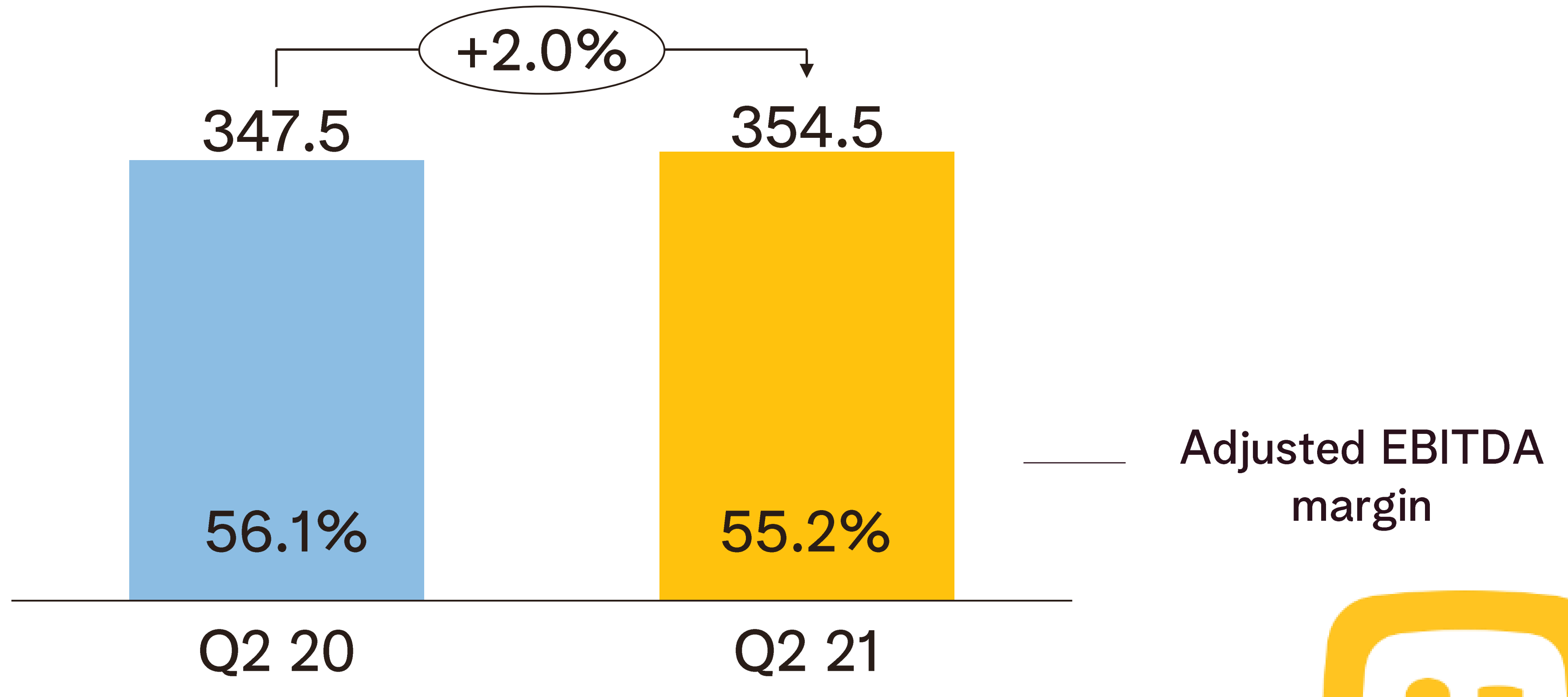
Reported Adjusted EBITDA[2] (€m)





Rebased Adjusted EBITDA[1,2] (€m)

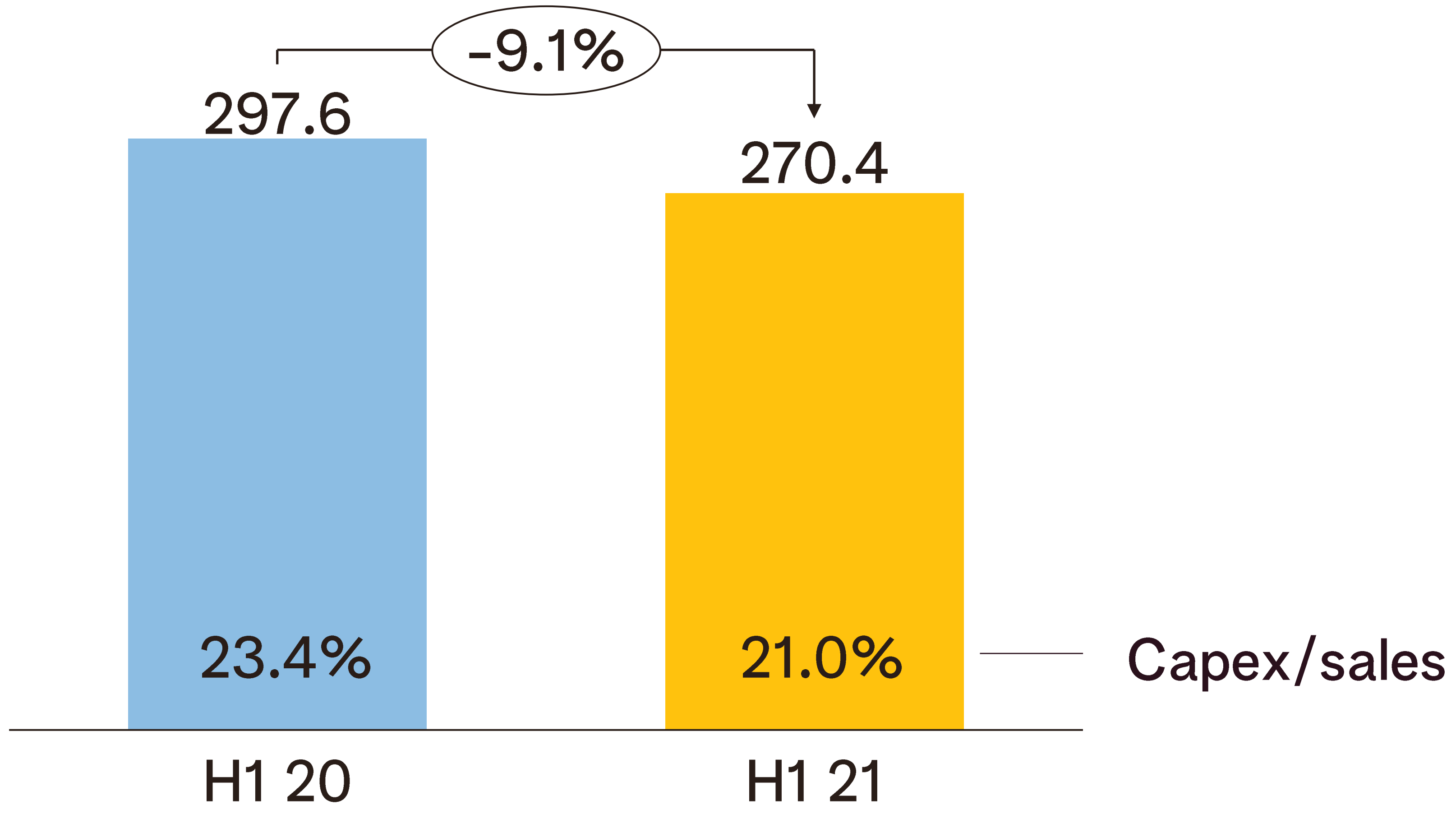




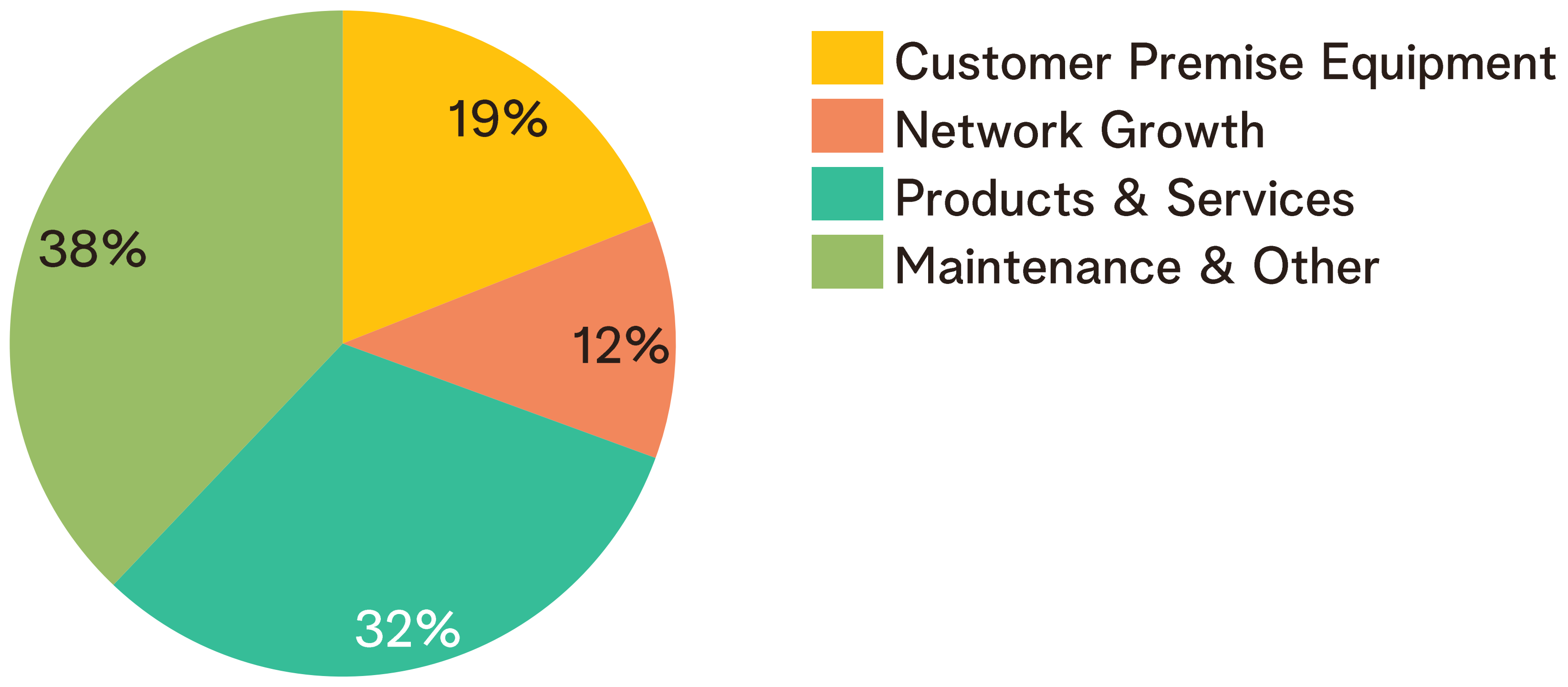
[1]See Definitions in Appendix for additional disclosure
[2] As of Q3 2020, our Adjusted EBITDA reflects changes to the IFRS accounting outcome of certain content-related costs for our premium entertainment packages and the Belgian football broadcasting rights, because of changes related to the underlying contracts

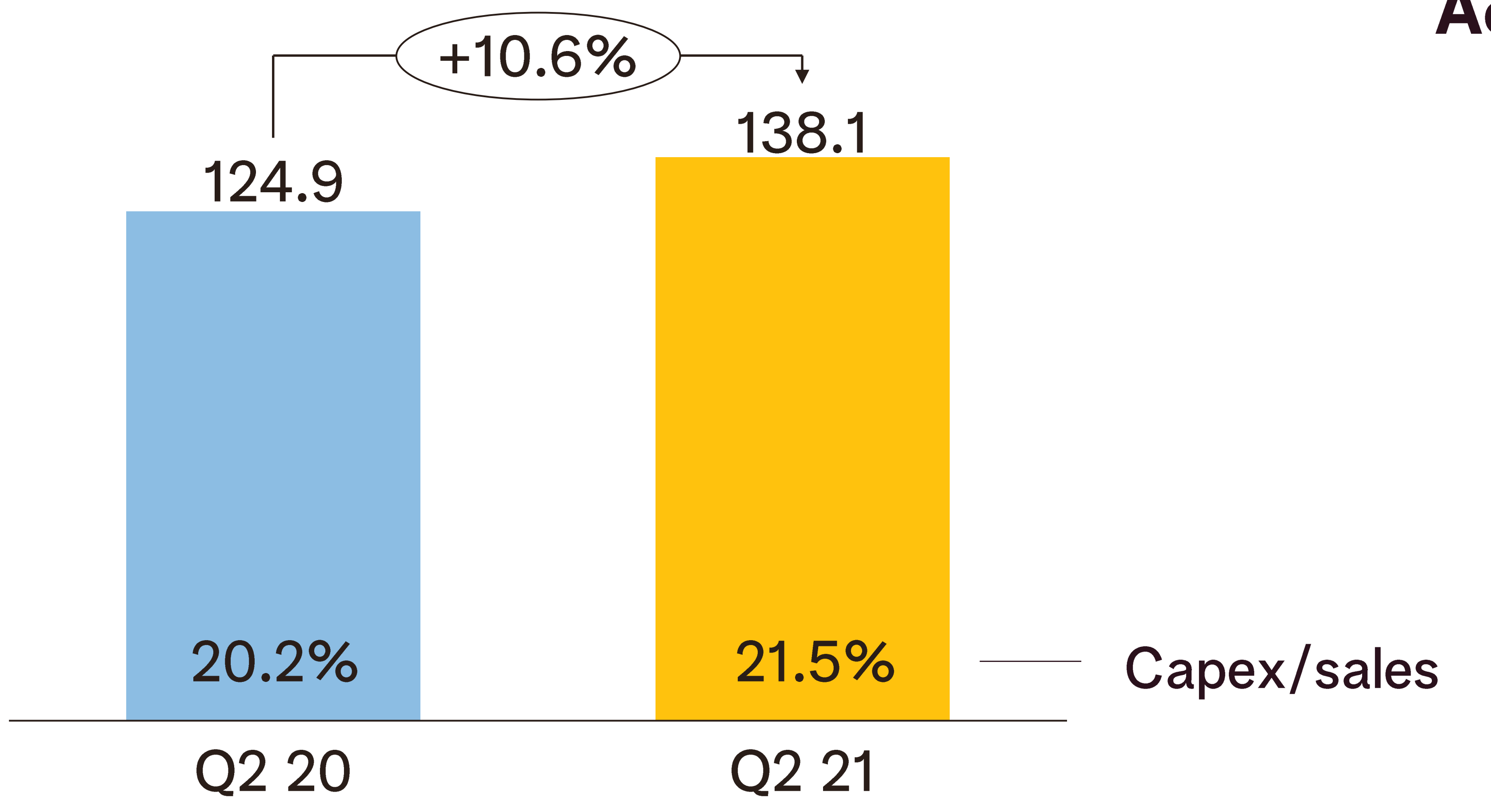
11% higher accrued capex[1,2,3] in Q2 21, equivalent to around 21% of revenue, up from last year's lows from the COVID-19 pandemic

Accrued capex[1,2,3] (€m)

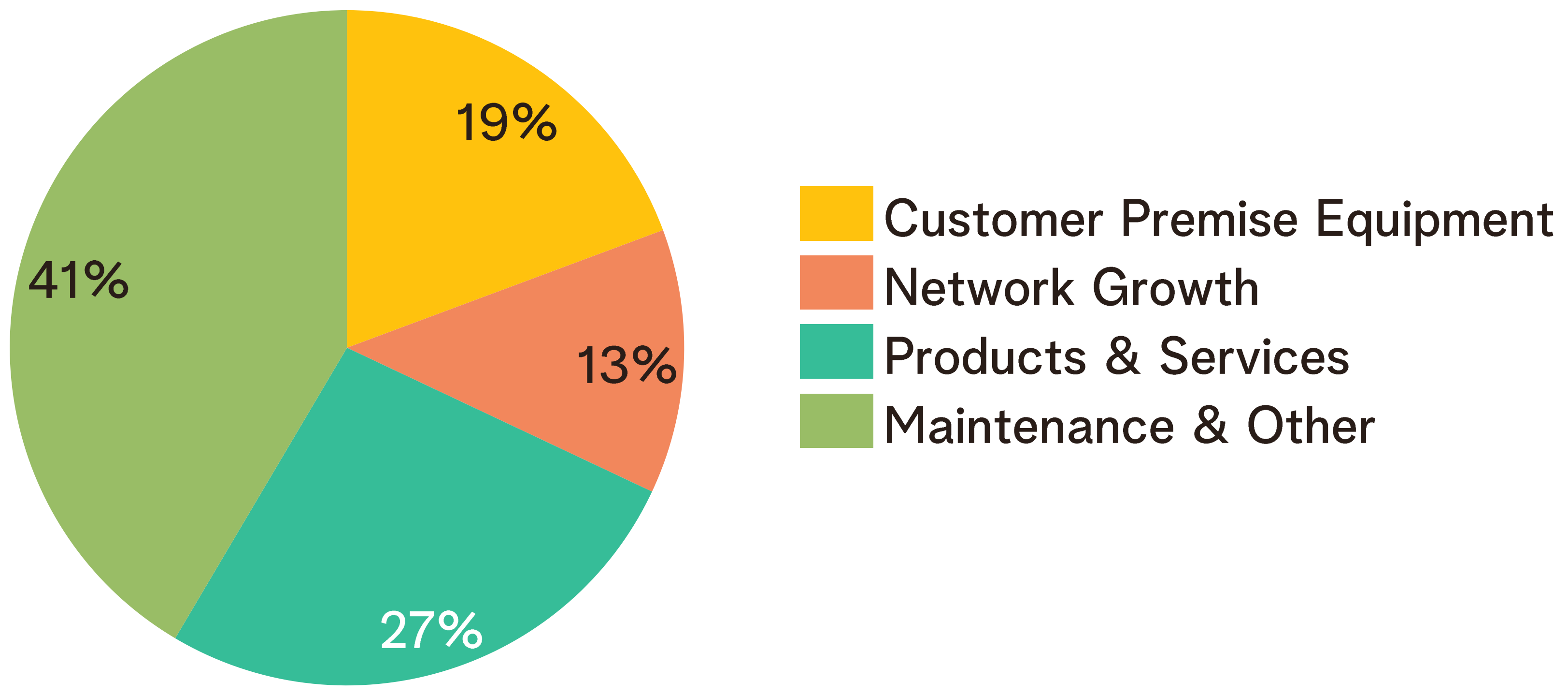


Accrued capex[1,2,3] per segment H1 21 (€m)





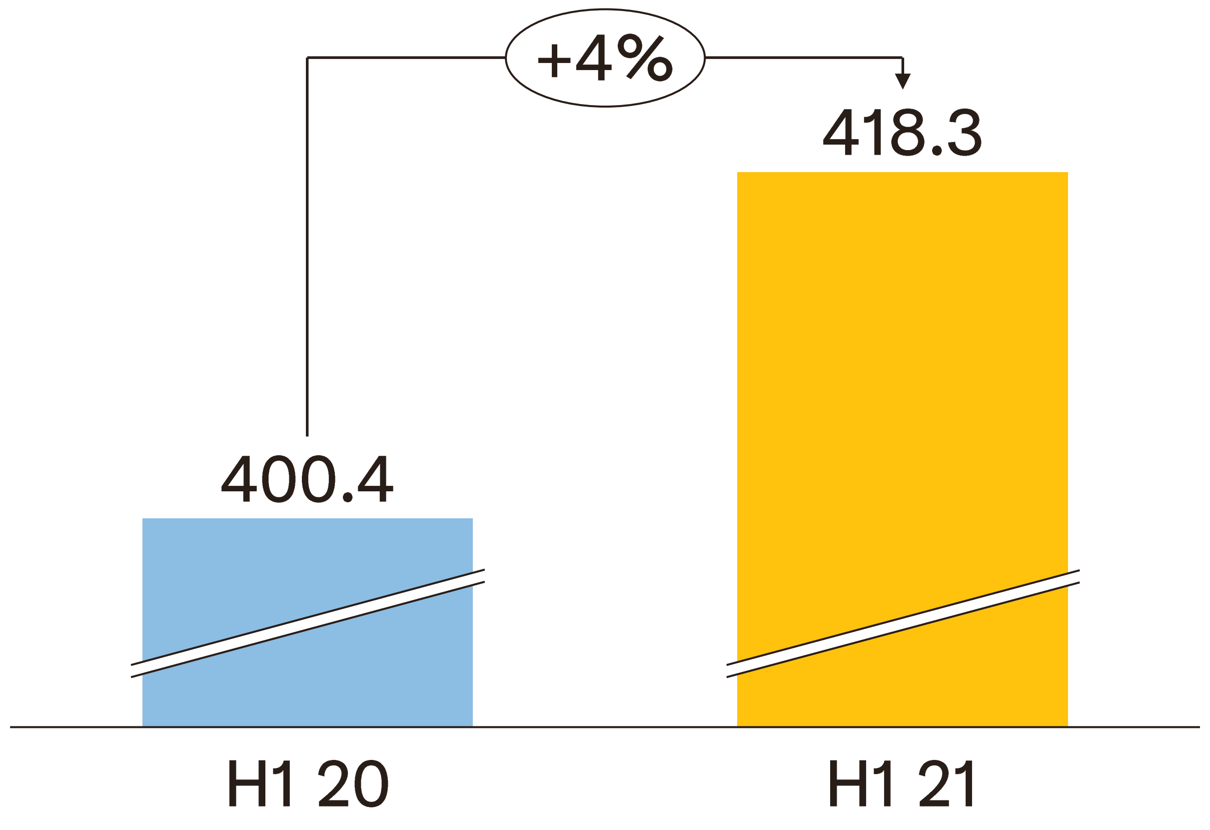
Accrued capex[1,2,3] per segment Q2 21 (€m)

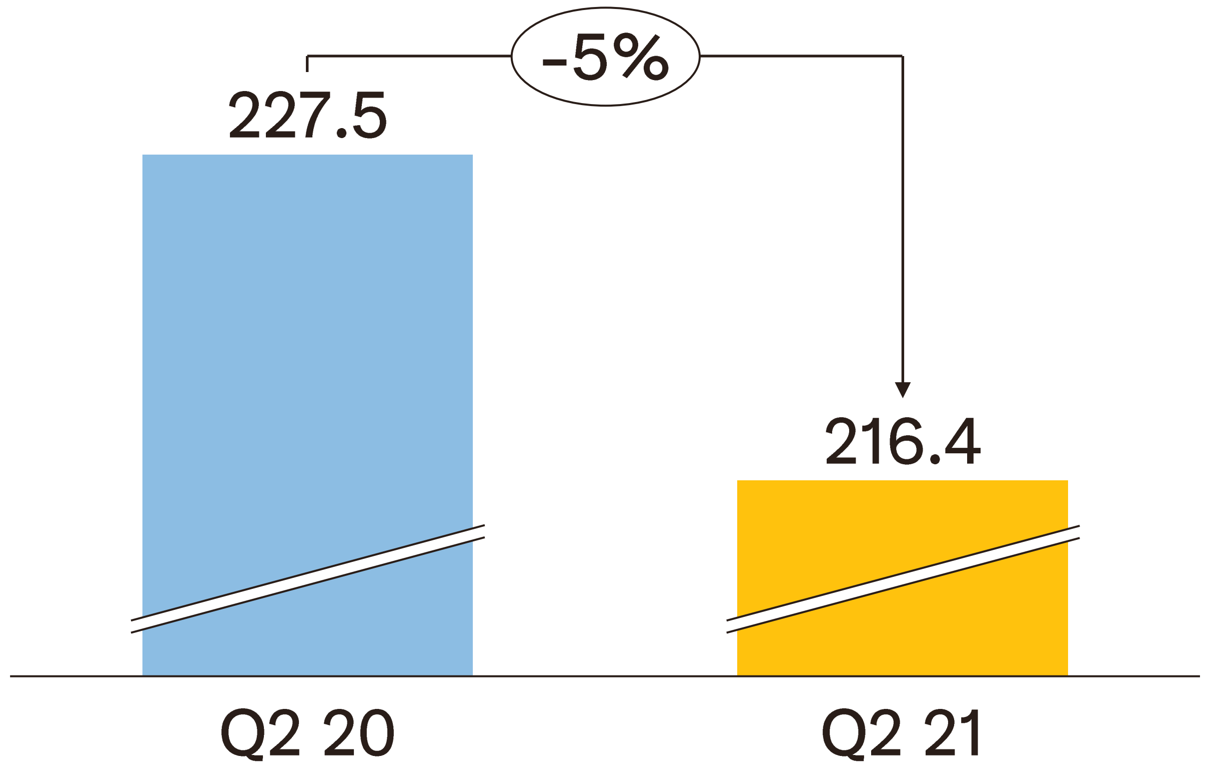


[1] The IFRS accounting outcome for certain content rights agreements related to both the Streamz BV joint venture and the Belgian football broadcasting rights has started to impact our capex profile as of the third quarter. Whilst both categories were previously recognized within our accrued capex, such costs will now be accounted for under our operating expenses (direct costs), hence impacting our Adjusted EBITDA performance.
[2] See Definitions in the Appendix for additional disclosure
[3] Excluding the recognition of football broadcasting rights and the temporary extension of both 2G and 3G mobile spectrum licenses

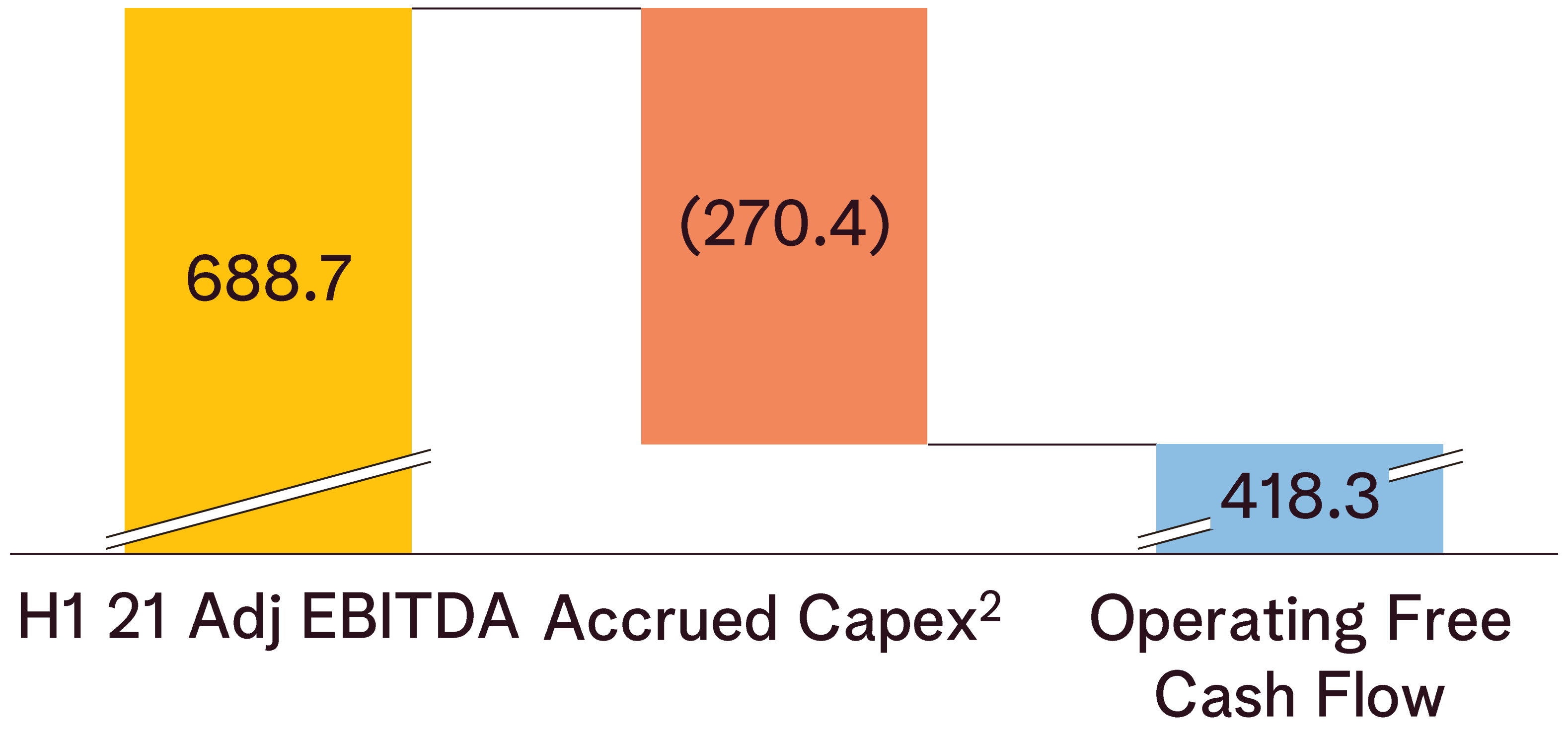
Q2 21 OPERATING FREE CASH FLOW[1,2] OF €216.4 MILLION, -5% YOY DUE TO HIGHER INVESTMENTS COMPARED TO Q2 2020

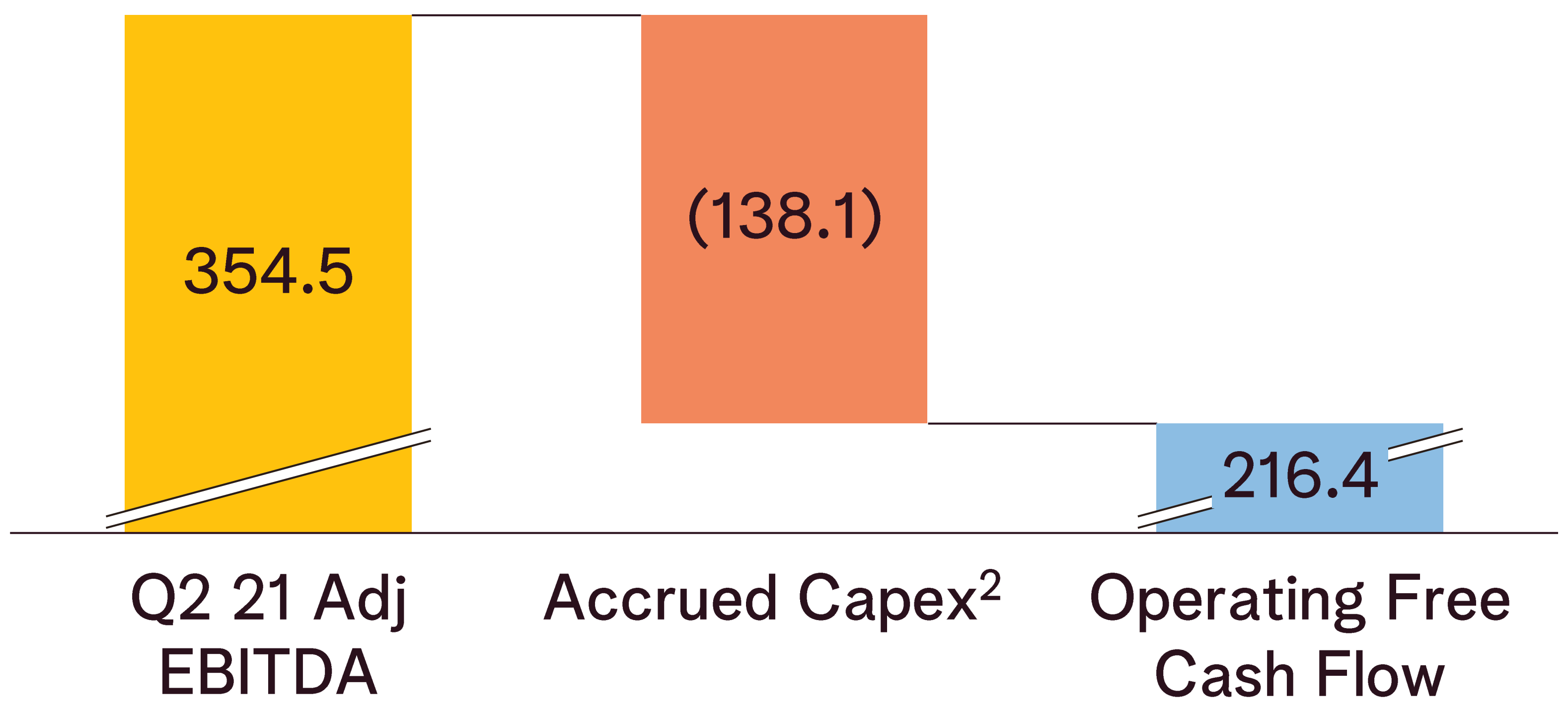
Operating Free Cash Flow[1] (€m)





Operating Free Cash Flow bridge[1] (€m)

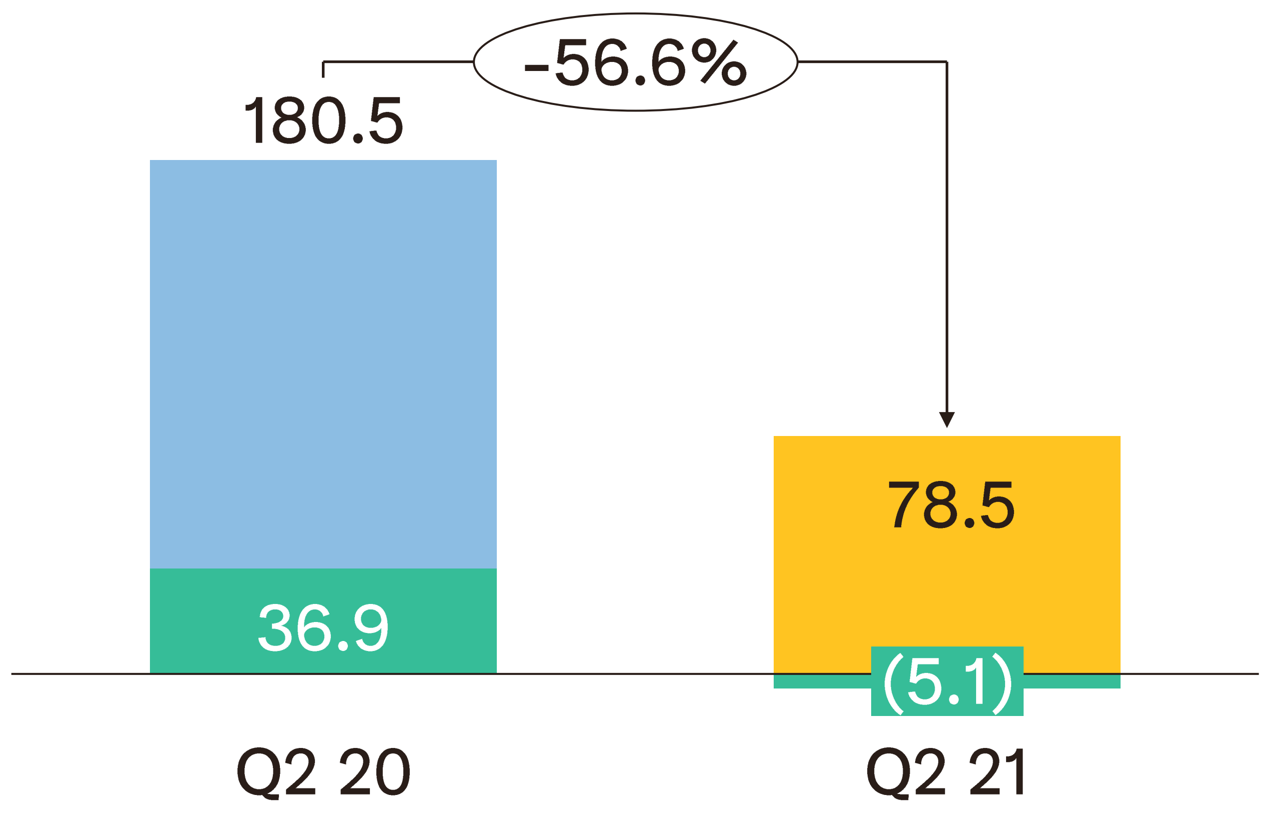




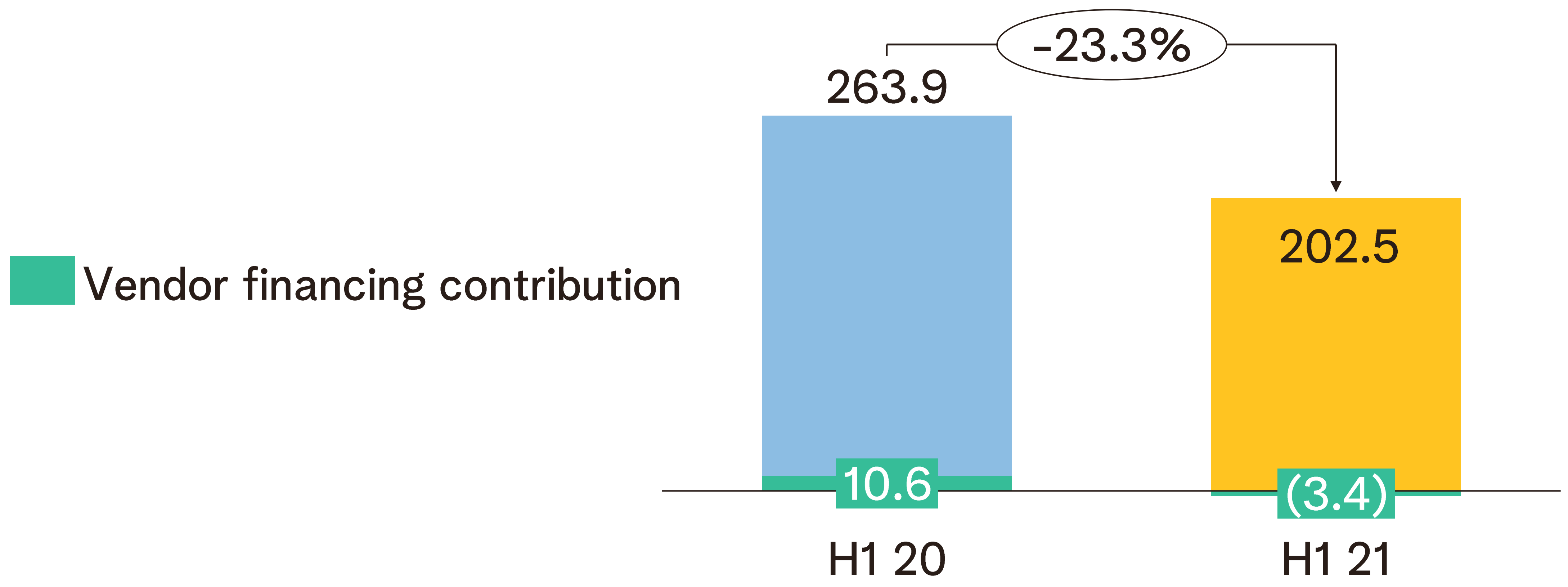
[1] *See Definitions in Appendix for additional disclosure*
[2] *Excluding the recognition of football broadcasting rights and the temporary extension of both 2G and 3G mobile spectrum licenses*

Q2 21 Adjusted Free Cash Flow[1] of €78.5 million, down 57% yoy, impacted by phased cash tax payment in Q2 21 versus Q3 last year and vendor financing headwinds

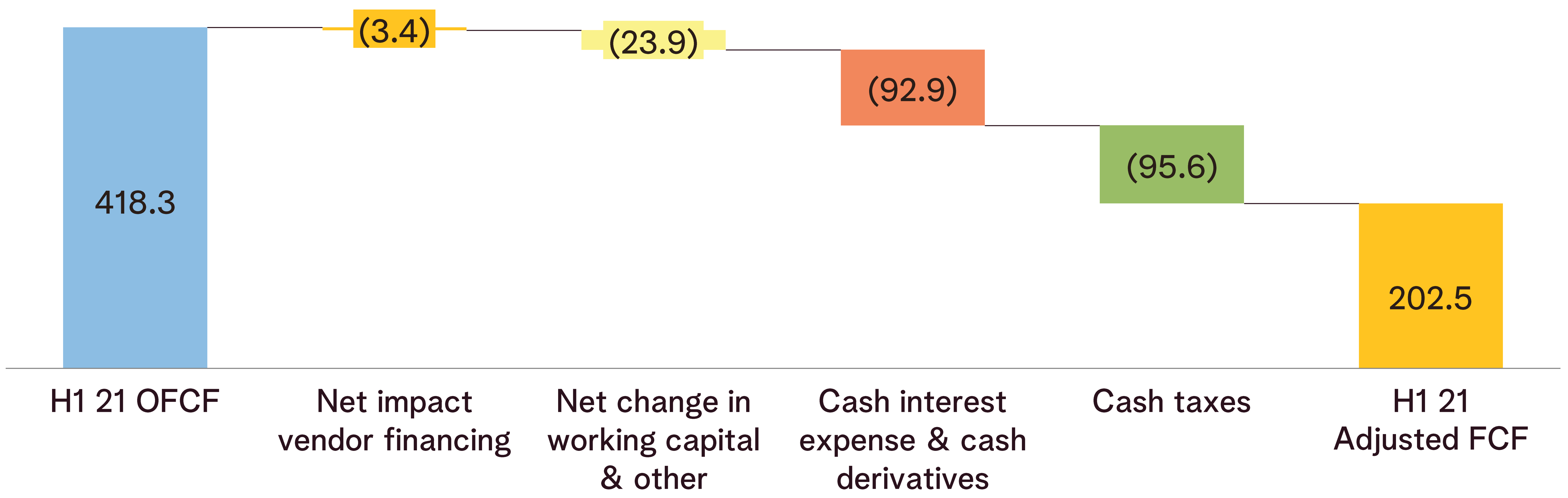
Q2 21 Adjusted Free Cash Flow[1] (€m)



H1 21 Adjusted Free Cash Flow[1] (€m)



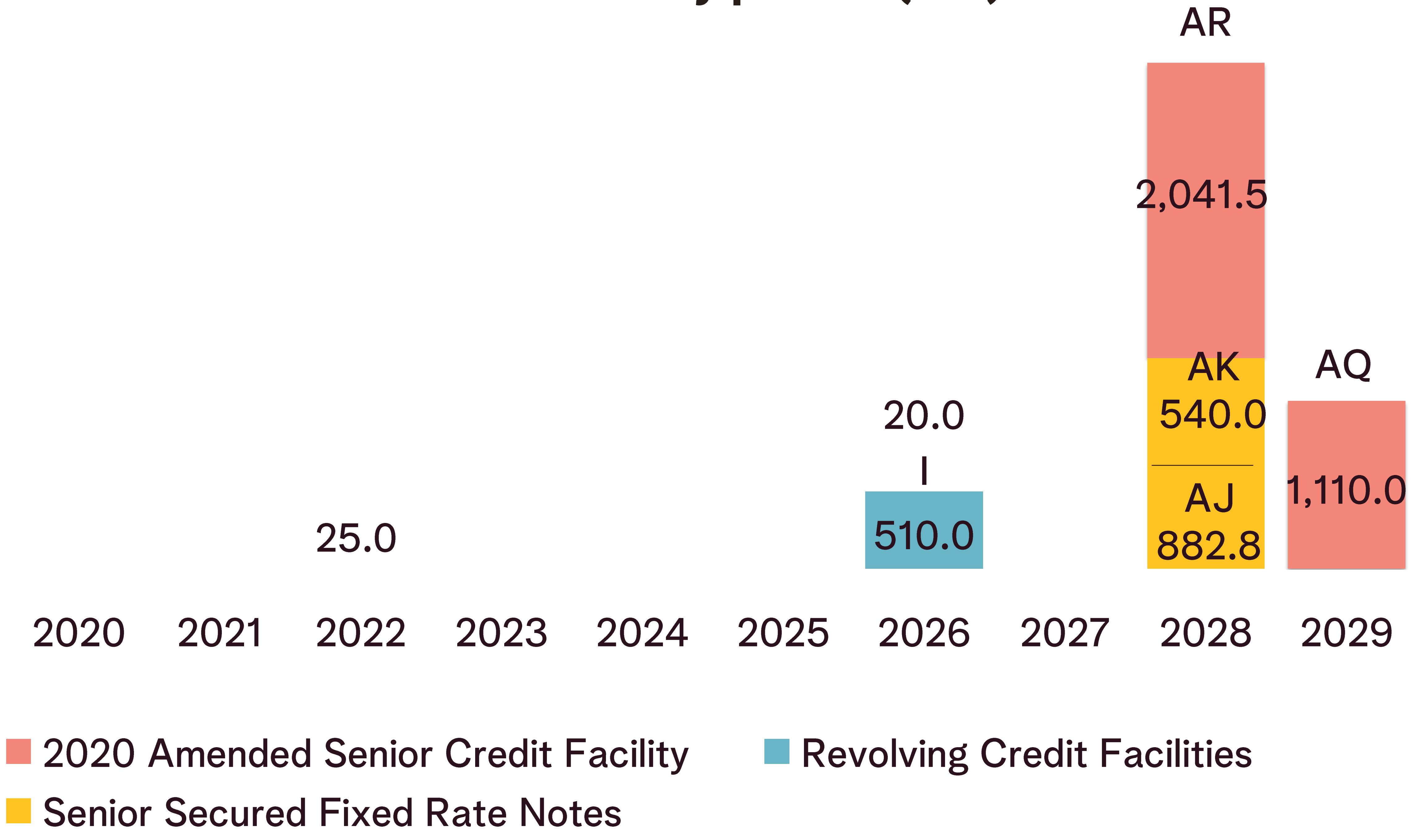
H1 21 Adjusted Free Cash Flow[1] conversion (€m)



[1] *See Definitions section in the Appendix for additional disclosure*

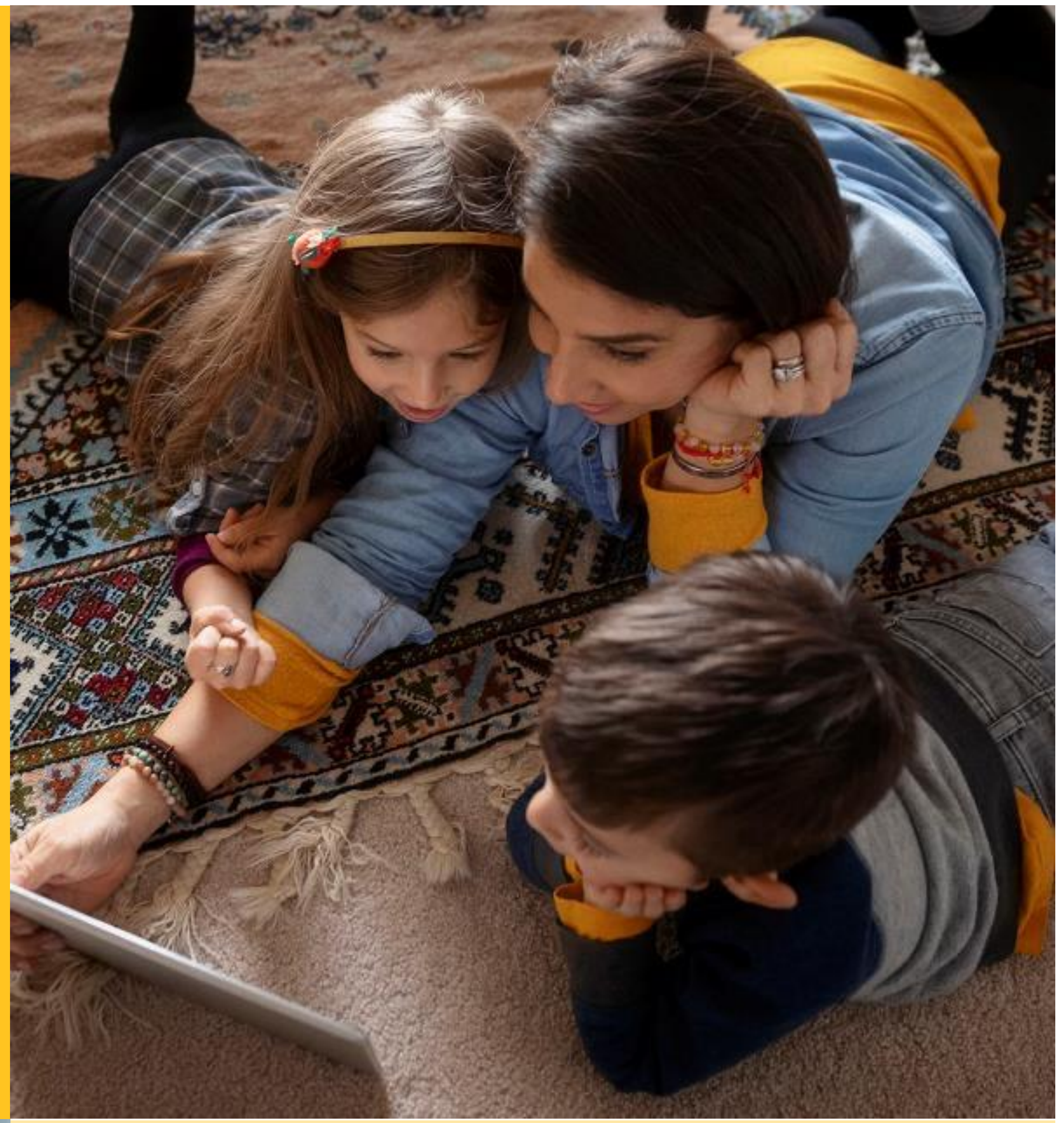
ROBUST DEBT[1] MATURITY PROFILE IN TERMS OF BOTH COST AND TENOR

Debt maturity profile[1] (€m)



7.0 year weighted average maturity

3.1% weighted average cost of debt



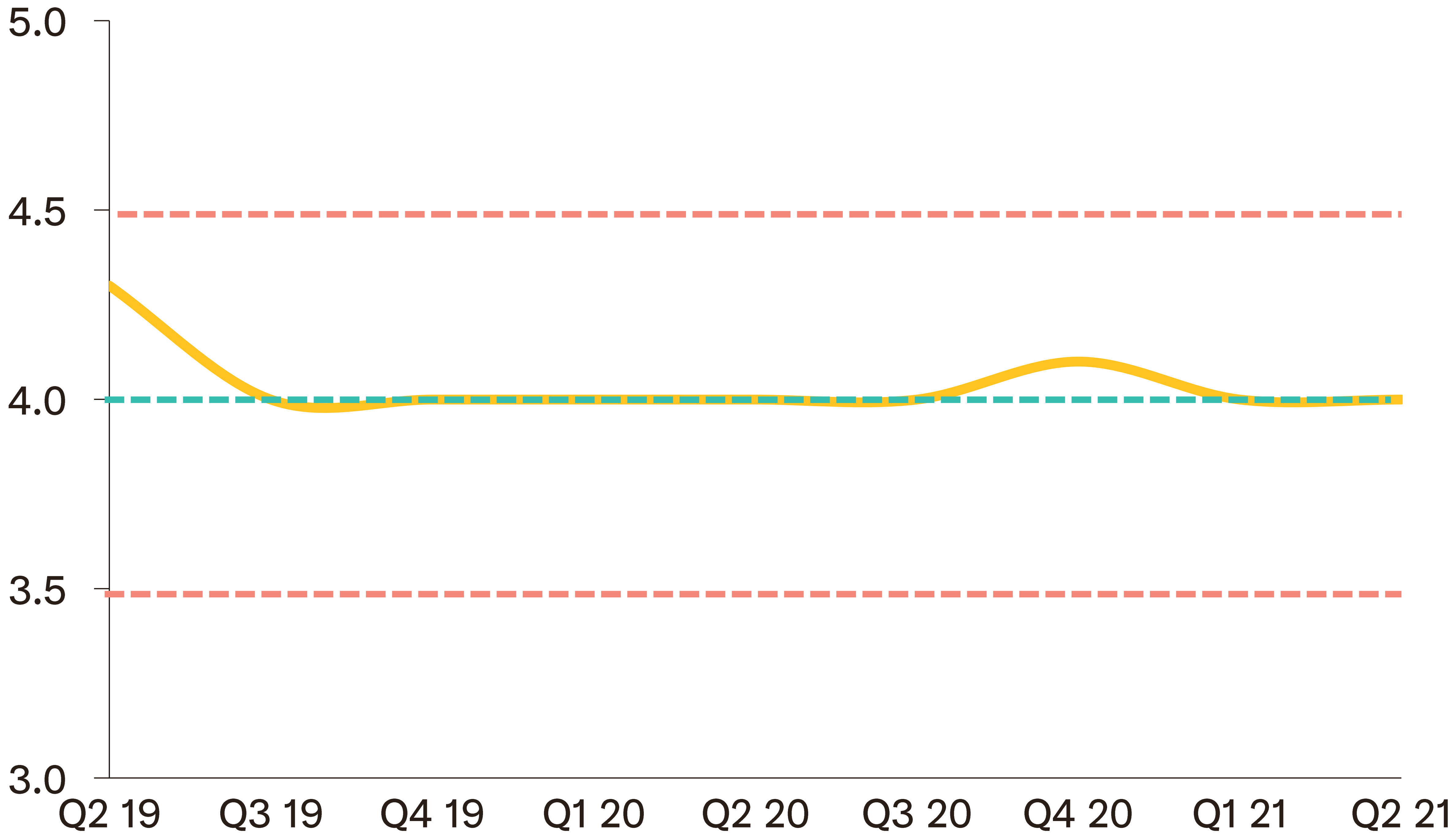
€649.9 million of untapped liquidity, including cash & cash equivalents

100% swapped into fixed rates

[1] *In the chart above, Telenet's USD-denominated debt has been converted into € using the June 30 2021, EUR/USD exchange rate. As Telenet has entered into several derivative transactions to hedge both the underlying floating interest rate and exchange risks, the €-equivalent hedged amounts were €2,041.5 million (USD 2,295.0 million Term Loan AR) and €882.8 million (USD 1.0 billion Senior Secured Notes due 2028), respectively. For the calculation of its net leverage ratio, Telenet uses the €-equivalent hedged amounts given the underlying economic risk exposure.*

NET TOTAL LEVERAGE STABLE AT 4.0X, REPRESENTING THE MIDPOINT OF OUR TARGET RANGE

Net total leverage ratio[1]



[1] *See Definitions section in the Appendix for additional disclosure*

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Adjusted Free Cash Flow[c,e]	€420.0 - 440.0 million	202.5 million

On track to deliver towards the lower end of our 2018-2021 Operating Free Cash Flow CAGR[e] of 6.5% to 8.0%

(a) For purposes of calculating rebased growth rates on a comparable basis for the periods shown above, we have adjusted our historical revenue and Adjusted EBITDA to reflect the impact of the following transactions to the same extent revenue and adjusted EBITDA related to these transactions is included in our current results: (i) exclude the revenue and Adjusted EBITDA of our former Luxembourg cable subsidiary Coditel S.à r.l. (deconsolidated as of April 1, 2020) and (ii) reflect changes related to the IFRS accounting outcome of certain content rights agreements entered into during the third quarter of 2020.

(b) Quantitative reconciliations to net profit (including net profit growth rates) and cash flows from operating activities for our Adjusted EBITDA, Operating Free Cash Flow and Adjusted Free Cash Flow guidance cannot be provided without unreasonable efforts as we do not forecast (i) certain non-cash charges including depreciation and amortization and impairment, restructuring and other operating items included in net profit, nor (ii) specific changes in working capital that impact cash flows from operating activities. The items we do not forecast may vary significantly from period to period.

(c) Excluding the recognition of the capitalized football broadcasting rights and mobile spectrum licenses and excluding the impact from certain lease-related capital additions on our accrued capital expenditures.

(d) Relative to our reported revenue for the full year 2020, our revenue growth for the full year 2021 would be equivalent to up to 1%.

(e) Assuming certain payments are made for the temporary prolongation of our current 2G and 3G mobile spectrum licenses in 2021, yet excluding payments on any future spectrum licenses as part of the upcoming multiband auction, and assuming the tax payment on our 2020 tax return will not occur until early 2022.

[1] *See Definitions section in the Appendix for additional disclosure*

Questions?

Thank You!

Appendix

RECONCILIATION REPORTED VERSUS REBASED FINANCIAL INFORMATION (UNAUDITED)

(€ in millions)	Reported					
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Revenue by nature						
Video	144.4	139.6	136.6	138.4	559.0	142.7
Broadband internet	160.2	163.3	164.9	166.5	654.9	168.4
Fixed-line telephony	56.8	57.0	56.2	55.2	225.2	55.3
Cable subscription revenue	**361.4**	**359.9**	**357.7**	**360.1**	**1,439.1**	**366.4**
Mobile telephony	113.6	109.4	114.8	113.4	451.2	111.7
Total subscription revenue	**475.0**	**469.3**	**472.5**	**473.5**	**1,890.3**	**478.1**
Business services	50.0	48.3	50.8	58.6	207.7	51.3
Other	128.0	101.6	114.6	133.0	477.2	116.5
Total Revenue	**653.0**	**619.2**	**637.9**	**665.1**	**2,575.2**	**645.9**
Operating expenses by Nature						
Network operating expenses	(54.3)	(46.4)	(49.1)	(48.4)	(198.2)	(57.7)
Direct costs (programming, copyrights, interconnect and other)	(130.3)	(112.2)	(127.0)	(144.9)	(514.4)	(128.6)
Staff-related expenses	(68.7)	(64.5)	(64.7)	(73.2)	(271.1)	(71.2)
Sales and marketing expenses	(21.2)	(18.8)	(23.2)	(32.4)	(95.6)	(19.3)
Outsourced labor and professional services	(9.5)	(4.8)	(6.8)	(7.3)	(28.4)	(7.1)
Other indirect expenses	(23.4)	(20.1)	(24.0)	(22.0)	(89.5)	(27.8)
Total operating expenses	**(307.4)**	**(266.8)**	**(294.8)**	**(328.2)**	**(1,197.2)**	**(311.7)**
Adjusted EBITDA	**345.6**	**352.4**	**343.1**	**336.9**	**1,378.0**	**334.2**
Adjusted EBITDA margin	**52.9 %**	**56.9 %**	**53.8 %**	**50.7 %**	**53.5 %**	**51.7 %**

(€ in millions)	(i) Divestment Coditel S.à r.l., (ii) Changes related to the IFRS accounting outcome of certain content rights agreements and (iii) Changes related to the revenue generated by Telenet's SME and LE business customers					
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Revenue by nature						
Video	(1.2)	—	—	—	(1.2)	—
Broadband internet	(0.2)	—	—	—	(0.2)	—
Fixed-line telephony	(0.2)	—	—	—	(0.2)	—
Cable subscription revenue	**(1.6)**	**—**	**—**	**—**	**(1.6)**	**—**
Mobile telephony	6.0	5.8	6.5	5.5	23.8	6.0
Total subscription revenue	**4.4**	**5.8**	**6.5**	**5.5**	**22.2**	**6.0**
Business services	(7.3)	(6.4)	(7.2)	(6.2)	(27.1)	(5.9)
Other	0.9	0.6	0.7	0.7	2.9	(0.1)
Total Revenue	**(2.0)**	**—**	**—**	**—**	**(2.0)**	**—**
Operating expenses by Nature						
Network operating expenses	(0.5)	—	—	—	(0.5)	—
Direct costs (programming, copyrights, interconnect and other)	(22.7)	(5.5)	(3.2)	—	(31.4)	—
Staff-related expenses	0.5	0.3	0.2	—	1.0	—
Sales and marketing expenses	1.1	0.3	0.2	—	1.6	—
Outsourced labor and professional services	—	—	—	—	—	—
Other indirect expenses	(0.2)	—	—	—	(0.2)	—
Total operating expenses	**(21.8)**	**(4.9)**	**(2.8)**	**—**	**(29.5)**	**—**
Adjusted EBITDA	**(23.8)**	**(4.9)**	**(2.8)**	**—**	**(31.5)**	**—**

IMPORTANT REPORTING CHANGES (1/2)

a. Inclusion of Small and Medium Sized ("SME") and Large Enterprise ("LE") business customers: As of Q2 2021, our postpaid and total mobile subscriber counts include our SME and LE business customers, which were previously not recorded in our SIM count. We have represented our consolidated subscriber counts as presented below and under 4. Consolidated interim operating statistics as of Q1 2020 in order to allow both investors and analysts to assess our operational performance on a like-for-like basis. Consequently, we have added 130,100, 132,600, 140,500, 146,100, 156,600 and 158,900 mobile postpaid subscribers to our subscriber count for the quarterly periods from Q1 2020 up to Q2 2021. As a result of the aforementioned change, the subscription and usage-related revenue generated by our SME and LE business customers is now being reported under our mobile telephony revenue (as opposed to business services revenue previously), while the interconnect revenue is now being recognized under other revenue (as opposed to business services revenue previously). We provide rebased year-on-year changes in order to allow both investors and analysts to assess our financial performance on a like-for-like basis and represented our Q1 2021 revenue accordingly.

b. Rebased growth: For purposes of calculating rebased growth rates on a comparable basis, we have adjusted our historical revenue and Adjusted EBITDA to reflect the impact of the following transactions, to the same extent revenue and Adjusted EBITDA related to these transactions is included in our current results: (i) exclude the revenue and Adjusted EBITDA of our former Luxembourg cable subsidiary Coditel S.à r.l. (deconsolidated as of April 1, 2020), (ii) reflect changes related to the IFRS accounting outcome of certain content rights agreements entered into during the third quarter of 2020 and (iii) reflect changes related to the subscription, usage-related and interconnect revenue generated by our Small & Medium Sized ("SME") and Large Enterprise ("LE") business customers as of Q2 2021 from business services revenue into mobile telephony and other revenue, respectively. See Definitions for more disclosures. For more information regarding the variance between our reported and rebased financial results, we refer to the Appendix in this press release.

IMPORTANT REPORTING CHANGES (2/2)

c) Accounting framework Streamz joint venture and Belgian football broadcasting rights: Mid-September 2020, we launched "Streamz": A unique streaming service of DPG Media and Telenet, in which we have a 50% shareholding. Consequently, neither the operational nor the financial results of the joint venture itself are consolidated into our accounts. However, as we offer both "Streamz" and "Streamz+" directly to customers through our digital TV platform, we will continue to include the number of premium entertainment customers to whom we directly serve. The revenue generated by these direct premium entertainment subscribers is unaffected and remains within our video subscription revenue, while the content-related costs are accounted for as direct costs (programming-related expenses) and hence impacting our Adjusted EBITDA. In August 2020, we signed a five-year agreement with Eleven Sports for the broadcasting of the Belgian football league. Unlike the previous contract, the cost of the new Belgian football contract will be accounted for as a direct cost (programming-related expenses) and hence impacting our Adjusted EBITDA. Both changes have started to impact our (operating) expenses and Adjusted EBITDA as of the third quarter of 2020. We provide rebased year-on-year changes in order to allow both investors and analysts to assess our financial performance on a like-for-like basis. For more information regarding the variance between our reported and rebased financial results, we refer to the Appendix in this press release.

d) Revenue allocation from Telenet's Small and Medium Sized ("SME") and Large Enterprise ("LE") business customers: As of Q2 2021, our postpaid and total mobile subscriber count includes our SME and LE business customers, which were previously not recorded in our SIM count. See 1. Operational highlights for additional information. As a result of the aforementioned change, the subscription and usage-related revenue generated by our SME and LE business customers will be reported under our mobile telephony revenue as of Q2 2021 (as opposed to business services revenue prior to Q2 2021), while the interconnect revenue will now be recognized under other revenue (as opposed to business services revenue prior to Q2 2021). We provide rebased year-on-year changes in order to allow both investors and analysts to assess our financial performance on a like-for-like basis.

DEFINITIONS (1/4)

a. Rebased information: For purposes of calculating rebased growth rates on a comparable basis, we have adjusted our historical revenue and Adjusted EBITDA to reflect the impact of the following transactions, to the same extent revenue and adjusted EBITDA related to these transactions is included in our current results: (i) exclude the revenue and Adjusted EBITDA of our former Luxembourg cable subsidiary Coditel S.à r.l. (deconsolidated as of April 1, 2020), (ii) reflect changes related to the IFRS accounting outcome of certain content rights agreements entered into during the third quarter of 2020 and (iii) reflect changes related to the subscription, usage-related and interconnect revenue generated by our Small & Medium Sized ("SME") and Large Enterprise ("LE") business customers as of Q2 2021 from business services revenue into mobile telephony and other revenue, respectively. We reflect the revenue and Adjusted EBITDA of acquired businesses in our historical amounts based on what we believe to be the most reliable information that is currently available to us (generally pre-acquisition financial statements), as adjusted for the estimated effects of (a) any significant differences between our accounting policies and those of the acquired entities, (b) any significant effects of acquisition accounting adjustments, and (c) other items we deem appropriate. We do not adjust pre-acquisition periods to eliminate nonrecurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As we did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that we have identified all adjustments necessary to present the revenue and Adjusted EBITDA of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in our historical results or that the pre-acquisition financial statements we have relied upon do not contain undetected errors. In addition, the rebased growth percentages are not necessarily indicative of the revenue and Adjusted EBITDA that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased amounts or the revenue and Adjusted EBITDA that will occur in the future. The rebased growth percentages have been presented as a basis for assessing growth rates on a comparable basis. Rebased growth is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and is an additional measure used by management to demonstrate the Company's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

b. EBITDA is defined as profit before net finance expense, the share of the result of equity accounted investees, income taxes, depreciation, amortization and impairment. Adjusted EBITDA is defined as EBITDA before stock-based compensation, measurement period adjustments related to business acquisitions and restructuring charges, and before operating charges or credits related to successful or unsuccessful acquisitions or divestitures. Operating charges or credits related to acquisitions or divestitures include (i) gains and losses on the disposition of long-lived assets, (ii) due diligence, legal, advisory and other third-party costs directly related to the Company's efforts to acquire or divest controlling interests in businesses, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Adjusted EBITDA is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and represents an additional measure used by management to demonstrate the Company's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

DEFINITIONS (2/4)

c. Accrued capital expenditures are defined as additions to property, equipment and intangible assets, including additions from capital leases and other financing arrangements, as reported in the Company's consolidated statement of financial position on an accrued basis.

d. Operating Free Cash Flow ("OFCF") is defined as Adjusted EBITDA minus accrued capital expenditures as reported in the Company's consolidated financial statements. Accrued capital expenditures exclude the recognition of football broadcasting rights and mobile spectrum licenses. Operating Free Cash Flow is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and represents an additional measure used by management to demonstrate the Company's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

e. Adjusted Free Cash Flow is defined as net cash provided by the Company's operating activities, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and divestitures and (ii) expenses financed by an intermediary, less (i) purchases of property and equipment and purchases of intangibles as reported in the Company's consolidated statement of cash flows, (ii) principal payments on amounts financed by vendors and intermediaries, (iii) principal payments on capital leases (exclusive of network-related leases that were assumed in acquisitions), and (iv) principal payments on post acquisition additions to network leases, each as reported in the Company's consolidated statement of cash flows. Adjusted Free Cash Flow is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and is an additional measure used by management to demonstrate the Company's ability to service debt and fund new investment opportunities and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

f. Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet's video service over the Combined Network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that Telenet uses to provide its enhanced service offerings. Telenet counts Revenue Generating Unites ("RGUs") on a unique premises basis. In other words, a subscriber with multiple outlets in one premise is counted as one RGU and a subscriber with two homes and a subscription to Telenet's video service at each home is counted as two RGUs.

g. Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet's video service over the Combined Network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives Telenet's video service in one premise is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As Telenet migrates customers from basic to enhanced video services, Telenet reports a decrease in its Basic Video Subscribers equal to the increase in Telenet's Enhanced Video Subscribers.

h. Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over the Combined Network.

i. Fixed-line Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives fixed-line voice services over the Combined Network. Fixed-line telephony Subscribers exclude mobile telephony subscribers

DEFINITIONS (3/4)

j. Telenet's mobile subscriber count represents the number of active subscriber identification module (“SIM”) cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from Telenet's mobile telephony subscriber counts after a 90-day inactivity period.

k. Customer Relationships are the number of customers who receive at least one of Telenet's video, internet or telephony services that Telenet counts as RGUs, without regard to which or to how many services they subscribe. Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives Telenet's services in two premises (e.g. a primary home and a vacation home), that individual generally will count as two Customer Relationships. Telenet excludes mobile-only customers from Customer Relationships.

l. Average Revenue Per Unit (“ARPU”) refers to the average monthly subscription revenue per average customer relationship and is calculated by dividing the average monthly subscription revenue (excluding mobile services, Business-to-Business ("B2B") services, interconnect, channel carriage fees, mobile handset sales and installation fees) for the indicated period, by the average of the opening and closing balances for customer relationships for the period.

m. Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to the Combined Network without materially extending the distribution plant. Telenet's Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results.

n. RGU is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Fixed-line Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer subscribed to Telenet's enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Fixed-line Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of Telenet's services in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or fixed-line telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g. VIP subscribers, free service to employees) generally are not counted as RGUs. Telenet does not include subscriptions to mobile services in its externally reported RGU counts.

o. Customer Churn represents the rate at which customers relinquish their subscriptions. The annual rolling average basis is calculated by dividing the number of disconnects during the preceding 12 months by the average number of customer relationships. For the purpose of computing churn, a disconnect is deemed to have occurred if the customer no longer receives any level of service from Telenet and is required to return Telenet's equipment. A partial product downgrade, typically used to encourage customers to pay an outstanding bill and avoid complete service disconnection is not considered to be disconnected for purposes of Telenet's churn calculations. Customers who move within Telenet's cable footprint and upgrades and downgrades between services are also excluded from the disconnect figures used in the churn calculation.

DEFINITIONS (4/4)

p. Net total leverage is defined as the sum of loans and borrowings under current and non-current liabilities minus cash and cash equivalents ("Net Total Debt"), as recorded in the Company's statement of financial position, divided by the last two quarters' Consolidated Annualized Adjusted EBITDA. In its statement of financial position, Telenet's USD-denominated debt has been converted into € using the March 31, 2021 EUR/USD exchange rate. As Telenet has entered into several derivative transactions to hedge both the underlying floating interest rate and exchange risks, the €-equivalent hedged amounts were €2,041.5 million (USD 2,295.0 million Term Loan AR) and €882.8 million (USD 1.0 billion Senior Secured Notes due 2028), respectively. For the calculation of its net leverage ratio, Telenet uses the €-equivalent hedged amounts given the underlying economic risk exposure. Net total leverage is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G.

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