Investor & Analyst presentation

Q1 2022 Results

28 April 2022

Safe harbor disclaimer

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, 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.

Executive summary

Telenet board of directors welcomes new talent

(Independent director)

Ms. Lieve Creten

(Independent director)

Mr. John Gilbert

(Independent director)

Mr. Dirk Van den Berghe

(Non-independent director)

Ms. Madalina Suceveanu

The April 2022 Annual General Shareholders' Meeting yesterday approved the board of directors' proposal to:

- Appoint four new directors for a four-year term: Ms. Lieve Creten, Mr. John Gilbert and Mr. Dirk Van den Berghe as new independent directors and Ms. Madalina Suceveanu as a new non-independent director (upon proposal of Liberty Global, in accordance with article 18.1(ii) of the articles of association)
- Extend of the director mandates of Ms. Amy Blair and Ms. Severina Pascu for another four years

The new board is well-placed to help promote further growth for Telenet given its wide breadth of experience and background

Mr. Jo Van Biesbroeck
Chairman -
Independent Director

Mr. John Porter
Chief Executive
Officer and
Managing director

Ms. Lieve Creten
Independent
Director

Mr. John Gilbert
Independent
Director

Mr. Dirk Van den
Berghe
Independent
Director

Mr. André Sarens
Observer

Mr. Charles H.
Bracken
Director

Mr. Enrique
Rodriguez
Director

Mr. Manuel
Kohnstamm
Director

Ms. Amy Blair
Director

Ms. Severina Pascu
Director

Ms. Madalina
Suceveanu
Director

Further developing our infrastructure assets and crystalizing shareholder value thereof

- Binding agreement signed at the end of March 2022 with DigitalBridge Group, Inc. regarding the 100% sale of the shares in a newly incorporated direct subsidiary of Telenet Group Holding NV ("TowerCo"), which will hold all of Telenet's passive infrastructure and tower assets.
- Upon closing, which is expected in the second quarter, DigitalBridge will acquire TowerCo for a total consideration of €745 million on a cash-free and debt-free basis, fully payable in cash.
- The transaction values Telenet's tower business at 25.1x EV/EBITDAal[1] 2021.
- Completes the strategic assessment initiated by Telenet's board of directors in October 2021 and is fully in line with Telenet's strategy, which includes partnering to further develop its infrastructure assets and crystalize shareholder value.
- Telenet will initially retain the net proceeds resulting from the sale, awaiting the achievement of certain accretive strategic transactions, including amongst others the NetCo JV with Fluvius and the upcoming multiband spectrum auction, and the impacts thereof on the Company's financial and leverage profile, as well as other potential strategic opportunities that could arise in the future.

- To ensure that Flanders continues to be at the vanguard of connectivity for decades to come, Fluvius and Telenet signed a non-binding term sheet at the end of October last year to outline the high-level principles of their future network strategy.
- To deploy this "data network of the future" in Flanders, Telenet and Fluvius intend to create a new self-funding independent infrastructure company ("NetCo"), contributing their existing HFC and fiber assets as well as developing new build fiber assets in the future.
- NetCo is intended to be a multiparty partnership, i.e., open to further partnering with both strategic and/or financial parties.
- NetCo intends to operate an open access network with non-discriminatory conditions.
- NetCo is expected to enjoy a high network utilization rate from the start driven by Telenet's existing customer relationships and the incremental traffic generated by wholesale partners.
- Both companies target to enter into final legal agreements by the time we announce our H1 2022 results, which marks a slightly delayed timing from spring initially.

DIGITALBRIDGE

fluvius.

[1] *EBITDAal is referred to as EBITDA after leases*

Q1 2022 highlights: financial/operational KPIs[1]

New ONE/KLIK b2c/b2b campaign with strong €49 promotional offer

BIPT mobile network drive tests reveal Telenet offers highest mobile download speed of 93.5 Mbps

THE PARK

Opening Virtual Reality experience at OH Leuven stadium

SBS

>1 million viewers for first episode, equivalent to a 51.6% market share

Free calls and SMSs from and to Ukraine for all our Telenet and BASE customers, provision of Ukraine 24 TV channel

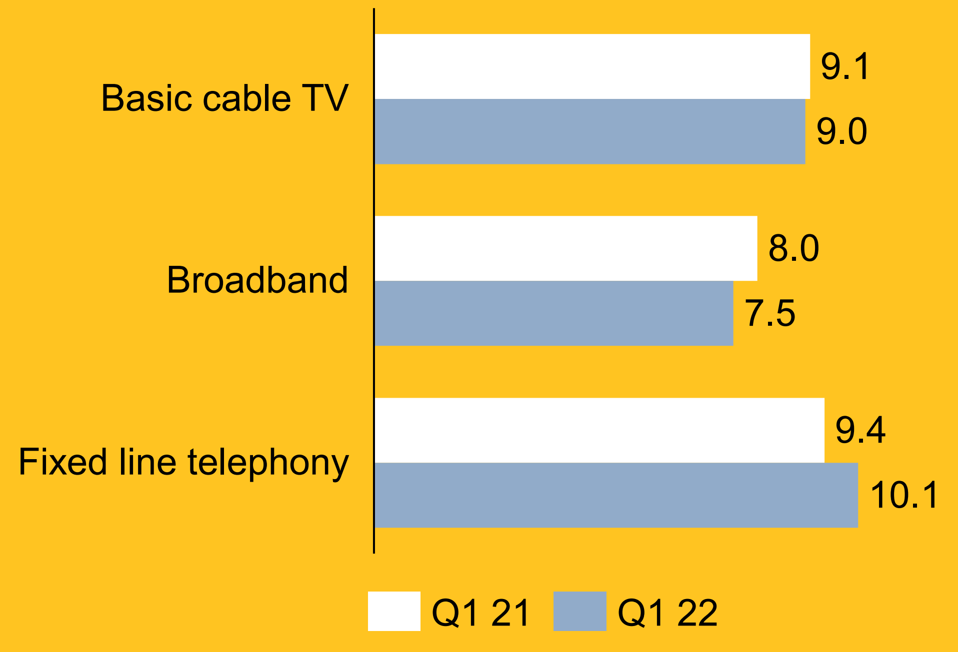
GROWTH IN FMC CONTINUES

772k FMC subs

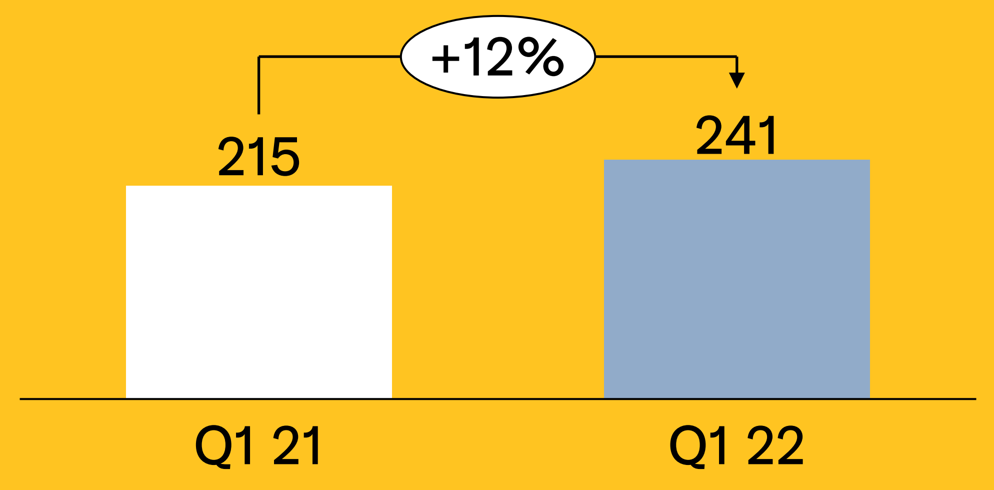
LOW MARKET FLUX, IMPACTING NET ADDS

+2.9k broadband
+8.8k mobile postpaid
+22.7k FMC

SUSTAINED LOW CHURN LEVELS (%)

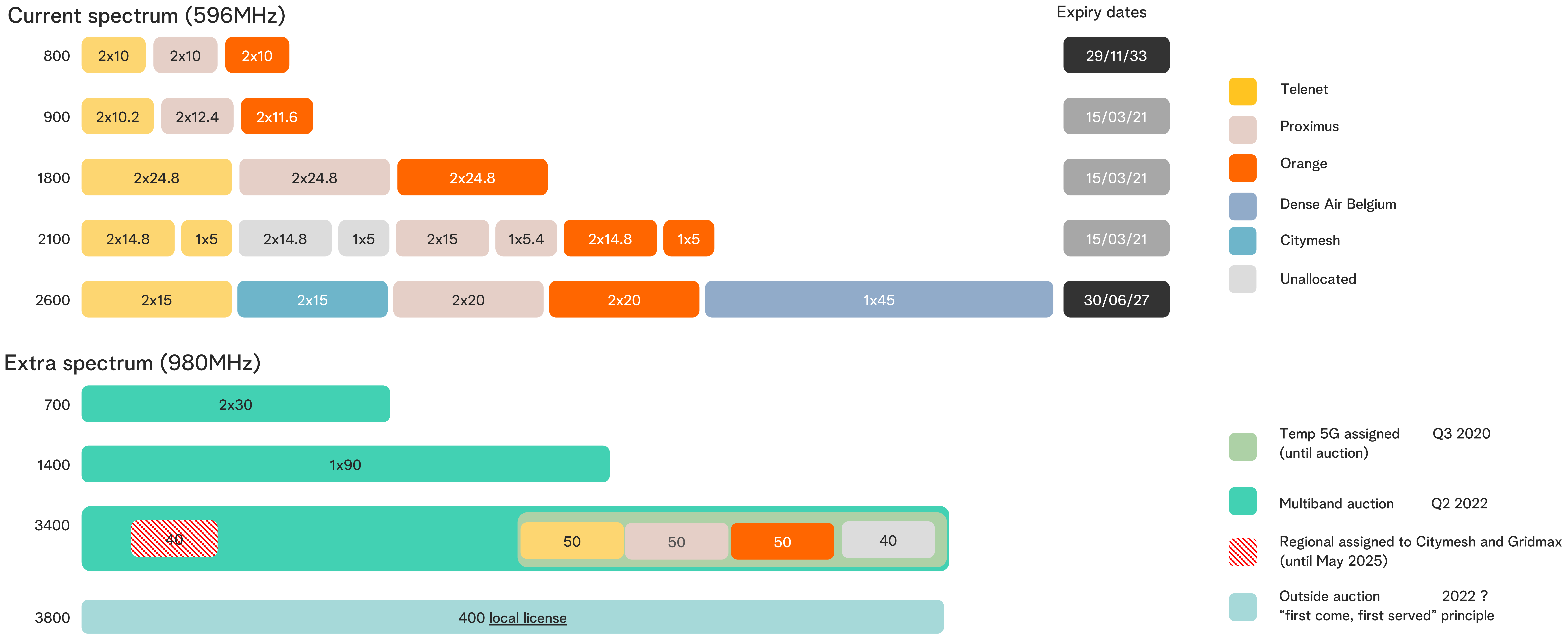


CUSTOMER UPTIERING CONTINUES
(WEIGHTHED AVERAGE DOWNLOAD SPEED, MBPS)



Source: internal company data

Preparing for upcoming spectrum auction



Overview reserved spectrum:

- Newcomer: 5 MHz duplex in the 700 Mhz band, 5 Mhz duplex in the 900 MHz band, 15 Mhz duplex in the 1800 Mhz band and 5 Mhz duplex in the 2100 Mhz band.
- Existing operators: 5 Mhz duplex in the 900 MHz band, 15 Mhz duplex in the 1800 Mhz band and 10 Mhz duplex in the 2100 Mhz band

Reconfirming our FY 2022 outlook: expected acceleration of both revenue and Adjusted EBITDA trends in H2 22

	FY 2022 (As presented on Feb. 10, 2022)
Revenue growth	Around +1%
Adjusted EBITDA growth[a]	Around +1%
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

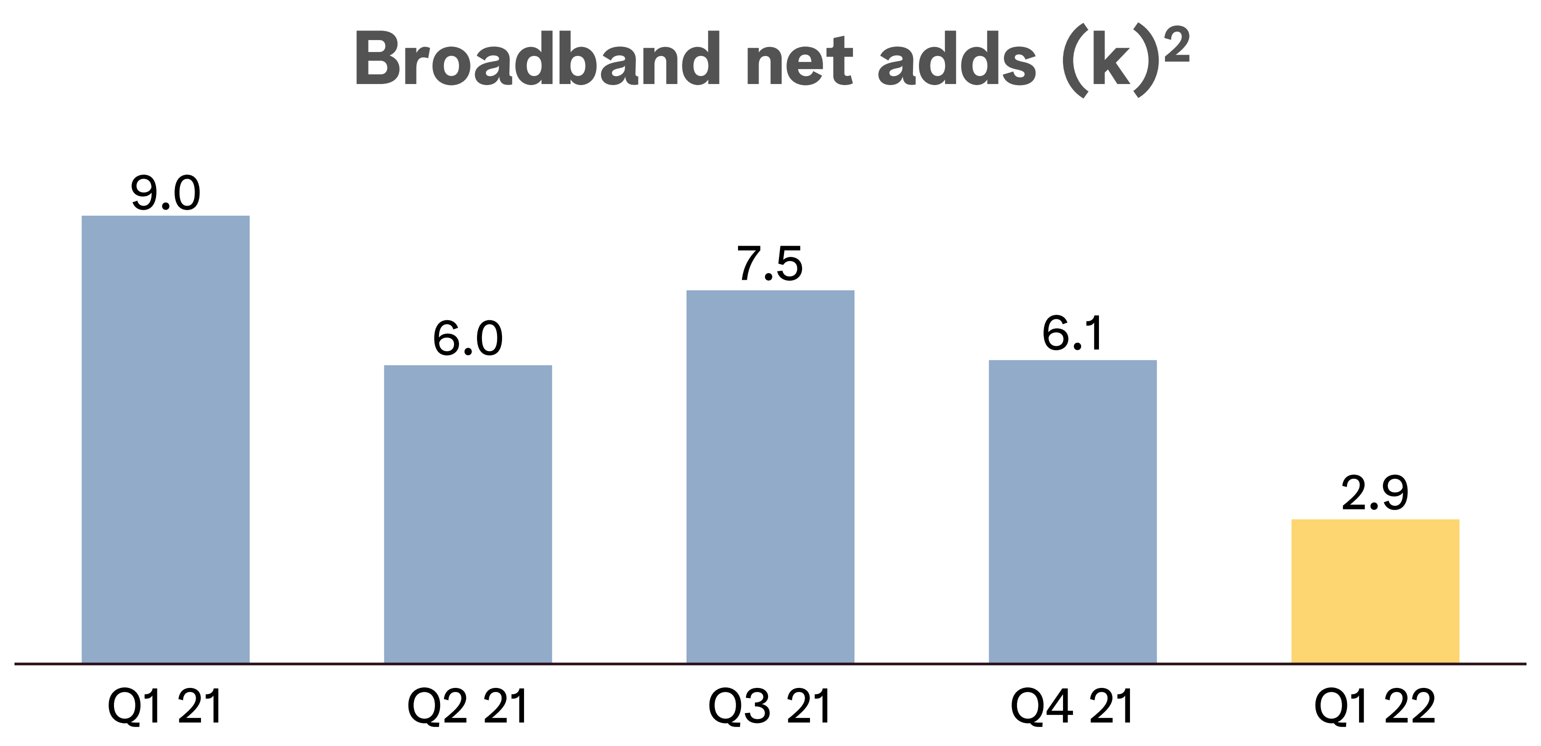
(a) Quantitative reconciliations to net profit (including net profit growth rates) and cash flows from operating activities for our Adjusted Free Cash Flow guidance cannot be provided without unreasonable efforts as we do not forecast (i) certain non-cash charges including depreciation and amortization 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.

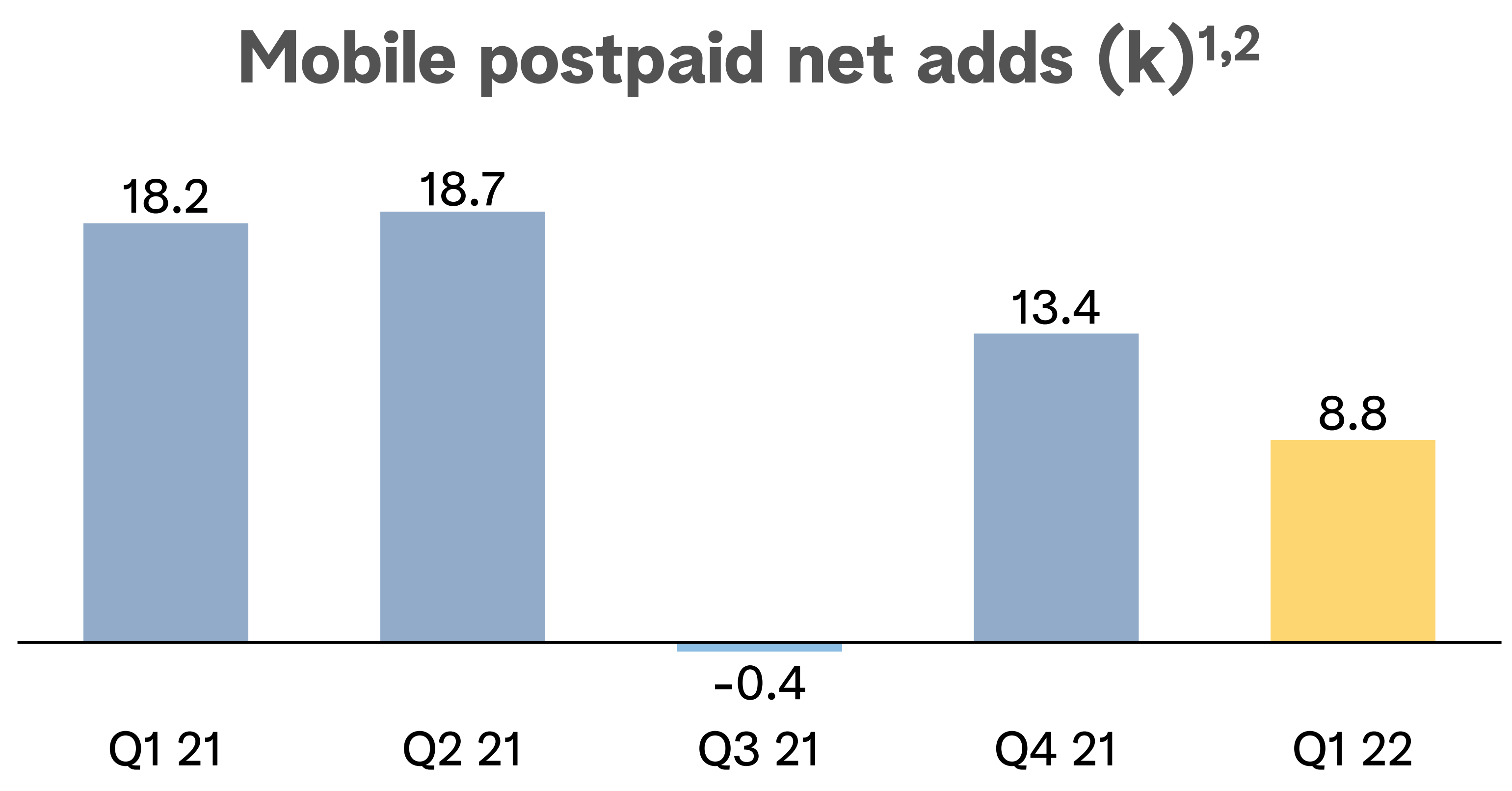
(b) Excluding the recognition of the capitalized football broadcasting rights and mobile spectrum licenses and excluding the impact from certain lease-related capital additions on our accrued capital expenditures.

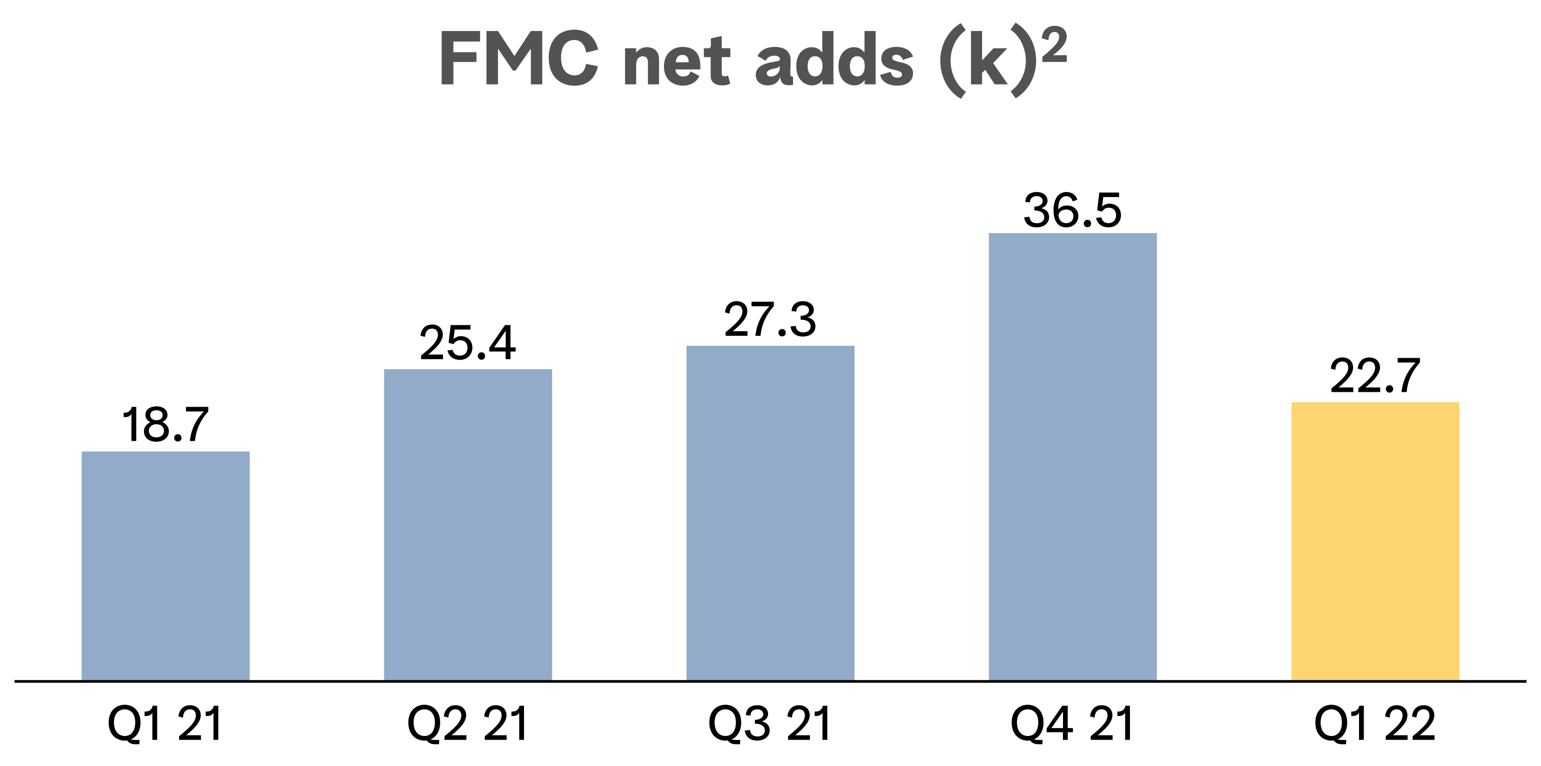
(c) Assuming certain payments are made for the temporary prolongation of our current 2G and 3G mobile spectrum licenses in 2022, yet excluding payments on any future spectrum licenses as part of the upcoming multiband auction, and assuming the tax payment on our 2021 tax return will not occur until early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

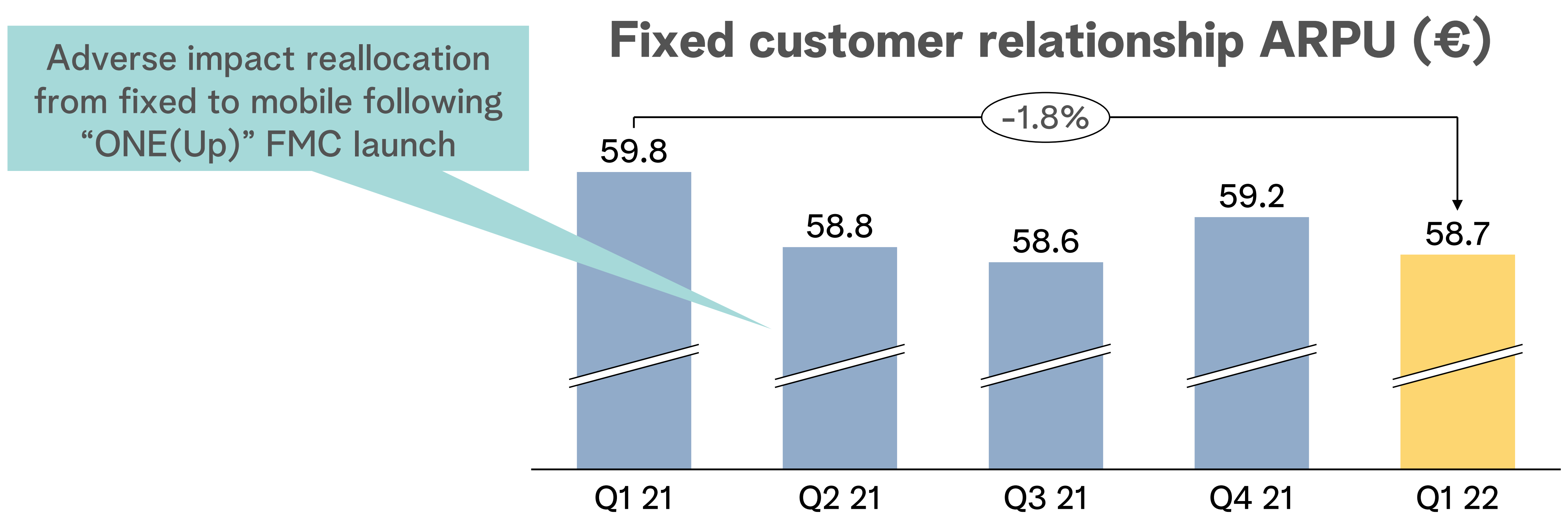
Operational & financial highlights

Low market flux favorably impacting annualized churn, but causing deceleration of net adds growth





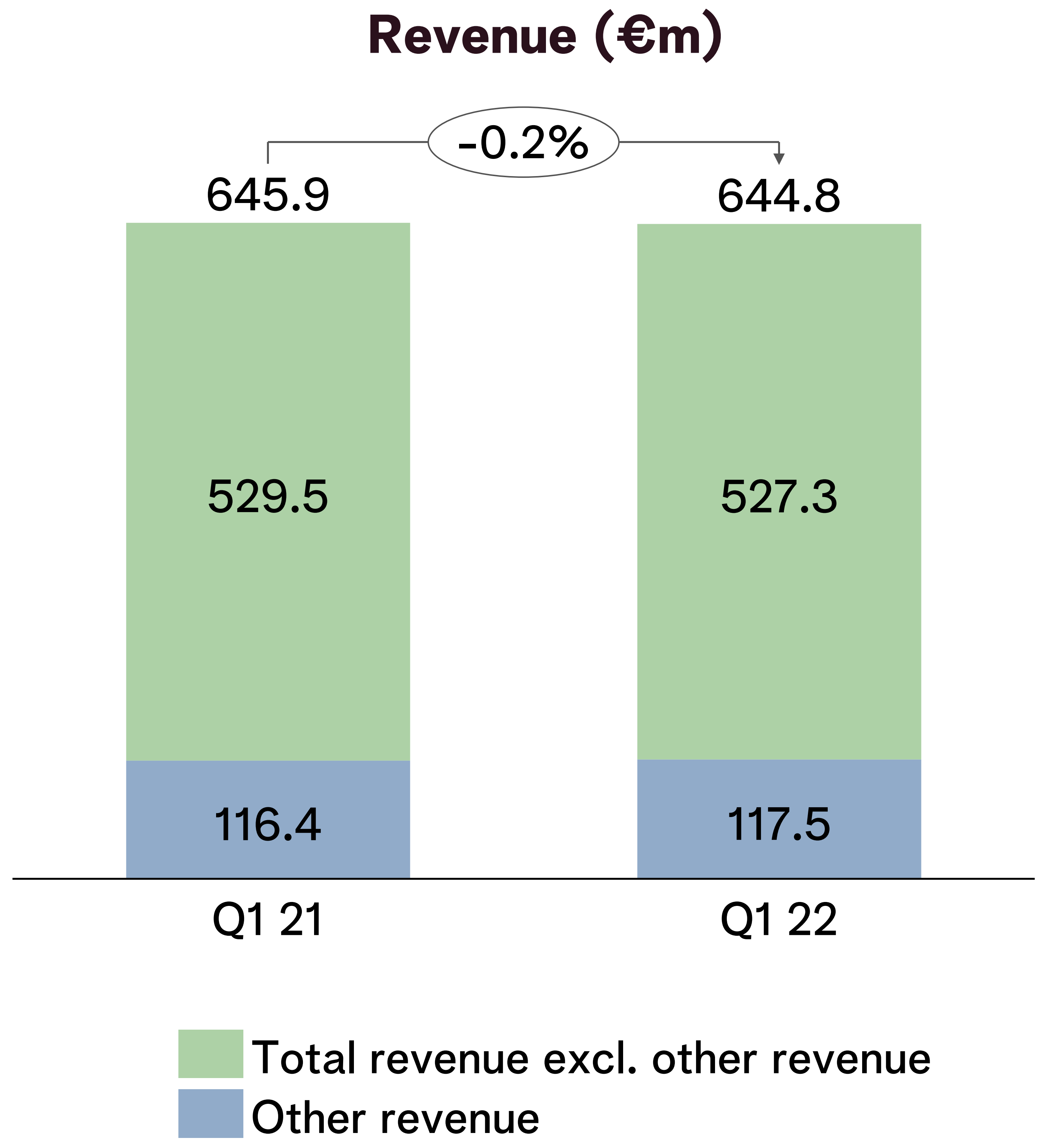




[1] As of Q2 2021, our postpaid and total mobile subscriber count includes our SME and LE business customers, which were previously not recorded in our SIM count.
[2] Organic changes.

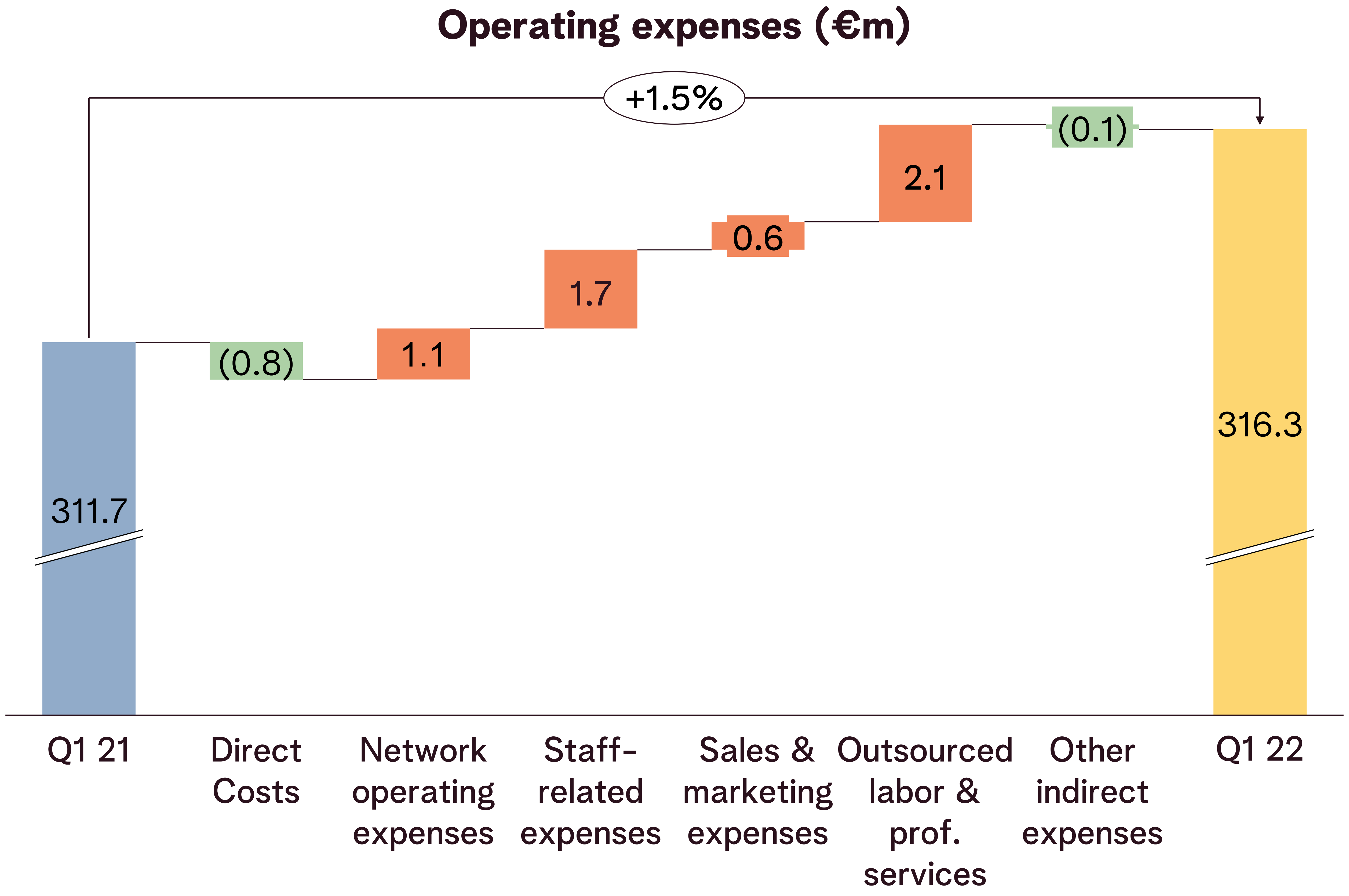
Q1 22 revenue of €664.8 million, broadly stable yoy reflecting tougher comps

- Q1 22 revenue of €644.8 million, broadly flat yoy, and mainly reflecting certain one-offs on our video revenue in Q1 21.
- The impact of these one-offs resulted in a drag on our revenue growth of around 1%.
- As such, our top line growth trend remained unchanged from previous quarters and again demonstrates that we have been able to reverse the negative trend in our revenue profile.



Moderate operating expense growth, reflecting higher staff-related costs and the impact of higher energy prices

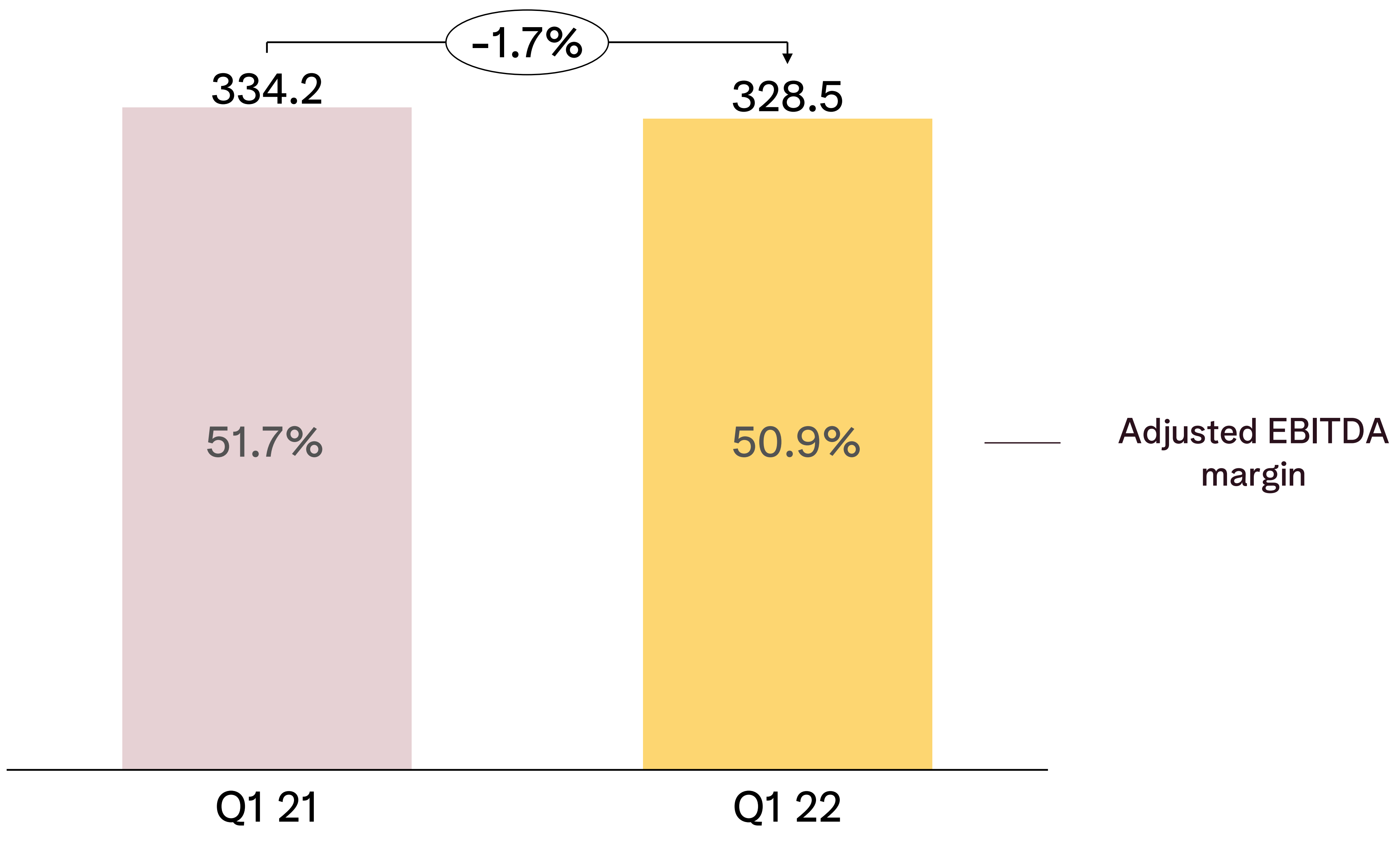
- Higher staff-related costs impacted by the 3.6% mandatory wage indexation as of January 2022.
- Increased costs related to certain strategic projects and digital transformation costs drove a €2.1 million increase in costs related to outsourced labor and professional services.
- 2% higher network operating costs, reflecting €3.5 million higher energy costs in the quarter.



...resulting in a 1.7% yoy decline in Adjusted EBITDA to €328.5 million

- Q1 22 Adjusted EBITDA[1] of €328.5 million, -1.7% yoy.
- This decline reflected a tougher comparison base because of certain one-off effects in Q1 21 and the impact of higher inflation on both our staff-related expenses and network operating costs.
- In line with our FY 2022 outlook, we anticipate an improved trend in our Adjusted EBITDA in H2, driven by certain price adjustments coming into effect as of mid-June as announced yesterday, as well as a continued focus on our operating expenses and tight cost control.

Adjusted EBITDA[1] (€m)

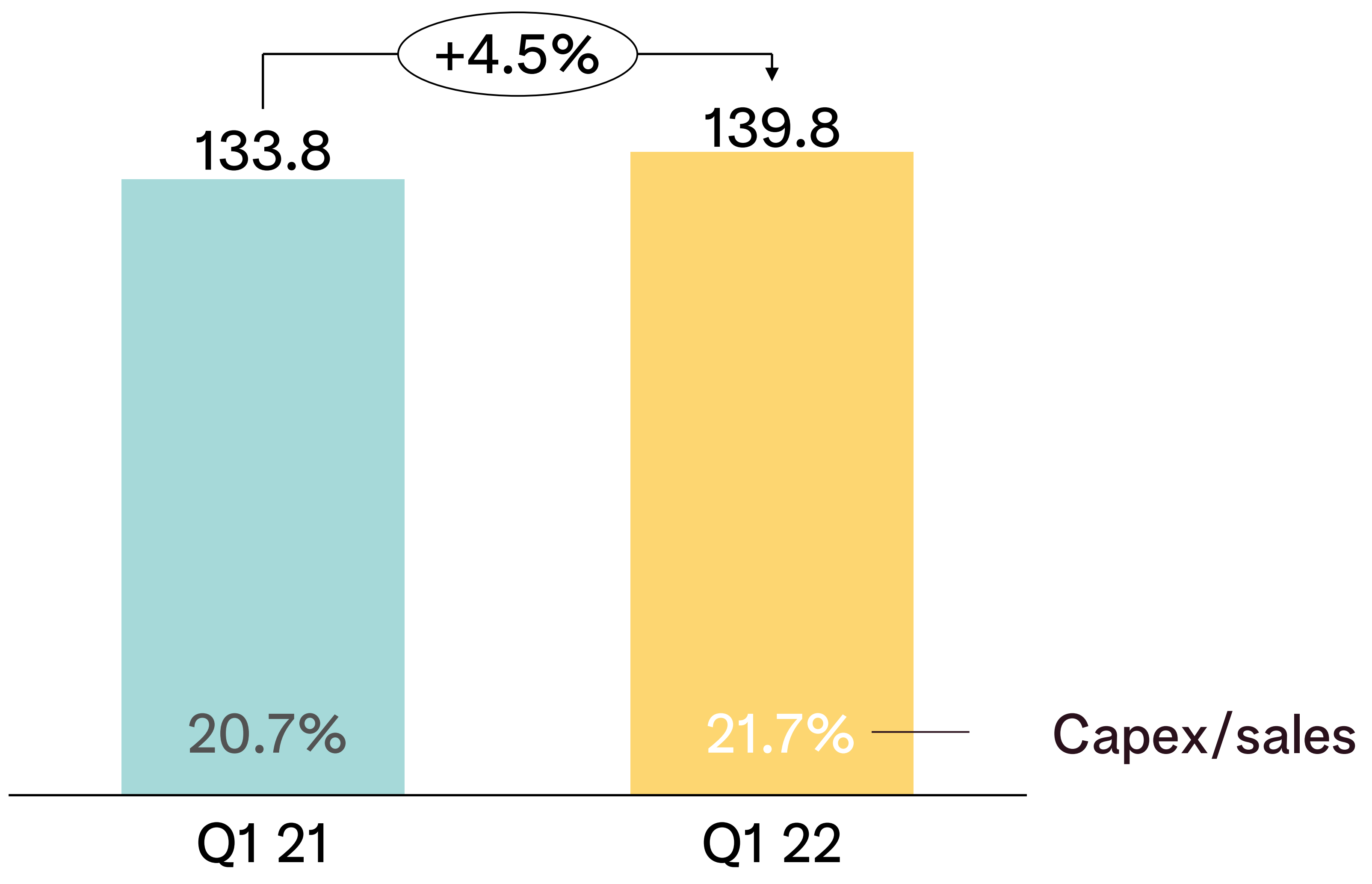


[1] *See Definitions in Appendix for additional disclosure*

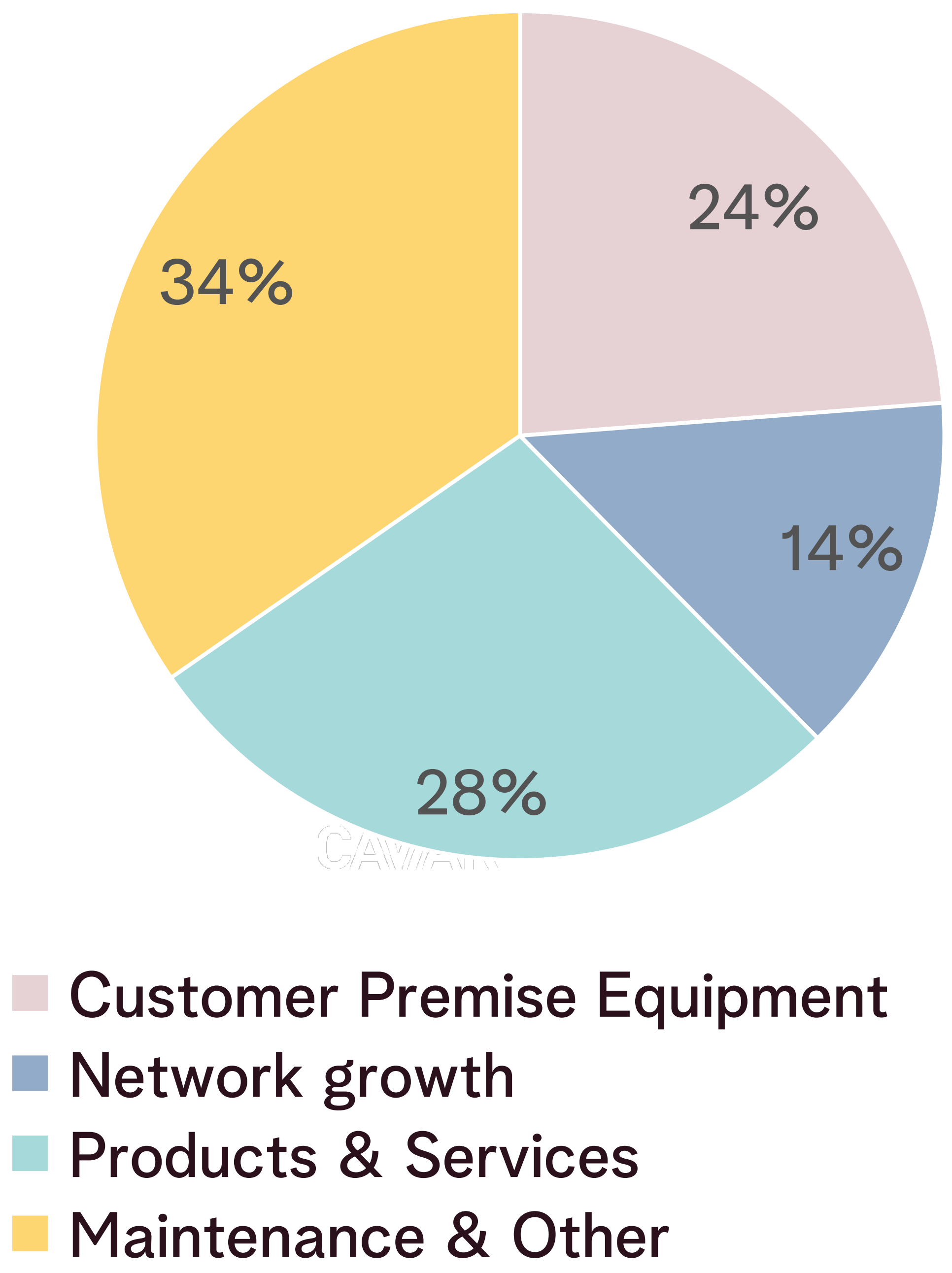
€139.8 million of accrued capex in Q1 22, up 4% yoy

- Q1 2022 accrued capital expenditures of €139.8 million[1,2]
- Equivalent to around 22% of revenue[2], and up 4% yoy on higher CPE and network-related investments.
- In line with our FY 2022 outlook, we expect our investment intensity to pick up in the remaining quarters, targeting around 25% of revenue for FY 2022[2].

Accrued capex[1,2] (€m)



Accrued capex[1,2] per segment

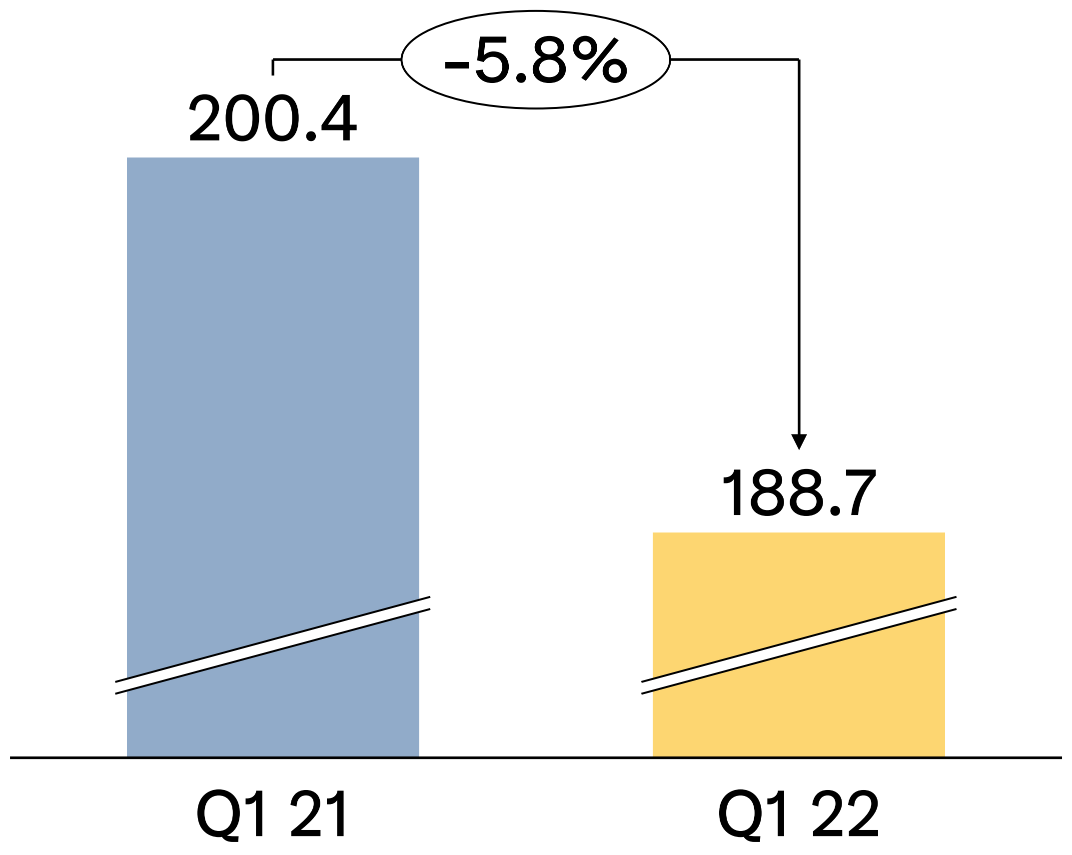


[1] *See Definitions in the Appendix for additional disclosure*
[2] *Excluding the recognition of certain **lease-related capital additions**, the recognition of football broadcasting rights and the temporary extension of both 2G and 3G mobile spectrum licenses*

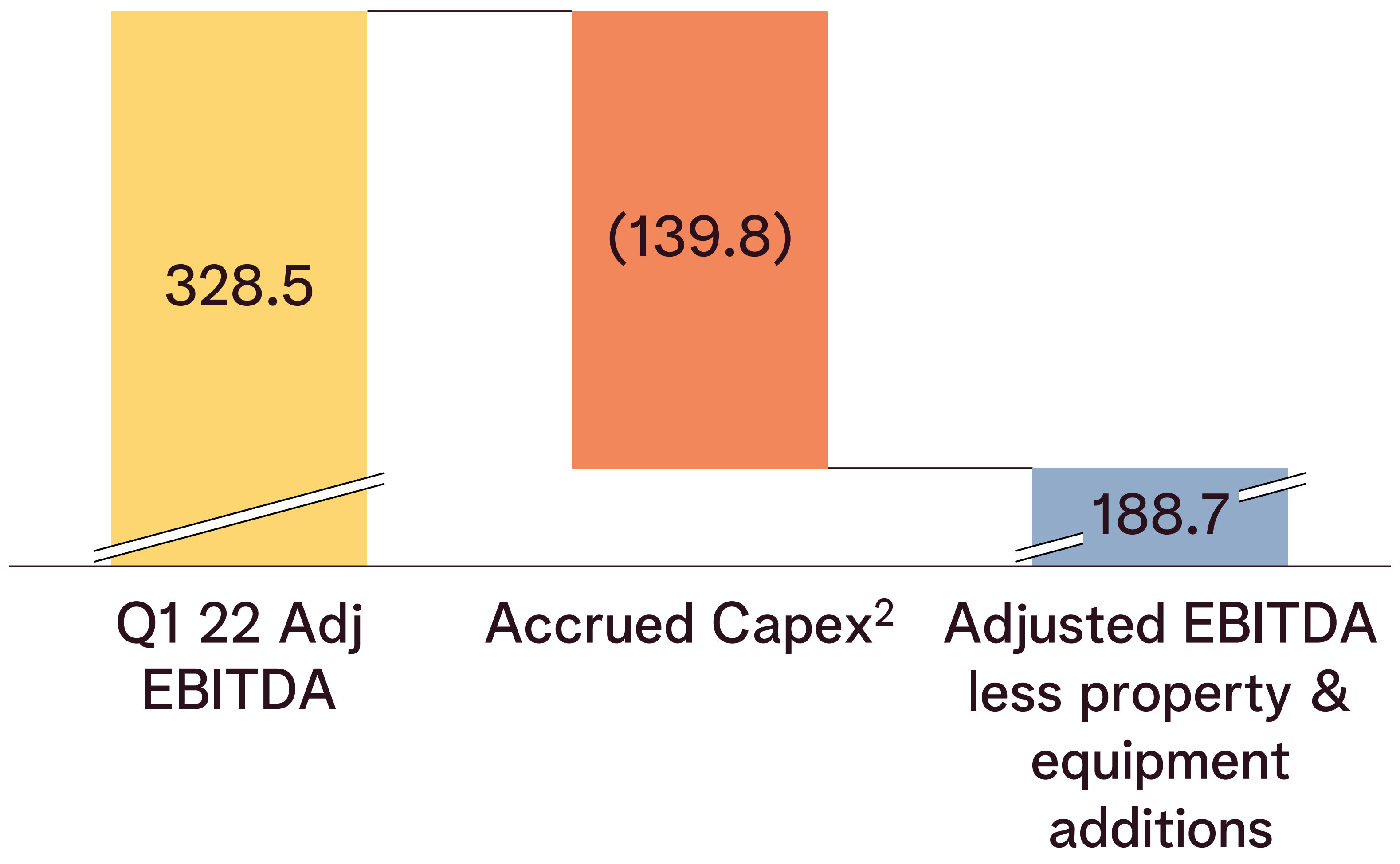
Q1 22 Adjusted EBITDA less property & equipment additions of €188.7 million

- Q1 2022 Adjusted EBITDA less property & equipment additions of €188.7 million, -6% yoy.
- The yoy decline was caused by the contraction in our Adjusted EBITDA and higher underlying accrued capex.
- In line with our FY 2022 outlook, we expect our Adjusted EBITDA less property & equipment additions to contract further in the remainder of the year on higher investments.

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



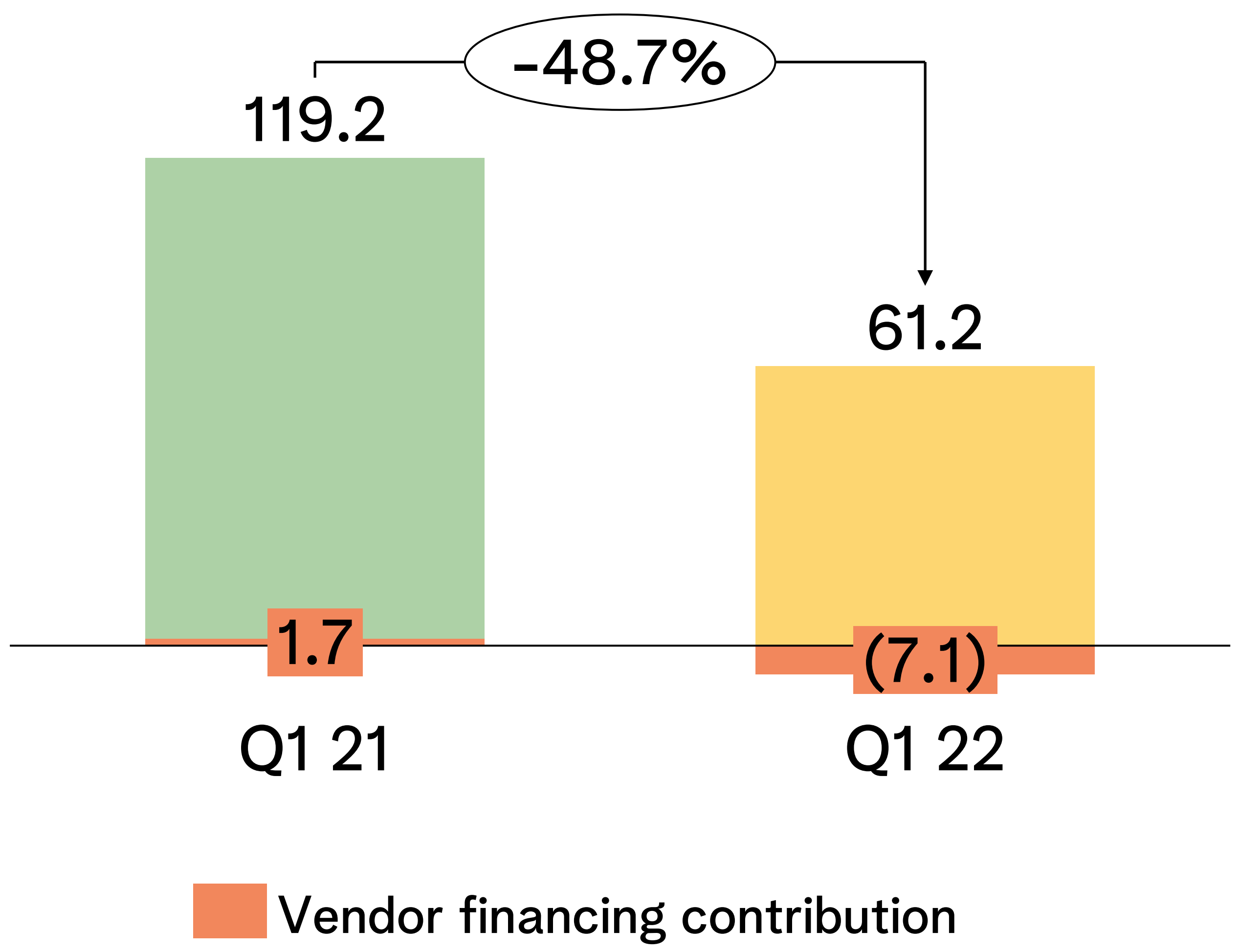
Reconciliation Adjusted EBITDA less property & equipment additions[1] (€m)



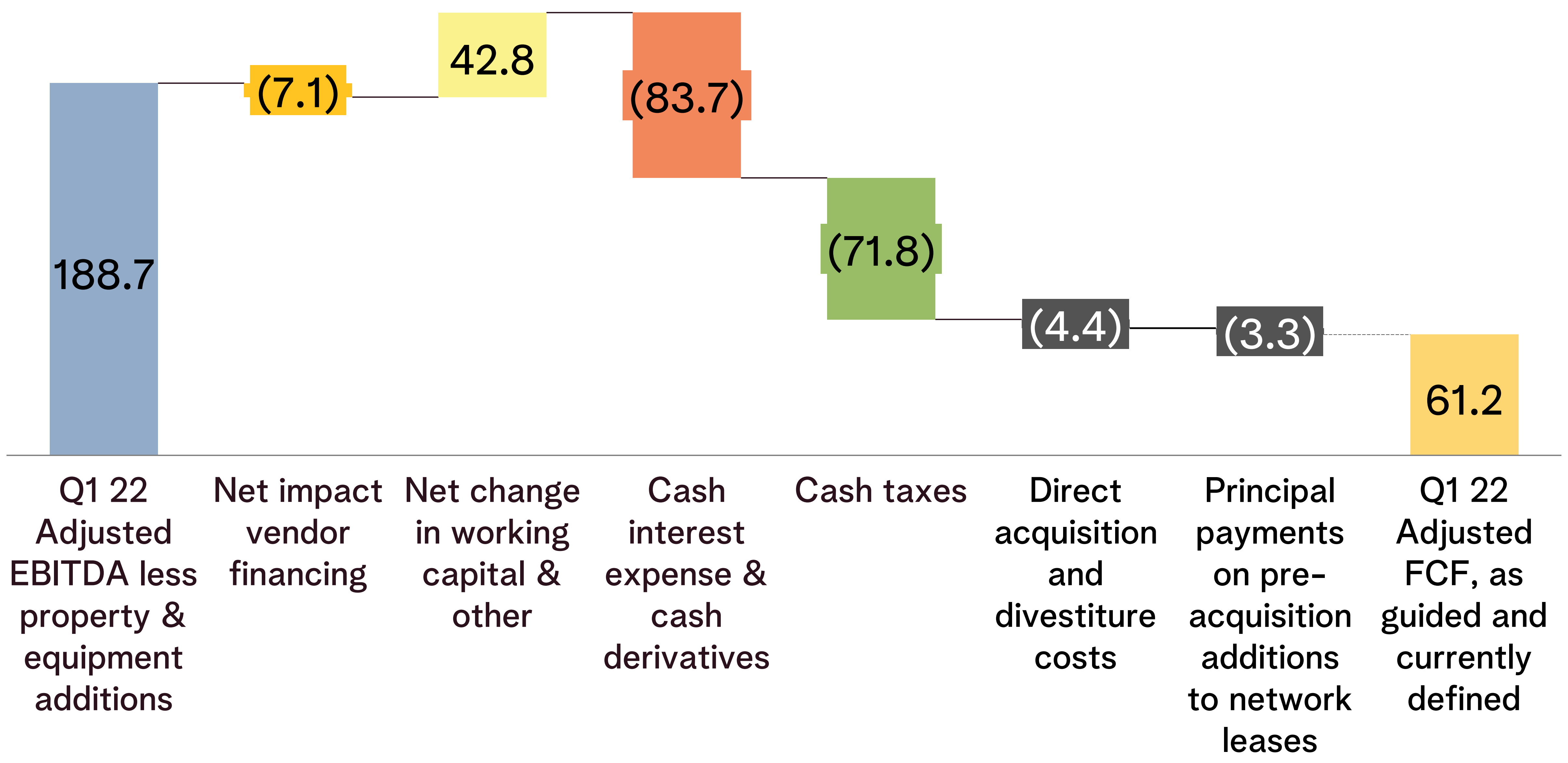
[1] See Definitions in Appendix for additional disclosure. Effective with the release of our Q3 2021 earnings, we have stopped using the term Operating Free Cash Flow and now use the term "Adjusted EBITDA less property & equipment additions". As we define the term, Adjusted EBITDA less property & equipment 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

Q1 22 Adjusted Free Cash Flow of €61.2 million, affected by different phasing of annual cash tax payment and a nearly €9 million lower vendor financing contribution

Adjusted Free Cash Flow[1] (€m)

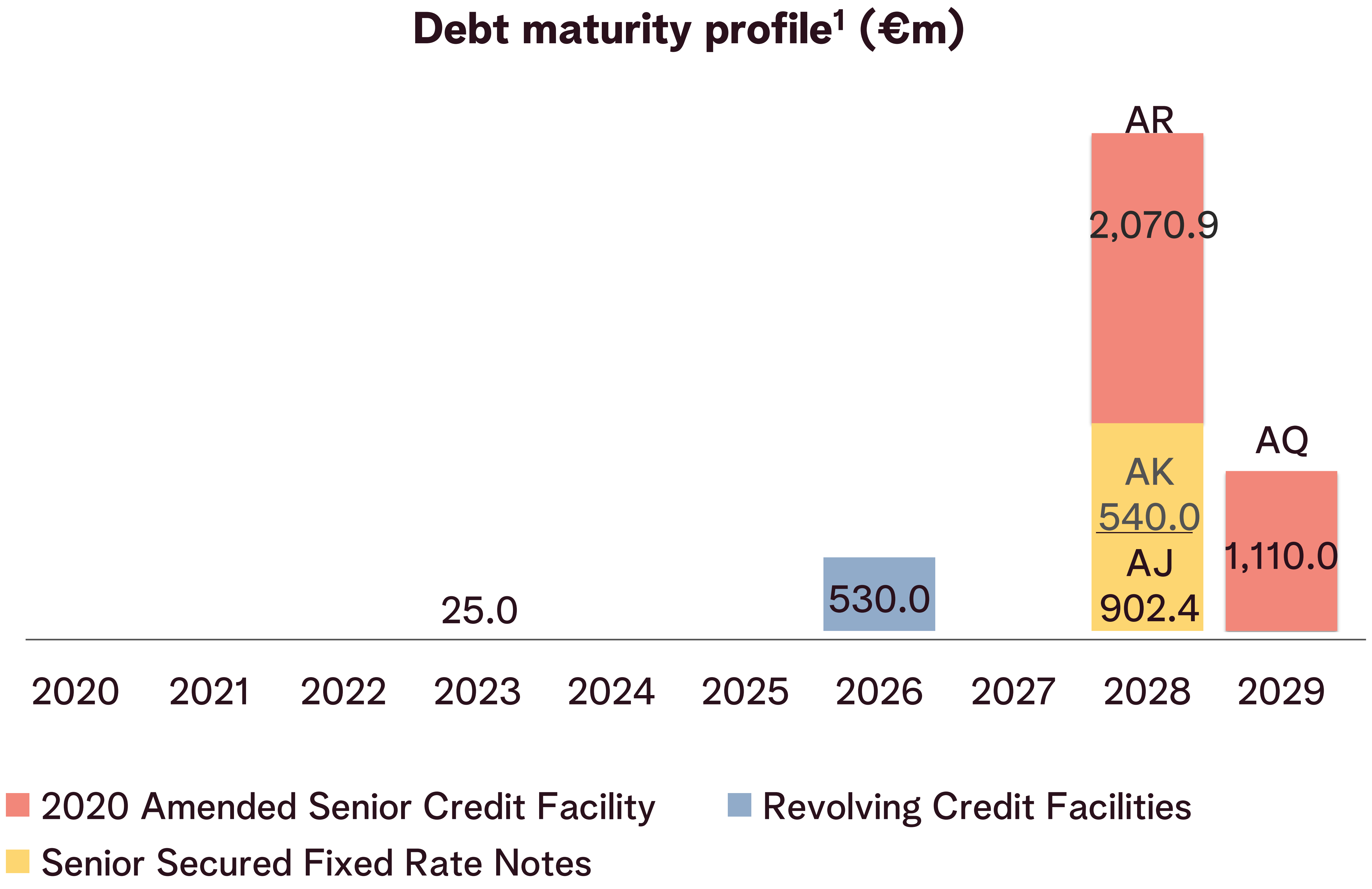


Reconciliation Adjusted Free Cash Flow[1] (€m)



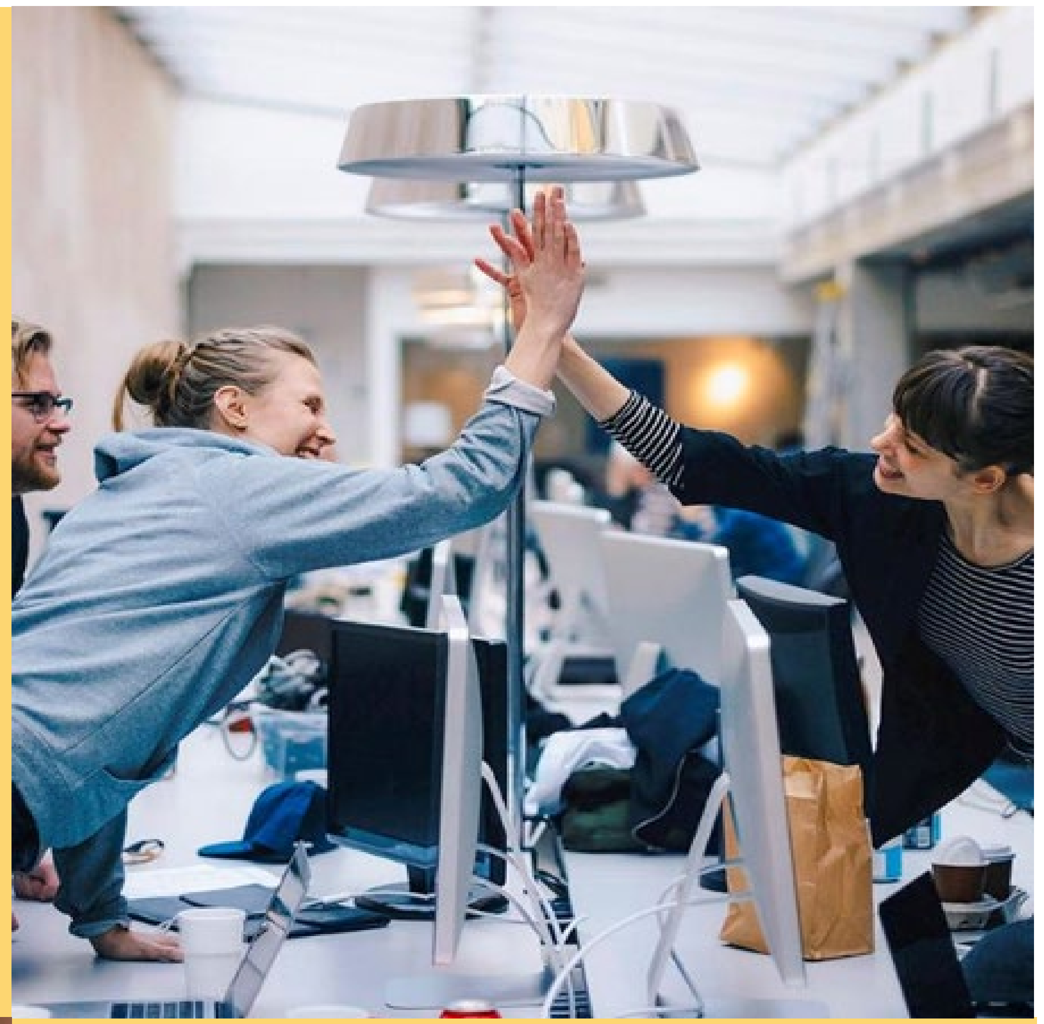
[1] *See Definitions section in the Appendix for additional disclosure*

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



6.3 years weighted average maturity

3.2% weighted average cost of debt



€717.9 million of untapped liquidity, including cash & cash equivalents

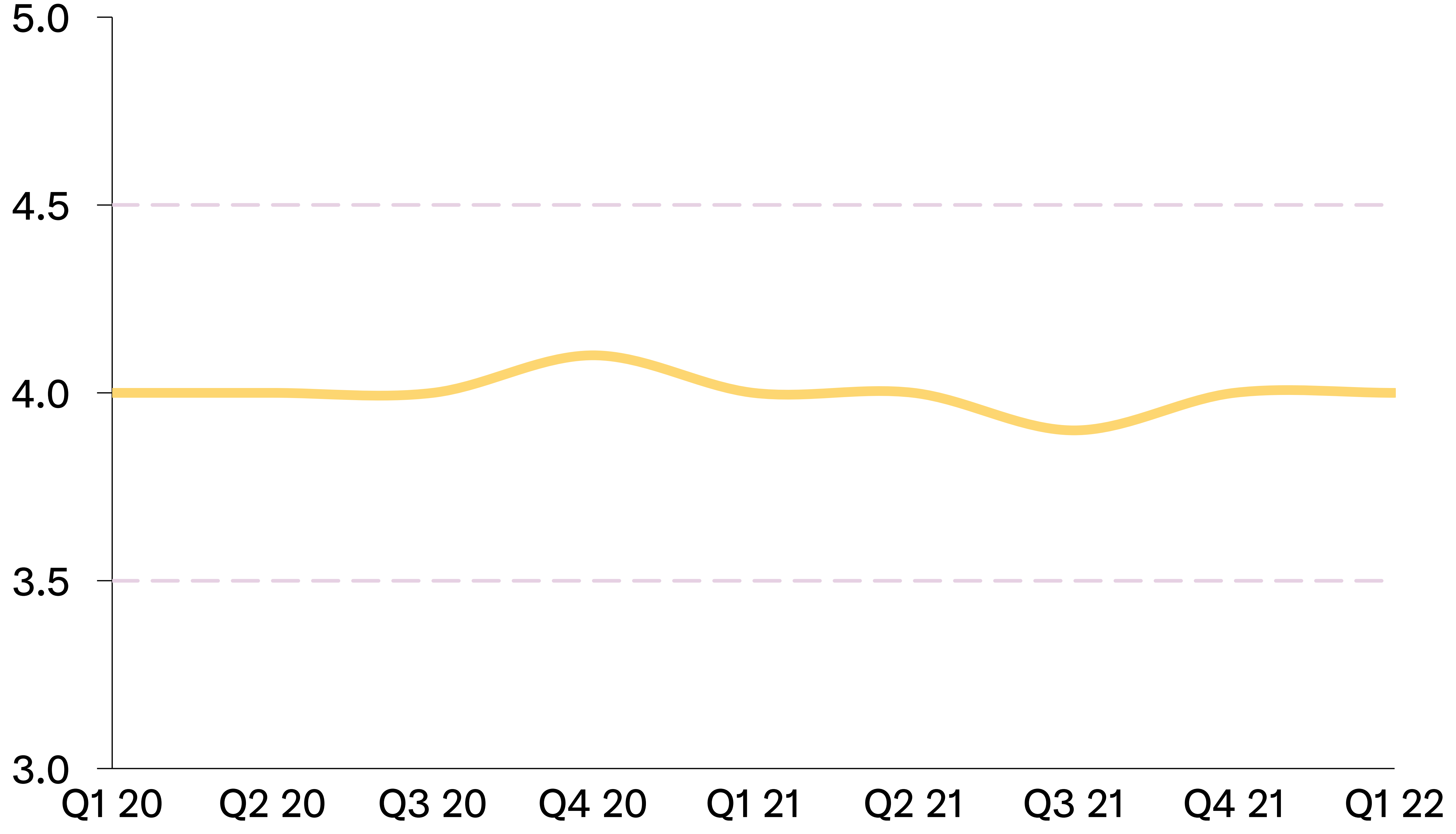
100% swapped into fixed (EUR) rates

[1] In the chart above, Telenet's USD-denominated debt has been converted into EUR using the March 31, 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 unchanged at 4.0x, representing the mid-point of our target range

- The board of directors remains highly committed to deliver on the Company's shareholder remuneration policy, as detailed during the December 2018 Capital Markets Day and as tightened in October 2020.
- In the absence of any material acquisitions and/or significant changes in our business or regulatory environment, we intended to maintain Net Total Debt to Consolidated Annualized Adjusted EBITDA ("net total leverage") around the 4.0x mid-point through an attractive and sustainable level of shareholder disbursements.
- This includes a fixed dividend per share floor of €2.75 (gross). The remainder of our Adjusted Free Cash Flow may still be considered for accretive acquisitions, extraordinary dividends, incremental share buy-backs, deleveraging or a combination thereof.

Net total leverage ratio[1]



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

Reconfirming FY 2022 outlook: expected acceleration of both revenue and Adjusted EBITDA trends in H2 22

	FY 2022 (As presented on Feb. 10, 2022)
Revenue growth	Around +1%
Adjusted EBITDA growth[a]	Around +1%
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

(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.

A gross dividend of €1.375 per share approved by the April 2022 AGM, to be paid on May 4, 2022

- Yesterday, the Annual Shareholders' Meeting approved the proposed payment of a gross final dividend of €1.375 per share (€149.0 million in total).
- The dividend will be paid next week on May 4, 2022, with the Telenet shares trading ex-dividend on Euronext Brussels as of May 2, 2022.
- In addition, the Extraordinary General Shareholders' Meeting approved the cancellation of 1,100,000 treasury shares, which the Company repurchased under the Share Repurchase Program 2021. Consequently, the total number of outstanding shares will be lowered by an equivalent number of shares from 113,841,819 to 112,741,819.

Timeline dividend payment

April 27:	May 2:	May 3:	May 4:	May 14 (T+10):
AGM	Ex-dividend date	Record date	Payment date (T)	End of withholding tax reclaim

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 Q1 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.

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 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.

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.

Definitions

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 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 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.

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 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

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.

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

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.

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.

Definitions

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.

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.

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.

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.

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

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 EUR using the March 31, 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.

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