Investor & Analyst presentation

Q2 2022 Results

28 July 2022

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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 and performance, including revenue, Adjusted Free Cash Flow, Adjusted EBITDA, rebased Adjusted EBTIDAaL and Adjusted EBITDA less property & equipment additions, as well as our financial guidance; future growth prospects; strategies; product, network and technology launches and capabilities and expansion; the strength of our and our affiliates' respective balance sheets (including cash and liquidity position), tenor of our third-party debt, anticipated borrowing capacity; the anticipated endeavors, growth and financial performance of the NetCo creation between Telenet and Fluvius, including the timing, costs and benefits to be derived therefrom; any dividends to be paid to shareholders; the anticipated continued expansion of our 5G network, including the timing, costs and benefits to be derived therefrom; the costs and benefits to be realized as a result of the company's sale of its mobile tower infrastructure to DigitalBridge; and the anticipated impact of acquisitions on our combined operations and financial performance, each of 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 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; 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, Adjusted EBITDAaL, Adjusted EBITDA less property & equipment additions (previously referred to as 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.

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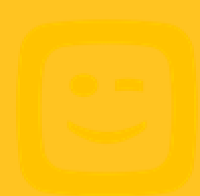
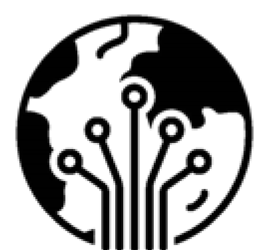
Strategic Highlights



Binding agreement with Fluvius: the fundamentals

NetCo



Creation of a Highly Valuable Digital Infrastructure Company ("NetCo"), Attractive to External Infrastructure and Strategic Investors

- Market-leading network penetration of close to 60% with further growth potential
- NetCo aims to provide speeds of 10 Gbps over time through a mixture of fiber ("FTTH") and HFC technologies, for which there is a clear roadmap

Future Proof Network Investment Program, with flexibility to optimize CAPEX spend (DOCSIS 4.0, wholebuy) to deliver returns

- Gradual evolution of HFC network into FTTH across 78% of the footprint, resulting in meaningfully lower long-term operating costs vs. HFC
- Fully self-funded investment plan of up to maximum €2.0 billion[1], supported by (i) NetCo's FCF generation, (ii) proceeds from sale of tower portfolio and (iii) sustainable reset dividend level

Open Access Network Model Attractive to New Tenants

- Open wholesale access to Telenet and other operators on non-discriminatory conditions

Conversion of the Fluvius 'erfpacht' Lease Due to Terminate in 2046 on ~1/3rd of the Network to Long-Term Ownership Economics with IRR materially higher than WACC

- Creation of a clean NetCo structure, replacing the expensive and rigid long-term lease agreement that presented terminal value uncertainty from 2046 across ~1/3rd of the network
- Elimination of Fluvius lease with a balance sheet value of ~€0.5 billion today, which would have grown to ~€1.2 billion under our planned investment program

Clear Organic Value Creation Plan for Telenet[1] and NetCo

- NetCo to benefit from higher margin and cash conversion due to improved economics of fiber vs. HFC and additional wholesale tenants
- Fiber investment fundamental to drive long-term top line growth for NetCo and Telenet overall

Sustainable Leverage and Remuneration Policy During Roll-out, With Significant Cashflow Upside Beyond

- Reduction in consolidated net total leverage by 0.4x following the termination of the 'erfpacht' at closing
- Peak consolidated net total leverage to remain comfortably below 4.0x through the investment program
- Reset dividend per share floor to €1.0 (gross) per share, with scope for material increases post roll-out and additional shareholder returns in case of a partial NetCo stake sale and/or optimization of CAPEX

[1] *Excluding termination-related capital expenditures*
[2] *"Telenet" refers to current consumer, B2B and media operations*

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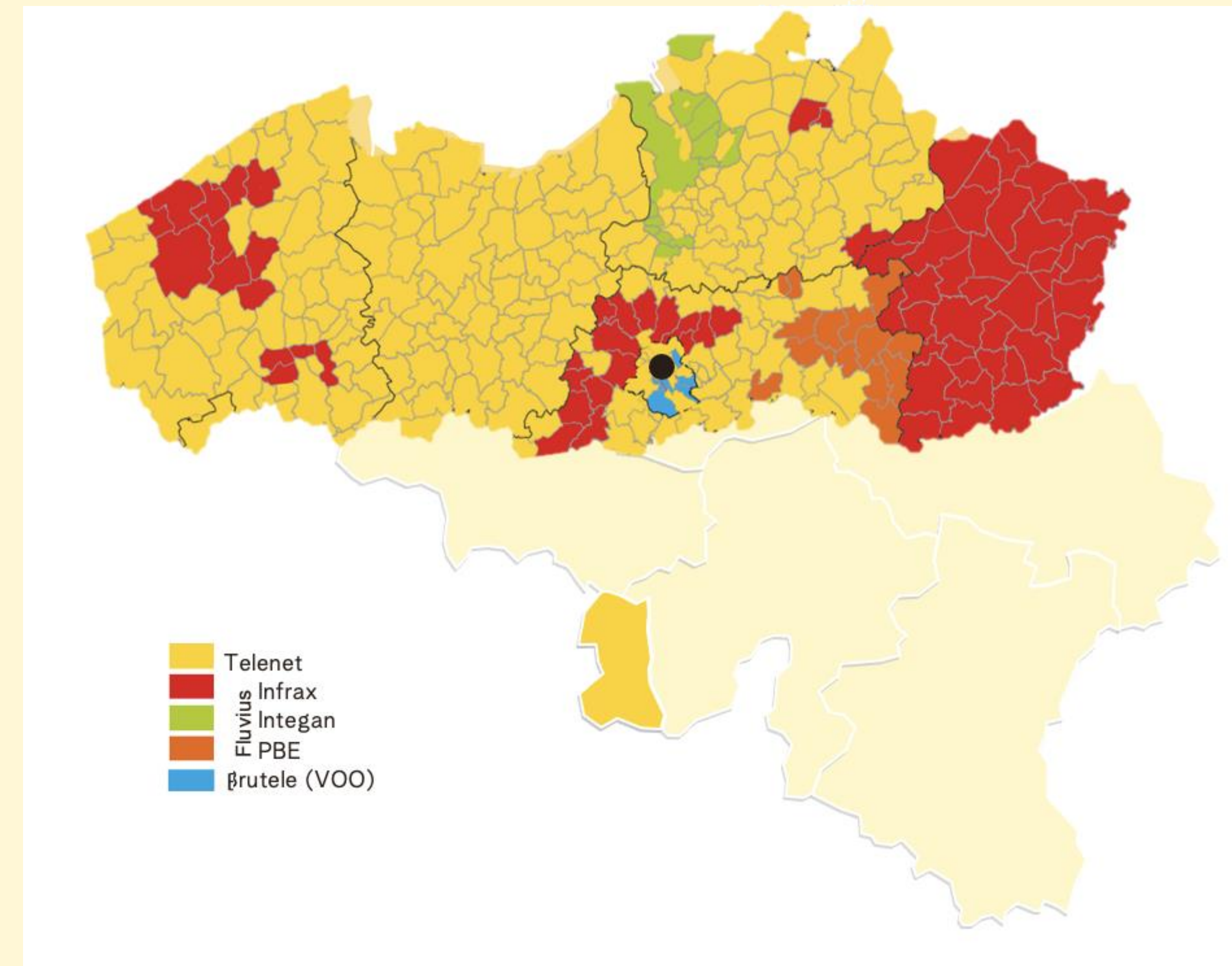
Telenet has had a long-term partnership with Fluvius through a network lease across ~1/3rd of Flanders since 1996

- Fluvius is the largest utility company in Flanders
  - Regroups 11 Flemish municipal utility companies
  - 3.6m access points for electricity, 2.3m for gas, 1.1m for cable services, 0.6m for sewerage and 1.2m public lights pointes
- Solid financials and credit rating
  - €3.8bn operating revenue and €0.6bn of net cash flow in FY 2021
  - Rated A3 by Moody's
- Fluvius owns the HFC network in around one third of Flanders, covering 103 municipalities
- Long-standing partnership with Telenet since 1996: commercial operations on Fluvius's cable network run by Telenet through long-term emphyteutic lease agreement ("erfpacht") until 2046
  - Telenet has a further legacy contract with Fluvius through the clientele and annuity fee
- Telenet & Fluvius started talks in June 2020 for the roll-out of FTTH technology

Telenet utilizes the Fluvius network in around one-third of Flanders through a long-term lease agreement until 2046



The “erfpacht” required Telenet to pay for all network costs with a mark-up, resulting in the return of the network to Fluvius in ‘46

Contract Scope		▪ **Commercial operations on the Fluvius network run by Telenet based on two long-term contracts** — The Annuity and Clientele fees: in 1996, Telenet acquired the rights to partly use the capacity of the broadband network owned and controlled by the Pure Intercommunales (“PICs”). In return for this access, Telenet paid Clientele and Annuity Fees — The 2008 (“erfpacht”) Canon Lease: upon completion of the Interkabel acquisition in 2008 Telenet obtained the control over Fluvius network through the Canon Lease Agreement
2008 (“erfpacht”) Canon Lease Economics	**OPEX Fee**	▪ **Telenet currently pays around €28 million per annum as an overhead cost reimbursement to Fluvius, accounted for as OPEX**
	CAPEX Fee	▪ **The annual cash flows paid to Fluvius are largely accounted for below Adjusted EBITDA** ▪ 16.5% mark-up on Fluvius network CAPEX
	Interest	▪ Fluvius pre-funding of network investments, paid back by Telenet over 15 years, and recognized as cash amortisation of the lease liability ▪ Telenet also pays 6.25% interest paid on non-amortized investments
1996 (Clientele/ Annuity) Fees		▪ Treated as an amortising fixed income instrument with maturity in 2046 ▪ Coupon payments at a c. 7.2% (clientele) and c. 4.3% (annuity) interest rate
Contract Term		▪ Legal right for Fluvius to take back ownership of the network in 2046

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The impact of the lease on our financial statements was primarily incurred below Adjusted EBITDA, yet fully recorded in our Adjusted Free Cash Flow

IFRS (€m)	2019A	2020A	2021A
Income Statement			
Opex	(28)	(28)	(28)
EBITDA	**(28)**	**(28)**	**(28)**
D&A	(42)	(43)	(45)
Financial Expense	(34)	(33)	(32)
Total Income Statement Impact	**(104)**	**(104)**	**(105)**
Cash Flow			
Opex	(28)	(28)	(28)
EBITDA	**(28)**	**(28)**	**(28)**
Financial Expense	(31)	(31)	(31)
Canon Lease Amortisation/Clientele/Annuity Fee Repayment	(42)	(44)	(46)
Total Cash Flow Impact	**(100)**	**(103)**	**(105)**
Balance Sheet			
Canon Lease Liability	397	382	368
Clientele/Annuity Fee Liability	130	127	126
Total Debt-Like Financial Liability	**528**	**509**	**494**
Leverage	*0.4x*	*0.4x*	*0.4x*

- While the balance sheet impact today was ~€0.5 billion, under our next-generation network investment program, the long-term lease agreement would have grown to around €1.2 billion in size, significantly constraining our balance sheet
- Furthermore, Telenet would have had to return the network to Fluvius in 2046

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NetCo partnership with Fluvius eliminates the complexities of the 'erfpacht', creating a highly valuable digital infra business

1. Successfully eliminated the complexity, high cost and terminal value overhang of the 'erfpacht'
2. Creates additional balance sheet capacity for future investment and shareholder returns
3. Gigabit speed network today with future-proof plan to reach 10 gigabit per second speeds
4. Unique fixed infrastructure asset with network penetration already at close to 60%
5. Highly attractive financial profile – 76% Adjusted EBITDA margin, 10% long-term CAPEX intensity run-rate
6. Multi-tenant wholesale customer base with potential to add further tenants
7. Plans to upgrade 78% of current footprint in Flanders to FTTH by 2038, while keeping flexibility to optimize CAPEX (DOCSIS 4.0, wholebuy) to deliver incremental returns
8. Retain flexibility to sell a further stake in the NetCo to an infra investor and/or a strategic partner

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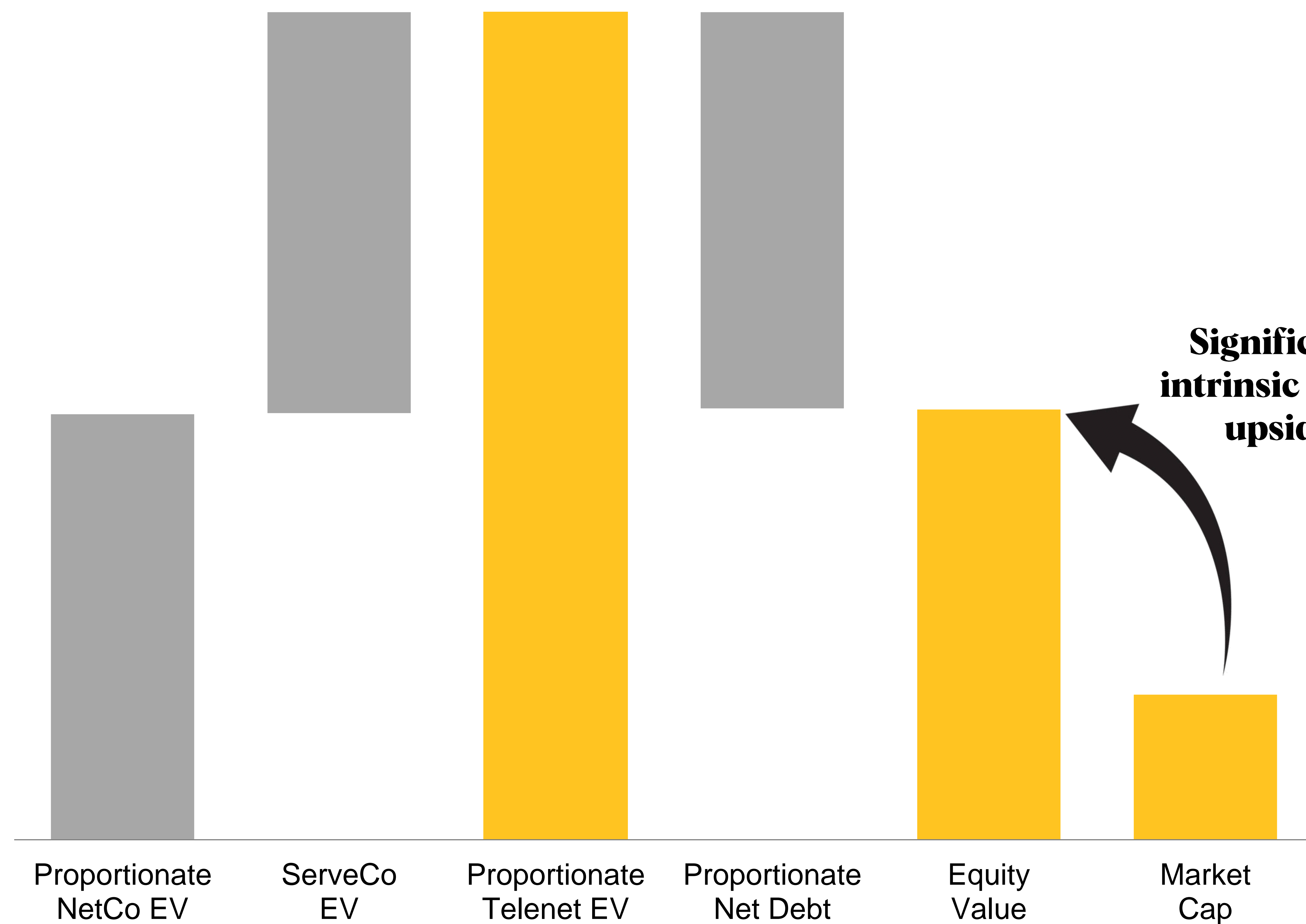
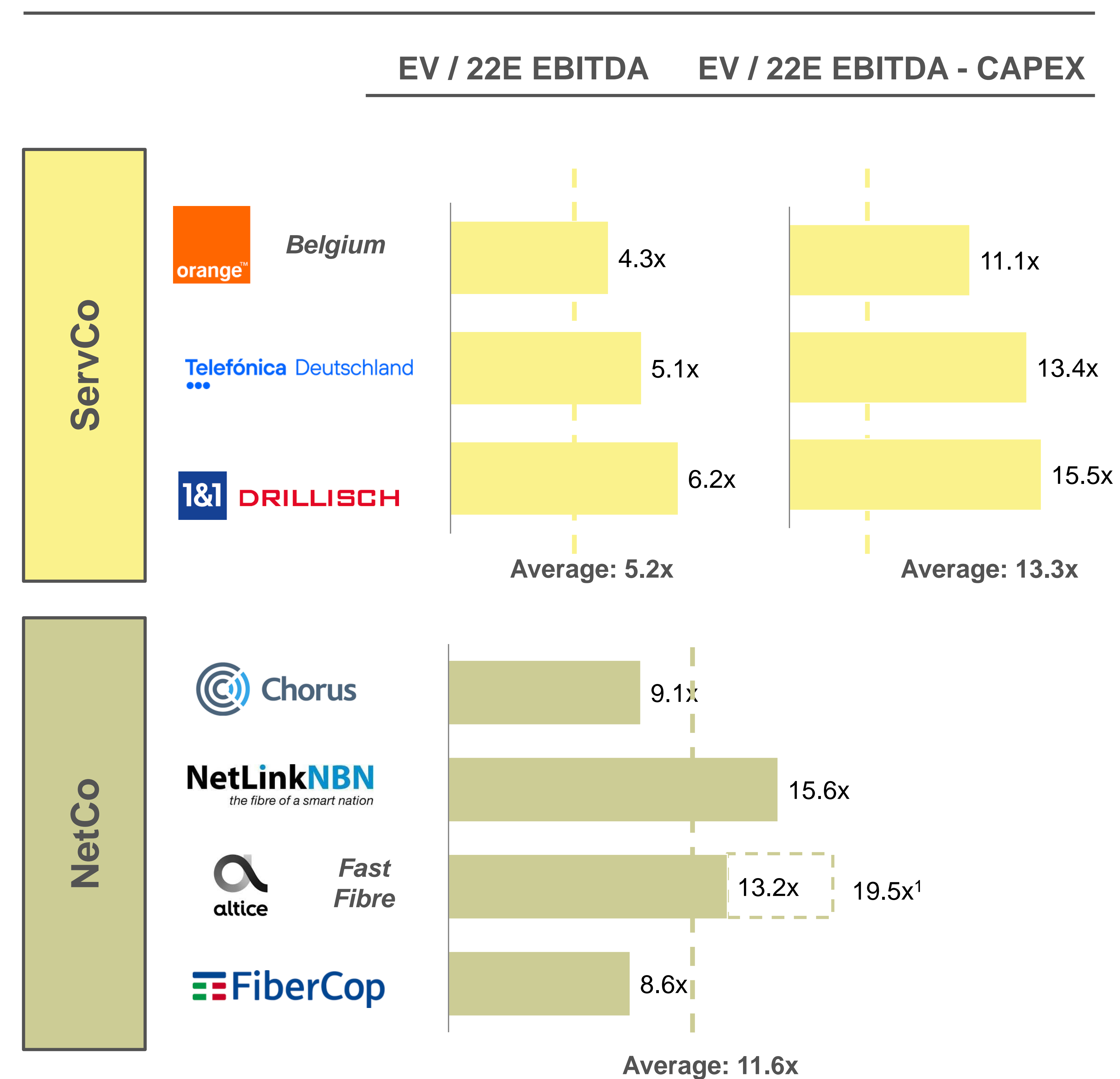
An infrastructure-like valuation for NetCo implies substantial intrinsic value upside for Telenet





Note: Based on Pre-IFRS 16 metrics
Source: CapIQ, Broker Research, Public Company Fillings

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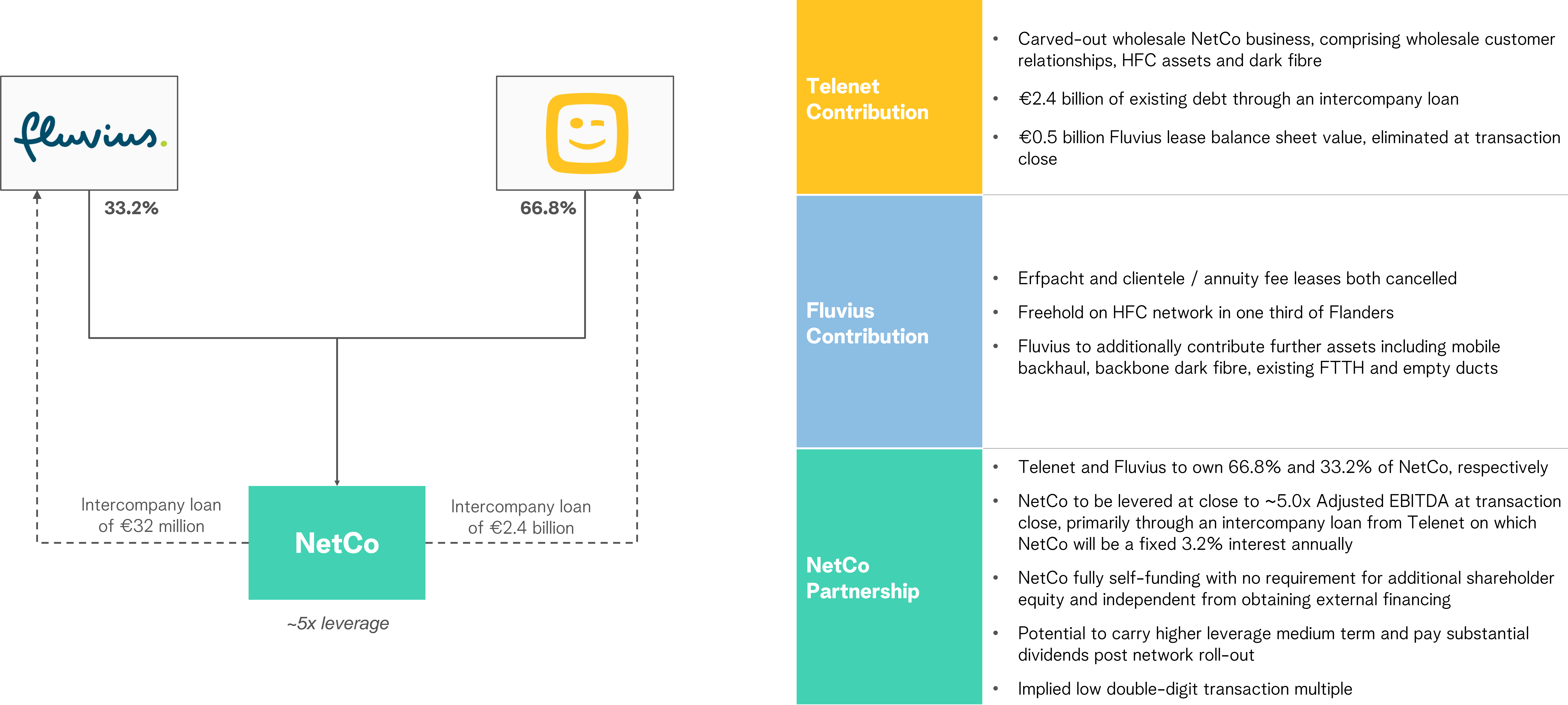
Overview of NetCo transaction structure



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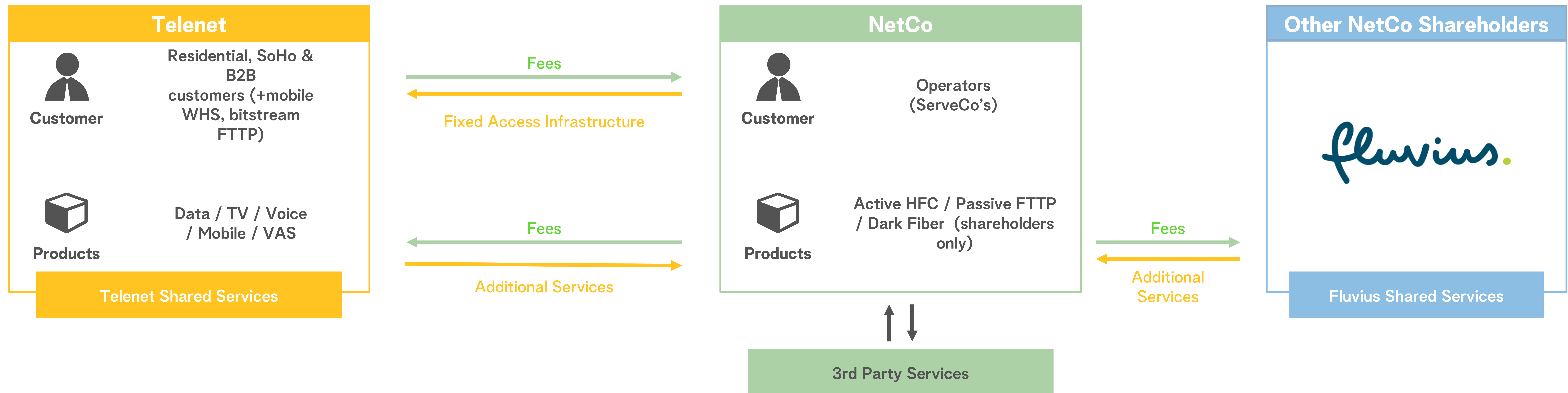
Clear demarcation lines between both entities with full business model autonomy and separate governance



Open Access Network with…	• NetCo is intended to be a multi-party partnership, i.e. open to further partnering with both strategic and/or financial partners • NetCo will operate a fully open access network with non-discriminatory access conditions, providing wholesale access to Telenet and other telco operators
…Market-leading Network Penetration	• Telenet will act as a robust, highly credible tenant serving its 2 million customer relationships, generating recurring income to NetCo • Given a market-leading network penetration rate of close to 60%, NetCo will generate revenue and attractive cash flows as from the start
Well-positioned to Attract Additional Investors	• As such, NetCo is well positioned to attract additional strategic and/or financial partners over time

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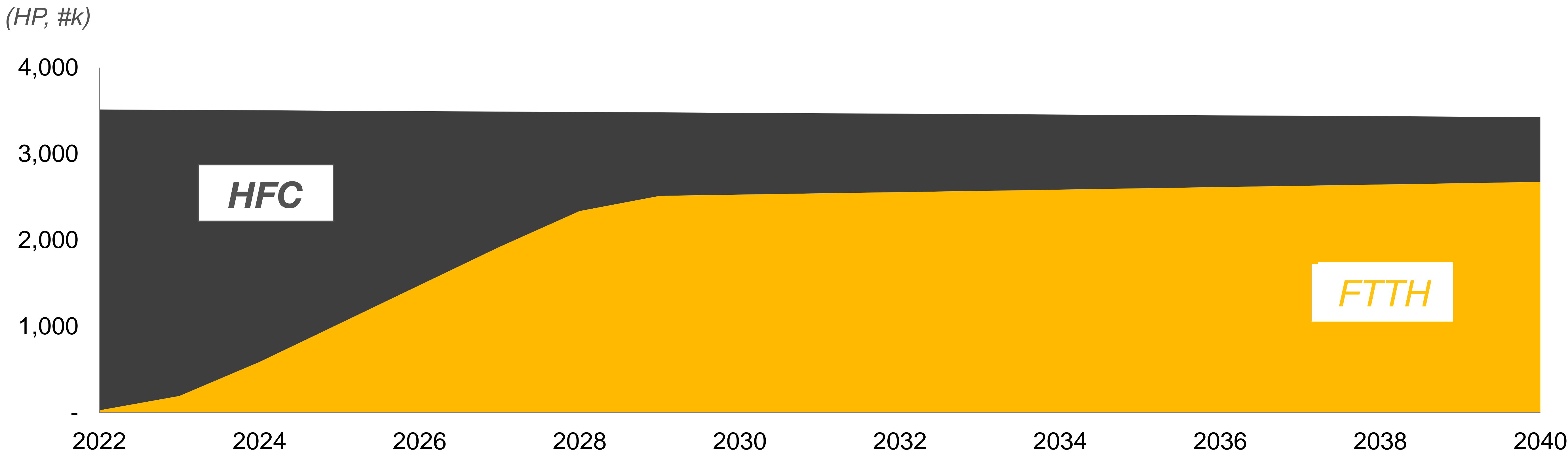
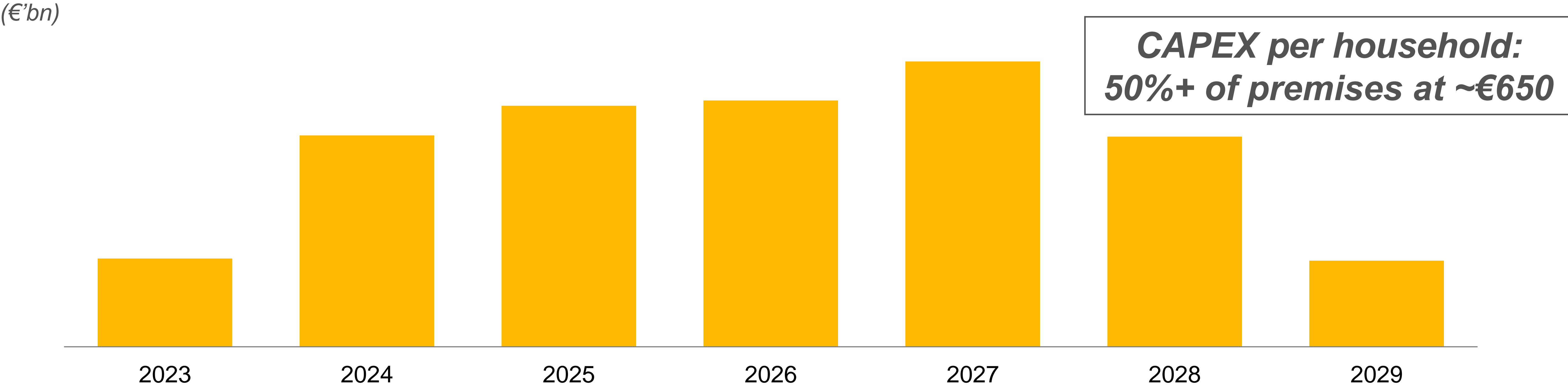
Investing up to €2 billion[1] with majority in first 8 years, flexibility to optimize CAPEX to deliver returns

Gradual Conversion to FTTH



We Are Investing Up To €2.0 billion[1] With Majority In First 8 Years



Roll-out Plan Overview

- Plans to cover 78% of current footprint in Flanders to FTTH by 2038
- Attractive build cost (€650 cost per premise) for first 50%+ and flexibility to optimize CAPEX spend (DOCSIS 4.0, wholebuy etc.) to deliver incremental returns
- Market segmented into 3 areas based on economical viability of infrastructure deployment

[1] *Excluding termination-related capital expenditures*

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Pro-forma transaction effects

ILLUSTRATIVE

In € bn (rounded)	Consolidated Pre-Transaction	Consolidated Post-Transaction	NetCo	Telenet[1]
Revenue	2.6	2.6	0.6	2.6
Adj. EBITDA	1.4	1.4	0.5	0.9
Margin	53%	53%	76%	34%
OFCF[2]	0.7	0.7	0.4	0.3
Cash Conversion	48%	48%	72%	35%
Debt[1]	6.0	5.5	2.4	3.1
Cash	(0.8)	(0.8)	-	(0.8)
Net Debt[3]	5.2	4.7	2.4	2.3
Net total leverage[3]	3.9x	3.5x	4.9x	2.5x

1. Reduction in debt due to the elimination of ~€0.5 billion of Fluvius financial leases

   Contribution of €2.4 billion of existing debt through intercompany loan to NetCo, on which NetCo will pay a 3.2% fixed annual interest to Telenet

2. Reduction in consolidated leverage by 0.4x

[1] Telenet refers to Telenet's current consumer, B2B and media operations
[2] OFCF: Operating Free Cash Flow being defined as Adjusted EBITDA less property & equipment additions
[3] Including lease-related liabilities and vendor financing commitments

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The transaction positions us on a clear path for value creation, which we will expand upon further at the CMD

NetCo Value Creation Pillars

- Solid investment case with IRR materially higher than WACC
- Unique status of NetCo with a high network penetration of close to 60% as from the start
- Gigabit speed network today with future-proof plan to reach 10 Gbps through a mixture of HFC (DOCSIS) and fiber technologies
- Optimized leverage profile
- Maximize value-creation opportunity in potential partial NetCo stake sale to an infra investor and/or a strategic partner by eliminating terminal value overhang due to 'erfpacht'
- Scope for additional shareholder returns (e.g. in case of sale of partial NetCo stake or optimization of CAPEX)

Telenet Value Creation Pillars

- B2B top line potential
- Continue to deliver seamless, intuitive and personalized digital interactions across all parts of the business, aiming to minimize voluntary churn
- Grow to fair share in emerging or underserved segments
- Leverage multi-brand strategy
- Scale up new business & pursue incremental growth in business close to our core
- Grow our media & entertainment business driven by strong local media brands and international expansion of ventures in production & immersive experiences

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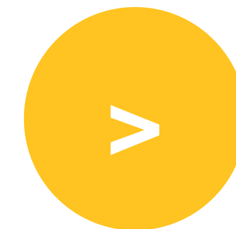
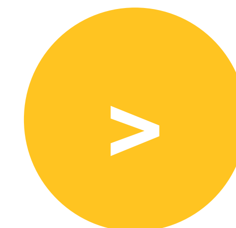
Next steps

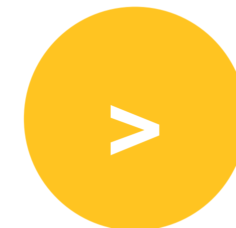
Partnering to realize the data network of the future



Further details to be provided at Telenet's Capital Markets Day at the end of September 2022



Telenet and Fluvius to work together with competition authorities regarding the transaction



NetCo expected to launch in early 2023

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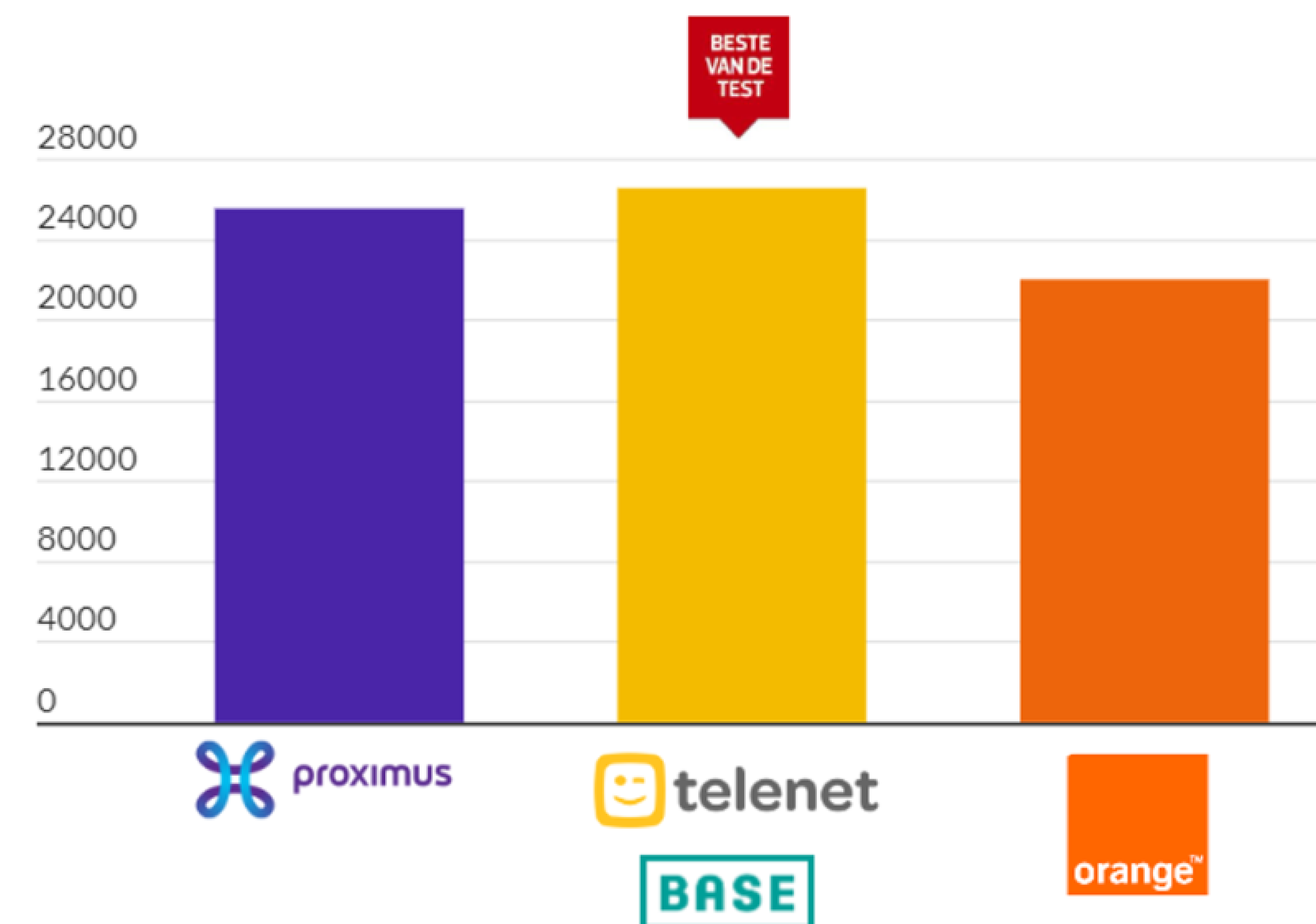
Extra spectrum obtained to accelerate 5G deployment and to maintain our current leading position in mobile network quality

- We acquired a competitive spectrum portfolio of 215 MHz across all frequency bands for a total amount of €302 million, which equals €1.4 million per MHz.
- Through this spectrum, we ensure continuity of service for our existing networks and continue the expansion of our 5G network, of which the commercial rollout began in December 2021.
- On top of the 475 additional new sites already communicated, with DigitalBridge, we will require additional sites in the future to ensure best mobile coverage for our customers.
- Operators have the choice to either opt for a single advance payment or annual deferred payments (EURIBOR +2.00%). We are currently assessing both options.

700 MHz	2x5 MHz
900 MHz	2x10 MHz
1400 MHz	15 MHz
1800 MHz	2x20 MHz
2100 MHz	2x15 MHz
3500 MHz	100 MHz
Total	215 MHz

"Best of the Test", confirmed by Testaankoop[1] consumer organization: Best network coverage for mobile internet



[1] *Source: Testaankopp consumer organisation, July 2022*

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Operational & Financial Highlights

Q2 operational KPIs[1]

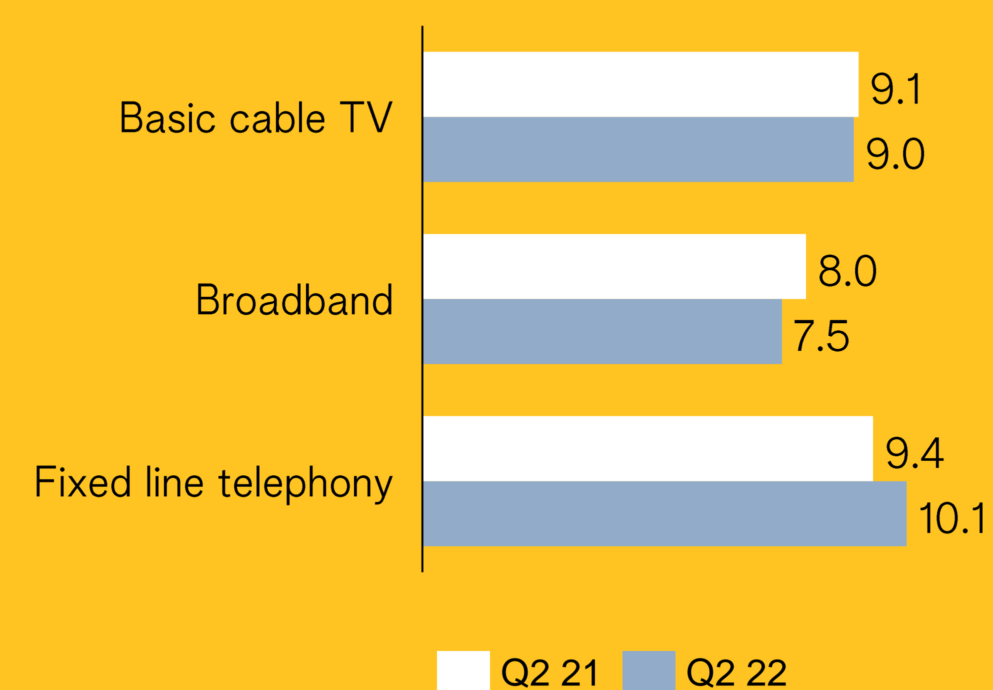
GROWTH IN FMC CONTINUES

789k FMC subs

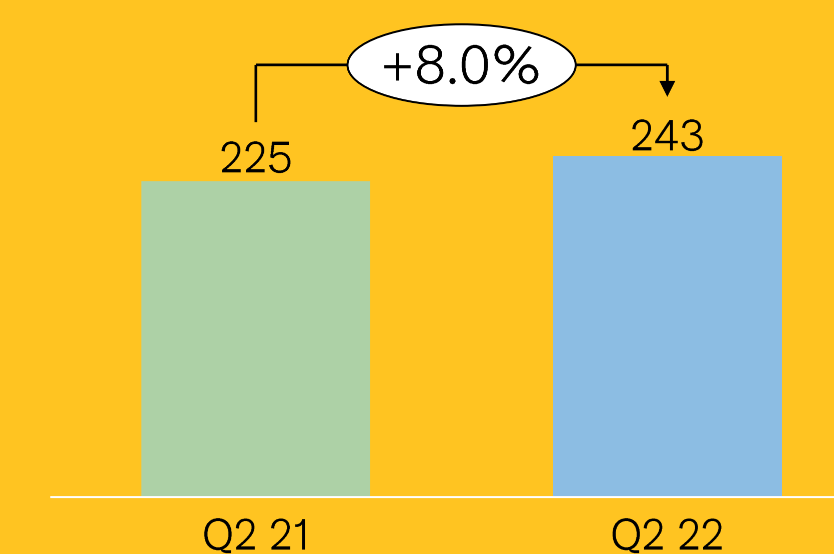
LOW MARKET FLUX, IMPACTING Q2 22 NET ADDS

+0.3k broadband
+8.1k mobile postpaid
+16.5k FMC

SUSTAINED LOW CHURN LEVELS (Q2 22, %)



CUSTOMER UPTIERING CONTINUES (WEIGHTED AVERAGE DOWNLOAD SPEED, MBPS)



Ondernemers zitten goed op
hét netwerk van Vlaanderen

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

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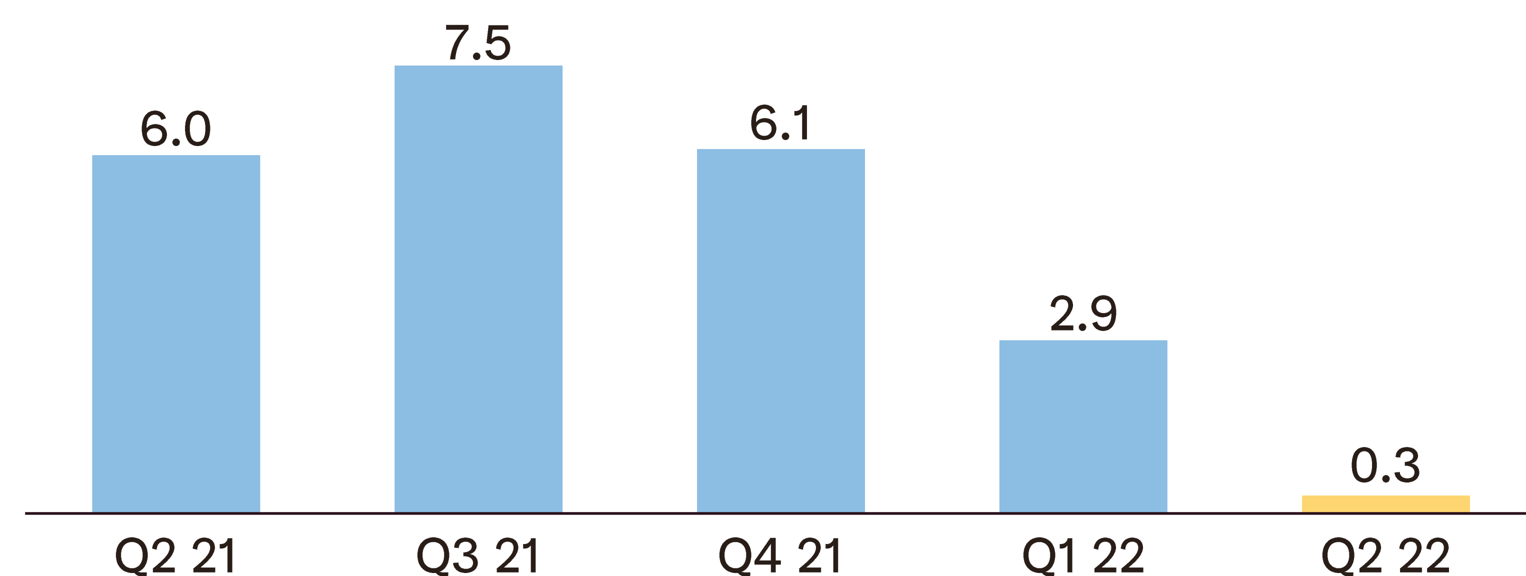
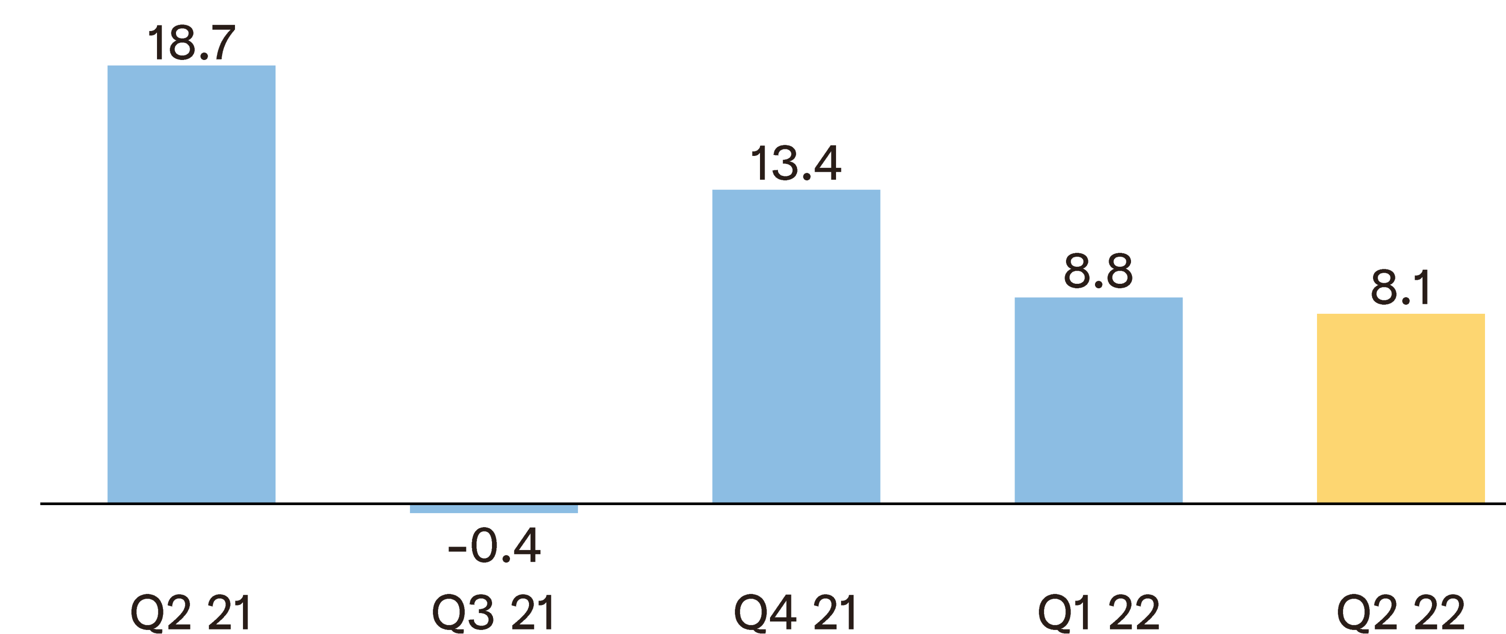
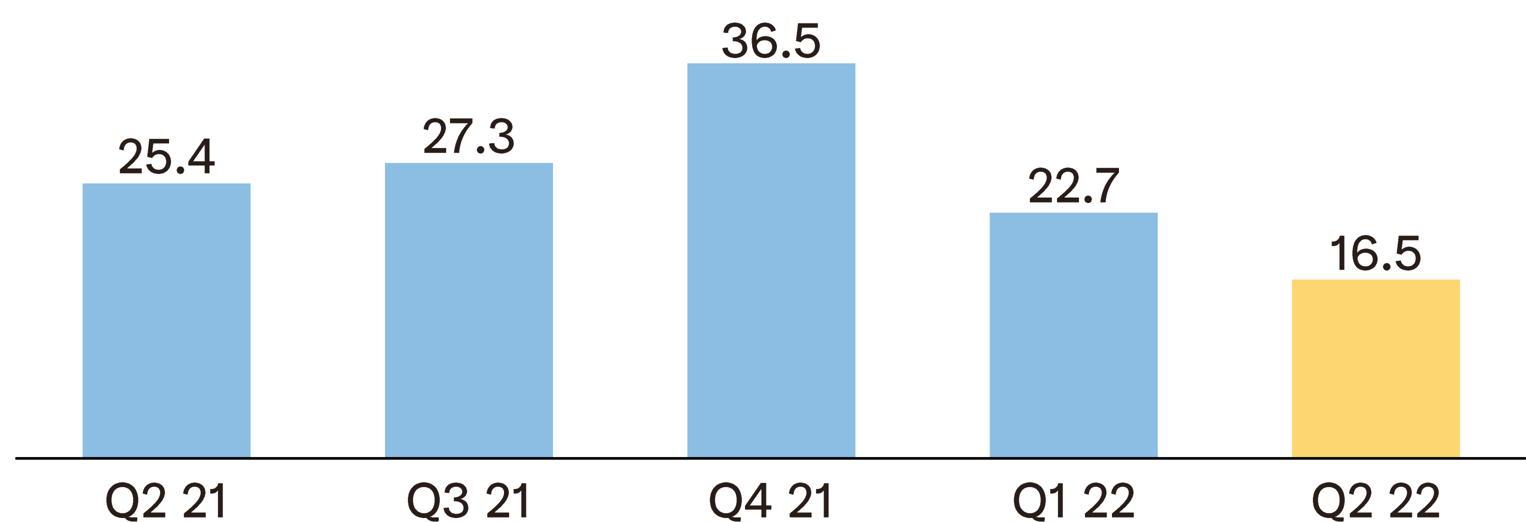
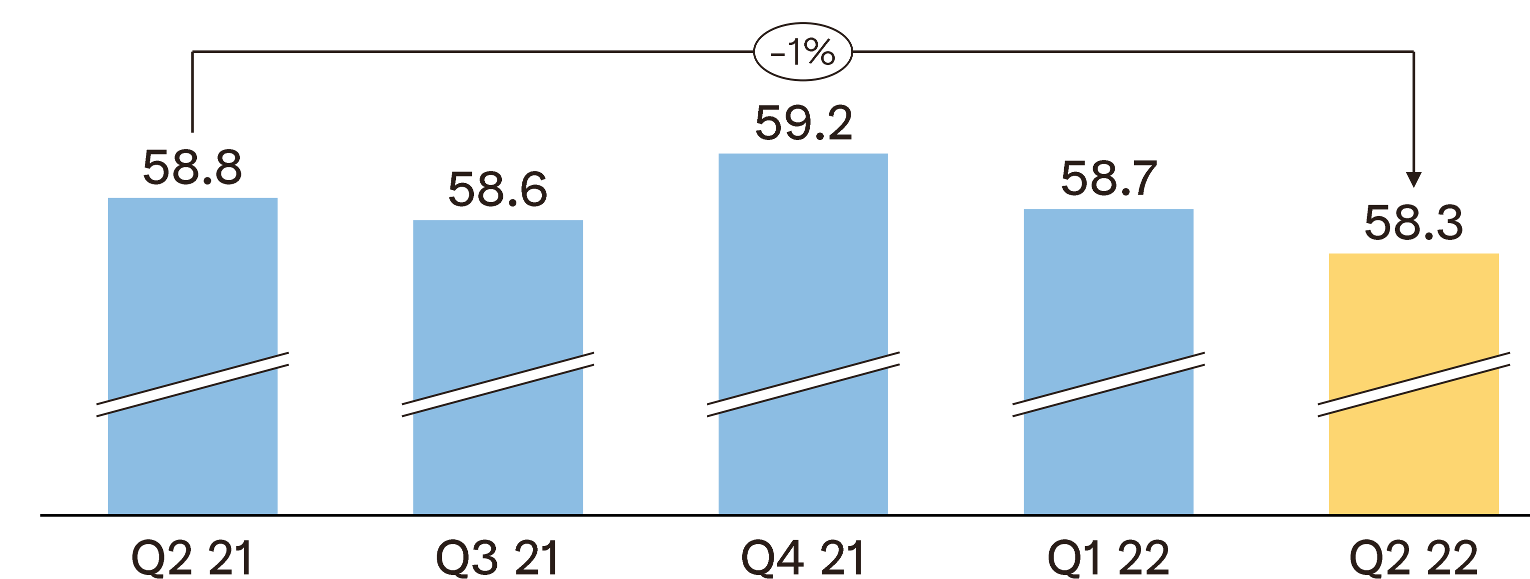
Soft operational performance in Q2 2022 amidst low market flux









[1] *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.*
[2] *Organic changes.*
[3] *See Definitions in the Appendix section for additional disclosure*

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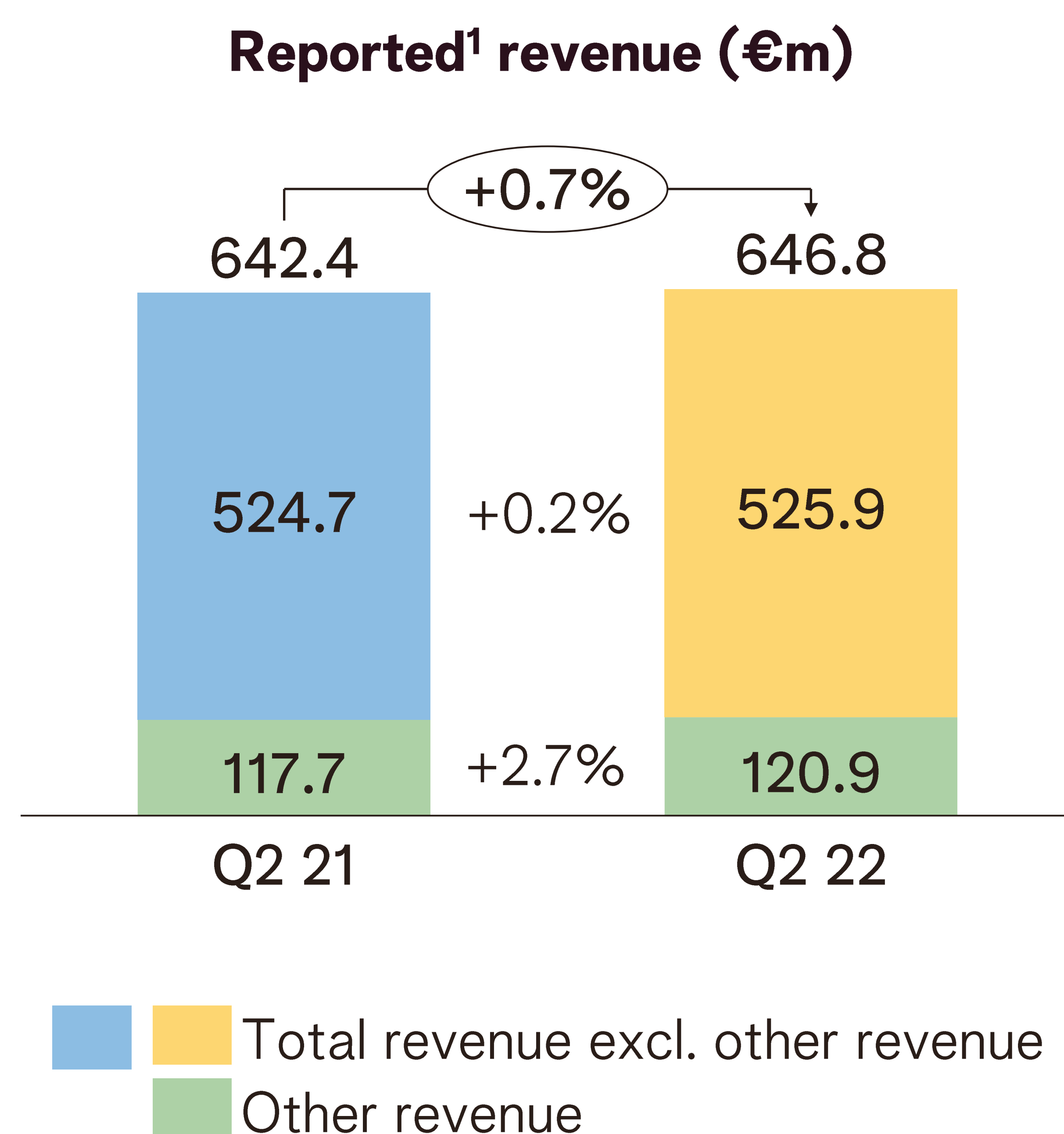
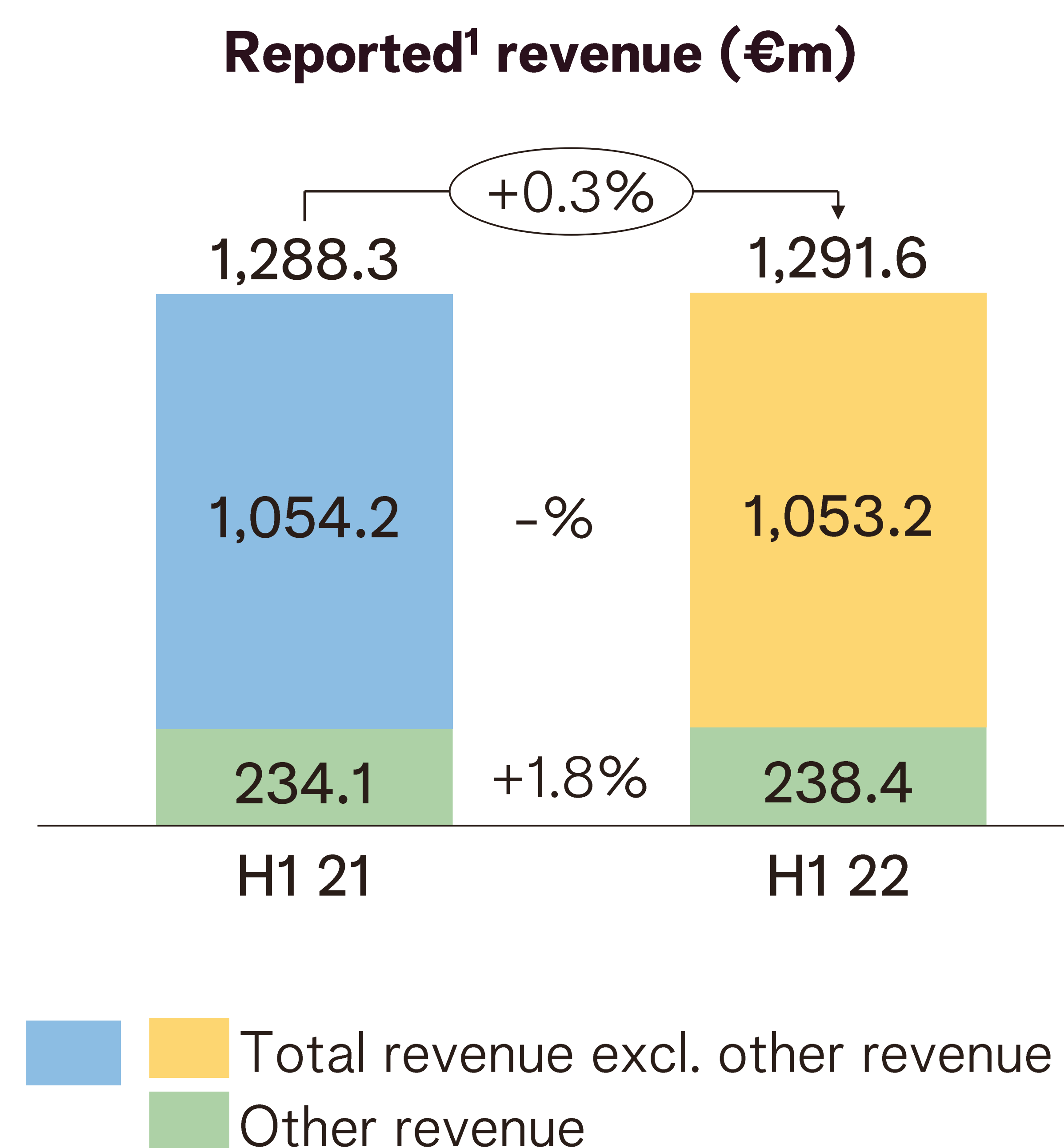
Q2 2022 revenue of €646.8 million, +1% yoy, driven by higher other revenue





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

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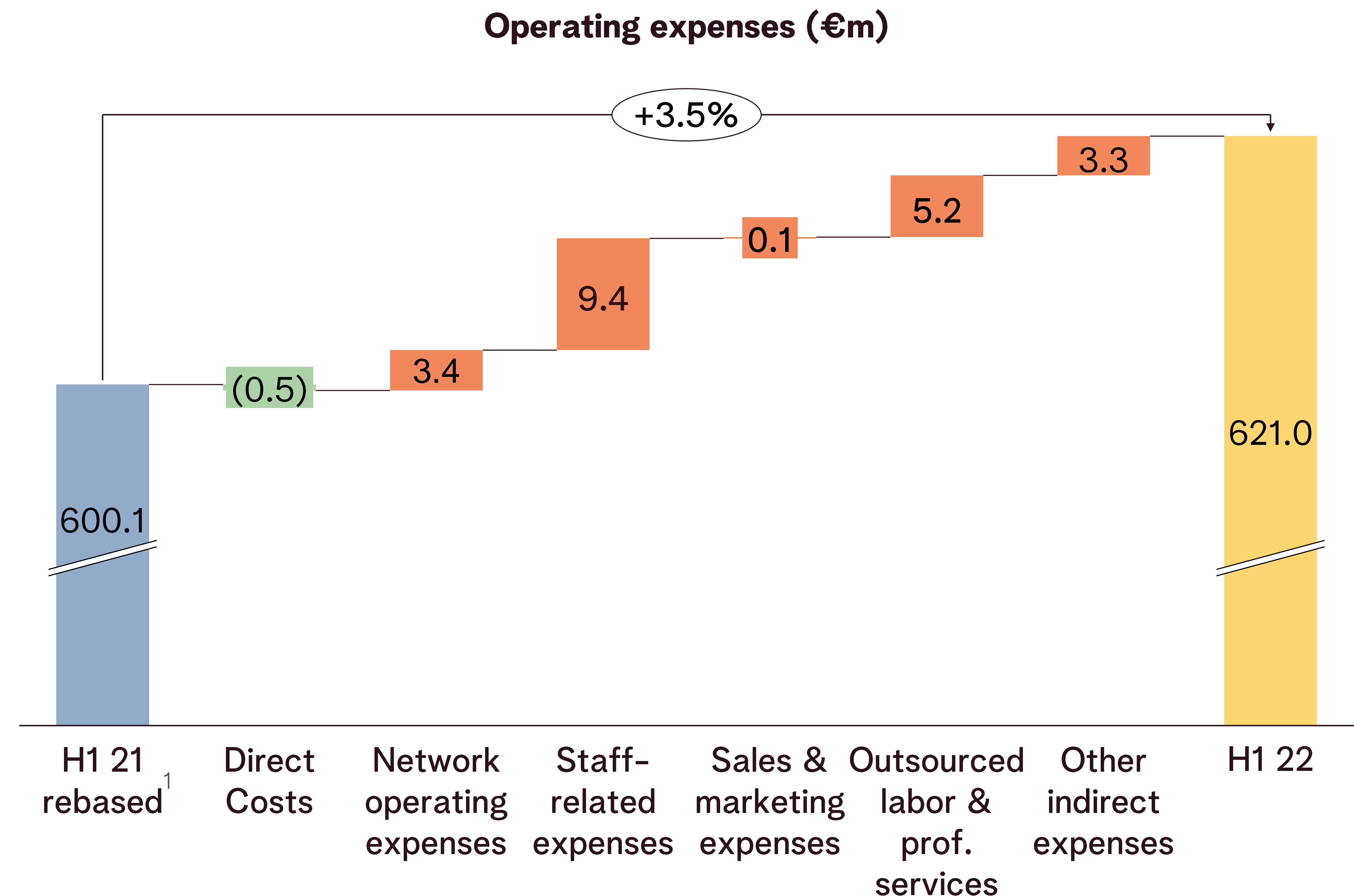
Operating expenses up 4% yoy in H1 22, reflecting higher energy costs and inflationary impact on certain of our costs

- Higher staff-related costs impacted by the 3.6% mandatory wage indexation as of January 2022.
- Increased costs related to certain strategic projects and digital transformation costs drove a €5.2 million increase in costs related to outsourced labor and professional services.
- 3.4% increase in network operating expenses, reflecting a €7.5 million adverse impact of higher energy prices.
- Higher other indirect expenses of €3.3 million.



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

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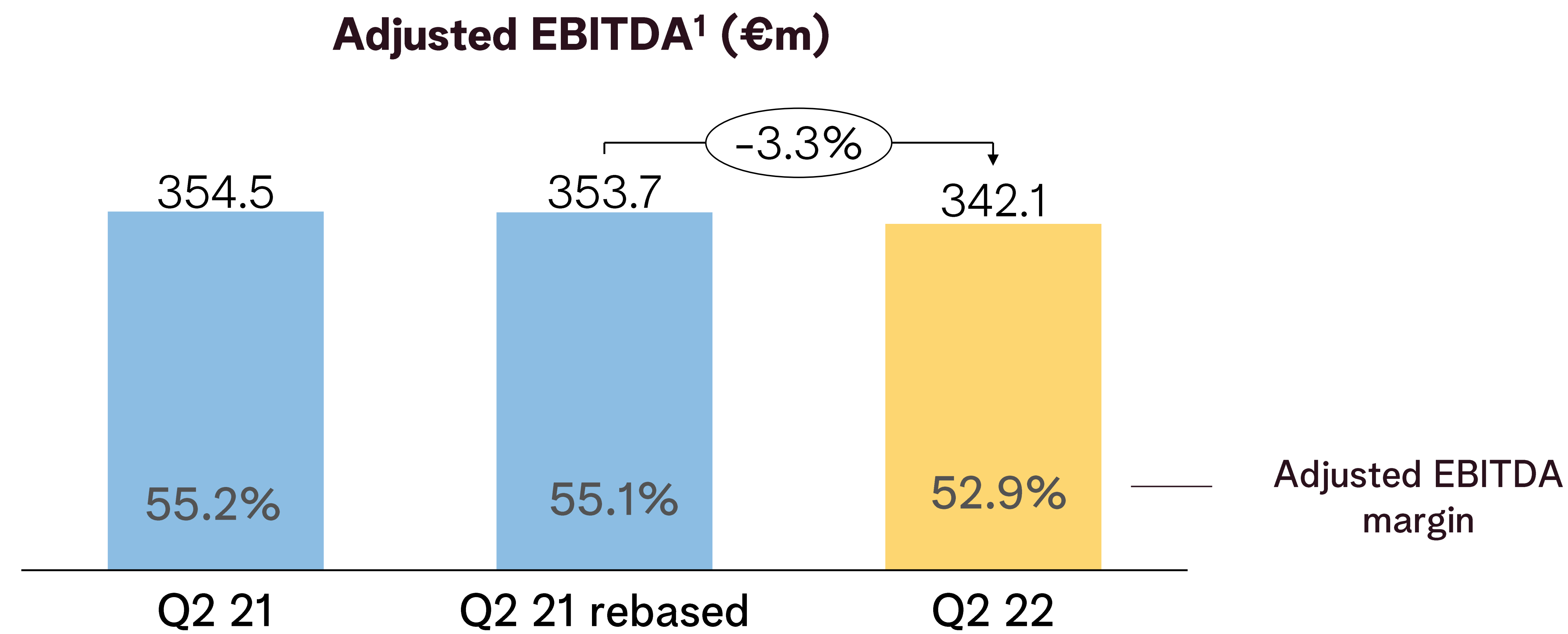
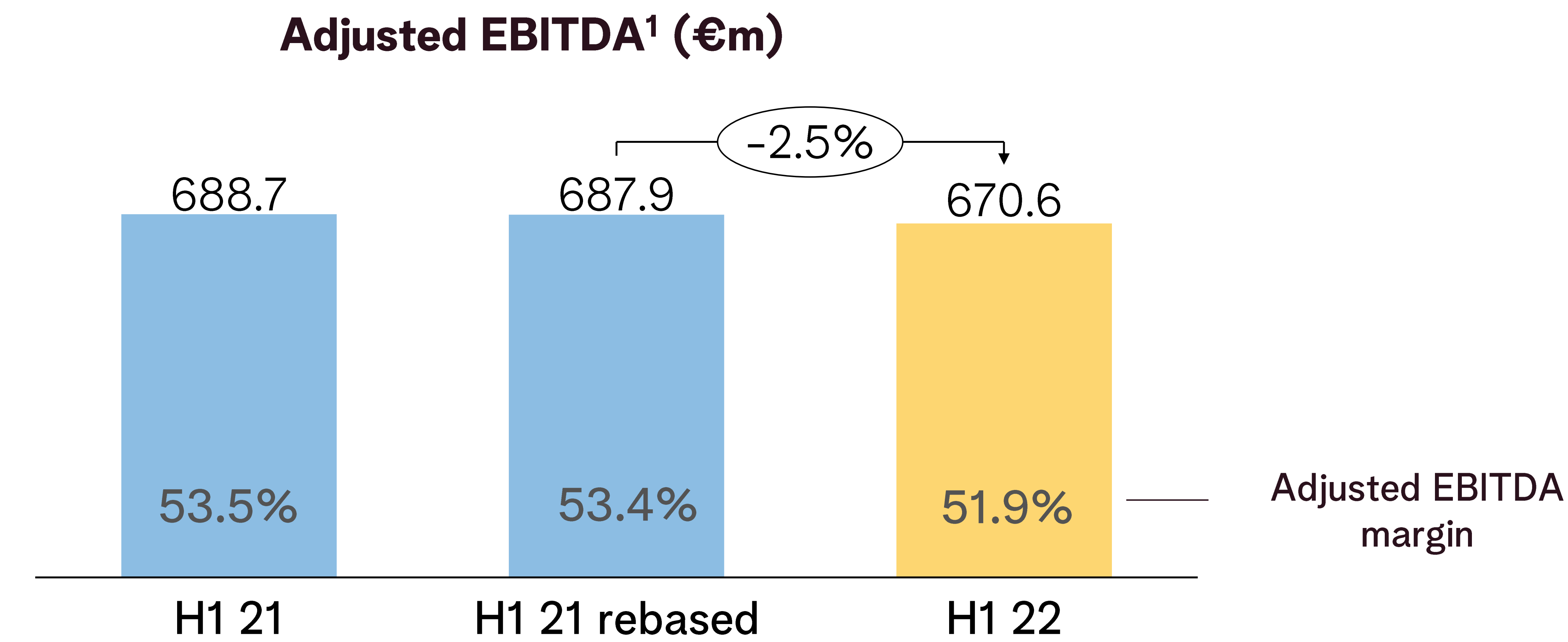
Resulting in a 3% yoy decline in H1 22 Adjusted EBITDA to €670.6 million





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

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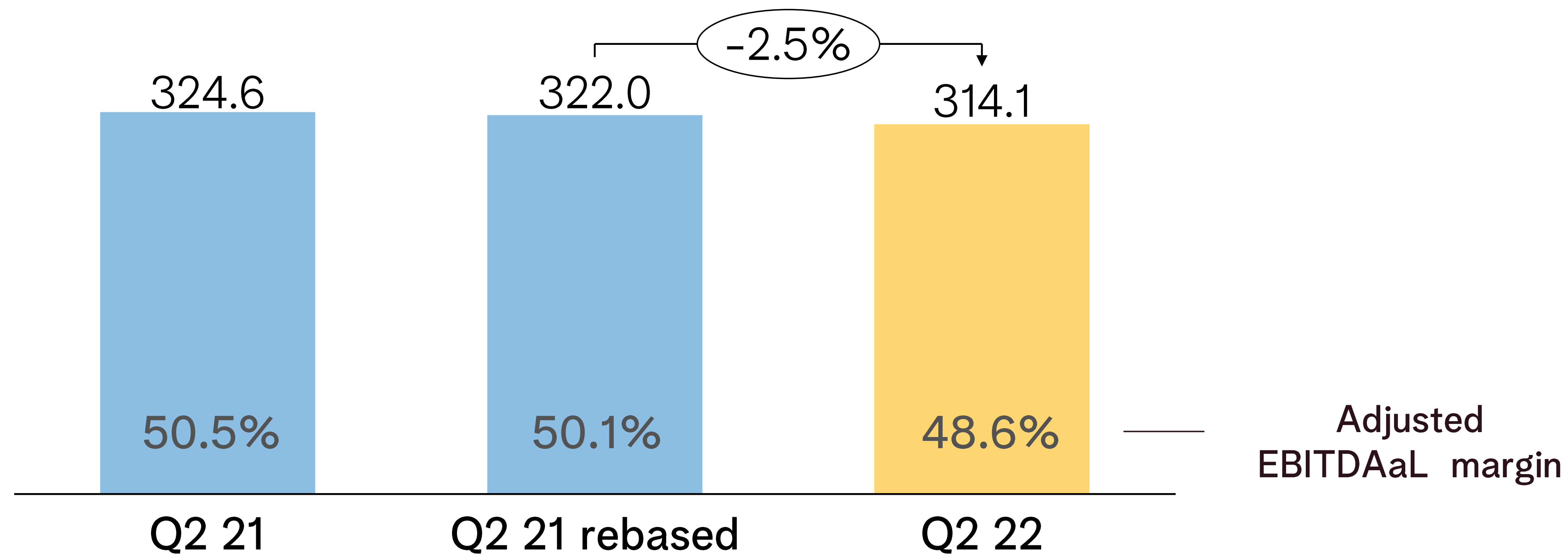
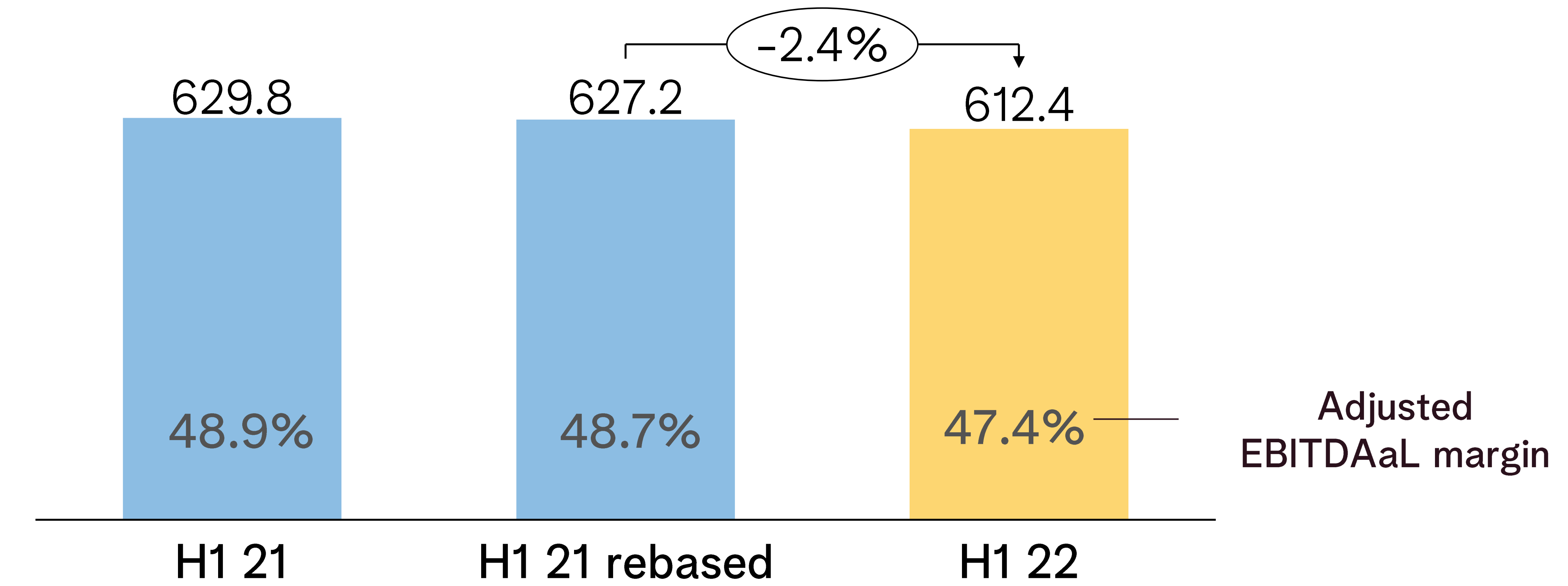
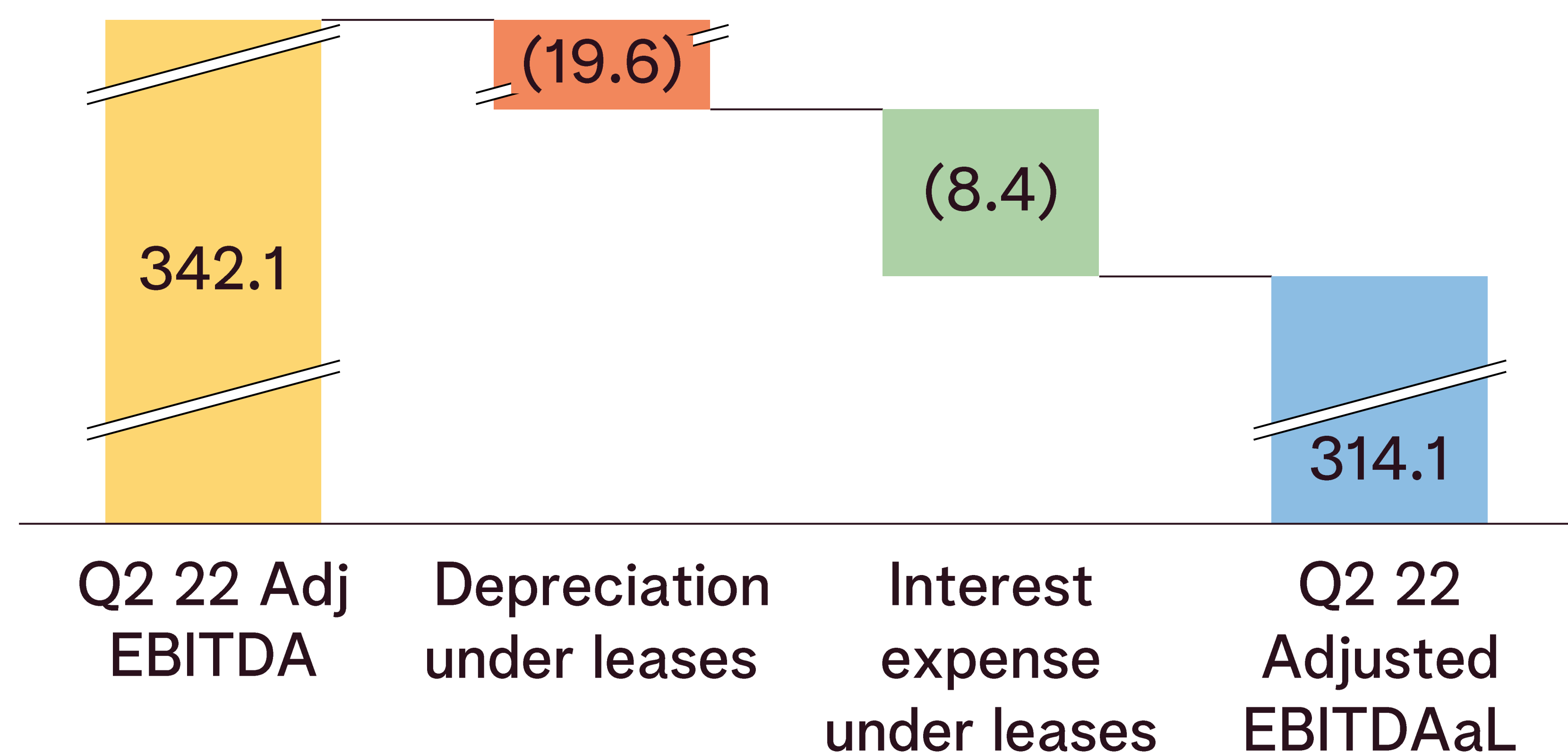
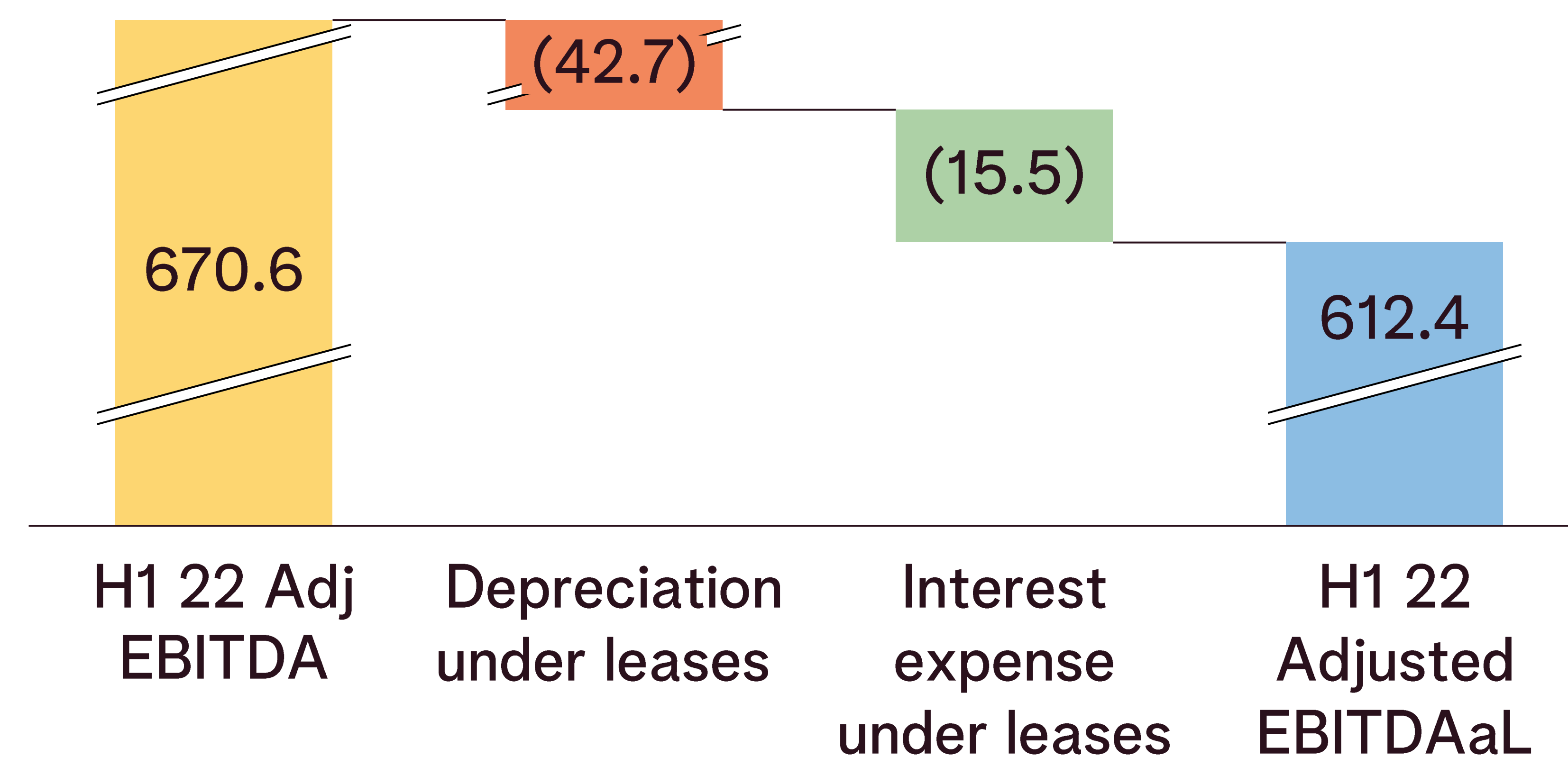
Including Adjusted EBITDAaL as a core financial metric following the June 22 tower transaction









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

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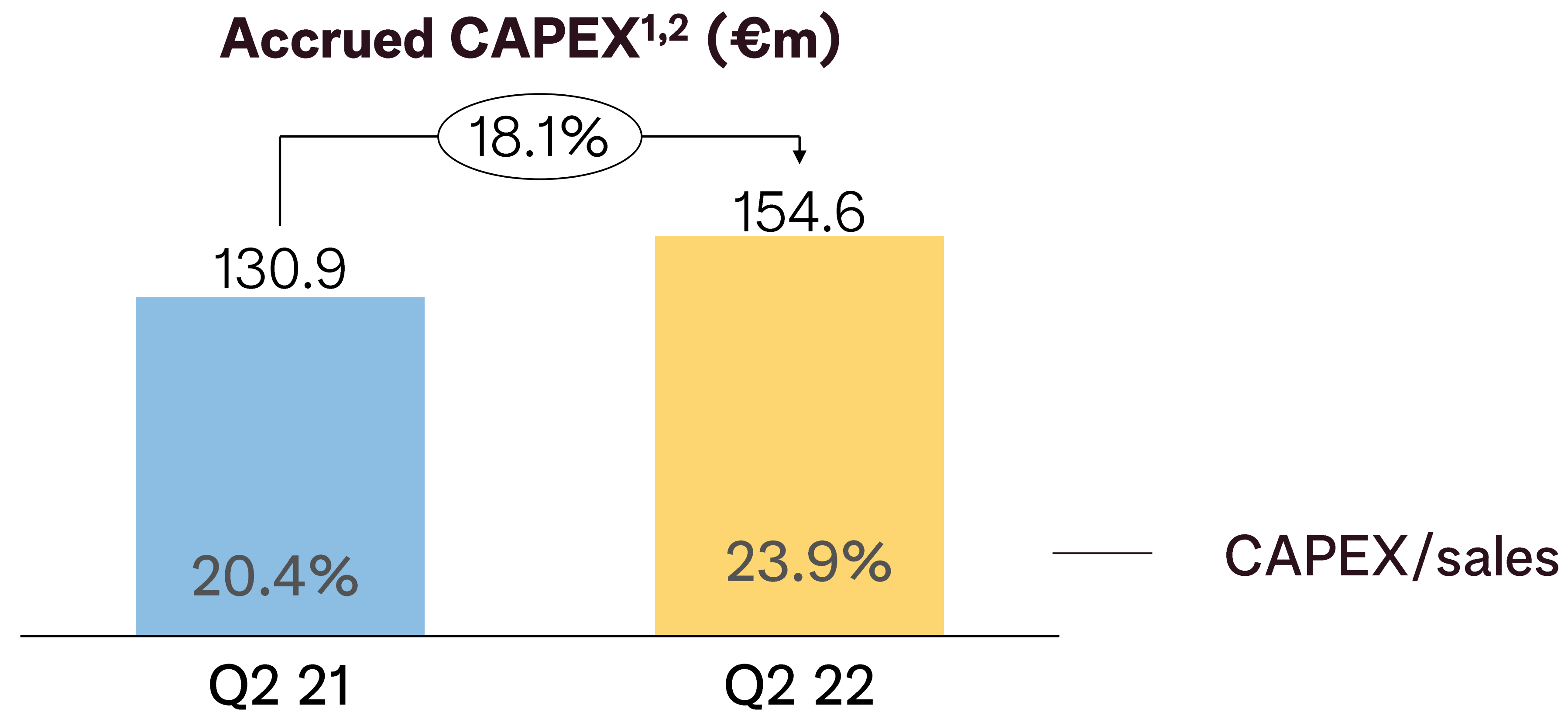
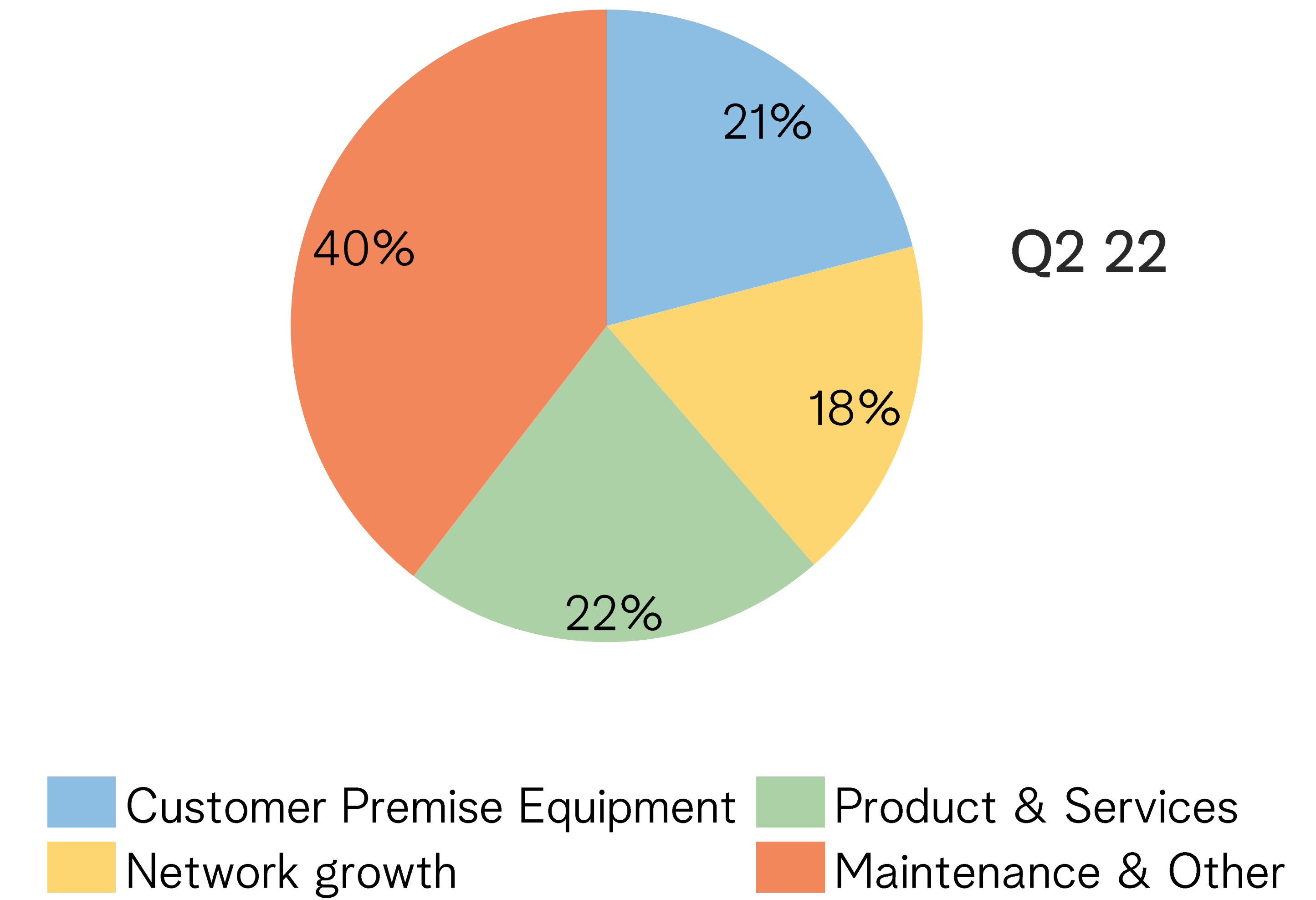
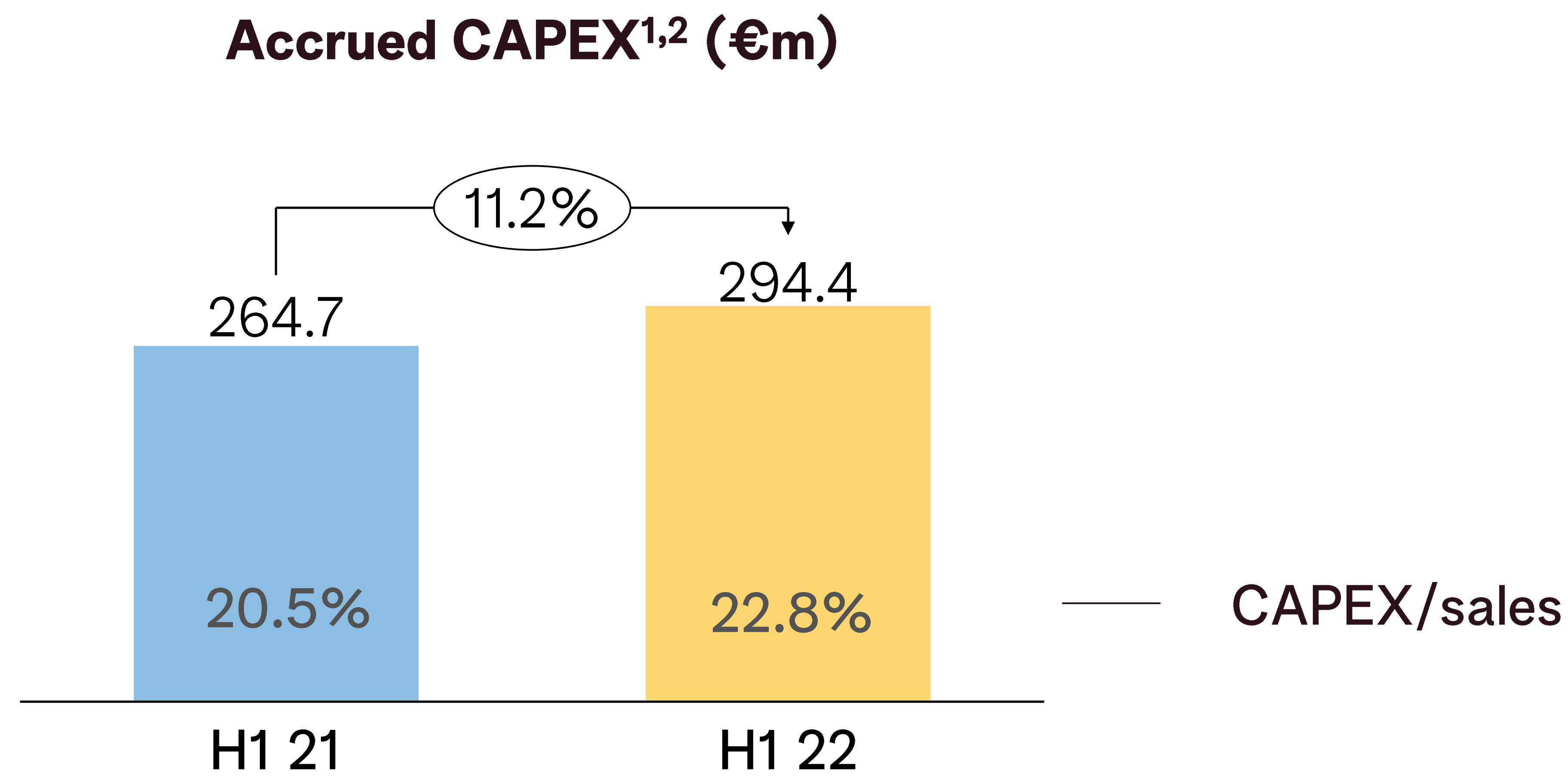
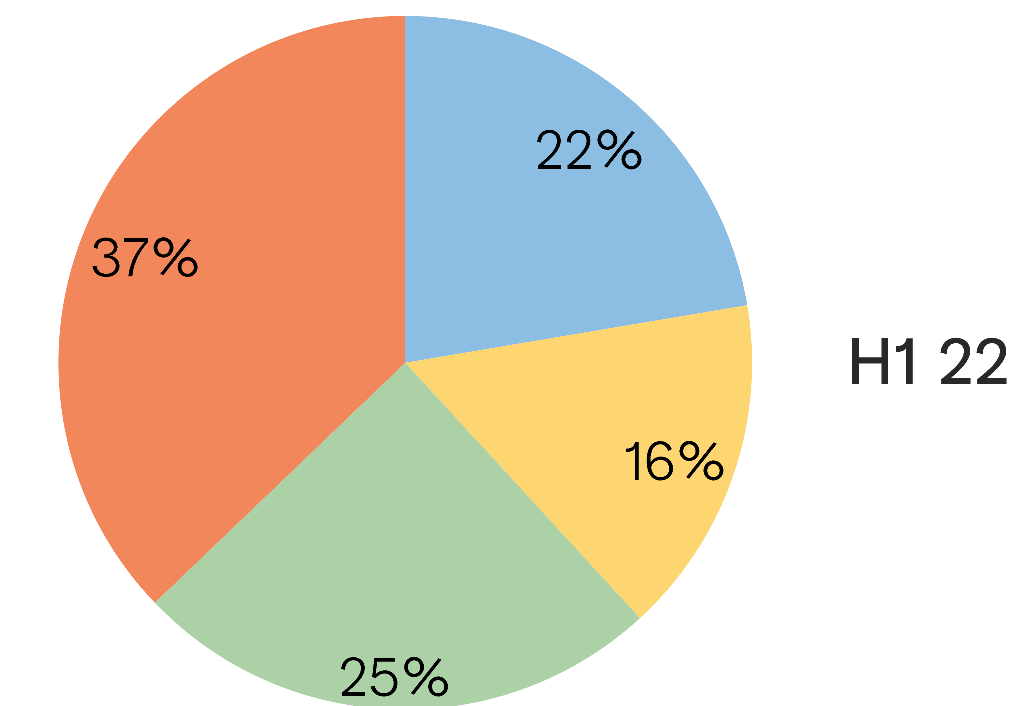
€154.6 million of accrued CAPEX in Q2 22, up 18% yoy, reflecting higher network-related CAPEX









[1] See Definitions in the Appendix for additional disclosure

[2] Excluding the recognition of certain lease-related capital additions, the recognition of football broadcasting rights and the temporary extension of both 2G and 3G mobile spectrum licenses

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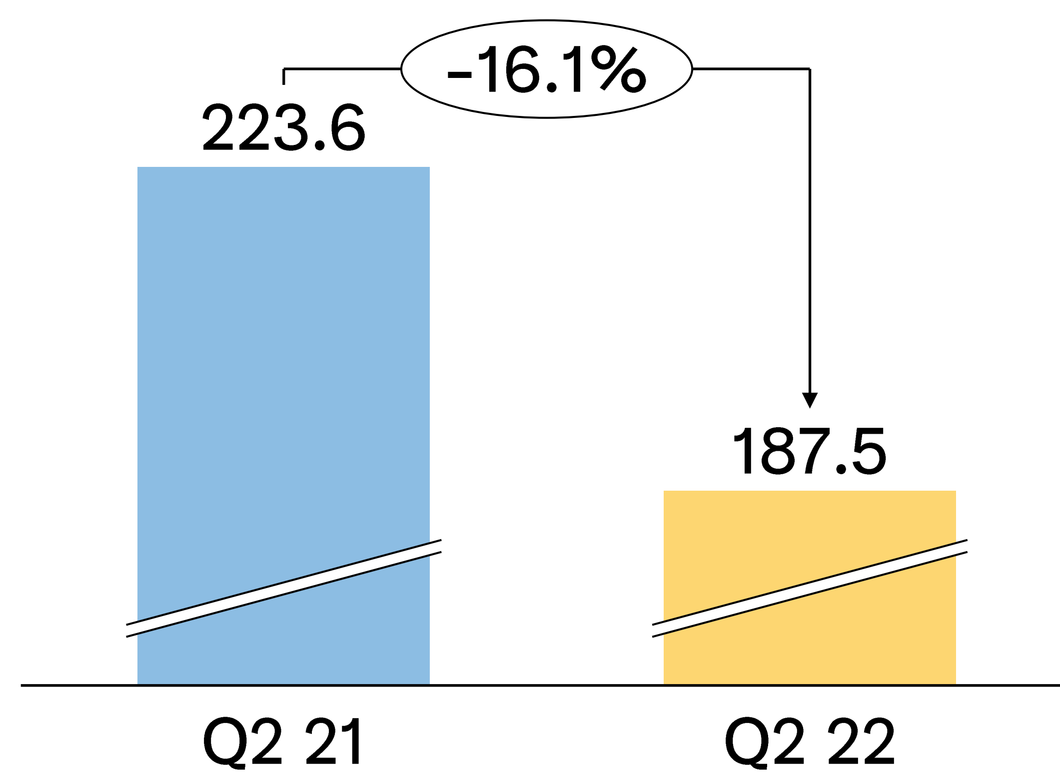
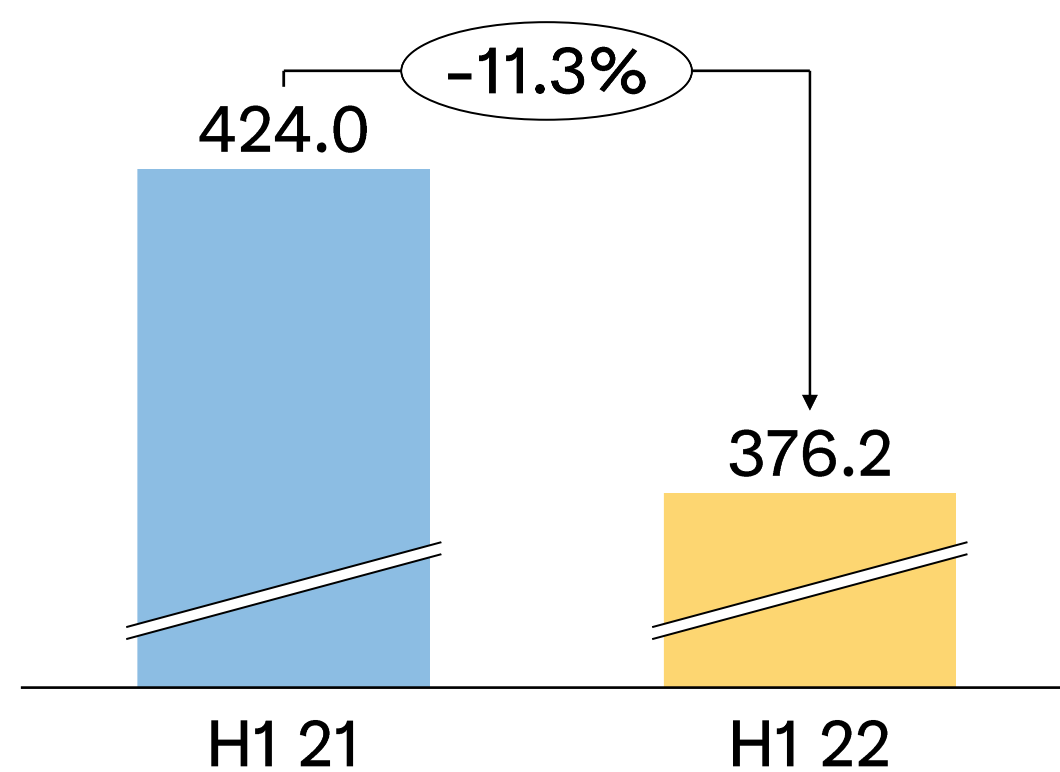
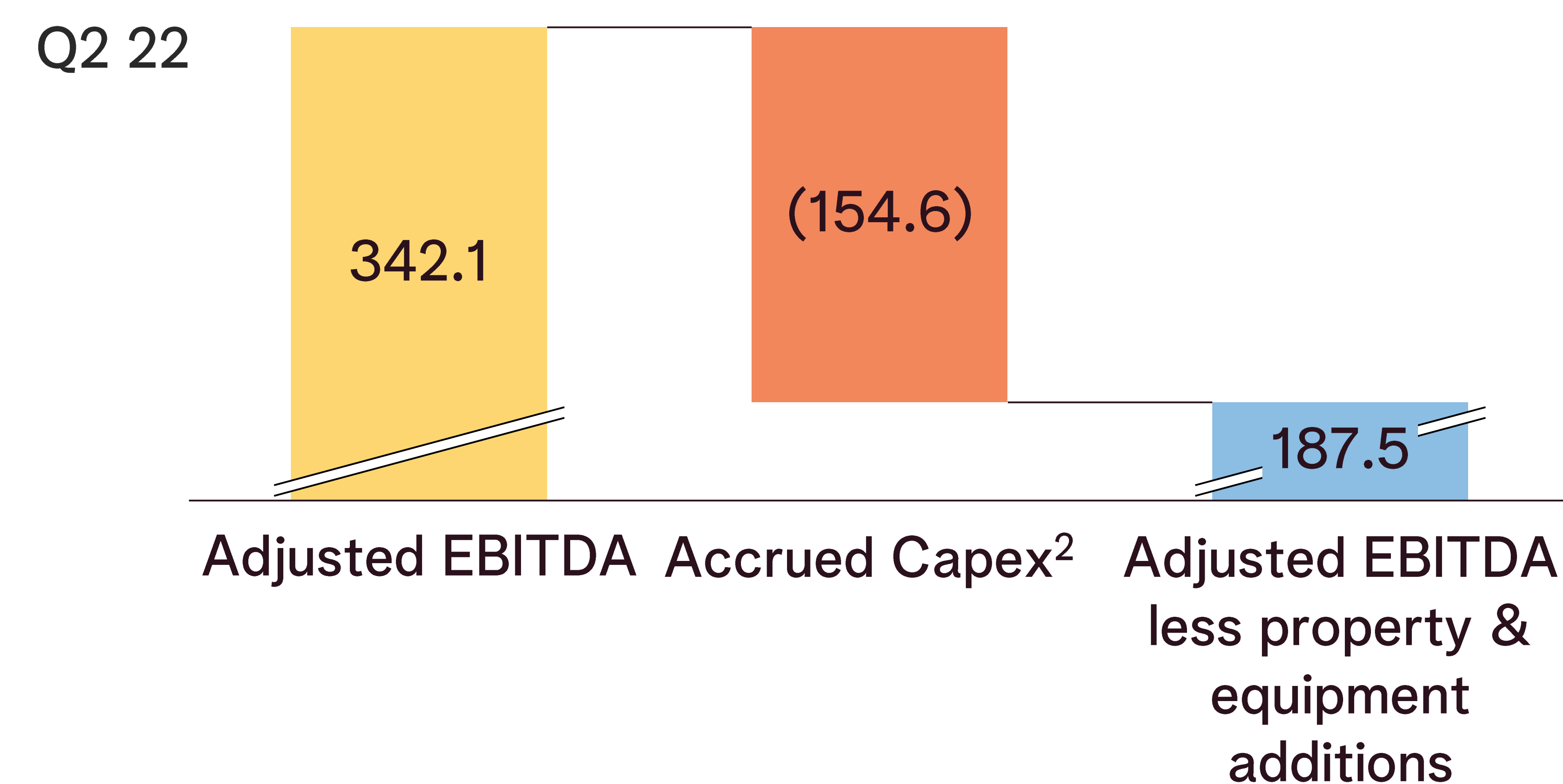
Q2 22 Adjusted EBITDA less property & equipment additions of €187.5 million, -16% yoy

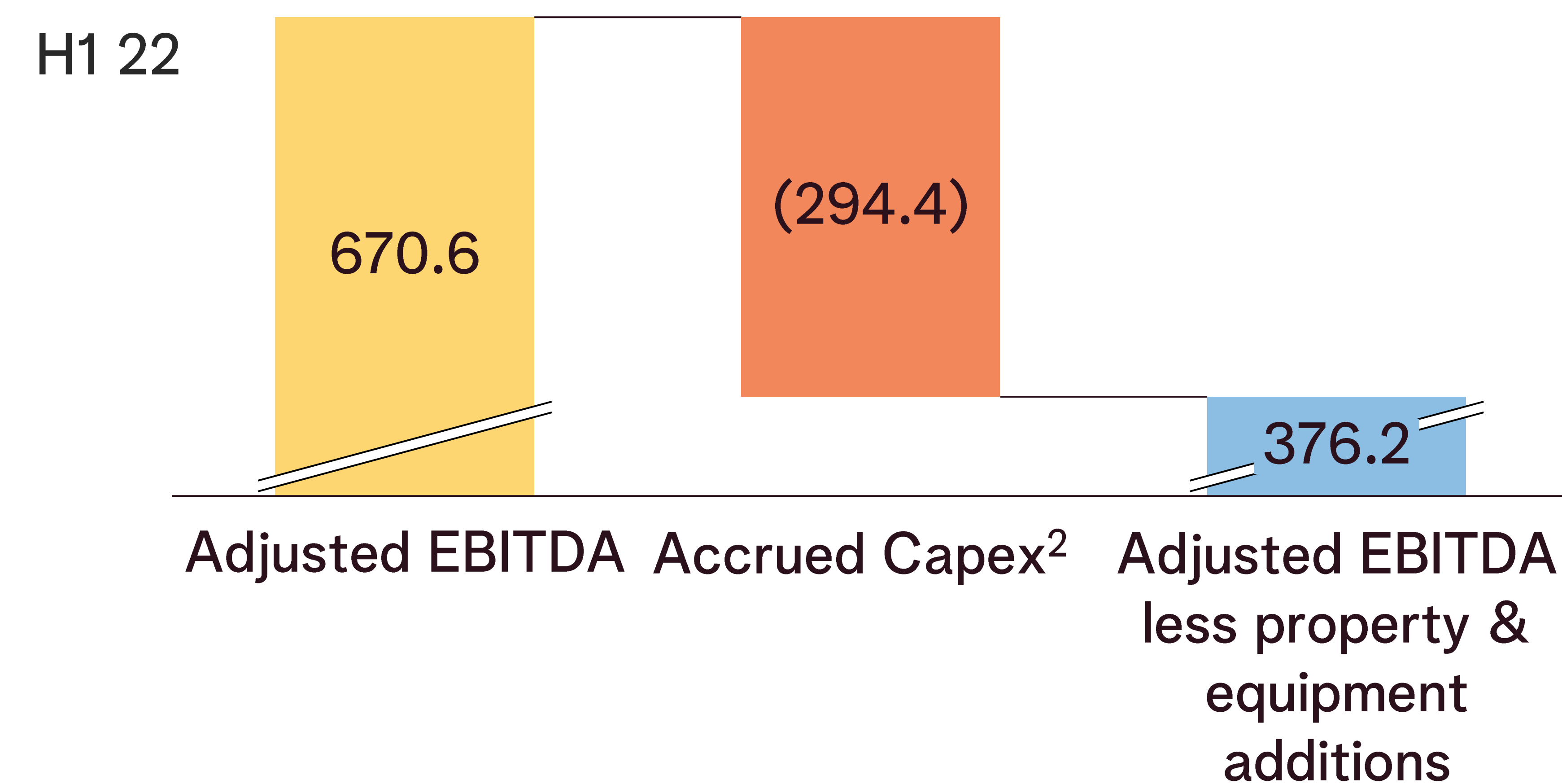
Adjusted EBITDA less property & equipment additions[1] (€m)





Reconciliation Adjusted EBITDA less property & equipment additions[1] (€m)





[1] See Definitions in Appendix for additional disclosure. Effective with the release of our Q3 2021 earnings, we have stopped using the term Operating Free Cash Flow and now use the term "Adjusted EBITDA less property & equipment additions". As we define the term, Adjusted EBITDA less property & equipment additions has the same meaning as Operating Free Cash Flow had previously, and therefore does not impact any previously reported amounts.
[2] Excluding certain lease-related capital additions, the recognition of football broadcasting rights and the temporary extension of both 2G and 3G mobile spectrum licenses

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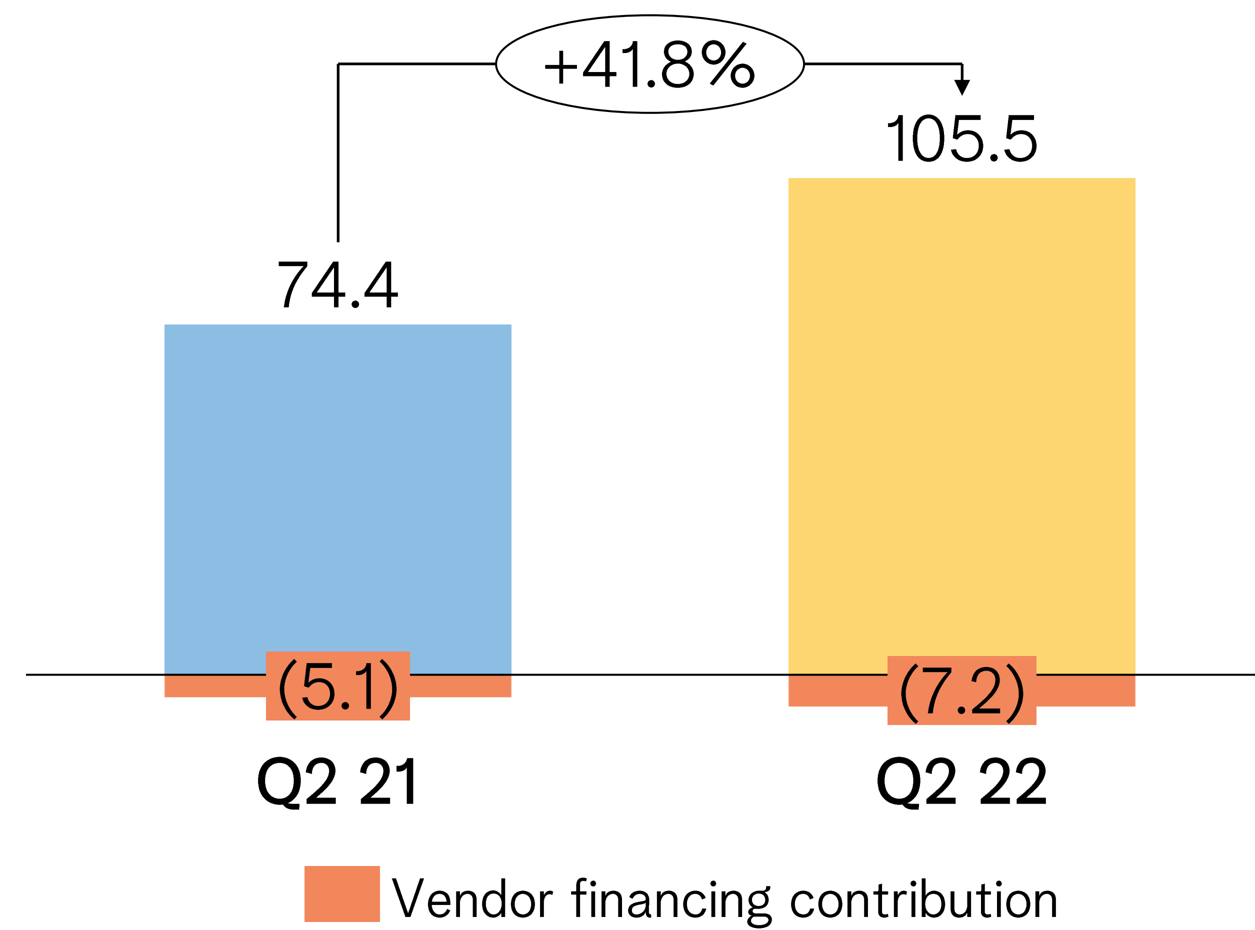
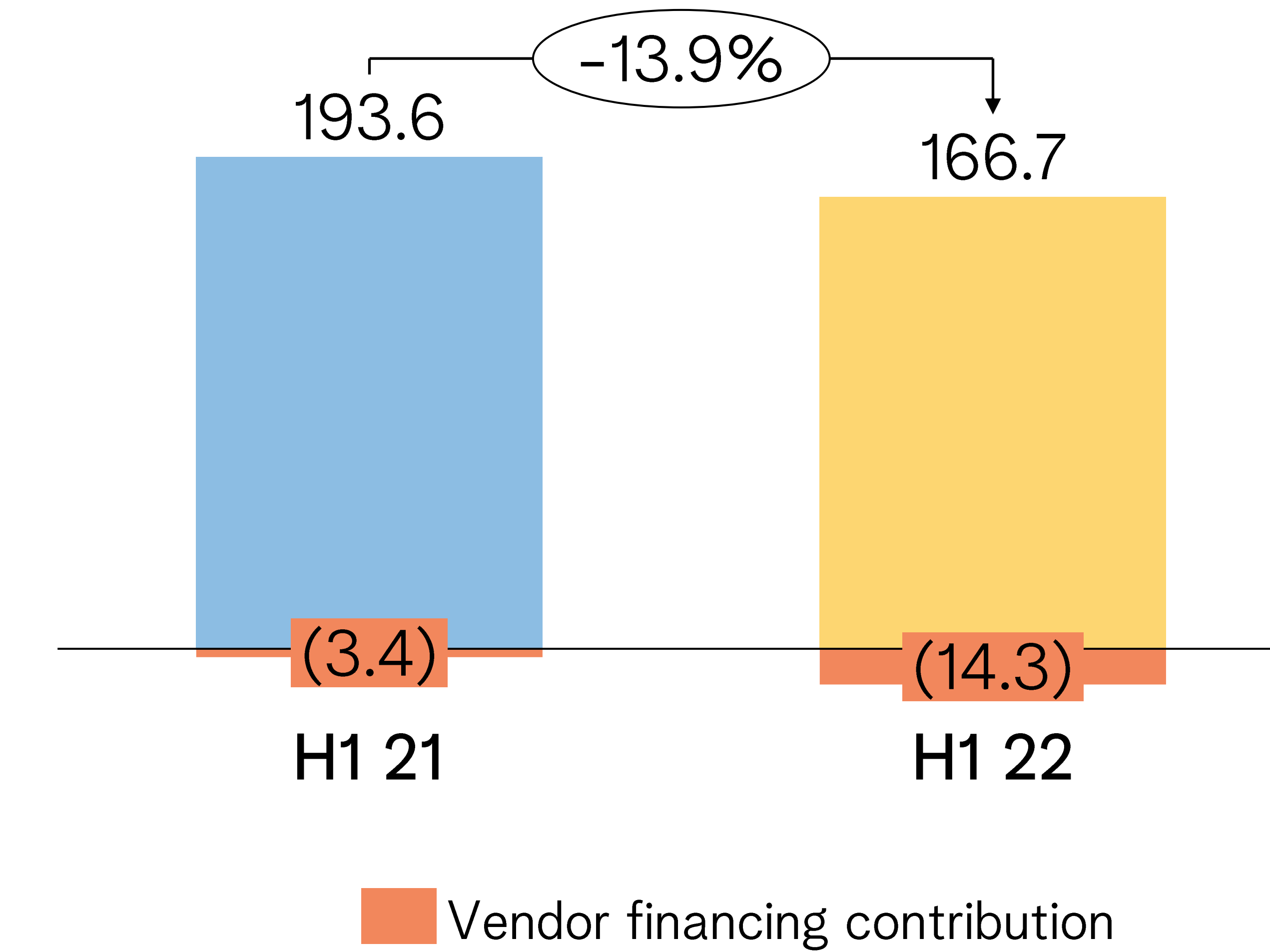
Q2 22 Adjusted Free Cash Flow of €105.5 million, up 42% yoy mainly driven by different yoy phasing of cash taxes

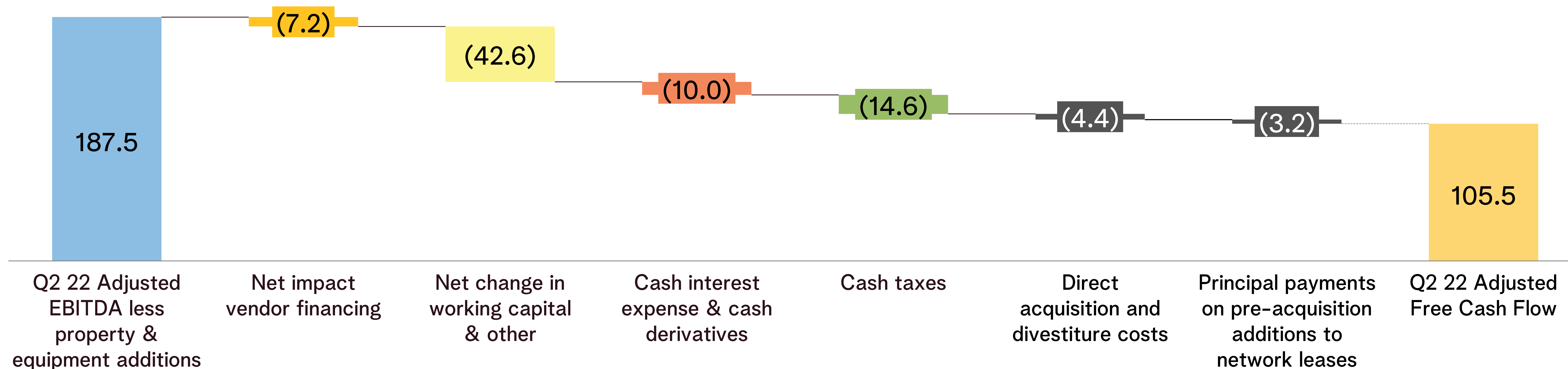
Adjusted Free Cash Flow[1] (€m)



Adjusted Free Cash Flow[1] (€m)



Reconciliation Adjusted Free Cash Flow[1] (€m)



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

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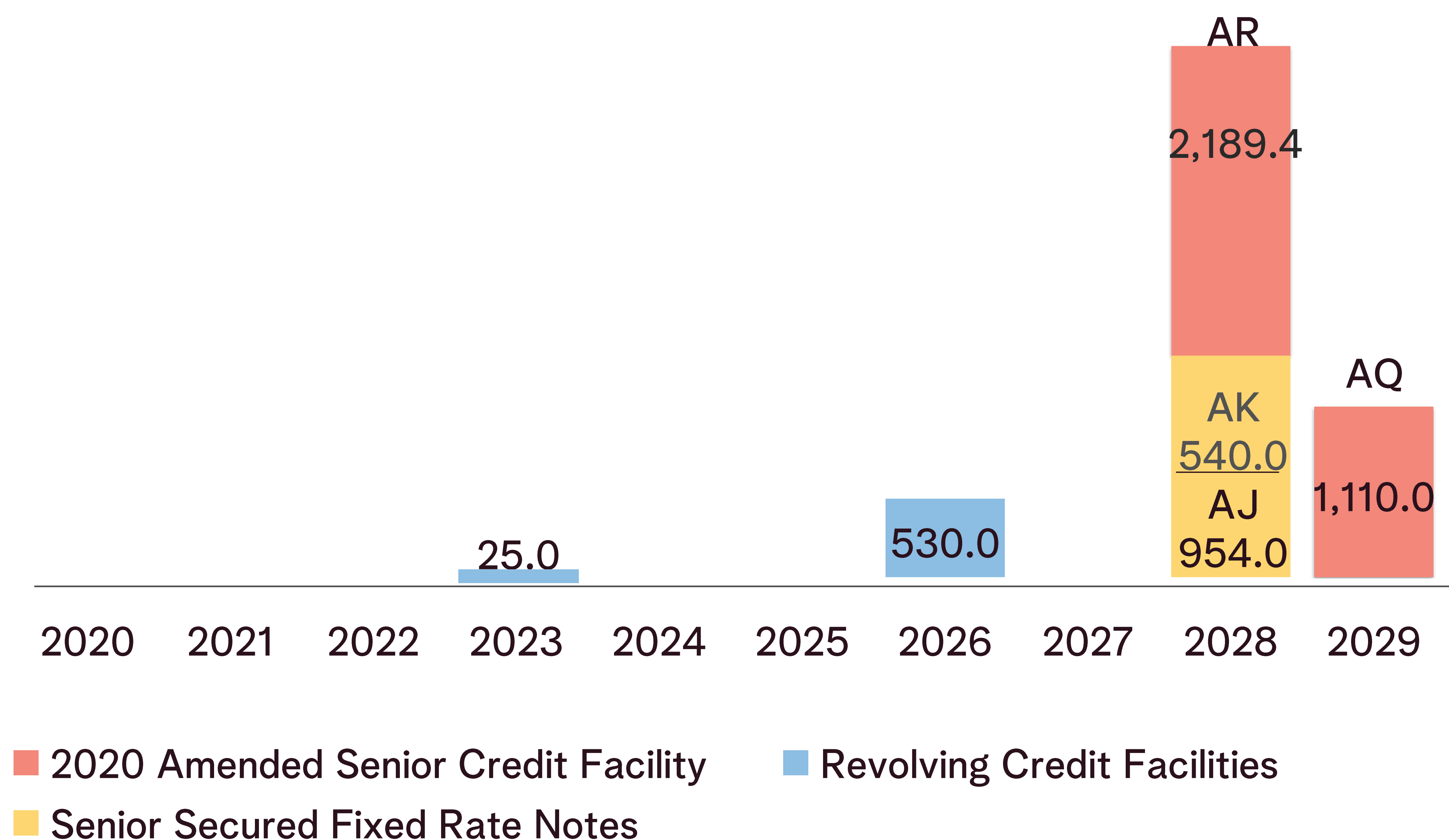
Robust debt[1,2] maturity profile in terms of both cost and tenor



6.0 years weighted average maturity

3.2% weighted average cost of debt

€1,384.5 million of untapped liquidity, including cash & cash equivalents

100% swapped into fixed (EUR) rates

[1] In the table above, Telenet's USD-denominated debt has been converted into EUR using the June 30, 2022 EUR/USD exchange rate. As Telenet has entered into several derivative transactions to hedge both the underlying floating interest rate and exchange risks, the EUR-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 EUR-equivalent hedged amounts given the underlying economic risk exposure

[2] Excluding leases and vendor financing commitments

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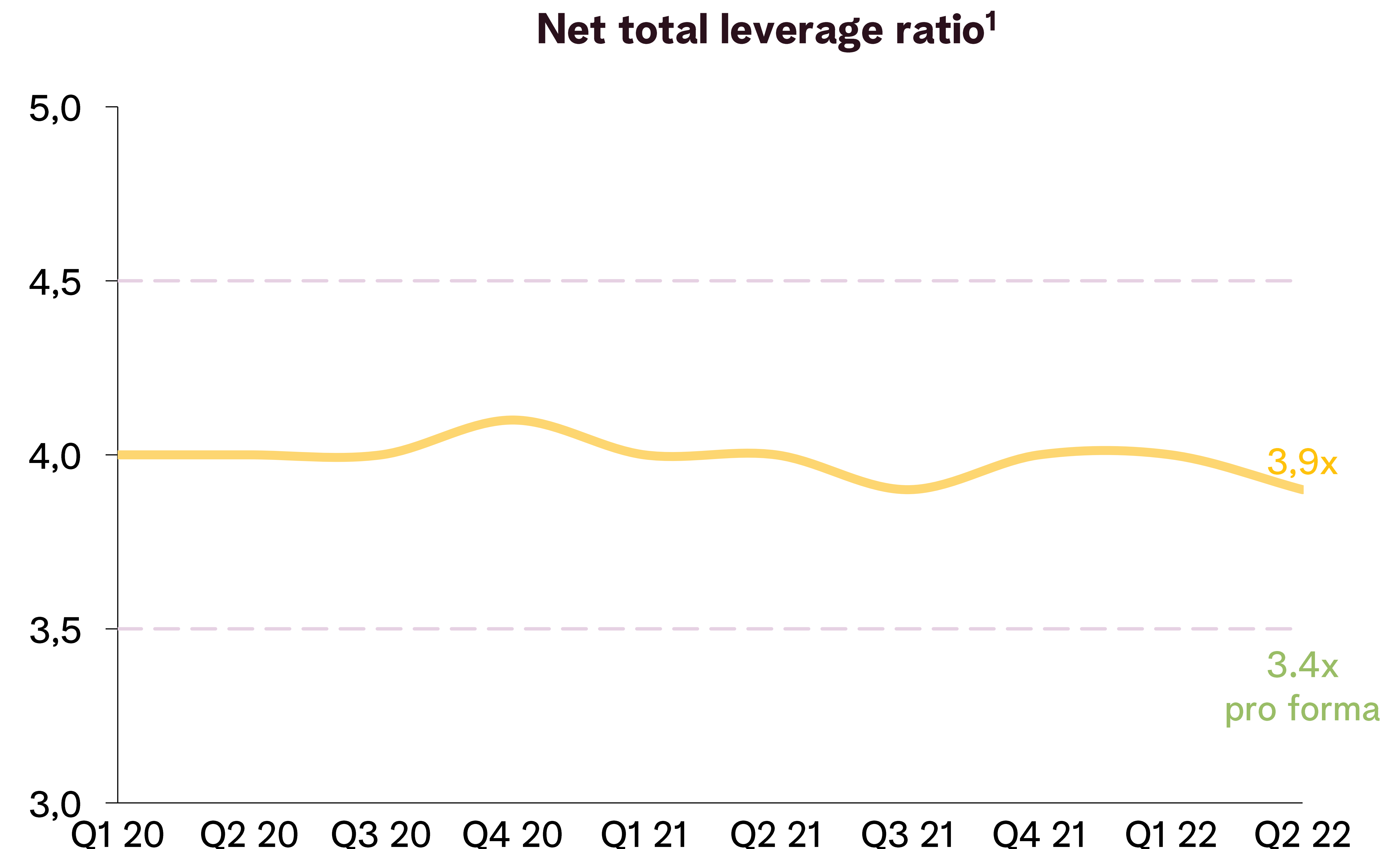
Pro forma net total leverage compressed at 3.4x, reflecting timing variances in our tower lease-related payments and excluding impacts of the June multiband spectrum auction

- The move to Adjusted EBITDAaL triggers a change in the calculation of our net total leverage ratio.
- Our net debt now excludes lease-related liabilities, dividing by the last two quarters' annualized Adjusted EBITDAaL. Previously, it included lease-related liabilities, dividing by the last two quarters' annualized Adjusted EBITDA.
- Under the old definition, net total leverage would have been 3.9x as the favorable impact from the tower sale was partially offset by the recognition of the 15-year lease liability under the Master Lease Agreement with Digital Bridge.
- Under the new definition, our pro forma net total leverage reached 3.4x at the end of June, reflecting timing variances in our tower lease-related payments to DigitalBridge (only impacting for one month) and not yet including the impact of the recent spectrum auction.
- As a result, we expect our net total leverage ratio to increase as of next quarter onwards.



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

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Reaffirming our FY 2022 guidance, expecting a stronger growth dynamic in H2 in line with our outlook

	FY 2022 (As presented on Feb. 10, 2022)
Revenue growth	Around +1% (FY 2021 rebased: €2,593.9 million)
Adjusted EBITDA growth[a]	Around +1% (FY 2021 rebased: €1,361.4 million)
Accrued capital expenditures as a percentage of revenue[b]	Around 25%
Adjusted Free Cash Flow (incl. direct acquisition and divestiture costs & principal payments on pre-acquisition additions to network leases)[a,c]	Flat versus FY 2021 (FY 2021: €404.9 million)

(a) Quantitative reconciliations to net profit (including net profit growth rates) and cash flows from operating activities for our 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.

(b) 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.

(c) Assuming certain payments are made for the temporary prolongation of our current 2G and 3G mobile spectrum licenses in 2022, yet excluding payments on any future spectrum licenses as part of the upcoming multiband auction, and assuming the tax payment on our 2021 tax return will not occur until early 2023.

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Q&A

Definitions

Important reporting changes

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 operating statistics 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 H1 2021 revenue accordingly.

Discontinuation of basic video RGU reporting: Following the successful completion of our analog TV switch-off program across our entire footprint at the end of November 2021, we will no longer distinguish between basic and enhanced video subscribers and will only report the total number of video customers as of January 1, 2022.

Inclusion of Adjusted EBITDA after leases ("Adjusted EBITDAaL"): Following the aforementioned sale of our mobile tower infrastructure business on June 1, 2022, we will now include Adjusted EBITDA after leases as a core financial metric in addition to Adjusted EBITDA. Adjusted EBITDAaL is defined as Adjusted EBITDA as further adjusted to include lease-related depreciation and interest expense as mentioned under 6.3 Definitions. As a result of the tower disposal, Telenet has entered into a 15-year Master Lease Agreement ("MLA") with DigitalBridge with two renewal periods of 10 years each. As a result, Telenet will make substantial payments to DigitalBridge for the use of Telenet's former mobile tower infrastructure. As a result, we believe Adjusted EBITDAaL is a helpful financial metric to (i) demonstrate the Company's underlying performance after including all lease-related expenses necessary to run our business and (ii) provide comparability between Telenet's performance and the performance of other companies in the same or similar industries, although Telenet's measure may not be directly comparable to similar measures used by other public companies.

Operating Free Cash Flow renamed into Adjusted EBITDA less property & equipment additions: Effective with the release of our Q3 2021 earnings, we have stopped using the term Operating Free Cash Flow and now use the term "Adjusted EBITDA less property & equipment additions". As we define the term, Adjusted EBITDA less property & equipment additions has the same meaning as Operating Free Cash Flow had previously, and therefore does not impact any previously reported amounts.

Revised definition of Adjusted Free Cash Flow: Effective Q4 2021, we have changed the way we calculate Adjusted Free Cash Flow by deducting (i) cash payments for direct acquisition and divestiture costs and (ii) principal payments on pre-acquisition additions to network leases from our Adjusted Free Cash Flow. Prior to implementing this change, our Adjusted Free Cash Flow excluded both payments, in line with our historical guidance. We have represented our Adjusted Free Cash Flow as of Q1 2021 on that basis as further detailed under 5.2 EU IFRS condensed consolidated statement of cash flows. We refer to 6.3 Definitions for more information regarding our Adjusted Free Cash Flow disclosure.

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Definitions (1/4)

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

Adjusted EBITDA is defined as EBITDA before stock-based compensation, measurement period and post-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 (i) represents an additional measure used by management to demonstrate the Company's underlying performance both before and after including all lease-related expenses necessary to run the business and (ii) provides comparability between Telenet's performance and the performance of other companies in the same or similar industries, although Telenet's measure may not be directly comparable to similar measures used by other public companies. Adjusted EBITDA should not replace the measure 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.

Adjusted EBITDAaL (Adjusted EBITDA after leases) is defined as Adjusted EBITDA further adjusted to include lease-related depreciation and interest expense. Adjusted EBITDAaL is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and (i) represents an additional measure used by management to demonstrate the Company's underlying performance both before and after including all lease-related expenses necessary to run the business and (ii) provides comparability between Telenet's performance and the performance of other companies in the same or similar industries, although Telenet's measure may not be directly comparable to similar measures used by other public companies. Adjusted EBITDAaL should not replace the measure 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.

Adjusted EBITDA less property & equipment additions is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G and is a meaningful measure because it provides (i) a transparent view of Adjusted EBITDA that remains after the Company's capital spend, which the Company believes is important to take into account when evaluating overall performance of the business and (ii) a comparable view of the Company's performance relative to other telecommunications companies. The Company's Adjusted EBITDA less property and equipment additions measure may differ from how other companies define and apply their definition of similar measures.

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Definitions (2/4)

Adjusted Free Cash Flow is defined as net cash provided by the Company's operating activities, plus operating-related vendor financed expenses (which represents an increase in the period to the Company's actual cash available as a result of extending vendor payment terms beyond normal payment terms, which are typically 90 days or less, through non-cash financing activities), less (i) cash payments in the period for capital expenditures as reported in the Company's consolidated statement of cash flows, (ii) principal payments on operating- and capital-related amounts financed by vendors and intermediaries (which represents a decrease in the period to the Company's actual cash available as a result of paying amounts to vendors and intermediaries where we previously had extended vendor payments beyond the normal payment terms), and (iii) principal payments on finance leases (which represents a decrease in the period to our actual cash available) each as reported in the Company's consolidated statements of cash flows. The Company believes its presentation of Adjusted Free Cash Flow, which is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G, provides useful information to its investors because this measure can be used to gauge the Company's ability to (i) service debt and (ii) fund new investment opportunities after consideration of all actual cash payments related to working capital activities and expenses that are capital in nature whether paid inside normal vendor payment terms or paid later outside normal vendor payment terms (in which case the Company typically pays in less than 365 days). Adjusted Free Cash Flow should not be understood to represent the Company's ability to fund discretionary amounts, as the Company has various mandatory and contractual obligations, including debt repayments, that are not deducted to arrive at these amounts. Investors should view Adjusted Free Cash Flow as a supplement to, and not a substitute for EU IFRS measures of liquidity included in the Company's consolidated statements of cash flows. Further, the Company's Adjusted Free Cash Flow may differ from how other companies define and apply their definition of Adjusted Free Cash Flow.

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.

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.

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.

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Definitions (3/4)

EBITDA is defined as profit before net finance expense, the share of the result of equity accounted investees, income taxes, depreciation, amortization and impairment.

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

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.

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

Net total leverage is defined as the sum of loans and borrowings under current and non-current liabilities (excluding lease-related 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 EBITDAaL In its statement of financial position, Telenet's USD-denominated debt has been converted into EUR using the June 30, 2022 EUR/USD exchange rate. As Telenet has entered into several derivative transactions to hedge both the underlying floating interest rate and exchange risks, the EUR-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 EUR-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.

Net covenant leverage is calculated as per the 2020 Amended Senior Credit Facility definition, using Net Total Debt (using the €-equivalent hedged amounts for its USD-denominated debt as highlighted above), excluding (i) subordinated shareholder loans, (ii) capitalized elements of indebtedness under the Clientele and Annuity Fees, (iii) any finance leases entered into on or prior to August 1, 2007, (iv) any indebtedness incurred under the network lease entered into with the pure intermunicipalities, (v) any vendor financing-related liabilities, and including (vi) the Credit Facility Excluded Amount (which is the greater of (a) €400.0 million and (b) 0.25x Consolidated Annualized Adjusted EBITDA), divided by last two quarters' Consolidated Annualized Adjusted EBITDA.

Rebased information: On June 1, 2022, we successfully completed the sale of our mobile tower infrastructure business ("TowerCo") to DigitalBridge Investments, LLC, an affiliate of DigitalBridge Group, Inc. ("DigitalBridge"). For purposes of calculating rebased growth rates on a comparable basis, we have adjusted our historical revenue and Adjusted EBITDA to exclude the revenue and Adjusted EBITDA of TowerCo to the extent revenue and Adjusted EBITDA related to this transaction is no longer included in our current results. 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.

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Definitions (4/4)

RGU is separately a 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 video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of 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.

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.

Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet's video service over the Combined Network.

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